

Groundfish Integrated Pilot Project

October 1, 2007,

Summery:

The Groundfish Integrated Fishing Plan was introduced in 2006, for the purpose of accountability of hook and line commercial fishers. This was a result of the assumption that the discarding of unwanted species (by-catch) was required by DFO and significant in the hook and line fishery. This assumption was based on anecdotal reporting of some individual fishers. Some of these fishers proclaimed the reason for these discards was a significant abundance of some rockfish species. The DFO accepted the discarded by-catch theory, but not the abundance theory. The process of introducing this Plan was the DFO initiating a policy for accountability that included individual quotas in all fisheries, 100% monitoring of all vessels, and a mechanism for transferability of quota to cover incidental by-catch. The DFO selected a cross section of industry, provincial and federal government and environmental representation, to develop a method for achieving government policy goals. There was no participation or accountability for these representatives to consult with the rest of the industry in the process of implementing this policy. This selected body was named the Commercial Industry Caucus. This body (CIC) met over a two-year period, coordinated by a consulting firm, with a mandate to achieve DFO policy goals. This was done in private with a requirement to secrecy, and no accountability to the industry. The consulting firms website was only accessible to participating members of the CIC. Ironically the government required industry to pay for the meetings through illegal expropriation of 10% of all fishers individual halibut quota. None of the commercial fishers were paid for their time or their participation.

The Integrated Fishing Plan incorporated a number of key elements in order to accommodate the policy objectives. One: Individual quotas were to be established for fisheries species that were not already under an individual quota. Two: 100% observer coverage resulting in on deck cameras and computer electronic (EM) monitoring became mandatory. Three: individual quota transferability rules where to be established.

Individual Quotas:

Individual quotas of various species where established with a different formula for different species licenses. Some were divided based on history. Some were established by the equal division of the (TAC) to all license holders. The rockfish, or ZN license quota division was one that was divided equally, without compensation, for those that had developed an historical dependency on the rockfish fishery. It was a fact that historically, a smaller number of license holders caught the majority of the rockfish "Total Allowable Catch" (TAC). In developing other individual quota fisheries, such as Sablefish and halibut, participation and catch history has always played a part in division of individual quota.

Monitoring:

In establishing the monitoring program, a camera system was developed with financial contributions originating from governments illegal use of fish. This on deck monitoring was required on all vessels participating in a hook and line fishery including small one-man vessels. This monitoring program has a number of different requirements for different species which includes a combination of total retention, discards being measuring in view of the camera, logbooks and recording of all species encounters by vessel crew. Then a port-monitoring program, that required a contractor approved by DFO, responsible for counting every fish by species upon delivery, referred to as validation. The camera data is then removed and reviewed and both the port monitoring and the camera data is compared to the vessel catch logbook and when there is a discrepancy the log book is deemed to be incorrect. The camera, camera data removal and review, logbooks and the port monitoring, are all paid by the vessel owner and crew. This hook and line fishery and regulations requirement applied to and comprises of approximately 400 vessels that catch 5% of the Groundfish. See **Hook and line and trawl**.

Transferability Rules:

The quota transferability rules have a requirement for vessels participating in any fishery to acquire quota for most species encountered. In other words if a fisher catches one 3 pound quillback rockfish, he must find someone who has quillback quota in the area he caught the fish and transfer the pounds of rockfish to cover this by-catch. **The rules also state that the transaction must take place between a willing seller, and willing buyer, in this case a one-time lease.** The fisher that encounters the by-catch *must* obtain quota to cover this by-catch, but there is no requirement for any individual who has quota to lease to this need. In order for the fisher that encountered the by-catch to continue fishing he must pay whatever the quota holder demands. In addition to this he must complete a quota transfer form, fax it to the seller, the seller signs it and faxes it to DFO, and then it is assigned to the by-catch. This includes approximately 28 species of rockfish alone. The same applies to halibut, sablefish and other species to which the fisher may not have quota. The numbers of quota transfers and costs are astronomical. See **Economic Reality** I would also like to point out that as I predicted at the introduction of the Plan, individuals and quota investors would take advantage of the need requirement and begin to extort more and more money from fishers for lease. Halibut lease price has gone from \$2.50 per pound in 2006 to \$4.10 per pound in September 2007. Many, or most vessels that fish their own quota charge their crew the going rate for leasing their own quota.

This seriously flawed system has another element of inequity and discrimination that provides a vehicle for accumulation of wealth in the industry. Fishing Companies have the leverage to lease quota from quota holders, whereas individual's, particularly small quota holders do not. These Companies also have the ability to select whom they distribute the quota to. If a fisher has a larger quota, fishes this quota and delivers this quota to the Company, they are the preferred customer for additional quota leasing, and

use this as an incentive to encourage patronage. The small quota holders are thus less desirable for this privilege. These Companies also have the ability to hire staff to perform quota transfers and remove this cost from the off vessel price of the fish. These opportunities provide an alternative from competitive, off vessel market prices, in order to obtain product security.

These Companies are also promising to cover by-catch requirements, but are not responsible if they find themselves unable, or unwilling to acquire quota and it is the fisher that will inevitably be unable to fish as a result.

Though many economists seem to see accumulated wealth as economic efficiency, the long-term social consequences are yet to be determined. We appear to be moving closer to economic crises under this accumulative principle.