



Makivik Corporation

LIFO Position Paper

June 3, 2016

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Introduction

In 2010, in response to scientific research that indicated that shrimp stocks were declining in southern Shrimp Fishing Area (SFA) of the Northern shrimp fishery, the Department of Fisheries and Oceans (DFO) imposed Total Allowable Catch (TAC) reductions to ensure the protection of the fishery. To determine how this reduction would be applied to the fishery, DFO implemented the “Last In - First Out” (LIFO) policy. According to LIFO principles, should TAC levels fall to a specified threshold within a fishery, the most recent entrants to that fishery should be first to leave. As a result of the application of the LIFO policy by the Minister, these actions have resulted in a near halving of the inshore fleet’s peak allocation of 76,000t.

The LIFO policy has been a key quota management tool of the management regime for the Northern Shrimp Fishery. It has been clearly articulated in both the 2003 Integrated Fisheries Management Plan (IFMP)¹, the 2007 IFMP² and also in ministerial correspondence prior to 2003. However the policy has been subject to ongoing debate among stakeholders along two key positions – the offshore licence holders being largely in favour of continuing LIFO largely in its current form, and the newer inshore fishery entrants who are primarily in favour of its abolishment or fundamental alteration.

Current science predicts that due to changes in the ecology of the region, climatic shifts, and increased predation, shrimp stocks will continue to come under pressure for the near future. This decline will result in further reduced TAC allocations and require further action by DFO to ensure the stock and the ecosystem in which it exists are protected. The Minister has determined that a review of LIFO is both timely and required.

To provide guidance to the Minister in regards to future action on this matter, a Ministerial Advisory Panel (MAP) has been established to gather information from stakeholders and provide advice as per three questions:

- Should LIFO be continued, modified or abolished for the 2016 season and beyond?
- What key considerations should be allowed for if LIFO is modified or abolished?
- If LIFO should be abolished or modified, what should it be replaced with?

As one of the earliest participants in the Northern shrimp fishery, Makivik is pleased to participate in the current MAP process. Makivik is very cognizant of the need for consistent, effective and established policies and guidelines to provide the foundation for a healthy, stable and sustainable shrimp fishery. Makivik believes it has a compelling argument for continuing to respect LIFO policy as it is currently applied to the Northern shrimp fishery.

¹ Integrated Fisheries Management Plan – Northern Shrimp Northeast Newfoundland, Labrador Coast and Davis Strait. DFO, 2003, page 24.

² Northern Shrimp (SFAs) 0-7 and the Flemish Cap - Resource Management Operations Fisheries and Oceans Canada. DFO, 2007, page 8.

Background to the Northern Shrimp Fishery

The northern shrimp fishery was first identified as commercially viable in the 1970s when exploratory fishing research confirmed the presence of significant shrimp stocks in the area reaching southward from Baffin Island to the northeast coast of Newfoundland. The fishery is structured by Shrimp Fishing Areas (0-6) and managed via the setting of distinct Total Allowable Catch (TAC) allocations for each SFA. The fishery is closely monitored for the health and changes in the shrimp stock and TACs are adjusted to either increase or reduce allocations, or remain at the same level based upon the status of the fishery. The total of the TAC for all SFAs comprises the total quota.

In the years between 1978 and 1991, 17 offshore licences were issued to participants from Atlantic Canada, Quebec and Nunavut. An Enterprise Allocation (EA) regime was established with each offshore licence receiving an equal EA in all shrimp fishing areas.

The fishery is currently harvested by offshore and inshore interests. There are 14 offshore licence holders holding a total of 17 licences. Each of these licence holders has access to all SFAs, subject to land claims agreements³, and use vessels over 100 feet in length. The offshore licence holders have formed two distinct organizations:

- The Northern Coalition representing seven licence holders;
and
- The Canadian Association of Prawn Producers (CAPP) representing ten licence holders.

In addition, there are over 300 inshore licence holders in addition to special allocation holders. Some of these special allocation holders are aboriginal groups who have settled land claims agreements in place.

