



HOUSE OF COMMONS
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WEST COAST FISHERIES: SHARING RISKS AND BENEFITS

**Report of the Standing Committee on Fisheries
and Oceans**

Ken McDonald, Chair

**MAY 2019
42nd PARLIAMENT, 1st SESSION**

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**Ken McDonald
Chair**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON FISHERIES AND OCEANS

has the honour to present its

TWENTY-FIRST REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the regulation of the West coast fisheries and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That Fisheries and Oceans Canada maintain the limited transferability for non-directed catch, which is a widely supported system for ensuring that non-targeted groundfish that is caught can be sold and tracked for conservation purposes. 22

Recommendation 2

That based on the principle that fish in Canadian waters are a resource for Canadians (i.e. common property), no future sales of fishing quota and/or licences be to non-Canadian beneficial owners based on the consideration of issues of legal authority, and international agreement/trade impacts. 24

Recommendation 3

That Fisheries and Oceans Canada permit the separation of stacked (or “married”) licences for sale by the licence owner to divest some or all of their licences in the sole intent of facilitating existing harvesters and new entrants to become owner-operators. 27

Recommendation 4

That, to increase the transparency of quota licence ownership and transactions, Fisheries and Oceans Canada determine and publish, in an easily accessible and readable format, a public online database that includes the following:

- The beneficial holder of all fishing quota and licences in British Columbia, including penalties for failing to accurately disclose the holder of fishing quota and/or licences, and that Fisheries and Oceans Canada work with Finance Canada to achieve this goal.**

- All sales or leasing of quota and licence holdings be reported and made public by Fisheries and Oceans Canada, including buyer, seller and sale/leasing price. 32

Recommendation 5

That Fisheries and Oceans Canada prioritize the collection of socio-economic data for past and future regulatory changes and make this information publicly available. 33

Recommendation 6

That Fisheries and Oceans Canada develop a comparative analysis of the East Coast and West Coast fisheries in regard to regulations with a view to devising policy that would level the playing field for independent British Columbian fishers. 33

Recommendation 7

That Fisheries and Oceans Canada undertake discussions with the Province of British Columbia to explore the establishment of a model for a loan board to support harvesters’ intent on purchasing licences and/or quota, to maintain or modernize existing vessels or to purchase new ones..... 36

Recommendation 8

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, provide financial incentives to independent ownership of licences and quota vs. corporate, overseas or absentee ownership. This could include: tax incentives; a shared risks and benefits program; and/or the creation of community licence and quota banks..... 37

Recommendation 9

That Fisheries and Oceans Canada create a loan and mentorship program to help independent harvesters enter the industry. 37

Recommendation 10

That Fisheries and Oceans Canada work with the Government of British Columbia to develop strategies to expand value-added fish processing in British Columbia and the recapture of benefits from processing in adjacent communities. 37

Recommendation 11

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish an open public auction process to allow fishers to lease licence and quota. 40

Recommendation 12

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish a licence exchange board to allow the trading of licences between owners. 40

Recommendation 13

That Fisheries and Oceans Canada reconstitute the membership of advisory boards to ensure equitable representation by fishers, processors and quota owners. 41

Recommendation 14

That Fisheries and Oceans Canada develop a new policy framework through a process of authentic and transparent engagement with all key stakeholders:

- Active fish harvesters (or where they exist, organizations that represent them) in all fisheries and fleets including owner-operators, non-owner-operators, and crew;**
- First Nations commercial fish harvesters (or where they exist, organizations that represent them);**
- Organizations representing licence and quota holders that are not active fish harvesters, including fish processing companies;**

- Organizations representing First Nations that hold licences and quotas for commercial fisheries;
- The Minister responsible for fisheries in the British Columbia government;
- Fisheries policy experts from academic institutions and non-governmental organizations; and
- Representatives of municipal governments and socio-economic development, health and cultural agencies in coastal communities. 41

Recommendation 15

That, with regard to West Coast commercial fisheries, the Minister of Fisheries and Oceans establish an independent commission to:

- Develop a concept for a ‘fair-share’ system to equitably allocate the proceeds from the fishery of individual species between the quota/licence holder, the processor and the harvester, based on the average wholesale price earned by the processor over a three-month period.
- Work with Fisheries and Oceans Canada to explore the feasibility of set limits on the amount of quota or number of licences for an individual species that can be owned by an individual or entity and ensure that comprehensive consultations are undertaken.
- Devise a policy of current market buy back from fishers looking to exit the industry and to prioritize that quota and licence sale to emerging young or independent fishers through a student/mentorship/apprenticeship program as has been done successfully in other regions for the country and other jurisdictions (Maine, Alaska, Norway) who have testified before this committee.
- Prepare a concept through comprehensive consultations that could transition the West Coast fishery to a “made-in-BC” owner-operator model. 43

Recommendation 16

That the development of Fisheries and Oceans Canada’s new policy framework should be undertaken by a working group chaired by a senior National Headquarters official and comprised of appropriate officials from National Headquarters and Pacific Region. 44

Recommendation 17

That the Minister of Fisheries and Oceans direct the Department to develop an implementation framework for transition with time limits and phased approaches similar to the *Policy for Preserving the Independence of the Inshore Fleet in Canada’s Atlantic Fisheries (PIIFCAF)*, but appropriate to particular fleets and/or fisheries. 44

Recommendation 18

That transition strategies should take account of the recommendations, needs, rights and capacities of First Nations and the framework for reconciliation. 44

Recommendation 19

That the Minister of Fisheries and Oceans initiate immediate steps to regulate quota licence leasing costs to allow for a fair return for vessel owners and adequate incomes for fish harvesters during the transition to owner-operator. Such measures should continue after transition to guarantee crews fair wages under the new regime. 45

Recommendation 20

That Fisheries and Oceans Canada develop a plan to achieve its five-objective fisheries management regime, which includes conservation outcomes: compliance with legal obligations; promoting the stability and economic viability of fishing operations; encouraging the equitable distribution of benefits; and facilitating data collection for administration, enforcement and planning purposes. 45



WEST COAST FISHERIES: SHARING RISKS AND BENEFITS

INTRODUCTION

On 20 June 2018, Bill C-68, An Act to amend the Fisheries Act and other Acts in consequence was adopted by the House of Commons at Third Reading.¹ The bill sets out new factors that may be considered by the Minister of Fisheries and Oceans when making fisheries-related decisions. These factors include, among others, social, economic and cultural considerations.²

During its consideration of Bill C-68, the House of Commons Standing Committee on Fisheries and Oceans (the committee) heard contrasting testimony on the impacts of Fisheries and Oceans Canada's (DFO) quota licencing policy on the West Coast's commercial fisheries.³ In light of that testimony, on 5 June 2018, the committee adopted a motion to undertake a study to:

examine the regulation of the West Coast fisheries, specifically in relation to fishing licences, quotas, and owner operator and fleet separation policies, in order to evaluate the impact of the current regime on fisheries management outcomes, the distribution of economic benefits generated by the industry and the aspirations of fishers and their communities, and to provide the government with options and recommendations to improve those outcomes.⁴

The committee held five public hearings between 30 January and 20 February 2019, during which it heard testimony from 40 witnesses. Witnesses included fish harvesters, commercial and recreational fishing organizations, fish processing companies, social

1 [*C-68, An Act to amend the Fisheries Act and other Acts in consequence*](#), 1st Session, 42nd Parliament.

2 Daniele Lafrance and Thai Nguyen, [*Legislative Summary of Bill C-68: An Act to amend the Fisheries Act and other Acts in consequence*](#), Library of Parliament, 19 June 2018.

3 House of Commons, Standing Committee on Fisheries and Oceans, [*Bill C-68, An Act to amend the Fisheries Act and other Acts in consequence*](#), 1st Session, 42nd Parliament.

4 House of Commons, Standing Committee on Fisheries and Oceans, [*Minutes*](#), 5 June 2018.



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scientists, non-governmental organizations, the Vancouver Island Health Authority, and DFO officials.⁵

The members of the committee would like to extend their sincere thanks to all the witnesses who participated in this study. The committee is pleased to present the results of its study in this report, along with recommendations based on the evidence it heard.

5 House of Commons, Standing Committee on Fisheries and Oceans, [*Regulation of the West Coast Fisheries*](#), 1st Session, 42nd Parliament.

BACKGROUND

A. FEDERAL AUTHORITY IN FISHERIES MANAGEMENT

Pursuant to sections 7(1) and 43(1) of the *Fisheries Act*, the federal government may issue licences for fisheries and make regulations respecting the terms and conditions under which a fishing licence may be issued, and the setting of quota.⁶ Accordingly, commercial fisheries on the West Coast are managed under the federal *Pacific Fishery Regulations, 1993*.⁷

In 2007, DFO adopted the *Policy for Preserving the Independence of the Inshore Fleet in Canada's Atlantic Fisheries* (PIIFCAF) to “ensure that [commercial] inshore fish harvesters remain independent, and that the benefits of fishing licences flow to the fisher and to Atlantic coastal communities.” PIIFCAF also serves to strengthen DFO’s existing Fleet Separation and Owner-Operator policies. The Fleet Separation Policy keeps the ownership of the fish harvesting sector separate from the processing sector by preventing processing companies from acquiring the fishing licences of inshore vessels (i.e., those measuring less than 19.8 m or 65 ft.). The Owner-Operator Policy requires the holders of licences for inshore vessels to be present on the boat during fishing operations. Similar policies have not been established for West Coast fisheries.

On 8 February 2019, the Federal Court of Appeal upheld the federal government’s right to enact and enforce policies related to the protection of the economy of coastal communities who depend on fishing resources. According to that decision, the substance of PIIFCAF falls “within Parliament’s broad powers to manage the fisheries.”⁸

6 [*Fisheries Act*](#), R.S.C., 1985, c. F-14.

7 [*Pacific Fishery Regulations, 1993*](#), SOR/93-54.

8 [*Elsou v. Canada \(Attorney General\)*](#), 2019 FCA 27.



