

November 6, 2007

Dear Jim Abbott:

As your assistant Ken Miller has probably made you aware, I have for some time been pursuing a meeting with the Standing Committee On Fisheries and Oceans. The purpose of this meeting is to bring some understanding of the consequences of the Hook and Line Pilot Integrated Groundfish Management plan, which was put into place in 2006 with the approval of the Fisheries Minister. This Plan incorporated a number of principles, which are costly and unmanageable to the majority of the industry. Though many individuals from industry wrote to the Fisheries Minister protesting the institution of this plan, the Minister chose to support DFO initiatives and their claim of support from industry.

Some of the principles in this Plan included individual quota systems for a number of different species, and a number of different criteria for the implementation of these quota regimes. Some species were divided up among license holders on the principles of catch history, some on an equal division of the Total Allowable Catch (TAC) between all license holders and some were attached to existing licenses. The dependence of some individual fishers on one species or another was not taken into consideration and some were left with little or no fishery.

A total accountability program was introduced at the expense of the fishers, which included Electric Monitoring Program (EM) and also included the requirement for measuring, counting and retention of many species encounters, as well as logbooks, and dockside monitoring, and EM camera and equipment all paid for by the fisher. The EM equipment alone is \$8,000 to purchase or \$50 dollars a day to rent, not including ongoing costs, (EM expense sheet for one trip attached). This Plan was a result of DFO policy under the direction of DFO, paid for by industry, and incorporated all hook and line vessels including one-man rod and reel fishers. The hook and line fishery represents over 400 vessels that catch 5% of the Groundfish resource. The Trawl Fishery catches the remaining 95% and there are approximately 60 vessels that do not have the same requirements. (SEE ATTACHED Comparison Sheet)

Under the Integrated Plan all fishers must retain all rockfish species and must have, or acquire, quota to cover encounters of these and of other species. If a species is released, there is also a mortality rate assigned to that species and the fisher must acquire quota to cover this mortality. In addition the Plan incorporates a willing buyer and willing seller of this lease. Each species of which there are many, approximately 27 different rockfish species alone, must be acquired for 7 different areas, through a willing temporary transfer. The individual fisher is not provided access to those that have quota and the only source of access is through fishing companies, or quota trading companies.

Paper Work

There are 125 pages in the Groundfish Integrated Management Plan. There is a license condition for each species license. There is a reference to the Fisheries Act taking precedent over the management plan and the license condition. There are references to

websites to access further rules and regulations. There is reference to in-season changes to the Management Plan. Prior to fishing, the fisher requires an amendment from DFO for each species for each fishery, which states his personal available quota for each species. There is a hail out requirement prior to fishing. There are logbooks for each species. There is a registration process required by DFO with a third party and a requirement to pay associated fees for third party services. There is a requirement to keep logs, which include species count, on all retained and discarded species, set time length and locations, hooks deployed, and bait used, in all fishing activity. There is a requirement to have colored bars painted on the side of the vessel, and all fish discards to be held up to the bars for camera species and size identification. There is a requirement to hail in prior to returning to port. There is a requirement to pay for a third party to recount and record species numbers, weights and size. There is a requirement for fishers to pay for the removal of hard drive camera data and review of this data. The third party then sends a report to the DFO, and the fisher with a comparison of dockside monitoring numbers, camera data, and vessel log book information. If there is a discrepancy between the vessel logbook and the dockside monitoring, or camera data, which includes set position and time, the vessel logbook is deemed to be incorrect. If the discrepancy between the vessel logbook is inaccurate by 10%, the third party, may be required to perform a full review of recorded data at the expense of the fisher, and or restricted from further fishing.

When dockside monitoring, vessel logbook information and camera review information is received by the DFO, the DFO will issue another amendment for the vessel to continue fishing, provided he has quota to cover his by-catch and discard mortalities in the area he was fishing. In most cases the fisher does not have quota for all species encountered. He is then required to find someone that has all the particular species in the area that he fished, purchase the required pounds of each species on a temporary bases, and send temporary transfer documents, signed by both the buyer and seller, for each weight and species of fish required. It is not uncommon for the fisher to require several different quota holders to provide quota, in one species in one area, and he may likely require several species in more than one area. The individual fisher is not privy to individual license and quota holders, or contact information in order to fulfill quota needs. Individual species quota holders have no requirement or obligation to transfer quota other than by a willingness to do so. This willingness is subject to need of the fisher to continue fishing and the price he is willing to pay for such need. This process generally inflates prices to all requiring quota. **More importantly many of the active fishers neither understand the requirements, nor are they capable of fishing and navigating through these requirements in order to continue fishing.**