During the 1990s, shrimp stocks grew rapidly supported by favourable climatic conditions, positive eco-systemic changes and a drop in predation levels. In 1997, DFO released a three-year plan that provided substantial increases in quota for both offshore and temporary inshore licence holders. The fishery in SFAs 2, 5, and 6 was expanded to include temporary inshore licences that were introduced across Atlantic Canada with priority access being given to fleets with vessels under 65 feet and to several Aboriginal groups including Makivik. For the first time, the quota increases in SFA 5 and 6 were shared between special allocation licence holders - Northern Coalition, St. Anthony Basin Resources Inc. (SABRI), Innu, Labrador Inuit Association (LIA) and Cartwright.

The following principles were adopted to allocate these quota increases as per an announcement Minister Mifflin made in 1997:

- Conservation of resource is paramount
- The viability of the existing enterprises will not be jeopardized. Current Northern Shrimp licence holders will retain their full 1996 allocation in all Shrimp Fishing Areas – 37,600

³ Western Area Zone can no longer be accessed by all EA holders

tonnes (t). Existing licence holders will share the increase in SFA 2 and some will share the increase in SFA 5.

- There will be no permanent increase in harvesting capacity. Participation by new entrants will be temporary and will end for those SFAs where quotas decline in the future and the established thresholds are reached. The thresholds will be defined as the 1996 quotas in each of the six Shrimp Fishing Areas.
- Adjacency will be respected - those living closest to the resource will have priority access.

The TAC for the fishery doubled from 85,000t in 1998 to over 177,000t in 2009. In 2007, DFO limited further access to the fishery as a measure to ensure its sustainability. Temporary shrimp permits were converted to regular inshore licenses as part of the change but the temporary status of the shrimp allocation associated with the license did not change. It was in essence a name change, insofar as the temporary allocation program was concerned. This fact was confirmed in letters from Minister Hearn and specifically incorporated in the 2007 Northern Shrimp IFMP (in S. 5.2). It was made clear by Minister Loyola Hearn that this adjustment did not undermine the allocation principles that were established in 1997 including the LIFO principal that protected the offshore licence holders at 1996 quota levels in six SFAs if stocks came under pressure.

In 2010, it became evident that the shrimp stock was under pressure and DFO determined that the TAC for SFA 6 would be reduced to 61,632 tonnes. In 2011, the TAC for SFA 6 was further reduced to 52,387 tonnes. For 2011-2012 the TAC for SFA 6 was reduced by a further 15%. These reductions resulted in special allocation holders leaving the fishery. A formal review of the processes undertaken to apply LIFO was undertaken by Ernest and Young at the request of DFO⁴. The final report found that in both instances the LIFO principle was used and was applied correctly and consistently as per the 2007 Integrated Fisheries Management Plan for Northern Shrimp.

Makivik Corporation

Makivik Corporation is the entity mandated to protect the rights, interests and financial compensation that the 11,000 Inuit beneficiaries of Nunavik⁵ attained in the 1975 James Bay and Northern Quebec Agreement (JBNQA), the first comprehensive Inuit land claims agreement in Canada. Makivik is also signatory to the more recent agreement regarding offshore jurisdiction, the Nunavik Inuit Land Claims Agreement (NILCA) that came into effect in 2008. NILCA contains specific provisions regarding fishing.

Makivik, which in Inuktitut means “To Rise Up,” has developed into a modern organization that is active in many areas of the economy including operating a range of large profitable businesses that

⁴ Review of the Application of Rules and Management Policies in the Northern Shrimp Fishery. DFO 2012.

⁵ Nunavik is the region in northern Quebec and inhabited by the Inuit beneficiaries of the James Bay and Northern Quebec Agreement. Nunavut is a distinct territory and inhabited by the Inuit beneficiaries of the Nunavut Land Claims Agreement.

create important jobs for Nunavimmiut, the residents of the region. Makivik's mandate is broad in that it directs the organization to be become involved economic cultural and political activities. Makivik Corporation is empowered to negotiate new agreements with governments on behalf of the Quebec Inuit. As such, Makivik has become active in areas as diverse as social economic development, the protection of the Inuit language and the environment, and housing.

