



## Groundfish Enterprise Allocation Council

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April 18<sup>th</sup>, 2016

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Mr. Burns,

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

To begin, the Groundfish Enterprise Allocation Council would like to re-iterate our position that the full >100' fleet allocation of Atlantic Halibut established in 1990 and reflected in the 2007 agreement should be allocated to the > 100' sector. This quota will be required in the future to address bycatch needs and we are willing to make temporary arrangements with other sectors in the interim to provide temporary access to the quota until such time that it is required for its initial purpose – bycatch in other directed groundfish fisheries.

### *On Allocation Decisions Taken Since 2007:*

The allocation decisions undertaken since 2007 have been inconsistent and unfair to participants. We have seen eligible fleets barred from quota increases while others have had their quota forcibly re-allocated. In all cases, it was apparent that the quota distribution decisions were being undertaken for reason of politics as opposed to sound resource management.

It was our understanding that the fleet allocation decisions of 2007 (and re-affirmed in 2011) were to be the allocations moving into the future for 4RST Atlantic Halibut. It was with much surprise and no consultation that in 2008, 85% of the quota allocated to the >100' fleet was re-allocated back to the inshore sector. It seems that some decision maker preferred this approach to requiring those inshore sectors who had been chronically over-fishing their quotas, to limit their catch to their quotas. This led to the share allocated to the > 100' fleet declining from the established 11.714 % to 1.8 %.

Since 2008, the pattern of fleet allocations became even further clouded in uncertainty. Through following the quota reports, annual Groundfish Plans issued by DFO and the announcement of management decisions, it becomes clear that there has been no consistent application of fleet shares in this fishery. For instance, on separate occasions in 2011 and again in 2015 (coincidentally, years in which a Federal election was held), initial allocations to the >

100' sector were calculated from only a portion of the announced total allowable catch with the balance being allocated to the inshore sector. The net effect in both situations were that the initial allocations (prior to the 85 % reallocation) to the >100' sector declined from 11.7 % to 9.7 % without any sort of explanation, understanding of permanency or a defined path forward. After the 85 % reallocation was applied, the quota share held by the > 100' sector declined to the lowest levels of 1.5 % of the TAC.

We have little comment on how quota has been allocated within the inshore fleets, except to observe that these decisions were taken outside of the agreed upon and supported 2007 decision framework. We note that, similar to the quota allocations decisions described earlier, departing from agreed-upon allocations in a seemingly arbitrary fashion undermines our confidence in the decision-making process of the Department of Fisheries and Oceans.

This type of inherent instability in quota allocations are highly problematic. We participated and endorsed the outcome of the 2007 process and applauded the outcome with the understanding that this would provide certainty and stability into the future. In 2008, the 2007 agreement was discarded in favour of a 'new' sector allocation model which was further revised in 2011 and 2015. Understandably, this type of decision-making heightens uncertainty, which in turns erodes our ability to invest in the future of the Gulf fishery.

The top-down, patchwork of political responses to lobbying efforts by individual harvester groups have perpetuated an attitude, especially within the Gulf of St. Lawrence, that "protests lead to change". It is interesting to note that some < 65' fixed gear groups who are the most vocal objectors to the ad hoc decisions taken on 4RST Atlantic Halibut when they perceived themselves as 'losers' of Atlantic Halibut quota, were themselves lobbyists to re-allocate 4RST Atlantic Halibut away from the mobile gear sector. The Department and their Minister are keenly aware that quota shares reflect historic performance and dependency, and there will always be arguments made by individual groups requesting increased access and a larger share. And yet, aberrations such as the allocation decisions in the Gulf were created.

Once corrected, the quota shares agreed to in 2007 should be respected on a go-forward basis, without re-allocations. This will facilitate maturation of the management system within the Gulf of St. Lawrence, enabling the respective sectors to become more self-reliant and improve their own opportunities for economic viability. The net effect will be stability for all participants in the fishery and improved performance into the future.

In the mandate letter provided to the Hon. Minister of Fisheries and Oceans and Coast Guard from Prime Minister Trudeau, the commitment to an open and honest government accountable to all Canadians was re-iterated. This must include decisions made on the allocation and access to fisheries resources. Through this transparent and honest approach, the confidence and trust in the management of our fisheries can be rebuilt. This review provides an opportunity to apply this commitment to transparency and correct a past wrong.

