



House of Commons
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 028 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, March 22, 2005

—
Chair

Mr. Tom Wappel

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

Standing Committee on Fisheries and Oceans

Tuesday, March 22, 2005

•(1110)

[English]

The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)): I bring meeting 28 to order. Because we are starting at 11:15, we will go until 1:15 so that we have the full two hours to devote to this subject matter.

We have a number of guests, and to all of our guests we say hello.

We have, first, the Nattivak Hunters and Trappers Association. You're going to have to forgive me for my pronunciation, but I'm going to give it my best shot. We have Mr. Koalie Kooneliusie, chairman; Samuel Nuqingaq, secretary treasurer; Harry Earle, fisheries adviser; and we have Mr. July Papatsie, who is going to be interpreting into Inuktitut. We'll have to recognize that there is going to be some delay because we also have to go into French and English and everything else. We'll do our best.

Welcome to you all.

We'll give you an opportunity to make your presentation first. Bearing in mind that it has to be translated, we'd ask you to keep it to a reasonable length, because members of the committee have questions they would like to ask you. You have until 12:15 for that purpose, and we want to make sure that the members of the committee who have questions have an opportunity to ask them.

Before we start, gentlemen, do you have any questions?

A witness: No questions.

The Chair: Then please make your presentation.

Mr. Koalie Kooneliusie (Chairman, Nattivak Hunters and Trappers Association) (Interpretation): Thank you very much for inviting me here to the hearing.

My name is Koalie Kooneliusie. I'm the president of the hunters and trappers in Qikiqtarjuaq. We will make our presentation brief, and I hope you understand what we say.

I'm here to make a presentation regarding fisheries and possible employment in fisheries in our home community of Qikiqtarjuaq. The reason we are here is that there is a very high unemployment rate in our community, and fisheries is one of the ways of maintaining employment. People are interested in it. The reason we started looking into the fishery business is for that single matter of having people find a place to work—and fishing is one of the more interesting areas for people to work. We are here to ask for help in the fishery department because, as I said before, there is hardly any work in our community, where the unemployment rate is 85%.

We've been working on this project for a long time now, and we will work really hard to accomplish it. We've run into a lot of hurdles and a lot of problems here and there. Sometimes we don't always accomplish what we want, but we will never stop working towards our goal of getting fisheries in Qikiqtarjuaq.

I'll stop here for now, and let other people talk.

•(1115)

The Chair: All right.

By “other people”, do you mean the other members of your delegation, or would you like us to go into questions?

Mr. Koalie Kooneliusie (Interpretation): I will ask my colleagues to speak, please.

Mr. Samuel Nuqingaq (Secretary Treasurer, Nattivak Hunters and Trappers Association) (Interpretation): Thank you for allowing me to speak. My name is Samuel Nuqingaq, and I'm the secretary treasurer of the Hunters and Trappers Association in Qikiqtarjuaq.

I'm glad to be here. For one year now, we've been working on this matter. We started last year in March, and as my colleague said, it's been rough going, but we are working hard for the simple reason of high unemployment in our community.

We are not whatsoever against the Baffin Fisheries Coalition. We are not trying to go against them and we are willing to work with them. Also, the HTA has been working with Clearwater on this matter, and our goal is to get employment in our community. There is also the fact that we are seen to be going into the same business as the other people I mentioned earlier, but our goal is to get more employment in the community.

•(1120)

You are more than welcome to ask any questions you want, and we are more than willing to answer all the questions you will ask.

Again, I'd like to make this point very clear. We are not trying to go against any other fisheries. Our main purpose for this venture is, as I mentioned before, that there is a very high unemployment rate in our community of Qikiqtarjuaq and there is also a very high suicide rate. It's to give hope to those people who have no real hope for the future, so that they may have some employment opportunities.

We had asked for a quota this year, and the quota we asked for was given to the fisheries department. We want to work together with the Baffin Fisheries Coalition and also with Cumberland Sound fishers and what not. We may be seen as competitors. We're not really competing against them; we just want to have employment opportunities in our community. The only employment opportunity right now in our community is the DEW line cleanup, and it's not enough for the whole community.