Corporate Objectives

- To receive, administer, distribute and invest the compensation money payable to Nunavik Inuit, as provided for in the James Bay and Northern Quebec Agreement;
- To relieve poverty, to promote the welfare, advancement, and education of the Inuit;
- To foster, promote, protect and assist in preserving the Inuit way of life, values and traditions;
- To exercise the functions vested in it by other Acts or the Agreement; and
- To develop and improve the Inuit communities and to improve their means of actions.

Makivik's work demonstrates the extent that modern aboriginal treaties or land claim settlements could benefit governments and Inuit. In 1975 when the first Agreement was signed, it took the position that "settling Inuit land claims" must be viewed in the context of a "new beginning" in terms of developing and implementing a new relationship and way of doing business with the governments of Quebec and Canada. Makivik's accomplishments to date have been substantial and have greatly improved the lives of the Inuit of Nunavik.

The corporation has a five-member executive committee including a president, and a 16-member board of directors elected by the Inuit of Nunavik. All 14 communities in the region are represented on the board. A board of governors acts an elders' council to provide guidance and advice and is appointed by the above two entities. Makivik has its headquarters in Kuujuaq and offices in Inukjuak, Montreal, and Quebec City.

Subsidiaries

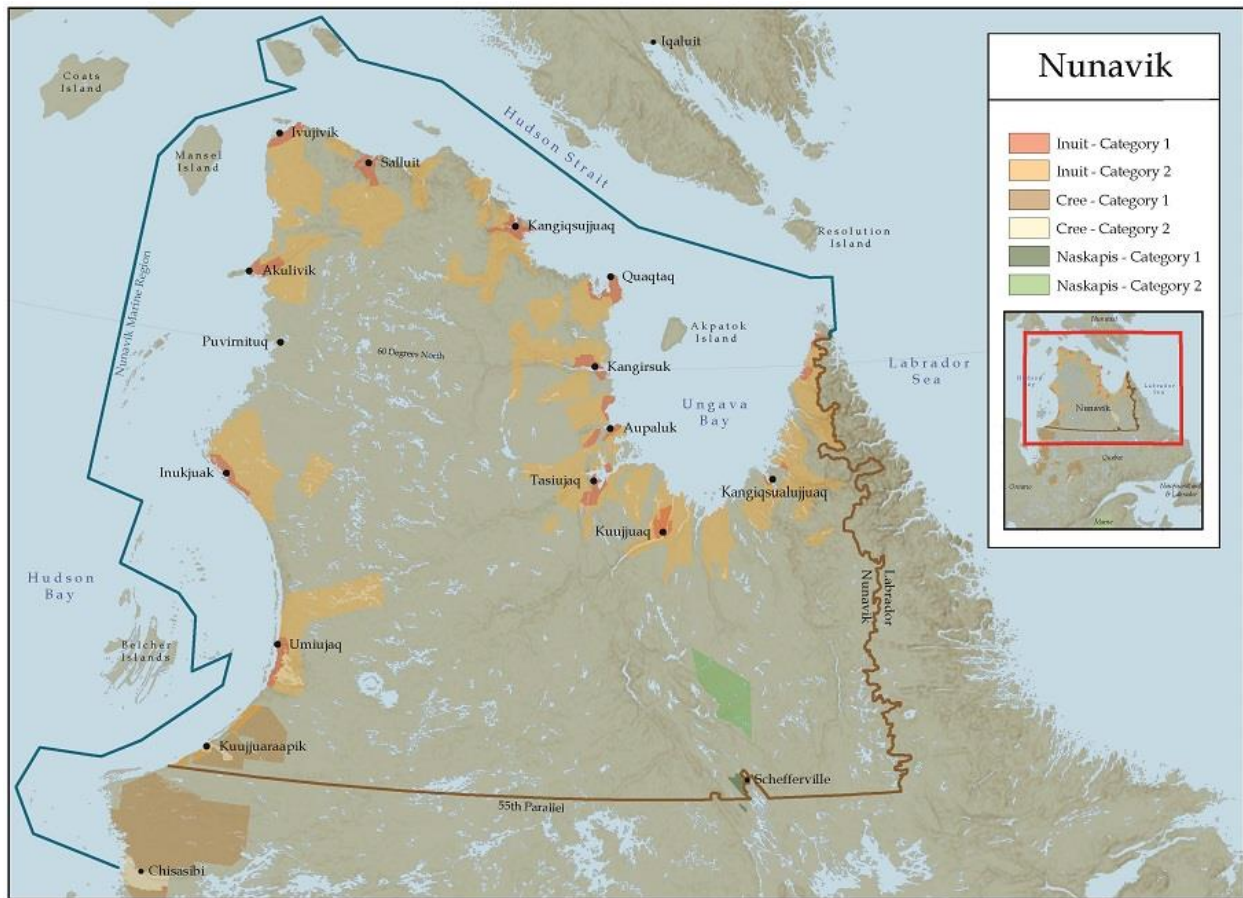
In an effort to broaden the participation of Inuit in the economy, Makivik has established the a number of wholly-owned subsidiaries which bring the total of employees under the Makivik umbrella to over 2,150 employees of whom 428 are Inuit. The subsidiaries are:

- First Air airline
- Air Inuit airline (regional)
- Nunavik Creations – created to support local employment and the arts and crafts sector.
- Nunavik Furs – created to support harvesting economy and traditional skills
- Halutik Enterprises – fuel services, heavy equipment rental etc.

- Kautaq Construction - construction

In addition Makivik has the following joint ventures:

- Unaaq Fisheries
- The NEAS group (NEAS Inc., Nunavik Eastern Arctic Shipping and Nunavut Eastern Arctic Shipping)
- Pan Arctic Inuit Logistics (PAIL)



Makivik and the Shrimp Fishery

Makivik is a full licence holder. Makivik also shares a shrimp licence with the Qikiqtaaluk Corporation of Nunavut⁶ and formed a joint venture with Unaaq Fisheries in 1987 to fish this licence. Currently the licence is operated partnership with Newfound Resources Ltd., a Newfoundland-based company that operates the vessel “Newfound Pioneer”. Makivik has invested much time and effort to develop a successful, sustainable fishery that has provided many benefits to the residents of Nunavik and beyond. Over its years of fishery operations, Makivik has focused on training Inuit crew members and developed strong partnerships with major national and international fishing companies. At its peak, nearly 60% of the crew fishing Makivik’s licence were Inuit.

Makivik has a well-established reputation for being a successful and responsible licence holder in the northern shrimp fishery. As far back as 1978, it has played an important role in developing research capacity and overall development of a viable shrimp fishery in Hudson Strait and Davis Strait in addition to Shrimp Fishing Area 6 (SFA 6).

⁶ QC obtained its licence through the regional Inuit association the Qikiqtani Inuit Association, formerly the Baffin Regional Inuit Association. QIA is a Designated Inuit Organization under the Nunavut Land Claims Agreement and holder of the licence. A non-profit organization, QC disperses its profits to QIA which in turn invests in regional and community economic development.

Makivik received its licence in 1979. It is important to note that this early participation in the fishery was prior to the signing of NILCA thus Makivik participated on the same footing as many other non-Aboriginal licence holders in developing the fishery.

During the period from 1979-1981, the Makivik licence gave restricted access to Ungava Bay/ Hudson Strait and to areas ICNAF/NAFO 0A and 0B. As part of the licencing agreement, Makivik was required to purchase a Canadian vessel - a first generation purpose-built shrimp trawler the M/V *Lumaaq*. Access was also placed on stocks straddling the border with Greenland allowing for a winter fishery to be established. With Greenland’s implementation of its “Home Rule”, Makivik’s access to this area within Greenland waters ceased. Subsequent to this, the Department of Fisheries and Oceans granted Makivik full access to all Atlantic shrimp fisheries via its licence.

After the first year of the fishery in Ungava Bay, 11 other license holders were given full access to the area although it was still considered to be an exploratory fishery at this point. During the period 1984-1986 Makivik utilized foreign charter arrangements to fish its quota from SFAs 1-6.

By the end of 2014-2015 Makivik had harvested 100% of its allocation in all of the shrimp fishing areas at year end excluding SFA 1 located at the northernmost part of Davis Strait. This area presents special challenges to obtaining suitable catch rates as the shrimp populations are variable and not in sufficient quantities to make it economically viable.

