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Fisheries and Oceans Canada
Ottawa, ON

Mr. Burns,

This submission has been prepared at the request of DFO to review all management decisions pertaining to 4RST Atlantic Halibut allocation since 2007.

The Atlantic Fixed-Gear Council represents licence holders from the Fixed-Gear 65-100' fleet in Atlantic Canada (the Midshore fixed-gear fleet). Our members represent enterprises that harvest groundfish from waters extending from the southern border with our American neighbours to the edges of the Arctic.

Under existing regulations, the FG 65-100' fleet is permitted to direct for Atlantic Halibut in 4RST. Unfortunately, the recent unpredictability of allocation decisions in 4RST have made it challenging to plan and finance harvesting activities of this once productive fishery. Through this submission, we hope to clearly demonstrate that the most appropriate approach to allocation of Atlantic Halibut in 4RST is through the confirmed 2007 process which provided 3.429 % of 4RST Atlantic Halibut to the FG 65-100' fleet.

On Allocation Decisions Taken Since 2007:

Allocation decisions undertaken since 2007 have been heavily biased against the FG 65-100' fleet. Decisions made were contrary to the Atlantic Fisheries Policy Review (2004), where a need for transparent decision making and the necessity of stabilized sharing arrangements for commercial fisheries were identified as key visions for the management of fisheries on Canada's Atlantic coast. Not only have management decisions surrounding 4RST Atlantic Halibut fleet allocations been inconsistent with this policy framework, but the inherent instability has been highly detrimental to our sector. We seek to return the allocations decisions to a fashion that will provide for the viability and sustainability of the fishery envisioned by the 2004 Atlantic Fisheries Policy Review.

Since the 1990s and confirmed by the 2007 fleet sharing arrangement, 3.429 % of the 4RST Atlantic Halibut TAC was allocated to the FG 65-100' fleet. The allocation was maintained throughout the period when the mobile gear sector had 85% of their quota re-allocated to the inshore fleet. It is important to note that the FG 65-100' fleet was not deemed eligible to receive any of these transfers, despite the ability of this fleet to direct for Atlantic Halibut. Why the FG 65-100' fleet was not permitted to access this quota despite much of it being sourced from other enterprises allocation holders raises suspicion at the underlying motives of the re-allocation.

For the 2011 and 2015 fishing years, additional discriminatory decisions against the FG 65-100' fleet were undertaken. Year over year quota increases were again allocated only to the inshore fleet sectors and the FG 65-100' sector was excluded. Such an approach is clearly wrong, as no rationale for these decisions were provided, although the observation that the timing of these decisions coincided with Federal elections raises some level of speculation.

It should be noted that the decisions of 2011 and 2015 led to a combined loss of access to over 10 mt of Atlantic Halibut quota, representing over \$ 4 million in lost revenue. If the FG 65-100' sector was to have received their share of the 85% quota re-allocated from the mobile gear sector, this would represent an additional 28 mt or \$ 12 million since 2008, for a combined loss of \$ 16 million.

Aside from the direct financial losses (which are not insignificant), these decisions undermined our confidence and security in future allocation decisions and impacted future investment decisions.

We are not in a position to comment on the allocation of quota amongst the inshore fleet sectors, save for the observation that annual decisions have been applied in a highly inconsistent fashion. As a starting point, we suggest that the agreement established for the inshore fleets from the 2007 process should be implemented into the future.

Moving Forward:

We expect that the outcome of this review will emphasize the validity of the 2007 process and return the long-term allocation of 3.429% of the 4RST Atlantic Halibut TAC to the FG 65-100' fleet.

Decisions stemming from this review should also speak to the stability of fleet allocations, such that our sector can undertake the investment needed to maximize the economic contribution of this and other groundfish fisheries in Atlantic Canada targeted by the FG 65-100' sector.

Furthermore, in the event of a voluntary reallocation from fleets barred from directing for Atlantic Halibut in 4RST, we request that the Department make the FG 65-100' eligible to receive transfers of 4RST Atlantic Halibut quota. Such an outcome would allow continued development of the FG 65-100' fleet and help to develop more wholesome annual fishing plans for the sector.

Lastly, we request that, consistent with the platform of the Liberal Party of Canada, future decisions on allocation of quota within this fishery are conducted in an open and transparent fashion. This open and honest approach will ensure that decisions are accountable and understandable by all Canadians while encouraging economic development and providing year-round employment for the participants in the groundfish fishery of Atlantic Canada.

We thank you for initiating this review and we look forward to stability in the future as we continue to rebuild the groundfish industry in Atlantic Canada.

Sincerely,



Beverley Sheppard

President – Atlantic Fixed-Gear Council

Cc: AFC Membership