The only reason we are working really hard toward this venture is that I myself would like to see my grandchildren be able to look forward to something to go to work with. We know there are fish up there and there are fisheries in the oceans that can be harvested. Having said that, I am sure planning can be done to make sure this venture of fisheries is good for the future of our community.

It is very important that we work together. Again I would like to stress that we're not trying to fight against any other fishery. We want to work together with them and we just want to create viable employment opportunities for our community.

• (1125)

The Chair: Thank you.

Mr. Earle, I believe you want to make a comment or two.

Mr. Harry Earle (Fisheries Advisor, Nattivak Hunters and Trappers Association): I have been working with the community for the past year to assist them to get into a fishing enterprise. Initially we had a licence to operate a fixed-gear vessel, which is hook and line, for a vessel larger than 100 feet. We had signed an agreement whereby they would become the owners of that licence, but unfortunately there is some competition on that licence and a group, the Labrador Inuit Development Corporation, has committed to purchase that licence subject to our consent or subject to the outcome of a court decision. So what we have done is we have made arrangements with the owner of a fishing vessel in St. John's. The vessel is 100 feet long. The vessel is called *Jenny & Doug*. It is a longline steel vessel that can freeze at sea.

The arrangement is that this vessel will fish with the community, and the community has an option to purchase that vessel and to purchase its licence. That's the background for the fishing activity, and there will be certain provisions for crew members from Qikiqtarjuaq-Nattivak. In the longer term it will be their vessel, and they will be running the vessel.

The Chair: Thank you.

We'll go to questioning now. For the Conservative Party, are you going to go first, Mr. Keddy?

Mr. Keddy, please.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chair, and welcome to our guests. You came a long way, and it's certainly an important discussion here today.

I have a couple of questions. It's a few years now since I've been up in the high Arctic, but I've been up there a couple of times. One of the points about the fishery that I noticed when I was on Baffin Island the last time was the slow growth and the longevity of the fish; they grow for a good number of years, but they also grow very slowly because the water is very cold. I'm just wondering what

species you're looking to exploit and what the sustainable harvest rate of that species is.

• (1130)

Mr. Koalie Kooneliusie (Interpretation): The species we are looking into fishing is halibut. There have been studies done in our area regarding halibut fishing. There's a very good supply of halibut and they're quite available. They've never really been fished before. Having said that, there are enough species to be fished in our area—and there have already been studies done—to be able to maintain that species for this venture.

Mr. Gerald Keddy: You're talking halibut, so you're talking Greenland halibut or turbot?

Mr. Koalie Kooneliusie (Interpretation): Yes.

Mr. Gerald Keddy: I'm just looking for some information, and I realize you may not have it, on the TAC that's allowed now for turbot in the eastern Arctic. How much room, specifically—I'm talking real numbers—may there be for additional exploitation of the resource? I would qualify that, coming from a fishery riding, I certainly concur with your message that the people who live in the area should be able to benefit from the resource that's at their doorstep.

Mr. Koalie Kooneliusie (Interpretation): Yes, thank you, and that's very true. That is also in the Nunavut agreement that was signed. It was agreed that the harvesting of animal species or fish species would be done by the closest community. We, being in Qikiqtarjuaq, are closest to the turbot in our area. Having said that, this is why we are working towards having a fishery in our area. Also, we have outlined a plan. If we were to go ahead in this venture, we have a plan to distribute all the fish we catch.

[Translation]

The Chair: Mr. Roy, do you have any questions?

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chairman.

I have several questions to ask because I want to be sure I understand what you want the committee to do for you.

How many people are there in your group of fishermen? What's your fishing capacity? If you receive a quota, where will the fish be processed?

• (1135)

[English]

The Chair: Go ahead, Mr. Earle.

Mr. Harry Earle: The community has had a quota of 330 tonnes of turbot since about the mid-1980s, since about 1985. That quota has been caught during that period, for the most part, by a trawler from Clearwater. This year, as I say, they have arranged to get their own vessel, a fixed-gear vessel, that will fish by hook and line. That vessel will catch the quota. So the quota is an existing quota. And that quota is in area 0B. There are also quotas in area 0A, which are currently held by the Baffin Fisheries Coalition.

We are looking at the possibility of fishing some of those quotas, and possibly also some other 0B quotas that are held by other communities. So we're not looking for any actual increase in the total quota; it's the existing quota that we wish to catch.