Makivik is increasingly concerned over the status of the shrimp population in Shrimp Fishing Area (SFA 6), the most southerly area dipping down into Newfoundland. This area produces a large percentage of Makivik’s revenue from the entire shrimp fishery, holding one third of its Borealis allocation. It continues to be a very important component for the winter fishery.

Impact of the Shrimp Fishery

Revenues generated from the shrimp fishery over the past 37 years have been consistently invested in the communities in Nunavik - for infrastructure, training, wages, and in shrimp research activities that continue to this day. Since 1997 Nunavik has generated over \$25 million in revenue from the fishery. Of this \$25 million, 35% is generated from the winter fishery in SFA 6 alone. In the period from 2011-2015 alone, Makivik’s net revenues from its fisheries grew from \$829,222 to \$4,400,000. Total revenue contribution from the fisheries to Makivik’s overall revenue ranged from 7-20% in that period.

SHRIMP FISHERIES CONTRIBUTION TOWARDS MAKIVIK REVENUES (2011-2015)					
FISCAL YEARS	2011	2012	2013	2014	2015
Net Royalty Revenue	\$829,111	\$1,605,534	\$1,488,385	\$3,539,504	\$4,400,000
% of Total Revenues (excl equity in subs)	7%	20%	15%	20%	12%

In addition, Makivik contributed \$77,000 per year to the Northern Shrimp Research Foundation and \$52,000 per year to annual survey billing.

The fishery also makes a significant contribution to Makivik’s current employment total of 2,149 contributing over \$104,209,000 in benefits and wages to the regional economy.

Makivik is a development corporation. It builds companies to make profits so it can re-invest into the social economy. Not all of its businesses are intended to turn a profit that is taken out of the region – Makivik’s profits are invested in helping the community and regional economies build stronger, healthier, and more sustainable communities.

Makivik’s contribution to communities from 2011-2015 was \$16,500,000. The multiplier effect of this reinvestment has enabled Makivik to vastly expand the benefits of the fishery in a wide variety of other economic development activities and assisted in the diversification of the regional economy. Community sewing centres, harvesting activities, the support of cultural and youth organizations, and other essential activities have benefited from the revenue from the fishery and help meet important social, cultural and economic goals.

MAKIVIK CONTRIBUTIONS TO COMMUNITIES IN NUNAVIK (2011-2015)					
FISCAL YEARS	2011	2012	2013	2014	2015
Makivik Contribution to Communities	\$ 4,928,166	\$ 1,783,671	\$ 3,181,340	\$ 3,281,358	\$ 3,321,000

It is noteworthy that despite the fact that the Inuit of Nunavik are full-fledged taxpayers (they pay income tax and sales tax), services and infrastructure accessible to them in their territory are limited and substantially less in comparison to what is offered elsewhere in Quebec. The cost of living in Nunavik is very high and the region faces major economic and social challenges, such as, for example, very high dropout (only 53% of Inuit aged 20 to 64 have graduated from high school) and unemployment rates as well as overcrowded houses.

The economy of Nunavik is not as varied as other economies in southern Canada and is based largely on the provision of government services, resource extraction, and tourism. Expanding and diversifying the economy involves overcoming a number of constraints beyond those that face similar jurisdictions in the south including the high costs of doing business, small, remote markets, transportation challenges, housing issues, low education and literacy levels etc. Unilingual Inuit in particular face great challenges in finding employment. The shrimp fishery has created hundreds of good paying jobs that offer Inuit crew members the potential to move upwards beyond basic entry positions. More young people are considering jobs in the fishery and are learning the skills, attitudes, and habits that will make them good solid employees. The shrimp fishery has helped create a stronger and more diversified Nunavik economy and created optimism and pride in Nunavik – two things that can often be in short supply in a tough economic environment.

If Makivik's access to the shrimp fishery were to decline or even eventually disappear, the impact on the Inuit of Nunavik would be harsh and immediate. Increased unemployment, low self-esteem and loss of important role models would inevitably bring about sharp increases in social problems including substance abuse, domestic violence and homelessness. Makivik is very aware of the positive impact the fishery has had on the region's economy and how critical it is to its wellbeing going forward.

