

**Government of Newfoundland and Labrador's
Submission to the Public Review of Allocation Decisions
That Have Taken Place since 2007 in the Gulf Atlantic
Halibut Fishery**



Submitted to: Fisheries and Oceans Canada

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1.0 Introduction

In 2004, Fisheries and Oceans Canada (DFO) released *A Policy Framework for the Management of Fisheries on Canada's Atlantic Coast* to provide a comprehensive blueprint for guiding fisheries management in Atlantic Canada. The policy framework presented four inter-related objectives and corresponding strategies, one of which was "a stable and transparent access and allocation approach." The intent of the approach was to create more stable and predictable allocations of fisheries resources, by stabilizing sharing arrangements established for commercial fisheries and ensuring that decisions were made, and conflicts resolved, through a more fair, transparent, and rules-based process (Appendix A). Following the release of the policy framework, in 2006 Minister Hearn announced his intention to stabilize existing sharing arrangements for the vast majority of Atlantic fisheries (Appendix B). A year later, the minister announced his intention to bring permanence and stability to sharing arrangements by 2010 and to implement stabilized shares for competitive fisheries where no arrangements existed (appendix C). The Government of Newfoundland and Labrador supports the concept of stabilized shares since it can enhance stability and predictability for the fleets operating in those fisheries and allows resource users to take more responsibility for the management of their fishery.

Minister Hearn confirmed his intention to implement geographical fleet shares for the Atlantic halibut fishery in the Gulf of St. Lawrence (NAFO Division 4RST) in advance of the 2007 fishing season (Appendix C). When the process was initiated in 2007, the Government of Newfoundland and Labrador acknowledged the merit of moving towards sharing arrangements in some fisheries, but raised several concerns with the process to establish shares for the inshore fixed-gear Atlantic halibut fishery.

Despite these concerns, the Province accepted the geographical shares established for the 4RST Atlantic halibut fixed-gear fleets in 2007. Subsequent allocation decisions, however, have completely disregarded the established sharing arrangement and negatively impacted the Newfoundland and Labrador fleet. Since 2009, the Newfoundland and Labrador fleet's share of the Atlantic halibut quota has eroded from 32 percent to approximately 26 percent.

The purpose of this position paper is to provide a background of the Atlantic halibut fishery and its importance to the Newfoundland and Labrador fleet, provide an overview of decisions made in relation to the sharing arrangement process for this fishery, and to highlight the Government of Newfoundland and Labrador's position regarding these decisions and its recommendation going forward.

2.0 Background

2.1 Atlantic halibut fishery in the Gulf of St. Lawrence

Atlantic halibut in the Gulf of St. Lawrence is distributed throughout the Esquiman Channel, the Laurentian Channel, north of Anticosti Island, and around the Magdalen Shallows and the Magdalen Islands. Landings of Atlantic halibut in the Gulf of St. Lawrence averaged around 1,500 tonnes (t) during the first half of the 20th century. Landings declined substantially to around 650t in the early 1960s and hit a record low in 1982 at 91t. During the 1980s and early 1990s, total landings seldom exceeded 300t. Since the early 2000s, the biomass of Atlantic halibut in the Gulf of St. Lawrence has improved and continues to increase. Landings in 2015 totaled 863t, its highest level in approximately 60 years.

In 1987, the stock was defined as a management unit and in 1988 DFO established the first Total Allowable Catch (TAC) at a level of 300t, with 70 percent allocated to the fixed-gear inshore sector (which is now considered a stabilized allocation). This TAC was maintained until 1999, after which it was increased to 350t from 1999-2006 (an additional 100t was granted in 1999 only with the application of the new management year). Increases in the TAC have been taken over the past decade, from 475t in 2007 to 864t in 2014. In 2015, the TAC was increased to 1036.8t and was announced as a two-year decision for 2015 and 2016. The annual harvesting season runs from May 15 to May 14 of the following year with fisheries closing once allocations are reached.

Historically, fixed gear landings of Atlantic halibut in the Gulf of St. Lawrence came primarily from inshore fleets from the west coast of Newfoundland and Labrador and Quebec's Gaspé Peninsula. Participation and landings from inshore fixed-gear fleets from other parts of Quebec and the Maritime provinces of Nova Scotia, New Brunswick, and Prince Edward Island has been far lower. From the mid 1980s to 2004, annual landings by the Newfoundland and Labrador inshore fixed-gear fleet averaged 66t, and increased in 2005 and 2006 to 151t and 136t, respectively.

Since the collapse of several groundfish stocks in the Gulf of St. Lawrence in the late 1980s, harvesters on the west coast of Newfoundland and Labrador have experienced severe financial difficulties and have never had adequate resource access to provide financial viability. They continue to face a variety of hardships due to issues such as overcapacity, resource fluctuations, low and unstable incomes, and seasonality. The *Report of the Independent Chair: MOU Steering Committee*, which was released by the Government of Newfoundland and Labrador in 2011 and provided a comprehensive financial analysis of the province's fishing industry, concluded that the inshore fishery on the northeast and west coasts of Newfoundland and the southern coast of Labrador are the least viable and require the highest levels of rationalization. Fishing enterprises in these regions would have to harvest as much as four times their current levels in order to meet the viability targets.

The Gulf Atlantic halibut fishery, therefore, has long been of vital economic importance to inshore groundfish harvesters from the west coast of Newfoundland and along the Labrador Straits. While the overall volume of annual landings is relatively low, it is an extremely valuable fishery. In 2015, 470 fixed-gear enterprises from Newfoundland and Labrador participated in the Gulf Atlantic halibut fishery and landings were worth over \$3 million.

2.2 The sharing arrangement process for Atlantic halibut in the Gulf of St. Lawrence

Prior to 2007, Gulf Atlantic halibut was fished competitively within the fixed-gear sector between fleets from Quebec and the four Atlantic Provinces. As more restrictive management measures were implemented in an effort to limit overexploitation of groundfish stocks in the Gulf of St. Lawrence, competition for Atlantic halibut led to an increased concern over access to the resource. Fleets from other provinces, particularly Quebec, pushed for a sharing arrangement between the fleets. They were particularly concerned as the Newfoundland and Labrador fleet had been increasing its catch in recent years.

On January 19, 2007, DFO announced its intention to establish stabilized sharing arrangements for the inshore fixed-gear sector for Gulf Atlantic halibut. Consistent with previous sharing exercises for groundfish where multiple provinces were adjacent to the resource, DFO announced that historical landings would be a major factor in establishing these shares. A letter of notification, along with an information paper outlining the context, objectives, and process to be used for the exercise, was circulated to government and industry representatives from Quebec and the four Atlantic provinces. The information paper included information on historical landings of Gulf Atlantic halibut by fleets from the different geographical areas. DFO proposed calculating geographical fleet shares based on catches during either the pre-moratoria period of 1986 to 1991, the post-moratoria period of 1992-2004, or the entire period of 1986 to 2004. Provincial positions on the sharing process, including the proposed time-frames for calculating the geographical fleet shares, were requested by February 28, 2007.

At the time, the Government of Newfoundland and Labrador acknowledged the merit in moving towards sharing arrangements for some fisheries, but had several concerns with the process for Gulf Atlantic halibut, which were expressed in a letter to DFO on February 21, 2007 (Appendix D). The province noted that DFO did not provide criteria or rationale for how the geographical shares were defined. While Quebec was given three designated areas and Nova Scotia was given two, Newfoundland and Labrador, Prince Edward Island, and New Brunswick were each designated one area. In addition, catches of Atlantic halibut over three different time periods were proposed without any established sharing principles to guide the process. The Government of Newfoundland and Labrador felt that further discussion on this aspect was required, since a lack of established allocation principles provided stakeholders a greater opportunity to identify the time-frame that best suited their needs in relation to the Atlantic halibut fishery.

DFO held a consultation meeting in Moncton, New Brunswick, on March 30, 2007, to discuss the concerns raised by provincial and industry representatives. Although several participants stated that more time was required to adequately participate in the process, stakeholders were asked to finalize their positions by April 10, 2007. Following the consultation meeting, the Government of Newfoundland and Labrador reiterated its concerns in a letter to Minister Hearn in April 2007, stating that it was not prepared to take a final position on sharing arrangements without adequate opportunity to conduct a full analysis of the sharing options and to consult with relevant fleets. Rather than rush the process, the Province offered to work with DFO and industry to finalize the sharing arrangements prior to the 2008 fishing season (Appendix E). Instead, the Federal Government moved forward with the process and, prior to the 2007 fishing season, established a stabilized sharing arrangement for the Gulf Atlantic halibut inshore fixed-gear fleets based on catches from 1986-2004. The Newfoundland and Labrador inshore fixed-gear fleet received a share of 32 percent (see table below):

<i>Geographical fleet shares for the 4RST Atlantic halibut inshore fixed-gear fleet</i>	
Region/Fleet	Allocation Percent
Eastern New Brunswick	5.17
Gulf of Nova Scotia	2.01
Prince Edward Island	1.46
Western Newfoundland	32.03
Quebec North Shore	8.24
Gaspé	44.03
Magdalen Islands	5.44
Scotia Fundy	1.63

Table 1: Geographical fleet shares for the 4RST inshore fixed-gear Atlantic halibut fishery.