B. ECONOMIC PERFORMANCE OF COMMERCIAL FISHERIES IN BRITISH COLUMBIA

1. Employment and Incomes

In 2016, the fishing industry provided full and part-time employment for 9,416 people on vessels, at fish farms and in processing plants in British Columbia.⁹ The harvesting sector alone employed 5,208 people. According to the Canadian Council of Professional Fish Harvesters' 2018 labour market information study, British Columbia's commercial fishing industry had lower fish harvester incomes and a more challenging demographic outlook, compared to the East Coast's commercial fishing industry.¹⁰

In addition, from 2000 to 2015, while the average Canadian fishing employment income rose 39%, it decreased by 6% in British Columbia. In 2015, the average income of a self-employed British Columbia fish harvesters was only equal to 56% of the Canadian average.¹¹ According to a 2013 report on labour supply challenges in British Columbia, "turnover in crew is significant for some sectors and again this is tied to the poor economics of their fleets and the low crew wages that the crew earn."¹²

2. Landed Values

DFO estimated that British Columbia's commercial fisheries landed 183,000 tonnes of fish in 2017, worth a gross value of \$398 million (Table 1). The commercial fleet on the West Coast is mainly composed of vessels shorter than 45 feet in overall length.¹³ By comparison, the annual economic impact of the West Coast recreational fishery is estimated to be about \$700 million. This number includes "spinoff benefits from not just the harvest of the fish but also the guiding operations and the other operations that accompany it."¹⁴

9 DFO, "[Fishing-Related Employment by Industry and Province, 2014-2016](#)," *Fisheries and the Canadian Economy*.

10 Canadian Council of Professional Fish Harvesters, [Fisheries Seasonality and the Allocation of Labour and Skills: Labour Market Information Study](#), 2018.

11 Canadian Council of Professional Fish Harvesters, [Fisheries Seasonality and the Allocation of Labour and Skills: Labour Market Information Study](#), 2018.

12 G.S. Gislason & Associates Ltd., *The BC Fishing Industry—Labour market Information*, Prepared for the BC Seafood Alliance, January 2013.

13 DFO, "[Number of Vessels by Overall Length 1985-2017 for the Pacific Fleet](#)," *Vessel Information*.

14 Rebecca Reid, Regional Director General, Pacific Region, DFO, [Evidence](#), 30 January 2019.

Table 1—Landed Values (\$millions) of British Columbia Main Fishery Products, 2017

| Groundfish | Landed Values (\$millions) |
|----------------------------------|-----------------------------------|
| Halibut | 62 |
| Redfish | 24 |
| Hake | 33 |
| Pelagic and Other Finfish | Landed Values (\$millions) |
| Salmon | 46 |
| Herring | 17 |
| Tuna | 16 |
| Shellfish | Landed Values (\$millions) |
| Crab | 51 |
| Clams | 52 |
| Shrimp | 24 |
| Sea urchin | 7 |

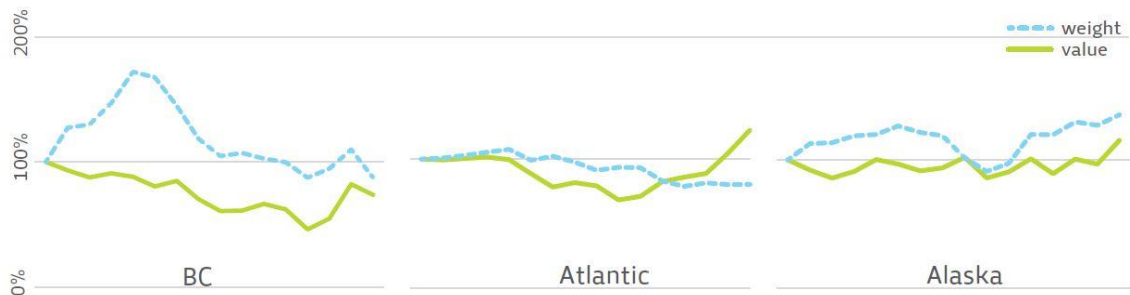
Source: DFO, [“2017 Value of Atlantic and Pacific Coasts Commercial Landings, by Province,”](#) *Seafisheries*.

From 2000 to 2015, economic performance data suggested no growth in British Columbia’s fishery while both Atlantic Canadian and Alaskan fisheries saw significant growth in their landed values (Figure 1). According to the Canadian Council of Professional Fish Harvesters, the comparison with Alaska is “particularly relevant because of the similarities with BC in terms of the mix of species harvested.”¹⁵

15 Canadian Council of Professional Fish Harvesters, Fisheries Labour Market Information Study—BC Consultations, *Brief*, February 2019.



Figure 1—Landed Volumes and Values from 2000 to 2015 Relative to 2000



Source: Ecotrust Canada and T. Buck Suzuki Environmental Foundation, *Just Transactions, Just Transitions: Towards Truly Sustainable Fisheries in British Columbia*, 21 December 2018, p. 25.

C. COMMERCIAL FISHERIES MANAGEMENT IN BRITISH COLUMBIA

1. Fishing Effort and Catch Management

Historically, competition has characterized commercial fisheries in British Columbia. Fishers were engaged into a cycle of acquiring bigger boats and better technology to outperform each other for a share of the resource. Because fishery resources are finite, diverse management strategies were gradually introduced by DFO to control the harvest.¹⁶ Fishing effort and catch management for groundfish, for example, were controlled by: a limited entry licencing regime; a total allowable catch (TAC); gear restrictions; size limits; and time and area closures.¹⁷

2. Individual Transferable Quotas

DFO also adopted individual transferable quotas (ITQs), also known as quota licences, to manage several commercial fisheries in British Columbia, including the Pacific halibut fishery in 1992 and the groundfish trawl fishery in 1997.¹⁸ ITQs give their owners exclusive and transferable rights to catch a given portion of the TAC of a given fish

16 J.R. Beddington, D.J. Agnew, and C.W. Clark, "[Current Problems in the Management of Marine Fisheries](#)," *Science*, Vol. 316, No. 5832, 22 June 2007.

17 DFO, [Groundfish, Pacific Region 2017 Integrated Fisheries Management Plan summary](#).

18 E. Pinkerton et al., "[Atlantic and Pacific halibut co-management initiatives by Canadian fishermen's organizations](#)," *Fish and Fisheries*, Vol. 19, No. 6, 15 August 2018.

stock.¹⁹ ITQs can be owned by individual active and non-active fishers, non-fisher investors, vessels or enterprises, and are transferable through selling, buying and leasing in an open market.

Over time, some owners of ITQs found they can make more money leasing out their quotas than fishing it themselves. With higher revenues and better tax deductions, leasing quota is being treated like a pension, with some owners choosing to will the quotas to their family members to be used as an investment.²⁰

ITQs were seen by DFO as a solution to overfishing. Thus, ITQs would enhance the economic viability of the fisheries.²¹ Transferable quotas are said to be effective in discouraging overcapitalization in the harvesting sector, at no cost to government from licence retirements or buy-backs. This is accomplished by the accumulation or stacking of quotas as, over time, marginal fishers or enterprises choose to sell their quotas to others.

According to a 2009 study commissioned by DFO, with ITQs as clearly identified shares of the TAC, “fishers can better plan their season, to minimize wastage, service the market, and fish in a cost-effective and efficient manner. If the weather conditions are poor, fishers remain in port, or travel to different fishing grounds with more favourable conditions.”²² In addition, the “market value of the ITQs reflects the market’s perception of the net present value of the future stream of net economic returns from the fishery.” Therefore, “if the resource is not managed to be sustainable, future TACs will decline as will the value of the ITQ.”²³

19 R. Sumaila, “[How to Make Individual Transferable Quotas Work Economically, Socially, and Environmentally](#),” *Oxford Research Encyclopedia of Environmental Science*, November 2018.

20 E. Pinkerton and D.N. Edwards, “[The elephant in the room: The hidden costs of leasing individual transferrable fishing quotas](#),” *Marine Policy*, Vol. 33, No. 4, 2009.

21 G.R. Munro et al., “[Impacts of harvesting rights in Canadian Pacific fisheries](#),” *Statistical and Economic Series—Economic Analysis*, No. 1-3, DFO, 2009.

22 G.R. Munro et al., “[Impacts of harvesting rights in Canadian Pacific fisheries](#),” *Statistical and Economic Series—Economic Analysis*, No. 1-3, DFO, 2009.

23 G.R. Munro et al., “[Impacts of harvesting rights in Canadian Pacific fisheries](#),” *Statistical and Economic Series—Economic Analysis*, No. 1-3, DFO, 2009.



2.1. Economic Viability for Quota Licence Holders

Many studies of ITQ systems in operation around the world show evidence that they increase profits and improve economic efficiency for quota licence holders.²⁴ Transferability of quotas also provides a market mechanism for addressing allocation issues between the recreational and commercial sectors.²⁵ In addition, ITQs would facilitate new entrants as young fishers “do not necessarily have access to sufficient capital outlays for purchasing quota. Alternatively, they can lease quota and still participate in the fishery and possibly build up some savings to purchase quota” at a later time.

2.2. Distribution of Economic Benefits

According to a 2008 study commissioned by DFO, ITQ fisheries management has “allowed better quality products to be produced over a much longer season which has enabled higher returns to both fishermen and processors.”²⁶ That study also found that “all fisheries show an increase in industry product value under ITQs (in fact, processed value essentially doubles under ITQs for all sectors combined), and most fisheries show an increase in wages and person-year employment under ITQs.” However, that same 2008 study also recognized that “ITQs shift the balance of power between the licence/vessel owner and the vessel crew and the processor-buyer. The licence/vessel owner appropriates a greater share of the increase in ‘industry value’ than does the processor or crew.”²⁷

By contrast to the above findings, the Canadian Council of Professional Fish Harvesters’ 2018 labour market information study indicated that the “weak or negative trends in employment, harvester incomes and value of landings and exports suggest that [the] British Columbia fishery is not seeing the market-driven growth that is evident in other fishing regions.”²⁸

24 R. Sumaila, “[How to Make Individual Transferable Quotas Work Economically, Socially, and Environmentally](#),” *Oxford Research Encyclopedia of Environmental Science*, November 2018.

25 B. Turriss, “[A rejoinder to E. Prinkerton et al., the elephant in the room: The hidden costs of leasing individual transferable fishing quotas](#),” *Marine Policy*, Vol. 34, No. 3, May 2010.

26 G.S. Gislason & Associates Ltd., “[Employment Impacts of ITQ Fisheries in Pacific Canada](#),” Prepared for DFO, March 2008.

27 G.S. Gislason & Associates Ltd., “[Employment Impacts of ITQ Fisheries in Pacific Canada](#),” Prepared for DFO, March 2008.

28 Canadian Council of Professional Fish Harvesters, [Fisheries Seasonality and the Allocation of Labour and Skills: Labour Market Information Study](#), 2018.