Last In First Out – Background

As noted above, the number of participants in the Northern shrimp fishery expanded significantly in 1997 when shrimp populations began to grow rapidly. Temporary allocations based on a 57% increase in Northern shrimp quotas were given to “special allocation holders” and the Newfoundland/Labrador inshore fisheries sector. This expansion of the fishery was based upon the clear understanding that when shrimp populations eventually declined, quota reductions would be required and these new participants would leave the fishery in the reverse order in which they joined. The policy wasn't called into play for nearly a decade as shrimp populations and TAC kept growing under favourable conditions. Throughout this period, a number of Ministers continued to explicitly support the LIFO policy as a key tool in the department's management toolbox.

- “Participation by new entrants will be temporary and will end for those SFAs where quotas decline in the future.” (Minister Mifflin 1997).
- “The removal of access privileges will be based on the “last in first out” principle The “last in first out” principle will be applied to these (2000) allocations, as it will be applied to all other temporary access to the fishery.” (Minister Dhaliwal 2000).
- “Temporary participants will be removed from the fishery in reverse order from gaining access”. (Minister Dhaliwal 2001).
- “I can confirm that this principle (LIFO) will be in the new multi-year IMFP and will only be subject to land claims obligations”. (Minister Hearn 2007).
- “This policy is an objective of the Integrated Fisheries Management Plan and has provided a foundation for access and allocation for this fishery”. (Minster Shea 2010).

The LIFO policy was initially implemented as a means of enabling the benefits of the fishery to a greater number of entities during a period of bounty, and to ensure that a clear policy was in place to protect the resource and the traditional licence holders when the resource declined to a certain level. The inevitable happened in 2010 when shrimp populations in the region began to decline. They are not expected to improve for the near term.

The basis for the LIFO policy was always well understood by all fishery stakeholders – LIFO protects the primary developers and investors in the fishery to ensure a stable, sustainable fishery. As noted above, it has been clearly articulated by a number of DFO Ministers and in two Integrated Fisheries

Management Plans⁷ (IFMPs). Makivik has been one of the earliest participants in this fishery and has made substantial investments throughout its 35 year involvement. Makivik and other early entrants assumed the risks and effort required to develop the fishery based upon a foundation of established regulations, practices, and guidelines to support its development. Business planning, training of Inuit crews, investment plans, research, and capacity development – these require long term planning and effort to develop and implement. Reducing quotas for the traditional offshore licence holders, particularly in the winter fishery, threatens to reduce the positive impact and even the economic viability for some. To develop such a fishery based on shifting, tentative and short-term policies would have been impossible and resulted in an unstable, unhealthy and unsustainable fishery that is in no-one's interest.

Makivik and other licence holders believe quota reductions and the LIFO policy have been applied appropriately to date for both 2010 and 2011 resulting in the removal of two Special Allocation holders. This conclusion is shared by Ernest and Young in the review conducted on behalf of DFO⁸. Makivik believes the policy works, has been implemented properly to date, and should continue to be applied to future quota reductions in the fishery.

Part of the tasks assigned to Ernest and Young was to "gather the views of the Northern shrimp fleets and special allocation holders, including obtaining the perspectives of relevant governments, agencies, and Land Claims Resource Management Boards and Inuit organizations⁹." During the information collection phase of the review, it became apparent that there were differing views among stakeholders regarding LIFO and the quota reduction policies followed by the DFO. Opponents of the current policies are limited to those new entrants who are being negatively impacted by the imposition of the LIFO policy. While promoting the benefits that would fall to them in their proposed revision of these policies, they downplay the serious negative impacts that would befall the traditional licence holders with the instability and fracturing of the status quo.

Makivik understands the reluctance these new entrants have for receiving reduced or forfeited quota allocations that were given to them when the shrimp populations could warrant the expansion of the fishery. They joined in good faith and were in agreement with the policies and practices that were agreed to by all fishery participants. Now science has determined the populations are declining and that further reductions in quota are necessary. All participants must adhere to the understanding that was initially agreed to by all – to protect the fishery and adhere by the LIFO policy when the stocks reach certain TAC levels. Those stakeholders that are most responsible for developing the fishery in a successful and sustainable way must be enabled to continue to access sufficient levels of quota to remain viable and strong. A predictable, established and agreed upon policy framework must continue to form the basis of the policy context of the Northern shrimp fishery.