2.3 Minister of Fisheries and Ocean's decisions on sharing of Gulf Atlantic halibut from 2007 to 2012

In 2007, the TAC for Gulf of St. Lawrence Atlantic halibut was increased from 350t to 475t and maintained for the 2008 fishing season. During both years, DFO allocated the TAC to the eight inshore fixed-gear fleets according to the established sharing arrangement.

In 2008, DFO announced a temporary transfer of part of the mobile-gear allocation for Atlantic halibut. Since the mobile-gear groundfish fishery is closed in the Gulf, DFO transferred 85 percent (108t) of the mobile-gear Atlantic halibut allocation to the inshore fixed-gear fleet and allocated the remaining 15 percent (20t) to cover by-catch of halibut in other fisheries by the mobile fleet. The Newfoundland and Labrador inshore fixed-gear fleet was allocated 32 percent of the transfer in keeping with the established sharing arrangement. This decision was supported by the Government of Newfoundland and Labrador, since the mobile gear fishery was closed and the transfer respected the established sharing arrangement for the stock.

In 2009, DFO again transferred 85 percent of the halibut allocation from the mobile-gear fleet to the fixed-gear fleet. Unlike the previous year, however, the allocation was split equally amongst the eight fixed-gear fleets, reducing the Newfoundland and Labrador share of the increase from 32 percent to 12.5 percent. In contrast, fleets from Prince Edward Island, Nova Scotia, New Brunswick, and Quebec's Magdalen Islands and North Shore received increases above their percentage share. The Government of Newfoundland and Labrador did not support the equal allocation of the transferred portion of the mobile gear quota since it did not respect the stabilized sharing arrangement or fleets' historical participation in this fishery. These concerns were raised in a letter to Minister Shea on June 19, 2009 (Appendix F). In 2010, DFO again transferred 85 percent of the Atlantic halibut quota from the mobile-gear fleet to the fixed-gear fleet and split the allocation equally amongst the eight fixed-gear fleets. As in the previous year, Newfoundland and Labrador's share of the increase was reduced from 32 percent to 12.5 percent. DFO also introduced a quota reconciliation policy to take effect in 2011, in which any overharvest of a fleet's quota in one year is deducted from the next season's quota.

During a Gulf Groundfish Advisory Committee meeting from March 30-31, 2011, fixed-gear industry representatives from Nova Scotia, Prince Edward Island and New Brunswick requested that DFO adjust their shares for Gulf Atlantic halibut, since they felt their current shares were too low. This request was supported by the provincial governments of Nova Scotia and New Brunswick. Despite not being fully satisfied with the sharing arrangement process in 2007, the Government of Newfoundland and Labrador did not support a reopening of the sharing arrangement, since the very intention of the process in 2007 was to bring stability, transparency, and predictability to the Atlantic halibut fishery. The Government of Newfoundland and Labrador also noted that allocation transfers from the mobile-gear sector to the inshore fixed-gear sector in 2009 and 2010 were not allocated based on the established sharing arrangements, and therefore had strong concerns that a re-opened sharing arrangement process would not honor the principle of historical dependency. These concerns were also expressed at the meeting by Newfoundland and Labrador's industry representatives.

Following the Gulf Groundfish Advisory Committee meeting, on May 13, 2011, DFO announced an increase in the 2011 and 2012 TAC for Gulf Atlantic halibut from 600t to 680t. Despite the established sharing arrangement for this stock, the entire 80t increase was split equally amongst the eight fixed-gear fleets in the Gulf. The Newfoundland and Labrador fleet received 12.5 percent of the increase (10t) rather than 32 percent (26t). Fleets from New Brunswick, Prince Edward Island, and Nova Scotia received increases in their share of the overall quota increase. As in 2009 and 2010, DFO also split the mobile-gear quota transfer equally amongst the eight fixed-gear fleets. DFO announced that the 80t increase would be shared equally amongst the eight fixed-gear fleets for 2011 only and that the department would undertake a review of the shares prior to the 2012 season. These decisions were made by Minister Shea just prior to leaving the DFO portfolio.

The Government of Newfoundland and Labrador sent a letter to the newly appointed Minister Ashfield on May 26, 2011, requesting that DFO reverse the decision to equally split the increase in Atlantic halibut quota, since it did not reflect the shares established in 2007, Newfoundland and Labrador's historical participation in the Atlantic halibut fishery, or the principles of historical dependency, transparency, and stability of access that the federal government had committed to apply (Appendix G). Minister Jackman reiterated the Province's request in a meeting with Minister Ashfield on June 9, 2011. The Fish, Food, and Allied Workers also called on Minister Ashfield to reverse the decision and respect the established sharing arrangements (Appendix H).

Following Minister Jackman's meeting with Minister Ashfield, on June 10, 2011, DFO announced an additional increase of 40t in the 2011 and 2012 TAC for Atlantic halibut; from 680t to 720t. This increase was allocated based on geographical fleet shares; therefore, the Newfoundland and Labrador fleet received 32 percent of the increase (12.8t). Minister Ashfield also committed to having the sharing arrangement for the fixed-gear fishery reviewed.

In May 2012, DFO announced that Atlantic halibut quota would remain at 720t in 2012 and distribution would be based on the final percentage shares that the fixed-gear fleets received in 2011, excluding the mobile gear transfer. This transfer would be allocated based on the final percentage shares instead of equally split between the eight fleets which was done in 2011. The Newfoundland and Labrador fleet's overall share was reduced from 32 percent to 29 percent.

2.4 External review of the sharing process for Gulf Atlantic halibut

On December 19, 2011, Minister Ashfield announced the external review of the Gulf Atlantic halibut fishery (Appendix I), which was conducted by Ernst & Young in spring 2012. Ernst & Young reviewed the methodology, process used, and considerations employed in the definition of geographical fleet shares for the inshore Gulf Atlantic halibut fishery, and determined if they were consistent with approaches used to define shares in other fisheries. The review also assessed if other factors or approaches should have been considered in the establishment of fleet shares for this fishery.

The Government of Newfoundland and Labrador submitted written input into the external review process and also presented its position at an open forum discussion in Corner Brook. In its submission, the Province noted there is no rationale for re-opening the sharing arrangement for the Gulf Atlantic halibut fishery, and that DFO should respect the arrangement established in 2007.

Following DFO's announcement, Ernst & Young released its report on June 29, 2012. Amongst its key conclusions was that:

"The methodology to utilize only historical landings is consistent with the methodology identified by the Federal-Provincial Atlantic Fisheries Committee as described in the Historic Resource Access/Provincial Share Groundfish Summary Report which developed various scenarios based on historical landings."

"Based on the examination of the five groundfish stocks and the four shellfish stocks, it appears that the decision-making process used (i.e. consultations with stakeholders) for establishing sharing arrangements for 4RST Atlantic halibut was not inconsistent with the process used in establishing sharing arrangements for other fisheries."

"Of the five groundfish stocks examined as part of the review, all five stocks utilized historical landings as the primary or sole basis for establishing the sharing formula while the four other shellfish stocks used a combination of other factors. As a result, it appears that the use of historical landings as the sole consideration used in determining sharing arrangements is not inconsistent with the other groundfish stocks examined."

The Government of Newfoundland and Labrador wrote to Minister Ashfield on July 30, 2012, noting that given the review's findings, it was anticipated that future allocation decisions for the fishery would respect the 2007 sharing arrangement (Appendix J). Minister Ashfield responded in his letter of August 30, 2012, that the management measures and allocations for the 2012 season were established for one year, and that DFO would review the report and stakeholder feedback prior to making decisions for the 2013 season (Appendix K).

2.5 Minister of Fisheries and Ocean's decisions on sharing of Gulf Atlantic halibut since the Ernst & Young review

In May 2013, DFO announced that the TAC for Gulf Atlantic halibut would increase to 864t for the 2013 and 2014 seasons. DFO also announced that the sharing arrangement that was in effect in 2012 was now stabilized, resulting in a reduced share of 29 percent for the Newfoundland and Labrador fixed-gear fleet. These new shares would be used for both the direct allocation to the inshore-fixed gear fleets and the transfer of the mobile-gear quota. The

Government of Newfoundland and Labrador wrote a letter to DFO on May 16, 2013, to express its dissatisfaction with the decision as it did not fully reflect the Newfoundland and Labrador fleet's historical participation in the fishery and ignored the findings of the external review (Appendix L).

Minister Shea returned to the DFO portfolio on July 15, 2013. In May 2015, DFO announced that the TAC for Gulf Atlantic halibut would increase by 172.8t to 1036.8t for 2015 and 2016. The increase was provided exclusively to the inshore fixed-gear fleets. Instead of being allocated according to the shares, it was split equally amongst the fixed-gear fleets. The Newfoundland and Labrador fleet's overall share was further reduced to 26 percent; the fleet received 21.6t of the increase instead of 55.3t that it would have received under the 2007 sharing arrangement. The Government of Newfoundland and Labrador strongly opposed this decision both in a letter to Minister Shea on May 21, 2015, and through a media release (Appendix M). The Province urged Minister Shea to reverse the allocation decision that did not adhere to any established sharing formula. The FFAW also strongly protested DFO's decision to depart from the sharing arrangement for Atlantic halibut (Appendix N). On May 27, 2015, The Newfoundland and Labrador House of Assembly unanimously passed a private member's motion condemning and seeking immediate reversal of the Federal Government's decision to divide the 172.8t quota increase equally amongst the fixed-gear fleets (Appendix M).