A 2004 study noted that ITQs created “wildly inflationary markets for licences and quota.”²⁹ As a result, they are becoming “increasingly concentrated in fewer and fewer hands. Their extremely high market value is well outside the reach of many rural working families, First Nations and younger fishermen.” That study also stressed that “one of the effects of the shift in licence ownership is that many rural communities and First Nations see few benefits accruing from adjacent fisheries resources.”

3. Socio-Economic Considerations in Fisheries Management

The Federal Sustainable Development Strategy, along with the *Fisheries Act* and the *Oceans Act*, is the basis for oceans and fisheries management in Canada. The strategy recognizes that “sustainable development encompasses and requires thorough consideration of economic, social and environmental factors.”³⁰ The December 2011 Report of the Commissioner of the Environment and Sustainable Development stressed that, in addition to governance, the key properties of a sustainable fishery include the environmental, economic, and social aspects of sustainable development.³¹ DFO’s Sustainable Fisheries Framework—which informs integrated fisheries management planning—also mentions social and economic factors in general terms.³²

According to several academic studies and past committee reports,³³ however, DFO’s fisheries assessment and management have “focused on biological productivity with insufficient consideration of social (including cultural), economic, and institutional (governance) aspects.”³⁴

29 Ecotrust Canada, “[Catch-22: conservation, communities and the privatization of BC fisheries, an economic, social and ecological impact study](#),” 2004.

30 Government of Canada, [Achieving a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2016-2019](#), 2016.

31 Office of the Auditor General of Canada, “[A Study of Managing Fisheries for Sustainability](#),” Chapter 4 in *2011 December Report of the Commissioner of the Environment and Sustainable Development*, December 2011.

32 DFO, [Application of the Sustainable Fisheries Framework Through the Integrated Fisheries Management Planning Process](#).

33 House of Commons, “[Healthy Oceans, Vibrant Coastal Communities: Strengthening the Oceans Act’s Marine Protected Areas Establishment Process](#),” Report 14 of the Standing Committee on Fisheries and Oceans, 1st Session, 42nd Parliament, 11 June 2018.

34 Robert L. Stephenson et al., “[Integrating diverse objectives for sustainable fisheries in Canada](#),” *Canadian Journal of Fisheries and Aquatic Sciences*, 30 May 2018.



D. PAST PARLIAMENTARY REPORTS

1. 1998 House of Commons Standing Committee on Fisheries and Oceans Report

In October 1998, the committee published a report considering, among other topics, the issues of the viability of commercial fisheries, quota management, licence fees, and owner-operators in British Columbia.³⁵ However, the committee did not make recommendations directly related to those issues.

2. 1998 and 2005 Senate Standing Committee on Fisheries and Oceans Reports

In December 1998, the Senate Standing Committee on Fisheries and Oceans released a report reviewing the privatization and quota licencing in Canada's fisheries. That report recommended DFO:

more thoroughly consider the long-term social and economic effects of individual quota licences, especially those that are transferable, on Canada's coastal communities, Aboriginal and other, and not extend the individual quota regime until the needs of coastal communities, Aboriginal and other, have been fully assessed.³⁶

The Senate committee also recommended that DFO "more equitably distribute the resource to allow small-scale fishers a better opportunity of participating in the fisheries."

In May 2005, the Senate committee released a report examining the urbanization of the fishery resource in British Columbia. That report recommended that DFO "take into consideration the socio-economic impacts of its major decisions." It also asked DFO to "commission an independent study on the feasibility of instituting an owner-operator policy in the Pacific commercial fishing industry."³⁷

35 House of Commons, Standing Committee on Fisheries and Oceans, *The West Coast Report*, 1st Session, 36th Parliament, October 1998.

36 Senate, Standing Committee on Fisheries and Oceans, *Privatization and Quota Licensing in Canada's Fisheries*, 1st Session, 36th Parliament, December 1998.

37 Senate, Standing Committee on Fisheries and Oceans, *Canada's New and Evolving Policy Framework for Managing Fisheries and Oceans*, 1st Session, 38th Parliament, May 2005.

FISHERIES AND OCEANS CANADA'S MANAGEMENT OBJECTIVES

Rebecca Reid, DFO, indicated that commercial fisheries in British Columbia consist of about “7,600 eligible licences, 2,400 vessels and 5,000 individuals with fisher registration cards.”³⁸ Although licencing rules and management approaches differ between fisheries to reflect the “unique biological characteristics of the targeted stocks” and the fishing capacity within each fishery, DFO’s fisheries management framework is designed to achieve five objectives:

- 1) Conservation outcomes;
- 2) Compliance with legal obligations, such as First Nations rights;
- 3) Promoting the stability and economic viability of fishing operations;
- 4) Encouraging the equitable distribution of benefits; and
- 5) Facilitating the necessary data collection for administration, enforcement and planning purposes.³⁹

DFO has also established five sets of rules for licencing and management and these are common to most of the West Coast commercial fisheries. These rules help reduce the risk of overcapacity or fishing power and comprise the following governing features:

- 1) Limited entry licencing;
- 2) Combination of vessel-based and party-based licences;
- 3) Vessel length restrictions;
- 4) Transfer of licences; and
- 5) Stacking and splitting of licences.⁴⁰

38 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.

39 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.

40 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.



According to DFO, ITQs have been established to “manage or reduce fishing capacity to conserve and protect fish populations,” and to ensure “more effective controlled fisheries within catch limit, an orderly and well-managed fishery, and improved financial performance of fisheries.”⁴¹

According to a brief submitted by Richard Williams, the ITQ system is part of two interdependent strategies that have affected both West Coast and East Coast fisheries:

- Rationalization of fishing fleets to reduce the numbers of fishing enterprises while enhancing the financial viability of those remaining; and,
- Transferring expanding costs for fisheries science, data collection, dock-side monitoring, observer programs, etc. onto fishing fleets.⁴²

These strategies assume that “smaller fleets with more profitable enterprises will be better able to absorb down-loaded costs, while the burden of these costs should further encourage owners of more marginal enterprises to either scale up or exit the industry.”⁴³

41 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.

42 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, *Brief*, 20 February 2019.

43 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, *Brief*, 20 February 2019.

EVALUATION OF THE FISHERIES MANAGEMENT FRAMEWORK

A. CONSERVATION OUTCOMES

The committee heard from Rebecca Reid that the conservation and protection of fisheries resources is DFO's "paramount goal."⁴⁴ In the view of Christina Burrige, DFO's management of the West Coast commercial fisheries has been "enormously successful on the conservation front," and management measures—such as ITQs—represent useful means to "rationalize excess capacity, provide economic benefits and improve safety for the remaining operators while meeting conservation goals."⁴⁵

Certain fish harvesters agreed that DFO has been successful in achieving its fish stock conservation objectives. Dan Edwards, for example, mentioned that the Dungeness crab fleet is "very well managed from a conservation perspective."⁴⁶ However, the committee also heard doubts expressed by Duncan Cameron:

From a conservation standpoint, when people are at razor-thin margins and are most worried about making it from one year to the next, conservation priorities are very low compared to people who can plan the rest of their life.

The point of the study should be to look at what has actually happened from a conservation standpoint, not the theory or the hypothesis that the decision originated from. As far as safety goes, I think the current regime continues to pose serious harm to harvesters, as well as increasing environmental impacts. Harvesters have very limited capital budgets and little of that can be spent on safety equipment or newer, cleaner technology.⁴⁷

B. FIRST NATIONS ACCESS

The Pacific Integrated Commercial Fisheries Initiative (PICFI) was launched by DFO in 2007 to develop "economically viable commercial fisheries with First Nations involvement."⁴⁸ This was achieved initially through DFO acquiring voluntarily

44 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.

45 Christina Burrige, Executive Director, BC Seafood Alliance, *Evidence*, 4 February 2019.

46 Dan Edwards, Fisher, *Evidence*, 5 February 2019.

47 Duncan Cameron, Fisher, *Evidence*, 5 February 2019.

48 DFO, *Evaluation Report of the Pacific Integrated Commercial Fisheries Initiative (PICFI)*, March 2016.



relinquished fishing licences or quota and then distributing them to fishing enterprises established by First Nations communities as Aboriginal Commercial Communal Licences/Quota. In 2015, DFO stopped purchasing access for distribution to First Nation communities and rather started supporting First Nations' direct buying of access. According to Rebecca Reid, approximately \$140 million worth of commercial fishing access has been purchased by DFO and distributed to date.⁴⁹

Chief Christopher Cook Jr. of the Nimpkish Tribe, Kwakwaka'wakw Nation, indicated, however, that First Nations input in PICFI's decision-making is lacking.⁵⁰ James Lawson, a fisher from the Heiltsuk, Tsimshian, Nisga'a, Haisla, and Gitksan nations, told the committee that many licences purchased by First Nations enterprises "go back to the open market to the highest bidder, creating revenue for a program or First Nations band without having any band members fish it."⁵¹ He added that the influx of government money in the market through PICFI contributed to prohibitive prices of licences and quotas which led to high quota lease rates for struggling harvesters.

In the view of Arthur Black Sr. from the Namgis First Nation:

The licences that were intended to be owned and operated and financially beneficial to their native owner-operators are now being wrongfully held. They're being held by control contracts, leaving the beneficiaries of those entitled licences to people who don't belong with them. A safeguard policy needs to be put in place to protect native fishermen and non-native fishermen regarding the licencing.⁵²

While recognizing the potential contribution of PICFI to advancing reconciliation between First Nations and the Government of Canada, Fraser MacDonald recommended the establishment of a process where First Nations fishing enterprises can pool unused licences or quotas and any First Nations fisher, regardless of band or nation, could apply to fish a communal licence.⁵³ In his view, such a mechanism would "create opportunity, well-paying jobs and a connection to the ocean for coastal Indigenous fish harvesters."