⁷ 2003 and 2007.

⁸ Ernst & Young, *Review of the Application of Rules and Management Policies in the Northern Shrimp Fishery* - 31 March 2012

⁹ Ibid page 4.

Future Options

In regards to consideration of future options regarding LIFO, it is important to note that Makivik does not consider its participation in the current MAP information gathering process to be a true and sufficient consultation as defined in the Constitution (section 35) or as in the Nunavik Inuit Land Claims Agreement (NILCA). The NILCA specifically requires the Government of Canada to conduct real and meaningful consultations with Makivik in a number of key areas including marine and fishing activities. If changes are made to LIFO policy, then Canada will be required to enter into true and sufficient consultations with Makivik under the terms of the NILCA. Makivik's successful participation in the shrimp fishery pre-dates the NILCA but since its signing in 2006, the agreement has become the primary source of definition of the relationship between Canada and the Inuit of Nunavik.

All parties should be aware that the land claims agreements that have been settled including those in Nunavut, Nunavik and Nunatsiavut, are all constitutionally protected and set out distinct obligations and responsibilities for their successful implementation.

Makivik favours the continuation of the use of the LIFO policy to determine how participants in the fishery should leave the fishery when certain TAC thresholds have been reached. Sustainable fisheries cannot be developed based upon shifting, unpredictable policies. Shifting from the LIFO policy is simply not fair to those who have invested the most in the fishery and have continued to operate in a responsible manner.

Makivik appreciates the fact that it is one voice of many regarding potential changes that may occur over time to DFO's policies and regulations. It would like to stress however, that any further consideration of the Department and stakeholders regarding significant changes to LIFO or other quota reduction allocation policy that may be considered, take into account the following three principles considered by Makivik to lay at the very core of DFO's fishery policies:

- Land Claims
- Historical dependency
- Adjacency.

Makivik believes that any discussion of future alterations or new developments in the context of fisheries policy that does not embrace these three principles as central tenets will not result in successful outcomes.

Makivik has been one of the earliest stakeholders involved in the development of the Northern shrimp fishery. It has developed the fishery in a responsible, sustainable manner according to the spirit and the letter of its licensing agreements. Makivik's success has been based upon clearly defined and understood policies and regulations that have enabled it to effectively plan and invest since its first licence was approved.

There are indications that the Northern shrimp fishery may be in a long-term decline. Makivik firmly believes that this eventuality will have a substantial negative impact on Nunavik's economy and its

people. Unlike many of the other licence holders in the fishery, Makivik does not have access to any other fish resources¹⁰. This greatly impedes its ability to mitigate the harshest impacts of the fishery closure. It is essential therefore that Makivik does all it can to protect its access to the shrimp fishery. If Makivik is eventually forced to leave the fishery, it is only fitting that it be one of the last to do so and only after great consideration is made to finding a replacement resource.

Makivik's Position on Specific SFAs

This section is included to help illustrate Makivik's view on how its interests are impacted by fishing activities in specific SFAs. Makivik is keenly aware that climate and eco-systemic changes are occurring in the North Atlantic and will continue to have a critical impact on the future of the fishery. Currently the fishery is in a period of decline that will result in further TAC reductions and more participants leaving the fishery. The industry may not be able to predict the future of the fishery, but all stakeholders agree that it needs careful management to ensure the benefits accrue to those who fish it.

SFA 0/NAFO 0A - TAC 500 tons

This area has a 500 ton TAC. Fishing effort to date has been limited to a few vessels that have had marginal success. At this point in time it is an experimental fishery. Its adjacency to Nunavut requires that if it does eventually develop into a fishery, Nunavut interests would be given priority of access. There is nothing in the NILCA that provides Nunavik/Makivik with any rights of access. Makivik has not fished this area.