During the federal election campaign, the Liberal Party committed to reviewing the sharing arrangement for Atlantic halibut in a letter to the Government of Newfoundland and Labrador on October 15, 2015. Following this commitment, on March 18, 2016, DFO announced a public review of allocation decisions that have taken place since 2007 in the Gulf of St. Lawrence Atlantic halibut fishery.

3.0 The impact of DFO's allocation decisions on the Newfoundland and Labrador inshore fixed-gear fleet

The Newfoundland and Labrador fixed-gear fleet has had virtually no stability in its share of the inshore Atlantic halibut fishery in the Gulf of St. Lawrence, which has eroded from 32 percent in 2007 to just 26 percent in 2015 (Table 2). The shares of fleets with virtually no historical participation in the fishery have increased. While the fleet from the Gaspé in Quebec has also seen a reduction in its share, the two other Quebec-based fleets, as well as the fleets from New Brunswick, Nova Scotia and Prince Edward Island, have all seen a percentage increase at the expense of Newfoundland and Labrador.

Fleet shares for the 4RST Atlantic halibut inshore fixed-gear fishery								
Region/Fleet	Allocation Percentage							
	2008	2009	2010	2011	2012	2013	2014	2015
Eastern New Brunswick	5.17	7.0	6.97	5.92	6.26	6.26	6.26	7.37
Gulf of Nova Scotia	2.01	4.74	4.59	3.37	3.57	3.57	3.57	5.15
Prince Edward Island	1.46	4.29	4.18	2.93	3.10	3.10	3.10	4.77
Western Newfoundland	32.03	27.09	27.22	30.54	29.13	29.13	29.13	26.17
Quebec North Shore	8.24	9.26	9.29	7.86	8.87	8.87	8.87	9.52
Gaspé	44.03	36.12	36.26	40.19	39.34	39.34	39.34	34.57
Magdalen Islands	5.44	7.22	7.19	6.13	6.49	6.49	6.49	7.58
Scotia Fundy	1.63	4.29	4.30	3.07	3.24	3.24	3.24	4.89

Table 2: Annual fleet shares since 2008 for the inshore fixed-gear Atlantic halibut fishery in the Gulf of St. Lawrence (includes the allocations from the mobile-gear transfer).

DFO's decisions to ignore the 2007 shares have not only brought instability and unpredictability to the Gulf of St. Lawrence fixed-gear fishery, but have also resulted in significant economic loss to inshore harvesters on the west coast of Newfoundland and along the Labrador Straits. Harvesters in this area of the province already face severe financial difficulties and are heavily dependent on Atlantic halibut. Since 2009, the fleet has lost a combined total of almost \$1.9 million in landed value as a result of DFO's decisions to disregard the fleets' geographical share of 32 percent.

Year	TAC	NL allocation with a 32% share*	NL's actual allocation*	Lost volume	Average value per lb.	Economic loss
2009	475t	141.8t	120.0t	21.8t	\$2.760	\$132,648
2010	600t	177.5t	151.1t	26.4t	\$2.880	\$167,622
2011	720t	215.8t	173.9t	41.9t	\$4.250	\$392,588
2012	720t	213.3t	194.1t	19.2t	\$3.729	\$157,844
2013	864t	255.9t	232.9t	23.0t	\$3.913	\$198,414
2014	864t	255.9t	232.9t	23.0t	\$4.113	\$208,555
2015	1037t	311.1t	254.5t	56.6t	\$4.911	\$612,802
Total						\$1,870,473

Table 3: Erosion of the Newfoundland and Labrador's (NL) share of the inshore –fixed-gear Atlantic halibut fishery in the Gulf of St. Lawrence and economic loss. *Includes mobile-gear transfer and prior to any quota reconciliation.

4.0 The Government of Newfoundland and Labrador's position regarding DFO's allocation decisions on Gulf Atlantic halibut

In 2007, Minister Hearn had explicitly stated his intention to bring permanence and stability to sharing arrangements in Atlantic Canada. Despite the Government of Newfoundland and Labrador's concerns with the process to establish shares for the Gulf Atlantic halibut fishery, it accepted an allocation of 32 percent for the province's inshore fixed-gear fleet in 2007. However, DFO's decisions to split the mobile gear allocation equally amongst the eight inshore fixed-gear fleets from 2009 to 2011, and to equally split the 2011 TAC increase of 80t, completely deviated from the established sharing arrangement and contradicted DFO's intention to bring permanence and stability to resource sharing. Although DFO later allocated a 40t increase in the 2011 halibut TAC to the inshore fixed-gear sector based on the 2007 shares, this decision did not compensate for DFO's previous disregard for the established sharing arrangement and the impact on the Newfoundland and Labrador fleet.

The Government of Newfoundland and Labrador was encouraged that DFO initiated an external review in 2011 to address this issue. The Province was satisfied with the review's findings that the process to establish shares for Gulf halibut in 2007 was consistent with the process used to establish shares for other fisheries. The review specifically noted that the use of historical landings as the sole criterion is consistent with the methodology identified by the Federal-Provincial Atlantic Fisheries Committee, and with the methodologies used to establish shares for other groundfish fisheries. The review's conclusions clearly did not substantiate a re-opening of the sharing arrangement for the fixed-gear Gulf Atlantic halibut fishery, or any decision by DFO, going forward, to deviate from the shares. Furthermore, exceptional circumstances did not (nor currently) exist in the case of 4RST Atlantic halibut that would warrant a re-opening of the shares.

The Government of Newfoundland and Labrador therefore expected that further allocation decisions for Gulf Atlantic halibut would respect the 2007 sharing arrangement and fleets' historical participation in the fishery. This expectation was reaffirmed by DFO's release of its discussion paper in July 2012, titled *"The Future of Canada's Commercial Fisheries,"* which shortly followed the publication of Ernst & Young's review. The discussion paper reconfirmed the department's desire for allocation stability, stating:

"While many fisheries - particularly in Atlantic Canada – are stable, Fisheries and Oceans Canada aims to stabilize sharing arrangements in all key fisheries the department manages. Doing so will help fishers make long-term plans with confidence and will give them the tools to make their own decisions on how to manage their fishing enterprises. If resource users want to change established arrangements they will do so cooperatively, negotiating among themselves rather than requiring Fisheries and Oceans Canada to intervene. Only in exceptional cases, such as in response to legal obligations stemming from comprehensive land claims agreements, would the department become involved in adjusting already established sharing arrangements."

In 2013, however, DFO announced that the sharing arrangement that was in effect for the 2012 Gulf Atlantic halibut fishery was now stabilized. The 2012 shares did not respect the 2007 arrangement, as it resulted in a reduced share for the Newfoundland and Labrador fixed-gear fleet from 32 percent to 29 percent. While this arrangement did not fully reflect fleets' historical participation in the fishery, DFO's announcement that these shares were stabilized indicated

that future allocations for Gulf Atlantic halibut would be distributed to the inshore fixed-gear fleets in this manner.

The Government of Newfoundland and Labrador was therefore shocked with DFO's decision in 2015 to split the TAC increase of 172.8t for Atlantic halibut equally amongst the inshore fixed-gear fleets in the Gulf. While there had been no basis or rationale given for DFO's decision in 2013 to stabilize the Newfoundland and Labrador fleet's share at 29 percent, there were certainly no grounds to completely disregard the concept of stabilized sharing by equally splitting the TAC increase in 2015. The decision in no way reflected fleets' historical participation in the Atlantic halibut fishery and simply ignored DFO's policies and principles for resource allocation. No rationale existed to justify splitting the TAC increase equally amongst the fleets, particularly given the outcomes of the external review that confirmed the 2007 sharing arrangement as appropriate.

DFO's repeated decisions to not honour the 2007 sharing arrangement for the Gulf Atlantic halibut fixed-gear fishery contradict the stabilization and transparency process that the department has implemented and promoted. The decisions to deviate from this arrangement clearly do not promote the principle of historic dependency or DFO's objectives in relation to resource stability and predictability and have cost harvesters in Newfoundland and Labrador almost \$1.9 million. Ignoring the established sharing arrangement for Gulf Atlantic halibut, fleets' historical participation in the fishery, and principles and objectives for resource allocation calls into question all of the sharing arrangements that have been established for commercial fisheries across Atlantic Canada.

5.0 Recommendation

All quotas to the inshore-fixed-gear sector for Gulf of St. Lawrence Atlantic halibut should respect the 2007 sharing arrangement, including the Newfoundland and Labrador fleet share of 32 percent. In addition, DFO should immediately adjust the current management plan by distributing the 2016 inshore fixed-gear quota in accordance with the 2007 shares. Otherwise, there is clearly no value in DFO establishing stabilized sharing arrangements for fisheries in Atlantic Canada or to continue promoting its desire for stable, predictable, and transparent decisions in relation to access and allocation.