49 Rebecca Reid, Regional Director General, Pacific Region, DFO, *Evidence*, 30 January 2019.

50 Chief Christopher Cook Jr., Fisher, Nimpkish Tribe, Kwakwaka'wakw Nation, *Evidence*, 4 February 2019.

51 James Lawson, Fisher, *Evidence*, 6 February 2019.

52 Arthur Black Sr., Owner, Marlson Industries Ltd., *Evidence*, 6 February 2019.

53 Fraser MacDonald, Fisher, *Brief*, 28 February 2019.

C. ECONOMIC VIABILITY OF FISHING OPERATIONS AND EQUITABLE DISTRIBUTION OF BENEFITS

In the view of Evelyn Pinkerton, the free market system has been failing the West Coast's commercial fisheries. She mentioned that the "free market system was intended to work under certain conditions, but [that] these conditions do not exist in most Pacific fisheries today."⁵⁴ Evelyn Pinkerton explained:

The free market system can work well when there is, number one, equal access to capital; number two, equal access to information; number three, a transparent auction-like situation. Instead, we have conditions in the ITQ system in which young fishermen cannot afford to buy either a licence or a quota because they don't have access to enough capital for either. We have lack of equal access to information, because ITQs do not go up for bid in an auction-like system, but instead are leased privately and increasingly through processors, with lessor or lessee not knowing what lease price is being charged.⁵⁵

1. Quota Licence Ownership

Individual quotas were introduced by DFO in many West Coast commercial fisheries in the mid-1970s.⁵⁶ Active fishers who were able to acquire ITQs from then until the 1990s have benefitted from increasing quota prices and quota leasing rates since then. Jennifer Silver provided examples of 2016 quota licence prices:

Estimates produced for DFO suggest as of 2016 that licences sell for tens of thousands of dollars—for example, the AG licence for salmon is over \$64,000—to hundreds of thousands of dollars—for example, the W licence for prawn is over \$770,000. One type, the G licence for geoduck, is estimated to exchange at \$6.1 million.⁵⁷

In the view of Fraser MacDonald, this high return on investment ensures economic viability for quota licence holders and explains the current ownership of quota licences:

Currently, the price of ITQ quota and many licences are so high that there are two main types of buyers who can afford to purchase them. The first is retiring fishermen who have done well in the industry over the past 30-40 years and are looking to invest their

54 Evelyn Pinkerton, Professor, School of Resource & Environmental Management, Simon Fraser University, [Evidence](#), 20 February 2019.

55 Evelyn Pinkerton, Professor, School of Resource & Environmental Management, Simon Fraser University, [Evidence](#), 20 February 2019.

56 Rebecca Reid, Regional Director General, Pacific Region, DFO, [Evidence](#), 30 January 2019.

57 Jennifer Silver, Associate Professor, University of Guelph, As an Individual, [Evidence](#), 5 February 2019.



retained capital in leasable fishing assets as retirement income. The second are non-fisherman investors or large corporations.⁵⁸

Fraser MacDonald added:

Quotas and licences should never have been opened to free market, but they were. Now the licence and quota markets more closely resemble a speculative stock market than a fisheries management tool.

The implementation of this system created winners and losers then and today. Some lost out and left the industry or were priced out when ITQs were introduced. Others were initially granted ITQ allotments and limited-entry licences that have valued to a point where they are worth millions of dollars. BC's access to harvest fish was privatized and profited from.⁵⁹

In the opinion of Dan Edwards, the ownership of quotas is the root cause of the low economic viability issues for active fish harvesters rather than the transferability of quotas. Transferability of quotas is required for bycatch in groundfish fisheries and ensures that non-target species that are caught can be sold and tracked for conservation purposes. He explained:

I think it's the ownership that's the problem. If you had an owner-operator, and only fishermen were the ones who held the quotas, it would be a much different story. We could still transfer to make sure that our business was viable. We need that in the groundfish fishery, but we need to get rid of the absentee owner system.⁶⁰

Recommendation 1

That Fisheries and Oceans Canada maintain the limited transferability for non-directed catch, which is a widely supported system for ensuring that non-targeted groundfish that is caught can be sold and tracked for conservation purposes.

1.1. Concentration of Quota Licence Ownership

The level of concentration of quota licence ownership was the subject of animated debate during the study. Quota licence holders can hold numerous licences and either actively participate in the fisheries or earn revenue by leasing out some or all their quota licences. Jennifer Silver provided statistics on quota licence ownership:

58 Fraser MacDonald, Fisher, *Brief*, 26 February 2019.

59 Fraser MacDonald, Fisher, *Evidence*, 5 February 2019.

60 Dan Edwards, Fisher, *Evidence*, 5 February 2019.

We have found that there were 6,563 Canadian Pacific commercial fishing licences and 2,377 unique licence-holders.... Our research shows that there were 38 licence-holders who registered 20 or more commercial licences. Of these 38, there were six that registered more than 50 licences. Conversely, there were 1,357 licence-holders that registered only one licence and 499 that registered two.⁶¹

Through an information request to DFO for 2017 data, Tasha Sutcliffe determined that:

of the 345 licence and quota holders in the groundfish trawl, halibut and sablefish fisheries, the top 26, or 7.4%, hold 50% of the quota value, and the top four, or 1.2%, hold 50% of all the quota pounds. We can also see that the majority of groundfish quota pounds are not fished by owner-operators. They are held by processors, overseas companies and even fishing family companies that for the most part no longer fish most of their quota.⁶²

However, according to Andrew Thomson from DFO, the quota licence concentration is not significant. He indicated that DFO tracks legal ownerships of quota licences and the data show:

even the largest licence-holder, the Canadian Fishing Company, holds around 234 of the 4,000 licences available in British Columbia. Yes, they are a large licence-holder, but they hold a fairly small number of licences in comparison. There are very few corporations that own more than 10 licences.⁶³

In the view of Tasha Sutcliffe, it is difficult to determine the full level of quota licence concentration given that:

back-end trust agreements and other mechanisms that hide the true beneficial ownership. There are multiple subsidiaries of listed companies that are nearly impossible to link up, and there are fishermen attached to licences and quota who have no real ownership and certainly are not getting the value of those assets.⁶⁴

1.2. Foreign Ownership of Quota Licences

Some witnesses also expressed concerns regarding foreign beneficial ownerships of quota licences. Jim Mclsaac indicated that, in 2018, “for the known purchases of

61 Jennifer Silver, Associate Professor, University of Guelph, As an Individual, *Evidence*, 5 February 2019.

62 Tasha Sutcliffe, Vice-President, Programs, Ecotrust Canada, *Evidence*, 20 February 2019.

63 Andrew Thomson, Regional Director, Fisheries Management, DFO, *Evidence*, 30 January 2019.

64 Tasha Sutcliffe, Vice-President, Programs, Ecotrust Canada, *Evidence*, 20 February 2019.



licences, there was \$60 million through the boat brokers here, and half of that was from foreign ownership or from foreign purchasers.”⁶⁵ Tasha Sutcliffe added:

As for overseas investment, besides a few large companies, this is very hard to trace, but there are examples. For instance, you may have heard of the recent scandal with money laundering through gambling and real estate in B.C. We traced one company that has been investing in groundfish and now owns 5.9 million pounds of quota. The director of this company is the same overseas investor named in newspaper articles on money laundering through casinos and real estate in Vancouver.⁶⁶

According to Jennifer Silver, however, without proper monitoring of quota licence legal and beneficial ownerships, it is difficult to estimate the level of foreign investment. She indicated:

Being confined to publicly available information makes it very challenging to discern the extent to which this may be occurring in Canadian Pacific fisheries, and indeed, to predict what may happen in the future. Given that Canada's fish stocks are a public resource, I would argue that monitoring foreign and speculative investment is crucial to transparency and falls within the purview of fisheries management.⁶⁷

The committee notes that not all participants to this study are opposed to foreign investment in the industry. David Boyes mentioned that “Canada does not bar foreign capital from investing in many areas of the Canadian economy—oil and gas, tech, agriculture, manufacturing—why would fishing be the exception?”⁶⁸ Fraser MacDonald indicated his opposition to foreign beneficial ownership of quota licences but welcomed foreign capital in other areas of the industry:

I believe that foreign interest in buying our seafood products is great and presents great opportunities for almost every fishery on our coast. However, it is my opinion, as I mentioned in my recommendations that these foreign interests should be limited to buying and exporting products and should not be authorized to own access to our fisheries.⁶⁹

Recommendation 2

That based on the principle that fish in Canadian waters are a resource for Canadians (i.e. common property), no future sales of fishing quota and/or licences be to

65 Jim McIsaac, Fisher, *Evidence*, 20 February 2019.

66 Tasha Sutcliffe, Vice-President, Programs, Ecotrust Canada, *Evidence*, 20 February 2019.

67 Jennifer Silver, Associate Professor, University of Guelph, As an Individual, *Evidence*, 5 February 2019.

68 David Boyes, Fisher, *Brief*, 15 February 2019.

69 Fraser MacDonald, Fisher, *Brief*, 28 February 2019.

non-Canadian beneficial owners based on the consideration of issues of legal authority, and international agreement/trade impacts.

2. Role of Seafood Processing Companies

The pivotal role of seafood processing companies in the commercial fishery supply chain was underscored by many witnesses. Given the absence of owner-operator and fleet separation policies in British Columbia, processors can acquire and lease quota licences and vessels. This vertical integration would create economies of scale, reduce production costs and improve coordination throughout the supply chain. John Nishidate emphasized that, part of the reason a processing company would hold licences is to “secure supply and provide orderly processing and marketing to supply our customers’ demands and achieve the highest product quality.”⁷⁰

Given the lack of readily available information quota licences, fish harvesters who do not hold quotas but are in search of quotas to lease must rely on processors for leasing opportunities, often through “word of mouth” as mentioned by John Nishidate.⁷¹ Fraser MacDonald indicated:

Halibut ITQ owners get paid up front each season for their quota before the season opens, usually by processors who must secure quota to ensure their market share of the catch. As processors work on margins, their business is one of scale. The more quota they can secure in their pool, the more they can market and, theoretically, the more money they can make. This has turned most fish buyers on our coast into quota and licence brokers, which adds a huge financial and administrative burden to companies whose main objective is to buy fish, market it and process it. The current structure completely insulates quota owners from price fluctuations during the season and leaves 100% of the risks on fishermen and fish buyers.⁷²

The committee learned that processing companies do not only lease quotas to fishers but can also provide the necessary access to capital inaccessible from traditional financial institutions as highlighted by John Nishidate:

We fund in advance to help our fishermen get started, to gear up for the season. We prepay the validation and catch monitoring fees. All our loans to our fishermen are

70 John Nishidate, General Manager, Grand Hale Marine Products Co., Ltd., [Evidence](#), 4 February 2019.

71 John Nishidate, General Manager, Grand Hale Marine Products Co., Ltd., [Evidence](#), 4 February 2019.

72 Fraser MacDonald, Fisher, [Evidence](#), 5 February 2019.



interest-free. We have also financed fishermen to get their own licences when the banks would not.⁷³