Some fishers may have quota in one species or another, but not the species or in the area that the fisher conducted his targeted fishery. The original concept was that fishers would be able to trade different, or same species and different areas in order to accommodate the transfer of required quota between license holders. However on August 9, 2007, the DFO sent an amendment to the Integrated Plan paragraph 1. Any license with an excess overage for any species will be unable to reallocate off any quota (permanent or temporary) or be issued an initial license amendment until all excess overages on that license have been resolved. This, in effect, requires fishers to find

willing quota holders and pay quota lease prices for species in an area they have a need, but don't have quota and they can not use the quota they do have, to generate the necessary funds to pay for this lease. The only other option is to hire a lawyer and have a legal contract for each quota transaction.

Corporate Control

Many fishing participants don't have the academic ability, time, or funds to navigate the confusing and ever changing requirements of the Integrated Fishing Plan. Only the large license and quota holders and the fishing companies, have the staff, financial capabilities and time to manage the complex activities and requirements of this plan. As a result the companies pay in advance to lease quota, from fishers, many of which don't fish, which they dole out, at their discretion, to those that provide the greatest financial benefit to the company. For example, if a quota holder that has and fishes a sizable halibut quota and delivers it to the company, as an incentive the company will provide necessary by-catch quota and additional halibut quota to that fisher, in preference to those that have smaller quotas. This creates a situation where those that have less, or don't align themselves with a company, don't have access. The company can also provide the mechanism to transfer by-catch requirements between areas and species and fishers, simply by removing by-catch from a quota license in their control that does not have an overage to one that does. The company can then transfer other area or species quota from the license once that overage has been covered back to the license that the original license that didn't have an overage. This cannot be accomplished by an individual and removes the independence from the individual in favor of the corporation or fishing company.

The fishing Companies can also offer to acquire and cover by-catch or overages to encourage fishers to sell to them. A price per pound per species is then deducted from the value of a trip. There is no obligation or contractual procedure to insure that the Company fulfills its agreement to do so. The fisher can no longer continue to fish until the company covers the by-catch or overage. The only recourse for the fisher is again to enter into a legal agreement with the company for every trip or every transfer of species quota or to pay again for the lease, if he in fact can find a willing seller and or litigation against the company, none of which he can afford. The price per pound of fish for quota lease, necessary to cover by-catch, is established through a process of desperation of the active fisher.

I have attached a trip sheet from a May 2007 trip to which I was charged for quota lease. I also attach a DFO Status Report for Nov 5, 2007 which indicates that much of the quota lease charged, has not been acquired or covered by the company. I also gave them authority to transfer all my exiting quota holdings for the purpose of trading species and areas I have, for species and areas that I need. I, like many others don't have a legal contract with the company, so effectively they could lease my quota to someone else without benefit to me.

The personal consequences to me are, that in 1999 my rockfish landings exceeded

1.5 million pounds. As a result of diminishing access as a result of DFO policy, and reallocation as a result of the Integrated Fishing Plan, my access has diminished to an allowable 15,000 lbs of rockfish in 2006. The policy that provided leasing arrangements in quota development has increased quota permanent sale prices, and increased quota lease prices. Most lease prices are equivalent to 70% of the landed value of the fish with no expense and the active fisher and crew pay all the costs associated with catching the fish on the remaining 30%.

In addition I have overages in some species on several licenses that I believed I could acquire quota for, but individuals declined my offers of paying the going rate for these leases in favor of leasing to the companies and the companies also refused to cover these overages in favor of those that had more quota.

In conclusion, the management of the fisheries by DFO and the Integrated Fishing Plan will continue to remove the low and middle class fishers from the industry in favor of a few corporations. The participation and economic viability will continue to diminish for the majority and vessel and license values will continue to plummet. I ask the Committee On Fisheries and Oceans to take a good hard look at abandoning much of the Integrated Fishing Plan in favor of a plan that will favor the long term sustainability of the fishing industry and the fisheries resources. If this committee wishes to pursue alternatives, I can provide some suggestions, which will include simpler more manageable, and more cost effective alternatives to the existing DFO policies.

Gerald Dalum
Fishing For Freedom