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Appendix A



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A Policy Framework for the Management of Fisheries on Canada's Atlantic Coast

March, 2004

A Policy Framework for the Management of Fisheries on Canada's Atlantic Coast is the first comprehensive blueprint to guide fisheries management. It is the culmination of fisheries renewal efforts started under the first phase of the Atlantic Fisheries Policy Review (AFPR). The AFPR is a collaborative process with a broad citizen-engagement approach, through which advice and feedback are continuously sought from fish harvesters, processors and industry representatives; the governments of the Atlantic provinces, Quebec and Nunavut; Aboriginal groups; community representatives; environmental groups; academics and other interested individuals. The AFPR is being completed in two phases: Phase I delivers a long-term policy framework, and Phase II establishes priorities and implements elements from the policy framework. The creation of sanctions for violating the *Fisheries Act* is also being explored.

What is the policy framework?

This policy framework offers a shared vision and a clear direction for how the Atlantic fisheries can be managed. Over time, as the role of resource users in the management of the fishery increases, the role of Fisheries and Oceans Canada (DFO) will evolve from one taken up with day-to-day management of fleets and fishing activities to one concerned primarily with developing policy, setting direction and evaluating performance. The framework presents four interrelated objectives and corresponding strategies:

Conservation and Sustainable Use:

Conservation of marine resources and habitat, and rebuilding of resources and restoration of habitat where necessary, will remain the highest priority for the management of all fisheries. Within the limits of available knowledge, all fishing activities will be conducted in a manner that leads to sustainable resource use.

Implementation will result in a comprehensive risk-management framework that incorporates precautionary decision making, ecosystem-based management, fishing activities conducted within an enforceable regulatory framework and a conservation ethic and responsible harvesting operations.

Self-reliance:

Self-reliant fisheries and continued collaboration with the provinces and Nunavut, communities, Aboriginal groups, industry and others will contribute to the well-being of coastal communities. To be more self-reliant, resource users will ultimately have the flexibility to make decisions about their own economic and social objectives.

The framework clarifies the role of DFO in supporting viable coastal communities and provides resource users with a greater role in shaping social and economic objectives. It promotes innovation, diversification and the preservation of an independent inshore fleet and calls for self-adjustment mechanisms in all commercial fisheries.

A Stable and Transparent Access and Allocation Approach:

The access and allocation of fisheries resources will be more stable and predictable, and decisions will be made and conflicts resolved through a more fair, transparent and rules-based processes.

Implementation of the framework will set a stable and transparent access and allocation approach including clarifying the process and criteria for determining "best use", establishing decision-making guidelines for commercial access and allocation and stabilizing sharing arrangements in established commercial fisheries.

Shared Stewardship:

Participants will be effectively involved in fisheries management decision-making processes at appropriate levels; they will contribute specialized knowledge and experience, and share in accountability for outcomes.

The framework will lead to a more inclusive approach to policy planning, enable resource users to assume more of a role in operational decisions, facilitate Aboriginal participation in policy planning and decision making and support building capacity for resource users to take on new responsibilities.

The policy framework was not created in isolation. It is part of a larger Departmental mandate to lead in the sustainable development of all of Canada's oceans resources. Modern fisheries management practices on all coasts are an integral component of Canada's Oceans Action Plan.

How Will the Policy Framework be Implemented?

As part of the AFPR process, DFO has already moved to implement some of the key strategies of the policy framework, including a commitment to an independent and viable inshore fleet and the creation of multi-year fisheries management plans focused on conservation and risk management.

Administrative sanctions for violations of the *Fisheries Act* could be explored. Stabilizing sharing arrangements in established commercial fisheries and establishing more transparent and rules-based decision-making processes are additional priorities under the framework.

Implementation of the framework requires an acceptable pace of change and continued cooperation with provinces, communities, Aboriginal groups, industry and others.

B-HQ-04-27(b)E

Date Modified: 2004-03-25

Appendix B



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Hearn Stabilizes Sharing Arrangements

March 23, 2006

St. John's – Recognizing that stability is necessary to facilitate lasting change, the Honourable Loyola Hearn, Minister of Fisheries and Oceans, today announced he would maintain current sharing arrangements in the vast majority of Atlantic fisheries.

"The new government is committed to working together with all participants in the fisheries industry to address common challenges," stated Minister Hearn. "The current approach, which has created instability, uncertainty and divisions, must, and will, be revamped."

During his first six weeks as Minister, Hearn has had the opportunity to meet with the Quebec Minister of Agriculture, Fisheries and Food and all of his Atlantic provincial counterparts, and has listened to what they have had to say.

"I think it's safe to say that everyone agrees with two statements," Hearn explained. "One: no one is happy with the current system. And two: it's time to work together towards change."

In addition to the 93 existing stable sharing arrangements in the Atlantic, the Minister announced two more stabilization plans:

- Shrimp fishing area (SFA) 7 off the south coast of Newfoundland and Labrador; and
- Greenland halibut (turbot) in zone OA off the east coast of Nunavut.

Minister Hearn committed to working with Nunavut to see that full value for Nunavut and Canadian interests is achieved in the Area 0 Turbot fishery.

Additionally, the Minister announced the following actions to further reduce conflict and increase stability within the industry:

- The Minister accepted the report prepared by the Georges Bank Haddock Task Group, including its recommendations;
- The Minister appointed Allister Surette to undertake an independent review of the MacLeod's Ledge issue, and report back with recommendations in advance of this year's lobster season; and
- A completed report concerning the sea scallop fishery was forwarded to stakeholders with the intent of resolving this dispute prior to the start of the fishing season.

"While stability is an important first step, we can't lose sight of the need for change," concluded Minister Hearn. "I look forward to working closely with all interested parties in the months ahead to put an end to this culture of conflict."

"There are so many real challenges facing Canada's fishing industry that we need to cooperate and work together for the benefit of everyone involved."

Additional information on these initiatives can be found on the DFO website www.dfo-mpo.gc.ca.

Backgrounders:

- [St. Pierre Bank \(3ps\) Sea Scallop Fishery Allocations](#)
- [Report on Georges Bank Haddock](#)
- [OA and 1AB Greenland Halibut \(Turbot\)](#)
- [Independent Review of Fishing Access on Macleod's Ledge](#)
- [Northern Shrimp \(SFA7\)](#)

-30-

FOR MORE INFORMATION:

Sophie Galarneau
Manager, Media Relations
Fisheries and Oceans Canada
Ottawa
(613) 990-7537

Steve Outhouse
Director of Communications
Office of the Minister
Fisheries and Oceans Canada
Ottawa
(613) 992-3474

NR-HQ-06-06E

Date Modified: 2007-11-14

Appendix C

Fisheries and Oceans
CanadaPêches et Océans
Canada

Canada

[Home](#) > [Media Room](#) > [Archives](#) > [News Releases 2007](#)

Canada's New Government Announces A New Approach to Canadian Fisheries

April 12, 2007

St. John's – The Minister of Fisheries and Oceans, the Honourable Loyola Hearn, today announced a series of measures and investments to address current challenges facing Canadian fisheries. These steps are intended to improve the economic viability of the fishing industry in Canada.

"I have spent much of the last year talking with fishers and listening to their concerns about the challenges facing their industry," said Minister Hearn. "What I am announcing today is an initial set of initiatives designed to respond to these concerns from across the country."

Measures and Investments

The Minister announced a series of measures that will benefit the fishery across the country. They include:

- An investment in Fisheries Science of \$61M over three years to broaden ecosystem-based science to more fish stocks and incorporate the data and knowledge in fisheries management decisions.
- In its first budget, Canada's New Government introduced a \$500,000 capital gains exemption for fishers, farmers and other small business owners. Budget 2007 expanded this amount to \$750,000.
- A reversal of the previous government's decision to collect administrative costs for log books, gear tags and the at-sea-observer program.
- A Licence Fee Review to examine the relative cost of licence fees in different fisheries across the country and increase fairness. It will examine the whole approach with regard to how the government assesses licence fees.
- A Fishery Sustainability Checklist will be used to evaluate Canada's fisheries and how the management and related programs support sustainability based on the guidelines used by ecolabelling certifiers. This process is intended to place Canadian industry in a better position to demonstrate the sustainability of their fish and seafood products and to help industry maintain and enhance Canada's market share.
- Human Resources and Social Development Canada will provide an additional \$500,000 to the Canadian Council for Professional Fish Harvesters to help the sector develop and implement a skills and training strategy for the Canadian fishery. This funding provides the Council with a platform from which they could contribute to advancing the Ocean to Plate approach within the industry. The Government is currently looking at other Oceans to Plate related funding proposals for this organization.

Measures for the Atlantic and Quebec

The Minister has been working with fishers to explore innovative ways to adapt to changing global market conditions and to encourage rationalization in the fishery. As each region's fishery is different, so too are the approaches for rationalization and restructuring that will be used.

In the Atlantic and Quebec regions, the Minister announced that it is his intention to work with fishers and stakeholders to bring permanence and stability to sharing arrangements by 2010. As well, the Department will undertake a study of the economic viability of the offshore Northern shrimp industry in Atlantic Canada.



Fisheries and Oceans Canada
Pêches et Océans Canada



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INFOCEANS

The Quebec Region Bulletin

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- [The Search and Rescue Season Has Begun](#)
- [Canadian Exports in 2006](#)
- [Canada and Conservation Groups Join Forces](#)

Fisheries and Oceans Canada Announces a New Approach to Canadian Fisheries



On April 12, the Minister of Fisheries and Oceans Canada, Loyola Hearn, announced a series of measures and investments to improve the economic viability of the fishing industry in Canada. "I have spent much of the last year talking with fishermen and listening to their concerns about the challenges facing their industry," said Minister Hearn. "What I am announcing today is an initial set of initiatives designed to respond to these concerns from across the country."

