

**December 5, 2007**

He Guys:

**THE PHMA IS NOT SELLING OUT TO THE RECREATIONAL SECTOR!!!**

I thought the PHMA had explained everything quite well in the newsletter you received last week; but I am hearing some of you still don't understand the process or the full ramifications of the implementation of the Halibut allocation policy the government announced this summer. Before the rumor mill starts, I'll explain the facts.

When the Halibut allocation policy was set up in 2003, the 88%-12% sharing arrangement was put into place. As part of the policy, if the recreational sector wanted to grow above its 12% catch ceiling, they had to acquire quota from the commercial sector through a market-based mechanism. The commercial and recreational sectors were to figure out market-based mechanism to take care of overages or underages. The commercial sector basically accepted the policy and the recreational sector wanted no part of it.

At the start the recreational sector was under their 12% catch ceiling, so we fished what they didn't catch. The money collected from that is in a trust to use to pay for underages or overages once both parties agree to a market-based mechanism. Now the recreational sector is over their 12% catch ceiling, and they owe us for the loss of quota to our sector. This can only happen if there is a mutually agreed to market-based mechanism in place.

Now that they have gone over, the government has told the recreational sector there will be management measures in 2008 to keep them within their present 12% share of the TAC. Also they can sit down with the commercial sector and try to develop a market-based mechanism for further growth. The recreational sector now is willing to try and work out a market-based mechanism with us that works both ways to lease of purchase quota. A market-based mechanism means the parties enter into a voluntary transaction-willing buyer, willing seller. **NOBODY HAS TO GIVE UP A POUND IF THEY DON'T WANT TO.** This is only about creating access.

Some may ask why even do that? Why allow the recreational sector access? We could take the position that we don't want a market-based mechanism, just the 88% - 12% sharing arrangement, but we have to make sure we understand what could happen if we do that. The way I see it there would be one of two outcomes.

1. DFO agrees with us and maintains the 88% -12%. Under this scenario the government listens to us, believes we are more politically credible. Does what we want and controls the recreational sector not allowing them to grow beyond 12%. We would have to trust DFO Pacific Region to keep its word into the future (bear in mind that DFO Pacific Region has already knowingly let the recreational sector exceed its 12% catch ceiling in both 2006, and 2007.
2. The Halibut allocation policy is overturned. With no market-based mechanism in place, the Halibut allocation policy is not fully implemented.

DFO Pacific Region comes under pressure from the recreational sector to give a larger share and overturns the Halibut allocation policy because they say they are the greatest benefit to the economy. DFO Pacific Region increases recreational access and could give them 20%, 25%, 30% or maybe we go back to the old system where recreational essentially had priority access-who knows Under this outcome there will be no compensation paid to us for past, present and future declines in available harvest due to increased recreational catches.

This is the way I see it. In my mind a market-based mechanism is the lesser of two evils. Under the market-based mechanism at least we will be able to have a say in our future. We can decide if we want to lease or sell to the recreational sector and get compensated. Otherwise, we can scrap the idea of a market-based mechanism and possibly lose another 8% or more of our TAC without being compensated through expropriation or re-allocation, which amounts to the same thing only one sounds nicer. THE CHOICE IS YOURS.

I have vested interest in this industry and will fight all the way to protect our investments and autonomy. I am working my butt off to make this work with the least impacts for industry. As your President I want to be sure I'm doing what the majority wants. I need your input and support.

Questions, comments or Concerns, call me: 250-709-2336