As providers of quotas to fish harvesters, vertically-integrated processing companies are in a position to determine landed prices and secure the supply of resources from those fishers. However, in the opinion of Tasha Sutcliffe, processors can also be negatively affected by the current quota licencing policies. She indicated that, to access supply, “many processors have to purchase or lease quota at high prices and make it available to the vessels that fish for them. They are forced, too, to compete to maintain their supply, which can increase their costs and contribute to lease price inflation.”⁷⁴

3. Married Licences Issue

Regarding DFO’s stacking and splitting rules, Rebecca Reid stated:

When licences for different fisheries are placed on one vessel, specific rules will stipulate that licences may not be separated and placed on different vessels—we call these “marriage rules”—again, with the objective of preventing increases to the number of vessels in the fleet.⁷⁵

Married licences were the object of criticism from many fish harvesters. In the view of David MacKay:

When we separate licences, we allow an individual licence to be purchased by a young harvester. What's happening right now is that my father and lots of other guys are getting ready to retire from the industry, and they have two, three or more licences and they can't sell that as a package to anyone. So, it ends up going through PICFI or they just hold on to it, and they're in their old age. Being able to unmarry them would help them divest in the industry; it would help somebody young get into the industry. It's a simple solution, and it's being done through PICFI. Once the licences go through PICFI, they are being broken up, so what is the problem?⁷⁶

As the committee heard from Joy Thorkelson, the issue of married licences is also tied to the concentration of quota licence ownership. She indicated:

The major salmon processor owns 37 licences that are attached to 20 non-fishing vessels—vessels that don't really exist, in many cases. They are called “stick boats”

73 John Nishidate, General Manager, Grand Hale Marine Products Co., Ltd., [Evidence](#), 4 February 2019.

74 Tasha Sutcliffe, Vice-President, Programs, Ecotrust Canada, [Evidence](#), 20 February 2019.

75 Rebecca Reid, Regional Director General, Pacific Region, DFO, [Evidence](#), 30 January 2019.

76 David MacKay, Fisher, [Evidence](#), 5 February 2019.

because they could be floating sticks. The company can and does lease these licences off their vessels to salmon vessels that need a licence to fish in an additional area.

In a salmon ITQ fishery, this company can transfer the quota attached to these non-fishing licences to another vessel that is fishing, thereby stacking quota onto this boat. It can catch its own fish and the quota from the stick boat. This binds fishermen to the company. If they want future increased quota opportunities, thereby increasing their income, they will have to continue to fish for this processor. This not only happens on salmon, but it is worse on roe herring, with DFO rules requiring stacking of a minimum number of gillnet licences to fish.⁷⁷

Recommendation 3

That Fisheries and Oceans Canada permit the separation of stacked (or “married”) licences for sale by the licence owner to divest some or all of their licences in the sole intent of facilitating existing harvesters and new entrants to become owner-operators.

4. Socio-Economic Impacts of Current Quota Licencing Policies

In the view of most fish harvesters who appeared before the committee, the current quota licencing policies have had detrimental impacts on the economic viability of their operations. Fishers felt that there is an inequitable distribution of benefits; an imbalance in the sharing of risks and benefits in the industry with active fishers carrying most of the burden of risks while enjoying much lower returns on investment, as compared to quota owners. In their opinion, DFO’s policies privatizing access to fish have also impacted the sustainability of many coastal communities in British Columbia.

Ross Antilla described the effects of quota leasing on the economic viability of fishing operations:

Leasing started out as a way for people to cover their own catches that they had gone over on and borrow from someone else who still had remaining quota to catch, and it was cheap and affordable. Leasing nowadays exploits a fish harvester’s primary source of income to benefit the licence-holder’s investment portfolio.

Using the halibut fishery as an example, licence-holders make 80% of the profits of fishing while the fish harvester must use 20% to pay all expenses, including licence fees, camera fees and crew, and somehow after all that, make a living.

Most of the time the company holds the quota, which means you are forced to sell to them at their prices, deliver to their specific ports and fish the areas they want you to

77 Joy Thorkelson, President, United Fishermen and Allied Workers' Union—Unifor, *Evidence*, 5 February 2019.



fish, which is effectively taking away your freedom as a fisher. If you don't fish their quota, you might not get to fish at all next year.⁷⁸

Similarly, Fraser MacDonald stated:

This privatization of access has created insurmountable entry costs and what I will call a lost generation of fishers. I have watched this take place within my own group of friends. Ten years ago, in 2008, there were 15 to 20 men and women from my close network of friends where I grew up who actively commercial fished. In 2018, there were three of us left from this group. My friends chose to leave the commercial fishing industry, often reluctantly, for other careers because they could not see a stable and profitable future for themselves. Buying a boat and licence package was financially unrealistic due to the high cost and lack of access to capital for young people. This exodus has caused a serious labour shortage for crew and is foreshadowing a successional crisis that we will soon face as the current generation of fishermen ages out and needs to retire.⁷⁹

He further illustrated the imbalance of risks and benefits in the industry:

I had an experience in 2017 fishing leased halibut quota that illustrates how the current system is out of balance. In April 2017, I leased 32,000 pounds of halibut quota from a buyer for \$7.50 a pound. This was the going lease rate at the time, and the landed value for halibut had been between \$9 and \$10 for the past two seasons, so we estimated that we would be able to get \$2 of gross profit to the boat after paying our lease. By August, the landed price had fallen to \$7.50, so we were waiting until the end of the season, hoping the price would come up a little bit so we could make a small profit to pay for the expenses. However, the price did come up a little bit, and there was a small margin, but because I had to wait so late in the season for the price to come up, we had only a few days of fishable time due to weather, and I wasn't able to land all my quota that I'd leased. Luckily, I was able to carry over the additional 16,000 pounds of quota that I didn't land until the 2018 season.

When the season opened in March, a few months later, I went back out to the grounds to catch this last 16,000 pounds of quota, but the market price had fallen to \$7.50. We had to go fishing because the buyer had leased this fish 12 months before and had already paid \$124,000 to that quota owner, so I couldn't not go. I had to go so they could recoup their costs. We went out and we landed the fish for a net gain of nothing to me, and I actually borrowed \$30,000 from the buyer who leased the fish for me, so I could pay the trip expenses and pay my crew fair wages, because they did the work and they deserved to get paid.

The two quota owners I leased from in 2017 both got cheques for \$120,000 for their quota. My crew and I spent a month on the water and landed over a quarter million

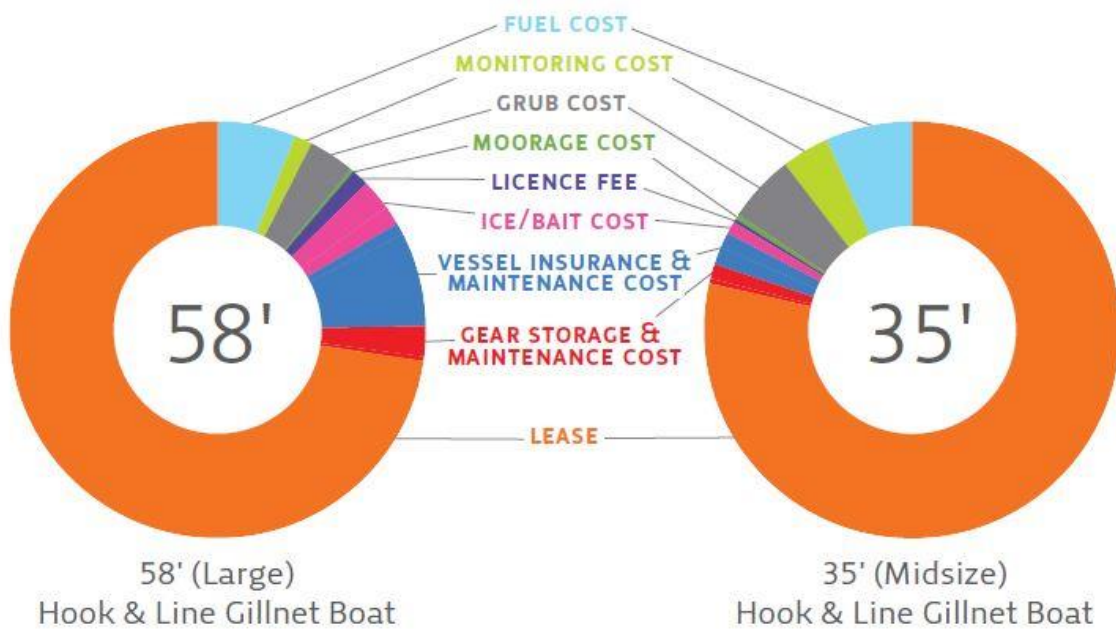
78 Ross Antilla, Fisher, [Evidence](#), 5 February 2019.

79 Fraser MacDonald, Fisher, [Evidence](#), 5 February 2019.

dollars' worth of fish, and I finished \$30,000 further behind where I started, not including the \$50,000 in capital expenditure to rig my boat up to long-line that fall.⁸⁰

A 2018 report submitted to the committee by Modestus Nobels illustrates quota licence lease and operating costs for two types of vessels. In both cases, lease costs amount to most of overall expenses.

Figure 2—Quota Licence Lease and Operating Costs for Two Types of Vessels



Source: Ecotrust Canada and T. Buck Suzuki Environmental Foundation, *Just Transactions, Just Transitions: Towards Truly Sustainable Fisheries in British Columbia*, 21 December 2018, p. 23.

Melanie Sonnenberg warned that the low economic viability of the West Coast fishing operations and the inequitable distribution of risks and benefits have a “direct consequence” on the sustainability of coastal communities, labour supply, and the aging of the fishing workforce in British Columbia. She indicated:

It is no wonder that the fishing workforce in British Columbia is the oldest in the country, with falling rates of youth recruitment. An industry offering these career

80 Fraser MacDonald, Fisher, *Evidence*, 5 February 2019.



prospects will have great difficulty replacing the 40% of the labour force that is projected to retire out of the industry by 2025.⁸¹

4.1. Comparison with Canada's East Coast Commercial Fisheries

Joy Thorkelson compared the socio-economic effects of fisheries management policies in British Columbia to Canada's East Coast:

Our fishermen's earnings are trending down while the FFAW [Fish, Food and Allied Workers Union of Newfoundland and Labrador] fishermen's incomes are increasing. Part of that difference is the added costs our fishermen bear. Some 80% of the landed value in ITQ fisheries is taken out of B.C. fishermen's pockets; that income remains in the pockets of our brother and sister fish harvesters on the East Coast. A community difference is also evident: B.C. rural coastal communities' processing capacity is diminishing, while in Atlantic Canada, significant processing capacity resides in rural areas.⁸²

In the view of Carl Allen, a fisher from the East Coast, the inequitable distribution of wealth on the West Coast has a “huge effect on the land-based economy that the spinoff from fisheries typically creates.”⁸³ He contrasted the socio-economic situation of coastal communities between the East Coast—where owner-operator and fleet separation policies have largely kept control over the rights to harvest adjacent fish stocks in the hands of independent fish harvesters—and the West Coast as follows:

Right now, on the East Coast we're in a boatbuilding boom, with many boatbuilders having at least a two-year wait if you want a new boat, while shipwrights struggle to keep up with the demand for repairs and refits on existing vessels.