The Minister announced a series of measures that will benefit the fishery across the country. They include:

A Licence Fee Review to examine the relative cost of licence fees in different fisheries across the country.

A reversal of the previous government's decision to collect administrative costs for log books, gear

tags and the at-sea-observer program.

An investment in Fisheries Science of \$61M over three years to broaden ecosystem-based science to more fish stocks.

An increase of the capital gains exemption for fishermen, farmers and other small business owners, which will go from \$500,000 to \$750,000.

In the Atlantic and Quebec regions, the Minister announced that it is his intention to work with fishermen and stakeholders to bring permanence and stability to sharing arrangements by 2010. In particular, he confirmed his firm intention to implement regional shares in Atlantic halibut 4RST and 4T cod for the 2007 season.



Minister Hearn at the Boston Seafood Show



During a stop at the Québec Pavilion of the Boston Seafood Show, Minister Hearn exchanged a few words with AQIP (Association québécoise de l'industrie de la pêche) president Robert Langlois (Pêcheries Rivière-au-Renard) and with Raymond Sheehan (Dégust-Mer, Sainte-Thérèse-de-Gaspé). - Photo : Robert Nicolas, Pêche Impact



New Science Advisory Reports on the Internet

The following science advisory reports are now available on the Canadian Science Advisory Secretariat's Internet site, in the 2007 list: <http://www.dfo-mpo.gc.ca/csas/>

- The Saguenay Fjord Winter Sport Fishery in 2006
- Assessment of Cod Stock in the Northern Gulf of St. Lawrence (3PN, 4RS) in 2006
- Assessment of Witch Flounder in the Gulf of St. Lawrence (NAFO Div. 4RST)
- Assessment of Herring in the Southern Gulf of St. Lawrence (NAFO Div. 4T)

Appendix D



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture

MD-29052

February 21, 2007

Mr. Kevin Stringer
Director, General Resource Management
Department of Fisheries and Oceans
200 Kent Street
Ottawa, ON K1A 0E6

Dear Mr. Stringer:

This is regarding your recent letter and accompanying document on Geographic Fleet Shares for a number of Atlantic groundfish stocks. While there is merit in moving to sharing arrangements in some fisheries, we have significant concerns and questions in relation to the process outlined for these stocks.

The following summarizes our main points of concern:

1) The Designation of Geographic Areas

We have not been provided criteria or rationale for what constitutes a geographic area. I note that Quebec has three designated areas and Nova Scotia two, while Newfoundland and Labrador, PEI and New Brunswick have one. I suggest this provides an enhanced opportunity for Quebec-based fleets, particularly in relation to Gulf stocks, to have input into the decision-making process. As noted on page 7 on your document, "Consultation will allow for changes to the process providing there is an agreement between all affected fleet sectors." Any changes will therefore require the consent of three different Quebec-based fleets. The issue of sharing within the Quebec region should be dealt with at the regional level. Furthermore, Quebec is one DFO region as is Newfoundland and Labrador. Why are they being treated differently in this process?

2) Sharing Principles

There are no established sharing principles identified for this process. You have been provided landings over three different time periods without any established sharing principles to guide the process. Each fleet and province will no doubt identify the time frame which best suits them for each stock with no requirement for consistency. Discussion is required on the application of sharing principles.

3) Priority Setting

We believe consultation should have occurred to identify which stocks are on the list and which are a priority. For example, we do not view 3NO Atlantic halibut as a priority at this time. There is a very small TAC in place and, while there may be an issue with a couple of Scotia-Fundy based vessels, the magnitude of these issues coupled with the current quota level does not create a pressing need to move forward with a sharing arrangement on this particular stock.

The establishment of any type of shares within the fishery is important, often complex and sometimes controversial. We do not believe this process is adequate to deal with an issue of this magnitude. While some of our questions have been addressed at the regional level with regard to the two proposed stocks, there remain several issues which need to be discussed in a more open forum. I reiterate our view that we do not support geographic shares for 3NO Atlantic halibut at this time, and our industry has indicated there are issues in relation to the 4RST Atlantic halibut stock, such as the offshore quota which is fished by the inshore sector, that require further discussions.

Thank you for the opportunity to comment on this matter.

Sincerely yours,



Tom Dooley
Director
Sustainable Fisheries Resources
And Oceans Policy

pc: Alastair O'Rielly
Mike Warren
Dawn Pearcey

Appendix E



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
Office of the Minister

April 10, 2007

DB-30211

Honourable Loyola Hearn
Minister
Department of Fisheries and Oceans
200 Kent Street
Ottawa, Ontario K1A 0E6

Dear Minister Hearn:

We have recently been engaged by officials of your department in an exercise to establish geographic shares of Atlantic halibut in the competitive inshore fixed gear fisheries in areas 4RST and 3NO. I recognize there is a desire to complete the process as soon as possible, however, it is our view that the process was initiated too late for completion prior to the 2007 fishing season.

Our first correspondence on the sharing options was received on January 19, 2007. We identified concerns with the approach outlined, and subsequently DFO hosted a meeting on March 30, 2007 in Moncton, NB to discuss the issue with provincial and industry representatives. Several participants stated that more time is needed in order to deal with this issue in a comprehensive manner. Despite this, all participants were asked to finalize their positions by April 10, 2007. We have not had sufficient time to conduct a full analysis of the sharing options, or to engage in detailed discussions with the Newfoundland and Labrador based fleets. We are not prepared to take a final position on shares without having ample time to conduct these activities.

We support the concept of regional shares as it can bring enhanced stability to fleets operating in these fisheries. Arriving at the appropriate sharing criteria is often quite difficult and controversial and therefore requires careful consideration. Rather than rush this process, officials of my department are prepared to work with your department and industry to finalize the sharing for these two stocks prior to the start of the 2008 fishing season.

I trust this will meet with your satisfaction.

Sincerely yours,

Thomas G. Rideout, M.H.A.
Lewisporte District
Minister

Appendix F



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
(Office of the Minister)

MD-43624

June 19, 2009

Honourable Gail Shea, Minister
Department of Fisheries and Oceans
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Shea:

I am writing you concerning your recent decision to transfer 108t quota of Atlantic halibut from the mobile gear sector to the inshore fixed gear sector in the Gulf of St. Lawrence.

We support the transfer, given the mobile gear fishery is closed, but equal allocation of this quota (108t) is highly inappropriate. A sharing arrangement for the inshore fixed gear sector in the 4RST Atlantic halibut was established in 2007. We raised concerns with the process at that time (see attached) but DFO moved forward with the exercises and established geographical fleet shares based on the historic catches from 1986 to 2004. As a result the Newfoundland and Labrador fleet received just over a 32% share.

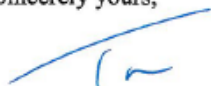
The establishment of these shares was to provide stability of allocation within this fleet sector. In 2008, when your Department made a similar transfer from the mobile gear sector, the sharing arrangement was respected. Your decision in 2009 to equally split the 108t among the eight inshore fleets throughout the Gulf is in violation of the established shares, is no way reflective of the historic participation in this fishery and cannot be justified based on any reasonable fisheries management principle.

The result of your decision for Newfoundland and Labrador is that our share of the Atlantic halibut increase dropped from 32% to 12.5%. While your decision not to respect the historic shares is unacceptable, the fact that we do not get a proportional provincial share to Quebec is further infuriating. You are not respecting geographical fleet shares, so why should Quebec be awarded three separate allocations under your plan.

We have not been granted our historic share and we have not been given an equal provincial share, despite being a major participant in this fishery, while fleets with almost no history are seeing their quotas more than triple. I strongly object to this decision as it is clearly wrong and believe you have no choice but to re-evaluate your decision and correct the injustice done to the harvesters in this province.

I look forward to your response.

Sincerely yours,

A handwritten signature in blue ink, consisting of a long, sweeping horizontal line that curves upwards at the end, with a small, stylized mark below it.

TOM HEDDERSON, MHA
Harbour Main
Minister

Attach:

c: Honourable Danny Williams, Premier
Honourable Dave Denine, IGA

Appendix G



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
(Office of the Minister)

SD-59362

MAY 26 2011

Honourable Keith Ashfield
Minister of Fisheries and Oceans
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Ashfield:

This letter is in response to recent announcement on sharing arrangements of Atlantic halibut in the Gulf of St. Lawrence (4RST). The decision to evenly split an increase in the Atlantic halibut quota between the Gulf's inshore fixed gear fleets is totally unacceptable to the province of Newfoundland and Labrador (NL).

A stabilized sharing arrangement for the inshore fixed gear sector for 4RST Atlantic halibut was established in 2007. The Government of NL raised concerns with the process at that time (see attached letter). Despite these concerns, DFO moved forward with the process and established geographical fleets shares based on the historic catches from 1986 to 2004 and did not consider the 2005 and 2006 catches. As a result, the NL fleet received a share of just over 32%, a much lower share than they harvested in the more recent time period.

In 2008, we supported DFO's decision to transfer the mobile gear fleet quota to the inshore fixed gear fleet, since the stabilized sharing arrangements established in 2007 were respected. However, we could not support the decision in 2009 to equally split the mobile gear allocation equally among the eight inshore fleets in the Gulf, since it ignored the sharing arrangements and was no way reflective of the historic participation in the Gulf Atlantic halibut fishery. We expressed these concerns to DFO in 2009 (also attached), to no avail, as this practice continued in 2010. As a result, the NL fleet received just 12.5% of the increase instead of 32% in these years.