In 4RST, agreements were established in 2007 to allocate Atlantic Halibut quota proportionately between sectors consistent with DFO policy. This was a direct implementation of the vision of

stability and security of access ensconced by the 2004 *Atlantic Fisheries Policy Review*. We are concerned that the allocation decisions made since 2008 have not only been heavily biased, but are in contravention to DFOs own policy framework.

For instance, the current 4RST Atlantic Halibut allocation to the > 100' sector is for bycatch purposes only. This is consistent with the objectives of the *Guidance on the Implementation of the Policy for Managing Bycatch* (2013) where a key objective is to 'minimize the risk of fisheries causing serious or irreversible harm to bycatch fisheries'. In this situation, all bycatch mortality of Atlantic Halibut is counted against the total allowable catch for the stock. Current bycatch needs may be low, but this is expected to change in the near future. Remaining consistent with the *Policy for Managing Bycatch* (2013) will necessitate that the >100' sector have access to quota currently being re-allocated to inshore fleets.

### *Moving Forward:*

The profile of groundfish resources in 4RST is changing rapidly, whereby a very significant redfish fishery will be re-opening in the near future. This fishery is expected to become a key component in the annual fishing plans established for the >100' fleet, and will involve significant investment to modernize vessel and shore-processing capacity. This is especially pertinent as groundfish stocks in other parts of Atlantic Canada also appear poised for a recovery that will require expansion in both the harvesting and processing segments of the industry. Historic allocations of stocks like Atlantic Halibut to the >100' sector must be maintained and made more secure to create confidence among investors and lenders; facilitate investment; and, support the effective design of the fishery of the future.

Specific to the Gulf, scientific evidence indicates that the redfish fishery is likely to be larger than that of the 1980s (which hosted annual catch levels exceeding 30,000 mt). If a conservative estimate of a 30,000 mt annual TAC were established for the Gulf redfish fishery, this would provide roughly 22,000 mt to the >100' sector (as per existing sharing agreements), with a value in the order of \$ 50 million. The redfish fishery will require a bycatch of Atlantic Halibut. In neighbouring jurisdictions with active redfish fisheries, a rate of 1 – 2% halibut bycatch is experienced. Assuming a conservative bycatch rate of 1.5 %, the > 100' sector would require over 300 mt of halibut bycatch to fully utilize its redfish quota. It is clear that the > 100' fleet will soon require all of its Atlantic Halibut quota that is currently being re-allocated to the inshore fleets.

It is particularly disturbing that the forced re-allocation of mobile gear Atlantic Halibut quota has created a sense of "entitlement" among various inshore groups. A significant part of the Atlantic Halibut quota sharing dispute among the inshore groups is about how to divide the re-allocation of the mobile gear quota. There has developed a sentiment that this reallocation has now become "their quota", and continuation of the forced re-allocation approach will serve to reinforce this very disturbing trend. One only has to point to the disputes over SFA6 shrimp quotas to observe that so-called temporary allocations/re-allocations become more entrenched the longer they continue to exist. To the extent the >100' sector may not utilize some of its quota, a re-allocation of some quota to other sectors seems reasonable, although it must be

done within the framework of a cooperative agreement between sectors. This is how the fishery functions in other parts of Atlantic Canada where cooperative arrangements between sectors serve to best the interests of both sectors.

Our membership is willing to establish temporary agreements with fixed gear sectors to harvest Atlantic Halibut until such time the quota is required to address bycatch needs in our fisheries, however, we expect to be equal participants in such discussions and agreements would be achieved on an annual, non-permanent basis. DFO does not have to micro-manage such discussions for them to be successful, nor should DFO be accountable for their outcome.

In summary, this review provides the opportunity to correct past wrongs. We look forward to the following outcomes:

- >100' sector is allocated the 11.714 % of the TAC embodied by the 2007 agreement.
- >100' is authorized to establish annual agreements with cooperative fixed-gear sectors to allow utilization of 4RST Atlantic Halibut until such time it needed for our bycatch needs.
- The fleet allocation established in 2007 is announced as being stabilized for an indefinite period, pending the outcome of any future reviews that may be undertaken.

We thank you for the opportunity to make this submission and look forward to the results of this review.

Sincerely,



Kris Vascotto  
Executive Director

Cc: GEAC Membership