

Written Submission

by

Prince Edward Island Department of Agriculture and Fisheries

to

Fisheries & Oceans Canada

on the

**Review of Allocation Decisions that have taken place since 2007 in
the Gulf of St. Lawrence Atlantic Halibut Fishery**

April 18, 2016

The PEI Department of Agriculture and Fisheries welcomes the opportunity to provide a position on the allocation decisions of 4RST Atlantic halibut. This paper reflects our position and points raised in our original written brief provided to Ernst and Young in 2012 which remain valid for this exercise.

First, we believe the process and criteria used to determine fleet shares in 2007 were flawed from the onset. DFO decided to use catch history only and ignore their own established 'access and allocation' principles and criteria (equity, fairness, adjacency and dependency). This created extreme imbalance of allocations within the inshore fixed gear fleets. A contributing factor in the established catch history, which federal department is fully aware, is the restricted access the southern Gulf ground-fish fleets endured in the time period used to determine the shares, partly due to the 4T cod moratorium.

Furthermore, seasonal over-runs by some fleets in the pre-2007 competitive fishery reduced the amount of available quota for succeeding seasons, ultimately reducing catches and history for other fleets. These fleets were not held accountable for these over-runs, which also prevented Gulf-based fleets from creating catch history.

The department would like to draw attention to the DFO's *New Access Framework*. All decisions on new or additional access to Atlantic commercial fisheries which have undergone substantial increases in resource abundance or landed value will be based on three principles. The proposed three overarching principles, as noted in the 2004 Independent Panel on Access Criteria, to guide decision-making regarding access are: **conservation, Aboriginal rights, and equity**. The equity principle advocates an open, transparent process that 'ensures fair treatment for all'. IPAC report also noted that no single criterion should be used exclusively.

Ernst and Young's 2012 report noted that *"the rationale for the decision that was ultimately selected was not communicated to stakeholders and, as such, this appears to stakeholders as a decision that lacks transparency and fairness which would be inconsistent with the principle that "fisheries management decision-making processes must be, and must be seen to be, fair, transparent and subject to clear and consistent rules and procedures."*

Although it was identified by Ernst & Young that catch history was a common basis for establishing sharing arrangements for *established* fisheries, it was also noted that other factors, such as **adjacency, dependency and equity** have also been used to determine access and allocation for *new* fisheries.

Our department has long advocated for fairness and equity to be factored into the decision-making process when awarding fish quotas or allocations to the extent that no jurisdiction be denied meaningful benefit. Fish being a common property resource held by all Canadians, fairness and equity would seemingly be an extremely important decision factor that would ensure the most benefit to Canadians.

The 4RST Atlantic halibut stock is an expanding resource both in abundance and distribution. One could easily argue that this stock has had a "substantial increase in abundance" judging by the large increase in TAC (>210.%) and respective catches in recent years. According to IPAC,

this phenomenon triggers further access and allocation by fleets with inadequate amount for their respective fleet.

The allocation of quotas still remains at the sole discretion of The Minister of Fisheries and Oceans. The Minister of Fisheries and Oceans is the only minister in the federal government to have such discretionary power. From the Department's website: *"The Minister of Fisheries and Oceans, on behalf of all Canadians, retains authority for the sustainable use of fisheries resources and their habitat, and for access and allocation thereof."*

In recent years, the PEI halibut fleet revised their annual Conservation Harvesting Plan (CHP) to prevent an overrun of their allocation by moving away from a derby-style fishery, where fishermen would catch the maximum amount possible within one day. Instead, our measures were so restrictive, that the overall fleet quota was not attained.

Currently, PEI is continuing to rationalize their fleet, realizing there is major overcapacity in this fishery, but it takes resources to appreciate any real advances towards a viable and sustainable fleet.

In 2008, DFO re-allocated a portion of the mobile gear by-catch to the fixed gear fleets, based on the sharing formula. The following year, the department re-distributed the same allocation equally amongst the eight fixed gear fleets, which was the beginning of some resemblance of creating fairness and equity in this resource. Our department supported that decision in 2009.

In 2011, (and subsequent years with corresponding increases in TAC), the department demonstrated more equitable sharing of the resource. We recognize the attempt by the department to attain some fairness in the allocation distribution.

To reiterate our position, PEI does not agree with how historical shares were determined. However, a revised sharing formula should be comprised of some component from historical shares and a component of equal access of the eight inshore fleets.

Again, we thank the department for providing the opportunity to present our views and position on this expanding Canadian resource.