To further exacerbate matters, DFO announced on May 13, 2011 that an increase of 80t in the 4RST Atlantic halibut quota will be split evenly between the eight fixed gear fleets, in addition to the mobile gear quota transfer. To take a similar approach this year, not only with regards to the transfer but also to the overall increase in the quota, is absolutely shocking and unjustified. Fleets in New Brunswick, PEI and Nova Scotia will all see their share of the overall quota increase at the expense of NL. To award these provinces equal shares as NL, when they historically have had little participation in this fishery, blatantly ignores the principle of historic dependency and the transparency and stability of access which DFO has committed to apply.

The continued erosion of the NL share in this fishery is harming the economic viability of a fleet which is facing extreme challenges to its survival. Given that this decision was made by your predecessor Gail Shea, as she was vacating the office, we strongly urge you to reverse this decision, honour the stabilized sharing arrangements, and correct the injustice done to NL's fishing industry.

I look forward to your response.

Sincerely,



CLYDE JACKMAN, M.H.A.
Burin-Placentia West
Minister

c. Honourable Dave Denine
Minister of Intergovernmental Affairs, Newfoundland and Labrador

Honourable Peter Penashue
Minister of Intergovernmental Affairs, Canada

Honourable Sterling Belliveau
Minister of Fisheries and Aquaculture

Honourable Neil LeClair
Minister of Fisheries and Aquaculture and Rural Development

Honourable Daniel Shewchuk
Minister of Environment

Honourable Michael Olscamp
Minister of Aquaculture, Aquaculture and Fisheries

Honourable Pierre Corbeil
Ministre de l'Agriculture, des Pêcheries et de l'Alimentation

Mr. Earle McCurdy, President
Fish, Food and Allied Workers

Mr. Derek Butler, Executive Director
Association of Seafood Producers

Mr. George Joyce, Executive Director
Seafood Processors of Newfoundland and Labrador Inc.

Appendix H


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Union Calls on New Fisheries Minister to Reverse Halibut Allocation Decision

May 19, 2011

St. John's, NL - FFAW/CAW President Earle McCurdy today called on new Fisheries and Oceans Minister Keith Ashfield to reverse a decision on halibut allocations in the Gulf of St. Lawrence that flew in the face of established sharing arrangements.

Mr. McCurdy said one of the last decisions previous Minister Gail Shea made before Wednesday's Cabinet shuffle was to take a significant amount of halibut from one of the worst-off fishing fleets in the country.

"It was not fair, not reasonable and ran directly counter to DFO's own policy regarding stability of shares," Mr. McCurdy charged.

He said the decision deviated so sharply from Departmental policy that he assumes it was a "strictly political decision" by the former Minister.

Mr. McCurdy has written Mr. Ashfield as well as the Deputy Minister of DFO asking that the allocation of Atlantic halibut in fishing area 4RST3Pn announced earlier this week be put on hold until the Union has had an opportunity to present its case on behalf of the fixed gear fleet in the Gulf.

The Union leader said the portion of the quota allocated to fixed gear enterprises in Newfoundland and Labrador has been "seriously eroded by a policy of systematic political interference."

The victims of this political interference are members of a fleet determined by the chartered accounting firm Deloitte to be unviable, with revenues among the lowest of any fishing fleets in the country.

"Halibut has been an important species for this fleet, which is struggling to survive in the wake of the drastic reduction in cod quotas. The quota has doubled in the past several years, and our fleet has less halibut to catch. The new Minister could make a good start by fixing this gross inequity," Mr. McCurdy said.

FFAW/CAW - fighting back makes a difference

Appendix I

DEC 19 2011

Minister of
Fisheries and Oceans



Ministre des
Pêches et des Océans

BH-63359

Ottawa, Canada K1A 0E6

The Honourable Darin King
Minister of Fisheries and Aquaculture and
Deputy Government House Leader
Patten Building
30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL
A1B 4J6



Dear Minister:

As was announced on May 13, 2011, an external review of the Gulf of St. Lawrence Atlantic halibut fishery will be undertaken in the coming months to review the methodology, process used and considerations employed in the definition of inshore geographical fleet shares for the Gulf of St. Lawrence inshore fixed gear Atlantic halibut fishery and determine if they were consistent with the departmental approaches used to define shares in other fisheries. In addition, the Review will also assess if other factors or approaches should have been considered in the establishment of the fleet shares for this fishery. A copy of the Terms of Reference is provided for your reference.

In selecting the successful company, priority was placed on an independent firm with strong auditing capabilities and with experience related to the fishery.

An open and transparent process was used to select the company, which I can now confirm is Ernst and Young.

The results of the Review will inform approaches, as appropriate, for any future adjustments that may be required to fleet shares beginning with the 2012 fishery. Stakeholders will be provided the opportunity to participate in person or in writing. Please note that I have directed that all submissions and interventions related to this review will be made public, along with the final report to me.

If you have any questions, please do not hesitate to contact Adam Burns at (613) 993-1879.

Yours sincerely,

Keith Ashfield

Attachment

Canada

Appendix J



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
(Office of the Minister)

SD-66891

JUL 30 2012

Honourable Keith Ashfield, Minister
Fisheries and Oceans Canada
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Ashfield:

This letter is in relation to the report of the external review of the sharing arrangement process for the inshore fixed-gear Atlantic halibut fishery in the Gulf of St. Lawrence.

As you know, since 2009 several quota allocations for the Gulf Atlantic halibut fishery have been equally split amongst the inshore fixed-gear fleets. The Government of Newfoundland and Labrador has consistently maintained that these decisions were in violation of the established sharing arrangement for the inshore Atlantic halibut fishery in the Gulf, and were in no way reflective of the historic participation in this fishery. Last year, on several occasions, we voiced our concerns regarding these allocation decisions and their impact on the Newfoundland and Labrador inshore fleet in the Gulf. We appreciate that you responded to our views on this issue and that after a meeting with Minister Jackman in June 2011, you allocated a 40 tonne increase in the Atlantic halibut Total Allowable Catch based on the established sharing arrangement. As well, we appreciate that to address this issue you also initiated an external review of the sharing arrangement process for the fixed-gear Atlantic halibut fishery, especially considering that the decisions to equally allocate halibut quotas amongst the fixed-gear fleets were made prior to your appointment as the federal fisheries minister.

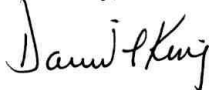
As noted in the report of the external review, the appropriate policies and principles on access and allocation and the appropriate methodology were followed in the calculation of catch history and in the definition of shares for the fixed-gear Atlantic halibut fishery in the Gulf. The use of historical landings to calculate fleet shares is consistent with the methodology described by the Federal-Provincial Atlantic Fisheries Committee, which had agreed to use historical landings and past allocation scenarios to determine shares. As well, the methodology used to establish shares for Gulf Atlantic halibut was consistent with approaches used to establish shares for other fisheries, as all other groundfish stocks examined in the review used historical landings as the primary or sole basis for establishing sharing arrangements. The review's conclusions, therefore, confirm that the sharing

arrangement established in 2007 for the fixed-gear Atlantic halibut fishery in the Gulf is appropriate. The Government of Newfoundland and Labrador sees no justification to re-open the established sharing arrangement for this fishery. Instead, starting in 2013 all allocations to the various fixed-gear fleets must be consistent with the 2007 sharing arrangement.

As I noted in our meeting on June 14, 2012, maintaining our province's share of 32 percent is imperative if our inshore fleet has any hope of remaining in the groundfish fishery. Recent reductions to the quotas for cod and greysole in the Gulf of St. Lawrence are having a devastating impact on Newfoundland and Labrador's groundfish fleet, which has already been significantly impacted by the quota reconciliation policy that was introduced last year, as well as by the failure of the lumpfish fishery in this area. One of the few hopes for our fleet in the Gulf is the Atlantic halibut resource, which is in a healthy state and is continuing to improve. Given the situation faced by our groundfish fleet, our province will not accept a share of less than 32 percent for Atlantic halibut or any decisions that are not in line with the 2007 sharing arrangement for this fishery.

The Government of Newfoundland and Labrador appreciates the opportunity to have participated in the external review process. In light of the review's conclusions, we anticipate that future allocation decisions for Gulf Atlantic halibut will respect the established sharing arrangement for this fishery and better reflect DFO's attempt to ensure a consistent and transparent approach to resource allocation.

Sincerely,



DARIN T. KING, PhD

M.H.A., District of Grand Bank
Minister

c: Honourable Peter Penashue, Minister responsible for Newfoundland and Labrador
Honourable Nick McGrath, Minister for Intergovernmental and Aboriginal Affairs

Appendix K

Minister of
Fisheries and Oceans



Ministre des
Pêches et des Océans

Ottawa, Canada K1A 0E6

BH-67526

AUG 30 2012

The Honourable Darin T. King, Ph.D., M.H.A.
Minister of Fisheries and Aquaculture
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, Newfoundland and Labrador
A1B 4J6



Dear Minister:

Thank you for your correspondence of July 30, 2012, regarding the external review of the sharing arrangement for the Atlantic halibut fishery in the Gulf of St. Lawrence.