SFA 1

This area has a TAC of 8,500 tons. Of this amount, 4171 tons has been allocated for land claim groups with Makivik receiving 449 tons. Makivik has a long history of fishing in SFA 1 going back to 1979. The area "Storre Hellefisk Bank" which includes SFA1 but stretches into Greenlandic waters has long been a productive area.

When Greenland left the European Economic Community in 1981, Canada forfeited its access to Greenland waters for its winter fishery. Recent efforts in this fishery have come from a few vessels that have by and large very few other options or sufficient allocations elsewhere. The viability of this fishery at present is questionable however recent scientific surveys in NAFO area 1ABCD have indicated a strong recruitment back into the fishery. This has resulted in Greenland re-establishing the TAC which has subsequently been approved by NAFO. If the recruitment trend continues, there is potential from additional flow into SFA 1. Complicating this fishery is the fact that this area may fall under Canada/Greenland bilateral discussions that have been proposed by both countries.

¹⁰ Makivik has a very small turbot allocation but this is traded for shrimp.

Through CAPP, southern-based license/EA holders wish to retain their access to this fishery. Makivik has a strong historical and economic attachment to the fishery in addition to access through NILCA. Makivik believes it has a strong case for a larger portion of this fishery through land claims, adjacency and historical attachment.

SFA 2 east of 63/Davis Strait east

This fishery has a TAC of 1,604 tons (Borealis). It has always been a fishery with irregular success and has not produced as well as originally anticipated. The fishing effort in this area is predicated upon the efforts in the most adjacent areas and is now classified as an opportunity fishery. Makivik fishes this area as it is adjacent and within the NILCA area. If migration of shrimp into the northern regions continues, this could be a potentially strong fishery.

SFA 2 West of 63/Davis Strait west.

The TAC for this area is 4,813 tons with 5775 tons set aside for Nunavut. The fishery is very productive and falls within the land claims area as per NILCA (Davis Strait) and is therefore subject to all land claims etc. It has been a long-term fishery and there has been potential for possible increases in TAC over the past few years. All increases are subject to MSC to a maximum of 15% EA holders, which include Makivik, Qikiqtaaluk Corporation and Unaaq, would be beneficiaries of this however under NILCA Nunavik is entitled to a percentage of any new TAC. The fishery falls under adjacency and inclusion in the land claims.

SFA 3/NU/NK east and west

This area has a TAC for 2,309 tons (Borealis) and 6,568 (Montagui).

There is a sharing arrangement between the two management regimes for this stock. This area was originally researched in 1978-1980 by Makivik proving an historical attachment in addition to land claims agreements. Makivik commits additional funds to the Northern Shrimp Research Foundation (NSRF) for scientific research in this area.

SFA 4

The fishery had a TAC of 14,971 tons (Borealis) and 4,033 tons (Montagui)

This is a very active fishery for both species. The Borealis allocation also includes 2,825 tons that helps provide financial support for research with 1,752 tons being allocated as a special allocation. This is an area adjacent to NILCA with no other interests being given allocations. Since NILCA, this allocation has been given to other parties. Makivik's position is that this is an adjacent area, part of the NILCA, and there has been a historical dependence on the area for Makivik.

SFA 5

This area has a TAC of 10,090 tons. This is an extremely important area for Makivik. Apart from its EA of 450 tons, Makivik also has an additional allocation of 874 tons through the Northern Coalition

(NC) and 437 tons through the Unaaq portion of the NC. As part of the NC, Makivik is part of the northern group comprised of adjacent and aboriginal groups with offshore EAs. A portion of the TAC was directed as science quota to assist in providing sufficient funding for science survey costs for the NSRF. Makivik has fished this area since it received its EA. The allocation from this area is considered essential.

SFA 6

The TAC for this area is 48,196 tons as per 13,599 for offshore, 31,637 for inshore and 3,000 to St. Anthony Seafood (Clearwater). Between 1979 and 1987, fishing in this area was opportunistic. The sharp increase in stock that occurred from 1987 onward increased the importance of this fishery to Makivik's interest along with the increase occurring simultaneously in SFA 7. The current EA in this area is 797 tons plus 50% of Unaaq's allocation of 398 tons.