Compare that to the West Coast. There, as a result of the lack of sound policies to keep the net benefit of the resource in the hands of the people who actually harvest it, the boatbuilding industry has diminished to the point where, I've been told, fishermen are sourcing new boats from the U.S. and elsewhere. Again, this is the complete opposite of the East Coast, where we are selling vessels into the U.S. at a constant rate....

I recently had a member of my community approach me. He shook my hand and congratulated me on a good season. This is what he had to say to me: “When fishermen are doing well, the community does well. We all benefit from the riches of the oceans.”

81 Melanie Sonnenberg, President, Canadian Independent Fish Harvester's Federation, *Evidence*, 6 February 2019.

82 Joy Thorkelson, President, United Fishermen and Allied Workers' Union–Unifor, *Evidence*, 5 February 2019.

83 Carl Allen, Fisher, *Evidence*, 6 February 2019.

When I compare that to what a young fisherman told me on a recent trip to British Columbia I was saddened and disgusted at the results of the DFO's B.C. region policies over the last 25 plus years. He said this to me: "We lost the ability to take care of our communities like we used to, and therefore our communities don't see the need to take care of us."⁸⁴

4.2. Impact on Food Security of Coastal Communities

Fisheries policies that do not benefit regional economic development can also impact the food security of coastal communities. Reflecting on the consolidation of fish processing plants in the Lower Mainland, far away from coastal communities where adjacent fish resources are harvested, Analisa Blake told the committee that "current fisheries policy on the West Coast has inadvertently created a situation in which access to nutrient dense seafood is highly restricted, and which is eroding the skills, traditional knowledge and infrastructure which supports fishing among both Indigenous and settler populations."⁸⁵ She recommended that community health and wellness be factored into the design of any policy decisions.

D. DATA COLLECTION

1. Public Registry of Quota Licences

To provide transparency and improve access to capital for fish harvesters, all witnesses—including quota licence owners and fish processors—recommended that DFO establish a licence and quota registry capable of tracking licences, quota entitlements and transfers. In the BC Seafood Alliance's view, DFO should "engage with the province of BC and industry on what information to track and how to do it."⁸⁶

Although such a registry may provide information on declared official quota licence ownerships, *de facto* control of fisheries can be difficult to assess. As Tasha Sutcliffe indicated, there can be private trust agreements that are often kept confidential between parties hiding the true beneficial ownerships.⁸⁷

84 Carl Allen, Fisher, *Evidence*, 6 February 2019.

85 Analisa Blake, Project Manager, Public Health, Vancouver Island Health Authority, *Brief*, 20 February 2019.

86 BC Seafood Alliance, *Brief*, 4 February 2019.

87 Tasha Sutcliffe, Vice-President, Programs, Ecotrust Canada, *Evidence*, 20 February 2019.



Recommendation 4

That, to increase the transparency of quota licence ownership and transactions, Fisheries and Oceans Canada determine and publish, in an easily accessible and readable format, a public online database that includes the following:

- **The beneficial holder of all fishing quota and licences in British Columbia, including penalties for failing to accurately disclose the holder of fishing quota and/or licences, and that Fisheries and Oceans Canada work with Finance Canada to achieve this goal.**
- **All sales or leasing of quota and licence holdings be reported and made public by Fisheries and Oceans Canada, including buyer, seller and sale/leasing price.**

2. Collection of Socio-Economic Data

Given economic benefit distribution concerns described in the previous sections and the need to consider a comprehensive approach to sustainable fisheries that would include regional economic benefits to coastal communities, witnesses emphasized the need for DFO to collect and analyse socio-economic data. The BC Seafood Alliance noted that

DFO has virtually no ability to develop a baseline profile of commercial fishing activity because it simply does not have information on the current socio-economic status of the fishery—its revenue base, costs, employment, community/regional footprint, etc. The most recent fleet profiles are more than a decade out of date and so do not reflect the many changes since then. Without baseline data, DFO cannot assess the impact of policies or activities whether these be MPAs [marine protected areas], SARA [species at risk] listings, or licencing policy.⁸⁸

Andrew Thomson mentioned that DFO is currently drafting a report examining economic viability and social impact of the various groundfish fisheries in British Columbia.⁸⁹ However, Christina Burridge expressed doubts regarding DFO's capacity to carry out that study as "fisher registration cards no longer require you to provide your place of residence" and there has been little collaboration between DFO and the industry regarding socio-economic data collection.

88 BC Seafood Alliance, *Brief*, 4 February 2019.

89 Andrew Thomson, Regional Director, Fisheries Management, DFO, *Evidence*, 30 January 2019.

Recommendation 5

That Fisheries and Oceans Canada prioritize the collection of socio-economic data for past and future regulatory changes and make this information publicly available.

Recommendation 6

That Fisheries and Oceans Canada develop a comparative analysis of the East Coast and West Coast fisheries in regard to regulations with a view to devising policy that would level the playing field for independent British Columbian fishers.



THE WAY FORWARD: SHARING RISKS AND BENEFITS

The committee heard from Cailyn Siider that the problems experienced by active fish harvesters “do not exist in isolation from one another.”⁹⁰ In her view:

Prohibitive lease prices, the issue of married licences, vessel length restrictions, problematic advisory processes, lack of a framework for succession plans, decreased community access to fish, socio-economic and cultural losses due to this access—all these are intended, or unintended, symptoms of larger systemic problems at play. A system built upon privatization that has the principle of privatization institutionalized within its structure is not designed to benefit most of independent fish harvesters or their communities.⁹¹

Recalling its study of Atlantic Canada’s marine commercial vessel length and licensing policies,⁹² the committee is again unconvinced about the need for vessel length restrictions imposed on both West Coast and East Coast fish harvesters given the variety of catch management tools already in effect. As Rebecca Reid noted, in British Columbia, “for a vessel-based licence, you can only put a licence on that fits the vessel length requirements.”⁹³ The committee also notes that Rebecca Reid acknowledged DFO’s failure in fostering economic viability for West Coast fish harvesters. She indicated:

[..] the intent behind attempts over the years to control effort and to manage this overcapitalization or this fishing power that we have through reduced numbers of licences was to generate wealth, to create more money for the remaining fisherman. In fact, we haven't found that to be the case.⁹⁴

Active fishers shared with the committee their vision for a future fisheries management framework that would ensure economic viability for their operations and equitable distribution of benefits for all participants. In the words of Duncan Cameron:

90 Cailyn Siider, Fisher, [Evidence](#), 20 February 2019.

91 Cailyn Siider, Fisher, [Evidence](#), 20 February 2019.

92 House of Commons, Standing Committee on Fisheries and Oceans, “[Atlantic Canada’s Marine Commercial Vessel Length and Licensing Policies—Working Towards Equitable Policies for Fishers in All of Atlantic Canada](#),” Report 16, 1st Session, 42nd Parliament, June 2018.

93 Rebecca Reid, Regional Director General, Pacific Region, DFO, [Evidence](#), 30 January 2019.

94 Rebecca Reid, Regional Director General, Pacific Region, DFO, [Evidence](#), 30 January 2019.

That future is crystal clear for me: fishing licences in the hands of fish harvesters; benefits flowing from fishing enterprises into communities, creating jobs for boatbuilders, welders, shipwrights, grocery stores, fishmongers, carpenters; putting crew through university; and creating benefits for restaurants and many other businesses. Outside of those economic gains that would come from this, I want to be a part of the community again where fishermen are volunteering for school programs and trips, coaching sports and having cook-offs for charity. When we take care of our communities, they will take care of us.⁹⁵

A. EXPLICIT SOCIO-ECONOMIC OBJECTIVES IN POLICIES

Chris Sporer pointed out that DFO's relative success in achieving conservation outcomes is due to "explicit conservation objectives."⁹⁶ On socio-economic aspects, however, "[w]e haven't had those explicit economic and social objectives to meet, so they've been passed over." Dan Edwards also emphasized the need to embed socio-economic principles into fisheries management policies and Integrated Fisheries Management Plans (IFMPs):

On the track we are on, if we don't make a change, we won't have another generation of skilled fishermen to pass the torch to. Who would enter a fishery where they work so hard, and often in very difficult conditions, but make a pauper's wages with no hope for better? It's not because the fishery is not lucrative; it's because so much of the wealth is captured by somebody onshore holding a piece of paper. This management failure is a result of ignoring the socio-economic side of the policy equation over decades.⁹⁷

B. ACCESS TO CAPITAL

1. Fisheries Loan Boards

Various innovative business models with the potential to improve both the economic viability of fishing operations and the sustainability of fisheries were proposed by witnesses. Christina Burrige pointed out that British Columbia is the "only province in Canada without a provincial loan board." She added:

95 Duncan Cameron, Fisher, *Evidence*, 5 February 2019.

96 Chris Sporer, Executive Manager, Pacific Halibut Management Association, *Evidence*, 4 February 2019.

97 Dan Edwards, Fisher, *Evidence*, 5 February 2019.



Alaska has two, in fact. Nova Scotia has programs specifically targeted at young fishers. If you want to buy a lobster licence at—I'm guessing—\$1 million in Nova Scotia, if you can raise the 5% down payment, you can borrow most of the rest of that money.⁹⁸

Richard Williams noted that the “Canadian Farm Loan Board provides generous grants, affordable credit, and business management training for young people to acquire farms and equipment.”⁹⁹ Duncan Cameron pointed out, however, that although the high cost of licences is a barrier for new entrants, the biggest issue is the low return on investment:

No matter how big or small debt load harvesters take on, they must be able to service that debt. We are not able to do this in most cases because we are competing against processors, large quota holders or foreign countries with a much lower threshold for return on investment than harvesters whose only revenue stream is fishing.¹⁰⁰

Therefore, a loan board facilitating the purchase of licences may only compound financial problems for fish harvesters if returns on investment do not improve. Duncan Cameron acknowledged that, if returns on investment improve for fishers, a loan board would then be a “great tool.”