The independent report by Ernst & Young, which reviewed the process of establishing the 2007 sharing arrangement for Atlantic halibut in the Gulf of St. Lawrence, has been received and released by Fisheries and Oceans Canada (DFO). DFO is currently reviewing this report and will be providing a response to it at a later date.

The Department will carefully consider the information gathered during the independent review as well as other departmental policies regarding the sharing arrangement for this fishery.

The management measures and allocations for the 2012 season were established for one year. DFO will review the report and feedback from all stakeholders prior to making decisions for the 2013 season.

Please be assured that the Department remains committed to the principles of predictability and stability in the allocation of fisheries resources.

Thank you for taking the time to write.

Yours sincerely,

Keith Ashfield

c.c.: The Honourable Peter Penashue, P.C., M.P.
The Honourable Nick McGrath, M.H.A.

Canada

Appendix L



Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
(Office of the Minister)

SD-70434

MAY 16 2013

Honourable Keith Ashfield, Minister
Fisheries and Oceans Canada
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Ashfield:

I am writing in relation to your recent decisions regarding Atlantic halibut and Witch flounder in the Gulf of St. Lawrence (4RST).

The allocation of the inshore fixed-gear Atlantic halibut quota in the Gulf of St. Lawrence remains a key issue for the Government of Newfoundland and Labrador. Since 2009, several quota allocations for the inshore fixed-gear halibut fishery were either equally split amongst the inshore fixed-gear fleets, or allocated in a manner that resulted in the Newfoundland and Labrador fleet receiving less than its established share of 32 percent. As you know from previous correspondence, we did not support these decisions, as they did not reflect the sharing arrangement established in 2007 or the historical participation of the Newfoundland and Labrador fleet in this fishery.

The Government of Newfoundland and Labrador appreciated the steps taken by you to rectify this issue; including the decision in 2011 to allocate a 40t increase in the Total Allowable Catch (TAC) based on the 2007 sharing arrangement. As a result, the Newfoundland and Labrador fleet received its fair share of 32 percent of the increase that year. We also appreciated Fisheries and Oceans Canada's (DFO) initiation of an external review of the sharing arrangement process for the inshore fixed-gear Gulf halibut fishery. We maintain our position communicated to Ernst & Young during this review, in that there continues to be simply no rationale for adjusting the 2007 sharing arrangement. We were satisfied with the outcomes of the review, released on June 21, 2012, which confirmed that the process to establish shares for the inshore fixed-gear Gulf halibut fishery followed DFO policy, was appropriate, and was consistent with approaches used to establish shares for other groundfish fisheries.

Given the review's findings, the Government of Newfoundland and Labrador had fully expected that from 2013 onwards, allocation decisions in relation to the inshore fixed-gear Gulf halibut quota would respect the 2007 sharing arrangement. I am very dissatisfied, therefore, with your decision to stabilize the 2012 sharing arrangement for this fishery, which has resulted in a reduced share for the Newfoundland and Labrador fleet from 32 percent to 29 percent. We see no rationale for this

decision, as it does not reflect the Newfoundland and Labrador fleet's historical participation in the inshore Gulf halibut fishery and also ignores one of the key findings of your external review.

Regarding Witch flounder in the Gulf of St. Lawrence, the Government of Newfoundland and Labrador recognizes that the recovery of this stock should remain a priority. Last year, the TAC for Witch flounder was reduced by 50 percent to 500t, which resulted in a total catch of below 300t in 2012. We did not dispute this decision despite the concerns communicated by inshore harvesters. I am surprised, however, that the TAC for Witch flounder has been further reduced to 300t, for 2013/14 through 2016/17, given that there was no scientific assessment conducted for this stock since last year's TAC decision. The further reduction to 300t will impact primarily the Danish seine fleet on the southwest coast of Newfoundland and Labrador, who will see their allocation reduced from 198t in 2012 to approximately 120t from 2013 to 2016. This will have a devastating impact on the fleet, which is highly dependent on the Witch flounder fishery in the Gulf for providing financial viability. We suggest that the conservation of this stock would not be jeopardized by maintaining the 2012 management plan.

I am very concerned about the impact that these recent decisions will have on inshore harvesters on our province's west coast and Labrador Straits, who are already in an extremely difficult situation given the lack of cod recovery in the Gulf and the impact of quota reconciliation. I would like to have an opportunity to further discuss these issues with you in the coming weeks.

I look forward to your response.

Sincerely,



DERRICK DALLEY, MHA
The Isles of Notre Dame
Minister

c: Honourable Peter MacKay, Minister Responsible for Newfoundland and Labrador
Honourable Felix Collins, Minister for Intergovernmental and Aboriginal Affairs

Appendix M



E-MAILED
May 21/15

Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
(Office of the Minister)

SD-77718

MAY 21 2015

Honourable Gail Shea, Minister
Fisheries and Oceans Canada
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Shea:

I am writing regarding your decision on the allocation of quota increases for the Atlantic halibut resource in the Gulf of St. Lawrence (NAFO Division 4RST).

The Atlantic halibut fishery is extremely important to inshore harvesters in Newfoundland and Labrador. A sharing arrangement for the inshore fixed-gear Atlantic halibut fishery in the Gulf of St. Lawrence was established by Fisheries and Oceans Canada (DFO) in 2007. This sharing arrangement, which DFO announced at the time as stabilized, was based on historical catches and resulted in a share of 32 percent for the Newfoundland and Labrador inshore fixed-gear fleet. Despite this process, since 2009 several quota allocations for the Atlantic halibut fishery have been split equally amongst the eight inshore fixed-gear fleets in the Gulf, resulting in a reduced share for our province's fleet. The Government of Newfoundland and Labrador opposed these decisions on numerous occasions, as they violated the sharing arrangement established in 2007 and did not reflect fleets' historical participation in the halibut fishery.

We were encouraged that in 2011, DFO initiated an external review to address this issue. As you know, our input into the external review noted that there is no rationale for re-opening the sharing arrangement for Atlantic halibut and that DFO should simply respect the shares established in 2007. The review, conducted by Ernst & Young and published in 2012, confirmed that the 2007 sharing arrangement followed DFO policy and was consistent with those established for other groundfish fisheries in Atlantic Canada.

Considering the conclusions of Ernst & Young's review, we had anticipated that further allocation decisions for Atlantic halibut in the Gulf of St. Lawrence would respect the 2007 sharing arrangement and fleets' historical participation in the fishery. Following the review, however, DFO announced that the sharing arrangement in effect for the 2012 Atlantic halibut fishery had been stabilized based on the current allocations. The 2012 shares did not respect the 2007 arrangement, as it resulted in a reduced share for the Newfoundland and Labrador inshore fixed-gear fleet from 32 percent to 29 percent. While this arrangement did not fully reflect fleets' historical participation, DFO's announcement that these shares were stabilized seemed to

indicate that future allocations for this stock would be distributed to the inshore fixed-gear fleets in this manner.

Therefore, we are shocked and appalled with your announcement that the 2015 and 2016 TAC increase of 173 tonnes for Atlantic halibut will be split equally amongst the eight inshore fixed-gear fleets in the Gulf. This decision is in complete violation of the stabilized sharing arrangement and in no way reflects our fleet's historical participation in the Atlantic halibut fishery. It also disregards DFO's policies and principles for fisheries resource allocation. There is absolutely no rationale for splitting the quota increase equally amongst the fixed-gear fleets, particularly given the outcomes of the external review. At the same time, you refuse to even consider an alternative to the Last-In, First-Out policy in the northern shrimp fishery, which is in no way consistent with other sharing arrangements for fisheries in Atlantic Canada, or to review the current shares for 3NOPs4VWX5Zc Atlantic halibut that have not been stabilized.

In the case of Gulf halibut, the fact that the PEI fleet is proportionately the most advantaged by your decision raises the specter of political motivation. Such a circumstance is totally unacceptable to the disadvantaged inshore harvesters in Newfoundland and Labrador, and to the Government of Newfoundland and Labrador.

I request that you reverse this ill-advised decision immediately.

Sincerely,



VAUGHN GRANTER, MHA
Humber West
Minister

- c. Honourable Paul Davis, Premier of Newfoundland and Labrador
Honourable Rob Moore, Minister responsible for Newfoundland and Labrador
Honourable Keith Hutchings, Minister of Municipal and Intergovernmental Affairs
Mr. Keith Sullivan, President of the Fish, Food, and Allied Workers

[Skip to Main Content](#)
Text Size **AAA**

Fisheries and Aquaculture
May 22, 2015

SHARE   

Standing Strong for Halibut Harvesters



Provincial Government Urges Federal Minister to Reverse Allocation Decision on Atlantic Halibut

The Provincial Government is expressing outrage with the decision announced yesterday by the Honourable Gail Shea, federal Minister of Fisheries and Oceans, on the allocation of increased quota for Atlantic halibut in the Gulf of St. Lawrence which effectively takes away halibut from Newfoundland and Labrador harvesters and gives it to harvesters in the Maritime Provinces.