Recommendation 7

That Fisheries and Oceans Canada undertake discussions with the Province of British Columbia to explore the establishment of a model for a loan board to support harvesters’ intent on purchasing licence.es and/or quota, to maintain or modernize existing vessels or to purchase new ones.

2. Quota and Licence Banks

The concept of a licence bank was also proposed by some witnesses. According to James Lawson, such a bank would enhance access for First Nations to commercial fisheries.¹⁰¹ Richard Williams noted that non-profit licence banks, controlled by harvesters and/or community boards, can purchase access rights in the open market and

98 Christina Burrige, Executive Director, BC Seafood Alliance, *Evidence*, 4 February 2019.

99 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, *Evidence*, 20 February 2019.

100 Duncan Cameron, Fisher, *Evidence*, 5 February 2019.

101 James Lawson, Fisher, *Evidence*, 6 February 2019.

make them available at affordable lease rates to active harvesters and new entrants.¹⁰² Evelyn Pinkerton also provided the example of the Cape Cod Fisheries Trust in Massachusetts, which leases quota to small-scale fisheries for 50% of the market lease fee.¹⁰³

Recommendation 8

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, provide financial incentives to independent ownership of licences and quota vs. corporate, overseas or absentee ownership. This could include: tax incentives; a shared risks and benefits program; and/or the creation of community licence and quota banks.

Recommendation 9

That Fisheries and Oceans Canada create a loan and mentorship program to help independent harvesters enter the industry.

3. Co-operatives

Co-operatives were also mentioned by Dave Moore as a possible solution to increase access to capital for fish harvesters and enhance their operations' economic viability while lessening their dependency on processing companies. He provided the example of the River Select Co-op:

We still work with the fish companies, but it's transcended the relationship. Now these co-operatives work with the fish processors to add value to their catch, and all these local fish producers can brand their fish right back to the fishery where they came from. Traceability becomes more about local conservation, the story of the fishery, and stewardship of the fishery as well as looking after the fishermen.¹⁰⁴

Recommendation 10

That Fisheries and Oceans Canada work with the Government of British Columbia to develop strategies to expand value-added fish processing in British Columbia and the recapture of benefits from processing in adjacent communities.

102 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, *Evidence*, 20 February 2019.

103 Evelyn Pinkerton, Professor, School of Resource & Environmental Management, Simon Fraser University, *Evidence*, 20 February 2019.

104 Dave Moore, Fisher, *Evidence*, 6 February 2019.



C. INTERNATIONAL MODELS

In the view of Jim Mclsaac, most sustainable fisheries frameworks crafted prior to 2012 focus almost exclusively on ecological sustainability and lack the human dimension of sustainability.¹⁰⁵ To foster a better integration of diverse objectives for sustainable fisheries, the Canadian Fisheries Research Network (CFRN) compared major fisheries sustainability frameworks around the world in 2018 and proposed the Comprehensive Fisheries Sustainability Framework.¹⁰⁶ This CFRN framework includes socio-economic elements such as economic viability, sustainable livelihoods, distribution of access and benefits, regional economic benefits to community, and sustainable communities.¹⁰⁷

Several international fisheries policies integrating socio-economic elements were suggested by witnesses as potential models for policy reform in British Columbia. Alaskan fisheries policies were most often cited. In the view of retired fisher Modestus Nobels:

[Alaska has a] very strict owner-operator principle and fleet separation with a real mind to community-based fisheries management structures that involve communities and fishermen locally. This very strong stewardship component is driven by that, as well as by the fishers who live in those regions. They have a real feeling for the fish and for the place and they understand it. You don't see that in absentee landlords in the ITQ structures, for the most part.¹⁰⁸

Rachel Donkersloot from the Alaska Marine Conservation Council concurred:

What's working in Alaska? Perhaps the single most significant and supported element of state-managed fisheries in Alaska is the owner-on-board, or "boots-on-deck", provision. Regulations require that limited entry permits can only be held by persons, as opposed to corporations or other entities. Leasing of permits is prohibited except in cases of medical or another emergency.¹⁰⁹

She also indicated that Alaska has established several provisions to protect independent fishers: caps on the amount of quota a vessel can land, and a person can hold; restrictions on who can receive quota; and a prohibition on leasing and the use of hired

105 Jim Mclsaac, As an Individual, [Evidence](#), 20 February 2019.

106 Canadian Fisheries Research Network, [About the Network](#).

107 Robert L. Stephenson et al., "[Evaluating and Implementing Social-Ecological Systems: A Comprehensive Approach to Sustainable Fisheries](#)," *Fish and Fisheries*, Vol. 19, No. 5, 26 April 2018.

108 Modestus Nobels, Fisher, [Evidence](#), 5 February 2019.

109 Rachel Donkersloot, Director, Working Waterfronts Program, Alaska Marine Conservation Council, [Evidence](#), 30 January 2019.

masters. Another feature of the Alaskan halibut and sablefish fisheries are quota share classes based on vessel size.¹¹⁰

Rachel Donkersloot also listed for the committee several Alaskan programs that had a positive impact on social sustainability including:

- quota set-asides as entry-level opportunities;
- community development quota (CDQ) used to advance regional economic development through investments in local industry, ownership of offshore vessels, infrastructure and education;
- financial incentives and loan programs; and
- educational and apprenticeship programs.

The BC Seafood Alliance noted that:

The U.S. is also moving to pass the Young Fishermen’s Development Act to create a competitive grant program to provide meaningful resources for younger generations of Americans entering and progressing in the fishing industry.¹¹¹

The committee heard Richard Williams listing options implemented in other jurisdictions that could provide guidance for DFO in establishing a new quota licencing regime on the West Coast:¹¹²

- In Europe, licence exchange boards were established to buy and sell licences at prices regulated according to fair market value within an owner-operator and fleet separation context.
- Reverse auction processes have been used in some jurisdictions to implement licence transfers without stoking price inflation. Over 10% of lobster licences in New Brunswick were retired over five or six years when the Maritime Fishermen's Union invited owner-operators to submit bids on their selling prices and then accepted the lowest bids.

110 Rachel Donkersloot, Director, Working Waterfronts Program, Alaska Marine Conservation Council, [Evidence](#), 30 January 2019.

111 BC Seafood Alliance, [Brief](#), 4 February 2019.

112 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, [Evidence](#), 20 February 2019.



- Loan guarantee programs and other financial services providing access to affordable capital for new entrants. Local government agencies and industry organizations in Maine, Alaska, Iceland and Norway make small quotas or lobster trap allotments available at no cost to get young people started in fisheries.

In addition, Rachel Donkersloot mentioned Norway's recruitment program which "allows fishermen under the age of 30 to apply for recruitment quota at no cost. Recruitment quota cannot be sold and helps to facilitate new entry into Norway's closed fisheries."¹¹³

Evelyn Pinkerton informed the committee about the lobster licencing model from the State of Maine. Lobster licences are "leased out by the State of Maine to fishermen. When a fisherman retires, the licence goes back to the state. The state then either eliminates it, if it thinks there are too many licences, or it reallocates it to somebody in line for a licence."¹¹⁴

Recommendation 11

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish an open public auction process to allow fishers to lease licence and quota.

Recommendation 12

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish a licence exchange board to allow the trading of licences between owners.

D. THE TRANSITION TO A NEW FRAMEWORK

Most of witnesses who appeared before the committee recommended a transition plan from the current quota licencing policies to a management framework that would improve the economic viability of fishing operations and better distribute economic benefits while also maintaining the sustainability of the fisheries and coastal communities. Although the majority supported the establishment of owner-operator and fleet separation policies at the end of the transition period, the committee notes

113 Rachel Donkersloot, Director, Working Waterfronts Program, Alaska Marine Conservation Council, *Evidence*, 30 January 2019.

114 Evelyn Pinkerton, Professor, School of Resource & Environmental Management, Simon Fraser University, *Evidence*, 20 February 2019.

that others, such as the BC Seafood Alliance and Robert Morley,¹¹⁵ do not back such provisions. However, the BC Seafood Alliance did recognize that “DFO needs to find a balance which employs approaches that address socio-economic consequences while complementing existing effective conservation and ecological measures.”¹¹⁶

1. Consultation

Several advisory committees and subcommittees have been established to provide advice to DFO on the management of fisheries. In the groundfish fisheries, for example, these consultative bodies include the Halibut Advisory Board, Groundfish Trawl Advisory Committee, Sablefish Advisory Committee, Groundfish Hook and Line Subcommittee, the Commercial Industry Caucus, and the Groundfish Integrated Advisory Board. In the view of Joy Thorkelson, however, the voice of active fishers is lacking as “DFO Pacific is consulting with fewer and fewer active fishermen. They consult with quota owners and licence-holders, who increasingly do not fish.”¹¹⁷

Fraser MacDonald added:

I think for the most part you can only get on one of those boards and be a voting member if you own a licence. The vast majority of people who are active fishers on our coast are hired skippers who run boats for owners or they're someone like me who owns a boat but leases the licence. You don't really get a voice on the advisory committees unless you own a licence. Then you can be a member.¹¹⁸

Recommendation 13

That Fisheries and Oceans Canada reconstitute the membership of advisory boards to ensure equitable representation by fishers, processors and quota owners.