"The decision on Gulf halibut quota allocations is just the latest in a growing trend of Federal Government actions that negatively impact our province. It is totally unacceptable that the federal minister has ignored the established sharing arrangement for Gulf halibut quotas and continues to erode our province's share. This is strictly a political decision, in an election year, to provide for a disproportionate increase in halibut allocation to her home province of Prince Edward Island."
- The Honourable Vaughn Granter, Minister of Fisheries and Aquaculture

Instead of adhering to the established allocation formula, the federal minister is sharing this year's Gulf halibut quota increase equally amongst the inshore fixed-gear fleets in the Gulf of St. Lawrence. This means the Newfoundland and Labrador fleet operating out of the west coast, will receive approximately 21 tonnes of the increase instead of the 50 tonnes it should receive based on the established sharing arrangement. This decision may impact the province's future share of Gulf halibut quotas in a similar way as past decisions by Minister Shea.

"Minister Shea has so far refused to implement an alternative to the federal last in, first out policy for northern shrimp quota allocations and has repeatedly made decisions to the detriment of the halibut harvesters in both 3Ps and the Gulf of St. Lawrence. She is continuing this trend with the quota allocations announced yesterday. These decisions, along with the Federal Government's decision to go back on its commitment to share in a fisheries investment fund as part of the Canada-European Union Comprehensive Economic and Trade Agreement, show an ever-growing contempt for the people and the economy of Newfoundland and Labrador."

- Minister Granter

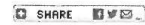
Minister Granter has written a letter to Minister Shea outlining the province's concerns over this decision. A copy of the letter is available at: www.gov.nl.ca/releases/2015/fishaq/0522n01_letter.pdf

QUICK FACTS

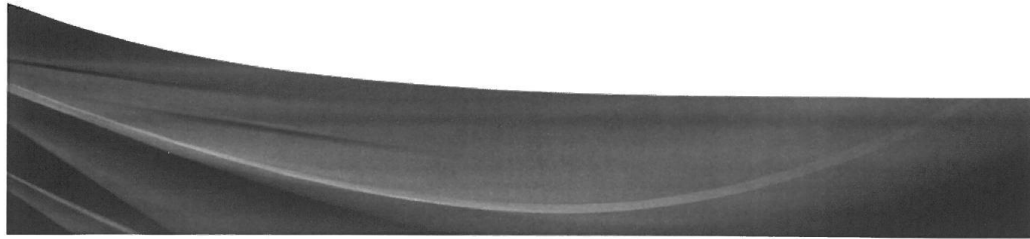
- The Provincial Government is calling on the Federal Minister of Fisheries and Oceans to reverse her decision on Atlantic Halibut quota allocations for the Gulf of St. Lawrence announced yesterday.
- The decision effectively takes away halibut from Newfoundland and Labrador harvesters to the benefit of Maritime Provinces, particularly Prince Edward Island.
- The decision ignores the established sharing arrangement for Gulf halibut quotas and continues to erode Newfoundland and Labrador's share.
- Previous Federal Government decisions on quota allocations for northern shrimp and halibut, along with the Federal Government's decision to go back on its commitment to share in a fisheries investment fund as part of the Canada-European Union Comprehensive Economic and Trade Agreement, show an ever-growing contempt for the people and the economy of Newfoundland and Labrador.
- Minister Granter has written a letter to the federal minister outlining the province's concerns over this decision. A copy of the letter is available at: www.gov.nl.ca/releases/2015/fishaq/0522n01_letter.pdf

[Skip to Main Content](#)
Text SizeAAA

Fisheries and Aquaculture
May 27, 2015



Supporting Gulf Halibut Harvesters



House of Assembly Calls on the Federal Government to Reverse Atlantic Halibut Allocation Decision

The Newfoundland and Labrador House of Assembly unanimously passed a private member's motion today condemning and seeking the immediate reversal of last week's Atlantic halibut quota allocation decision by federal Minister of Fisheries and Oceans, the Honourable Gail Shea. This decision ignores the established sharing arrangement for halibut quotas in the Gulf of St. Lawrence and continues to erode Newfoundland and Labrador's share.

"I am pleased the House of Assembly has unanimously supported this important motion. Minister Shea's decision has ignored the established allocation formula for Atlantic Halibut in the Gulf of St. Lawrence, and can be added to an ever-growing list of Federal Government decisions that are negatively impacting our province. The fact that members of all three parties in the provincial legislature have supported this motion speaks to the importance of this issue to Newfoundlanders and Labradorians in all regions of our province."

- The Honourable Vaughn Granter, Minister of Fisheries and Aquaculture

Minister Granter wrote to Minister Shea on May 21, the day her decision was announced, outlining the province's deep concerns with this most recent Gulf halibut quota allocation. A copy of the letter is available at:

www.gov.nl.ca/releases/2015/fishaq/0522n01_letter.pdf

The Provincial Government will continue to support the families and communities who rely on this resource and advocate on behalf of fish harvesters for a fair share of Gulf halibut in accordance with the established sharing arrangement.

The private member's motion can be found in the backgrounder below.

QUICK FACTS

- Today the House of Assembly unanimously passed a private member's motion condemning and seeking immediate reversal of the Federal Government's decision to divide the 172.8-tonne increase in the halibut quota equally among eight groups instead of respecting this province's established share of 29.1 per cent.
- The Federal Government's May 21 decision means the Newfoundland and Labrador inshore fixed-gear fleet will receive approximately 21 tonnes of the increase instead of the 50 tonnes it should receive based on the established sharing arrangement.
- The decision effectively takes away halibut from Newfoundland and Labrador harvesters to the benefit of Maritime Provinces.
- Minister Granter wrote Minister Shea on May 21 outlining the province's deep concerns with this most recent Gulf halibut quota allocation. A copy of the letter is available at: www.gov.nl.ca/releases/2015/fishaq/0522n01_letter.pdf

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Media contact:
Roger Scaplen
Director of Communications
Department of Fisheries and Aquaculture
709-729-3733, 697-5267
rogerscaplen@gov.nl.ca

BACKGROUNDER
Private Member's Resolution

BE IT RESOLVED that this Honourable House condemns and seeks the immediate reversal of the Federal Department of Fisheries and Oceans decision to divide the 172.8-ton increase in the halibut quota equally among eight groups instead of respecting this Province's traditional share of 29.1% - a decision that will reduce the additional share available to Newfoundland and Labrador from 50 tons to about 21 tons.

2015 05 27

5:50 p.m.

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Appendix N

Syntax error: Undefined mixin 'enable-ligatures'.
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Adjust Text Size:

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[Home](#) > Federal government breaks sharing agreement with NL halibut harvesters

Federal government breaks sharing agreement with NL halibut harvesters

05/21/2015

The federal Department of Fisheries and Oceans (DFO) announced today that it will no longer honour the longstanding stable sharing arrangement on the Gulf of St. Lawrence halibut quota.

Under the stable sharing arrangement set in 2007, the 4R region of Newfoundland and Labrador held a 32 per cent share of the gulf halibut quota. The stable sharing arrangement has been reinforced in quota increases in consecutive years as the halibut quota increased.

Without justification, the stable sharing arrangement is being changed by Minister Gail Shea to the detriment of halibut harvesters in NL. The 2015 sharing arrangement will result in the NL share being reduced to 24 per cent, a 7.5 per cent decrease in our share.

This follows a decision made by this government where harvesters on the south coast (3Ps) of Newfoundland were not given consideration for their historic share of halibut catch.

FFAW-Unifor President Keith Sullivan says, "This is a disgraceful and desperate attempt by the Conservatives to maintain their federal seats in the Maritime Provinces, at the cost to the economic sustainability of Newfoundland and Labrador, where the Conservatives hold no seats."

The reduction in the share of halibut to NL is an attack on the viability of enterprises that are most in need. West coast harvesters have some of the lowest earning opportunities from the fisheries and are heavily dependent upon Atlantic Halibut. On the south coast, harvesters in 3Ps hoped to supplement a difficult crab fishery with an improved halibut catch. Fishers from both coasts received the same disrespect from the federal government.

The halibut sharing decision follows the recent decision on northern shrimp that also left Newfoundlanders and Labradorians at a disadvantage. In the case of northern shrimp, the owner-operator inshore fleet bore the brunt of quota cuts to the detriment of the economic sustainability of coastal communities, while the corporate-owned offshore trawler fleet suffered little impact to their quota.

"These continued attacks by the federal Conservative government on rural Newfoundland and Labrador are shameful," Sullivan adds. "The federal government seems to be under the impression that the economic sustainability Newfoundland and Labrador is unimportant to Canada. Recent analyses by others, such as BMO, suggest the contrary. The fishery is the economic future of our province but with management trends like this we will have no future."

Timeline for Stable Sharing in 4R:

2007: DFO implements stable sharing based on historic catches (1986-2004). Based on the method used to calculate the 32 per cent, even this percentage was low in comparison to the historic fishing pattern for NL, which was closer to 45 per cent.

2009: DFO under Gail Shea reduces this share down to 27 per cent, going back on stable sharing agreement.

2011: Following significant protests and a two-day sit-in at the Corner Brook DFO office, DFO announces under new minister Keith Ashfield that they would return to the stable sharing agreement. Keith Ashfield becomes Minister of DFO, acknowledges mistake and returned to stable sharing agreement.

2012: Quota remains status quo.

2013: Quota is increased and shared based on stable sharing agreement.

2014: Quota is unchanged and the stable sharing agreement is continued.



For media inquiries, please contact Courtney Pelley at cpelley@ffaw.net or 709-743-4445.

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