Recommendation 14

That Fisheries and Oceans Canada develop a new policy framework through a process of authentic and transparent engagement with all key stakeholders:

115 Robert Morley, *Brief*, 7 March 2019.

116 BC Seafood Alliance, *Brief*, 4 February 2019.

117 Joy Thorkelson, President, United Fishermen and Allied Workers' Union—Unifor, *Evidence*, 5 February 2019.

118 Fraser MacDonald, Fisher, *Evidence*, 5 February 2019.



- **Active fish harvesters (or where they exist, organizations that represent them) in all fisheries and fleets including owner-operators, non-owner-operators, and crew;**
- **First Nations commercial fish harvesters (or where they exist, organizations that represent them);**
- **Organizations representing licence and quota holders that are not active fish harvesters, including fish processing companies;**
- **Organizations representing First Nations that hold licences and quotas for commercial fisheries;**
- **The Minister responsible for fisheries in the British Columbia government;**
- **Fisheries policy experts from academic institutions and non-governmental organizations; and**
- **Representatives of municipal governments and socio-economic development, health and cultural agencies in coastal communities.**

2. A Made-in-British Columbia Solution

Christina Burrige cautioned that “any new management measures impacting the distribution of fishery benefits and risks need to be developed collaboratively with B.C. commercial fishery participants to ensure that they are not detrimental to conservation and economic stability.”¹¹⁹ Recognizing the current role of quota licences as retirement income and investment assets for many quota owners, Fraser MacDonald also indicated:

Looking at the long term, we need to find common ground and look at where we need to be 10 years from now as an industry, and then design and implement well-thought-out specific policies that will get us there. I see a sustainable fishing industry in B.C.'s future being made up of fishermen and fish processors. The timelines for the industry's future must allow sufficient time for investors and retiring fishermen to divest and retire with dignity.¹²⁰

119 Christina Burrige, Executive Director, BC Seafood Alliance, *Evidence*, 4 February 2019.

120 Fraser MacDonald, Fisher, *Evidence*, 5 February 2019.

In the opinion of Peter de Greef, as each fishery has specific particularities, a “made-in-B.C. solution developed by the industry stakeholders through our advisory processes with specific socio-economic objectives is the best way forward. Each fishery has its own challenges, so it is best to keep consulting on a fishery-by-fishery basis.”¹²¹

3. Toward an Equitable Sharing of Risks and Benefits

While witnesses shared with the committee various versions of an ideal transition plan toward a more equitable quota licencing regime, they had many commonalities:

- A specific plan for every fishery elaborated in partnership with DFO, First Nations, quota licence holders, processing companies, and active fish harvesters;
- A vision for the future for every fishery after the transition period;
- Enforceable fair sharing agreements based on percentages of shares after expenses must be established between active harvesters and quota licence holders during the transition period;
- A public and transparent quota licence registry to assess the current socio-economic state of each fishery; and
- Timelines to reach each objective of a fishery’s transition plan and annual progress reports.

Richard Williams recommended that the time frame to transition toward a new quota licencing regime can be modelled on PIIFCAF. He indicated that PIIFCAF “established a hard stop at seven years, after which all licences had to be in the hands of active owner-operators. This was planned to provide sufficient time for most holders of trust agreements to divest them without severe financial losses.”¹²²

Recommendation 15

That, with regard to West Coast commercial fisheries, the Minister of Fisheries and Oceans establish an independent commission to:

121 Peter de Greef, Fisher, *Evidence*, 5 February 2019.

122 Richard Williams, Research Director, Canadian Council of Professional Fish Harvesters, *Evidence*, 20 February 2019.



- **Develop a concept for a ‘fair-share’ system to equitably allocate the proceeds from the fishery of individual species between the quota/licence holder, the processor and the harvester, based on the average wholesale price earned by the processor over a three-month period.**
- **Work with Fisheries and Oceans Canada to explore the feasibility of set limits on the amount of quota or number of licences for an individual species that can be owned by an individual or entity and ensure that comprehensive consultations are undertaken.**
- **Devise a policy of current market buy back from fishers looking to exit the industry and to prioritize that quota and licence sale to emerging young or independent fishers through a student/mentorship/apprenticeship program as has been done successfully in other regions for the country and other jurisdictions (Maine, Alaska, Norway) who have testified before this committee.**
- **Prepare a concept through comprehensive consultations that could transition the West Coast fishery to a “made-in-BC” owner-operator model.**

Recommendation 16

That the development of Fisheries and Oceans Canada’s new policy framework should be undertaken by a working group chaired by a senior National Headquarters official and comprised of appropriate officials from National Headquarters and Pacific Region.

Recommendation 17

That the Minister of Fisheries and Oceans direct the Department to develop an implementation framework for transition with time limits and phased approaches similar to the *Policy for Preserving the Independence of the Inshore Fleet in Canada’s Atlantic Fisheries* (PIIFCAF), but appropriate to particular fleets and/or fisheries.

Recommendation 18

That transition strategies should take account of the recommendations, needs, rights and capacities of First Nations and the framework for reconciliation.

Recommendation 19

That the Minister of Fisheries and Oceans initiate immediate steps to regulate quota licence leasing costs to allow for a fair return for vessel owners and adequate incomes for fish harvesters during the transition to owner-operator. Such measures should continue after transition to guarantee crews fair wages under the new regime.

Recommendation 20

That Fisheries and Oceans Canada develop a plan to achieve its five-objective fisheries management regime, which includes conservation outcomes: compliance with legal obligations; promoting the stability and economic viability of fishing operations; encouraging the equitable distribution of benefits; and facilitating data collection for administration, enforcement and planning purposes.



CONCLUSION

The committee heard from witnesses about the pressing challenges affecting the West Coast commercial fisheries' performance. These challenges include: inequitable distribution of risks and benefits; difficulty of access for new entrants; and lack of availability and transparency regarding quota licence ownership and socio-economic data.

Throughout this study, the committee was struck by the strong aspirations of fish harvesters, especially young fishers, to carry on their career and family traditions, and contribute to building economically, socially and culturally vibrant coastal communities despite numerous barriers in the industry. The committee would like to recognize their deep dedication to Canada's fisheries and coastal communities.

When measured with an ecological yardstick, the West Coast fisheries appear to meet DFO's objectives. However, in the view of the committee, DFO did not fully achieve its fisheries management framework's five objectives, particularly on equitable distribution of benefits, economic viability of fishing operations, and data collection and analysis. The committee believes that the West Coast commercial fisheries fall short, and lag the East Coast's and some of the world's fisheries, in how they benefit active fishers and their coastal communities. In the opinion of the committee, the vitality of a fishery should be examined by looking at its economic and community benefits as well as its ecological health.

As the status quo is not economically and socially sustainable, the committee calls on DFO to facilitate, foster and implement grassroots initiatives for change within each fishery that have gained the support from most of that fishery's participants. The committee is convinced that a successful transition toward a more equitable quota licencing regime must be "made-in-British Columbia" and supported by all participants, including vessel/licence owners, active fish harvesters, processors, and First Nation and non-First Nation coastal communities.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee’s [webpage for this study](#).

| Organizations and Individuals | Date | Meeting |
|--|------------|---------|
| Alaska Marine Conservation Council Rachel Donkersloot, Director Working Waterfronts Program | 2019/01/30 | 128 |
| Department of Fisheries and Oceans Kevin G. Anderson, Senior Advisor Indigenous Relations Rebecca Reid, Regional Director General Pacific Region Andrew Thomson, Regional Director Fisheries Management | 2019/01/30 | 128 |
| As an individual Chief Christopher Charles Cook Jr., Fisher Nimpkish Tribe, Kwakwaka'wakw Nation | 2019/02/04 | 129 |
| BC Seafood Alliance Christina Burridge, Executive Director Chris Sporer, Executive Manager Pacific Halibut Management Association | 2019/02/04 | 129 |
| Canadian Fishing Company Phil Young, Vice-President Fisheries and Corporate Affairs | 2019/02/04 | 129 |
| Grand Hale Marine Products Co., Ltd John Nishidate, General Manager | 2019/02/04 | 129 |
| Hub City Fisheries Roger Paquette, President | 2019/02/04 | 129 |

| Organizations and Individuals | Date | Meeting |
|---|-------------|----------------|
| Sport Fishing Institute of British Columbia Owen Bird, Executive Director Martin Paish, Director Business Development | 2019/02/04 | 129 |
| As an individual Ross Antilla, Fisher Duncan Cameron, Fisher Peter de Greef, Fisher Dan Edwards, Fisher Fraser MacDonald, Fisher David MacKay, Fisher Modestus Nobels, Fisher Jennifer Silver, Associate Professor University of Guelph | 2019/02/05 | 130 |
| United Fishermen and Allied Workers' Union – Unifor Joy Thorkelson, President | 2019/02/05 | 130 |
| As an individual Carl Allen, Fisher Michael Barron, Fisher Ryan Edwards, Fisher James Lawson, Fisher Dave Moore, Fisher | 2019/02/06 | 131 |
| Canadian Independent Fish Harvester's Federation Melanie Sonnenberg, President | 2019/02/06 | 131 |
| Marlson Industries Ltd. Arthur Black Jr., Fisher Arthur Black Sr., Owner | 2019/02/06 | 131 |

| Organizations and Individuals | Date | Meeting |
|--|-------------|----------------|
| As an individual | 2019/02/20 | 132 |
| Seth Macinko, Associate Professor Department of Marine Affairs, University of Rhode Island | | |
| Jim Mclsaac | | |
| Evelyn Pinkerton, Professor School of Resource & Environmental Management, Simon Fraser University | | |
| Cailyn Siider, Fisher | | |
| Helen von Buchholz, Student Public Health and Social Policy, University of Victoria | | |
| Canadian Council of Professional Fish Harvesters | 2019/02/20 | 132 |
| Richard Williams, Research Director | | |
| Ecotrust Canada | 2019/02/20 | 132 |
| Tasha Sutcliffe, Vice-President Programs | | |
| Greenways Land Trust | 2019/02/20 | 132 |
| Cynthia Bendickson, Executive Director | | |
| Vancouver Island Health Authority | 2019/02/20 | 132 |
| Analisa Blake, Project Manager Public Health | | |
| Watershed Watch Salmon Society | 2019/02/20 | 132 |
| Aaron Hill, Executive Director | | |
| Greg Taylor, Senior Fisheries Advisor | | |

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the Committee related to this report. For more information, please consult the Committee's [webpage for this study](#).

Alaska Marine Conservation Council

BC Seafood Alliance

Boyes, David

Cameron, Duncan

Couture, John A.

Crofts, Jonathan

de Greef, Peter

Edwards, Dan

Edwards, Ryan

Greenways Land Trust

Hauknes, Robert

Hub City Fisheries

Lawson, James

MacDonald, Fraser

MacKay, David

Moore, Dave

Morley, Robert

Pacific Halibut Management Association of British Columbia

Pacific Sea Cucumber Harvesters Association

Pacific Urchin Harvesters Association

Pierce, Lyle

Silver, Jennifer

Sport Fishing Institute of British Columbia

Underwater Harvesters Association

United Fishermen and Allied Workers' Union – Unifor

von Buchholz, Helen

Wing, Ken

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to the report; however, notwithstanding the deadline of 120 days stipulated in Standing Order 109, the Committee requests that the comprehensive response to this report be tabled no later than June 15, 2019.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 128 to 132, 134, 136, 139 and 140](#)) is tabled.

Respectfully submitted,

Ken McDonald
Chair