[Translation]

Mr. Jean-Yves Roy: Not entirely. I want to know how many people in your group are able to work. I understand the unemployment rate is very high. How many people would be able to work if you receive this quota?

[English]

Mr. Samuel Nuqingaq (Interpretation): We are going after the quota that is open to anybody who wants to apply for it. If we were to get it, we would be looking at employing 20 to 25 people—if we get the quota we are asking for.

• (1140)

[Translation]

Mr. Jean-Yves Roy: I have a couple more questions to ask, Mr. Chairman.

Can you access the aboriginal fisheries program?

Did you start negotiations with the Baffin Fisheries Coalition? If you did, how are these negotiations progressing?

[English]

Mr. Samuel Nuqingaq (Interpretation): We have not come to any agreement with any other venture we are trying to go forth with, but this winter we had a meeting with NTI regarding this matter. I was in the meeting with our president, and there were three other representatives from NTI, from Nunavut Tunngavik Inc.

We have not gone back to them yet. We are not really sure if we're going to go in that direction or not. We are here to make this presentation. As a result of this presentation, we'll see where we go from there.

[Translation]

Mr. Jean-Yves Roy: I asked another question. I want to know whether you can access the aboriginal fisheries program provided by DFO.

[English]

Mr. Samuel Nuqingaq (Interpretation): No, we have not, because this is the first time we ever heard there's a possible place for aboriginal people to go to find out that information. No, we don't know about that. This is the first time we've heard about it.

Thank you.

The Chair: Merci, Mr. Roy.

In accordance with the new rotation we adopted, we now go to Mr. Stoffer for five minutes.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you very much, Mr. Chairman.

I thank the representatives from Nunavut for coming down, and Mr. Earle as well.

Sir, I want to bring you back to a statement that was made on February 4 to the *Nunatsiaq News*. It says here: "This is our fish and Inuit need to protect it from interests like the BFC who want to take as much as they can and leave us eventually with nothing. Sadly, this has been the history for Inuit for years and we need to take a stand and stop it now..."

Sir, would you be kind enough to elaborate on why you felt you needed to make such a strong statement?

• (1145)

Mr. Koalie Kooneliusie (Interpretation): We are aware of that letter in the *Nunatsiaq News* that you were mentioning. It has to be so strong because that's the way it is with us. As we said before, there's a very high unemployment rate. The reason we've put it out so seriously is that we need those jobs.

Mr. Peter Stoffer: A few years ago when the Baffin Fisheries Coalition received a reflagged vessel that was owned by foreign interests, my understanding was—and you can correct me if I'm wrong—that at least half of the crew on board that vessel, the *Inukshuk*, was to be of Inuit descent. I've heard that anywhere from four to six Inuit people are working on board the vessel, and I understand that the conditions aboard the vessel for Inuit workers were less than applicable. I was wondering if you could tell me in your words if you have any knowledge of how many Inuit fishermen are on board that vessel.

Mr. Samuel Nuqingaq (Interpretation): I can only answer you from the point of view of our community. We don't deal with other communities that go to the *Inukshuk*. There are only two people who go to the *Inukshuk* from our community, and I do not know if there are any other Inuit from other areas. I only know that there are two from our community who go fishing on the *Inukshuk*.

Mr. Peter Stoffer: Also, in the documents it states that the *Inukshuk* or the BFC does trawling instead of hook and line fishing. You indicated in the *Nunatsiaq News* that in your opinion trawling will damage the fish stocks and there may not be any fish left in the future. You're proposing that your vessel do hook and line fishing.

Have you had an opportunity to speak to the representatives from BFC about changing their practices and reverting back to hook and line fishing instead of trawling?

Mr. Koalie Kooneliusie (Interpretation): Yes, we are aware of that, because we live in our area and we see what goes on when there is trawling. We know for a fact that it destroys the bottom. That not only takes the food chain away from the fish, it also pollutes, destroys, and does a lot of damage. The noise affects other sea creatures that live around the area. If there's been trawling in an area, there are no seals or other animals in that area. I'm sure it also does a lot of environmental damage to the bottom of the ocean.

Fishing is important to us. It's part of our food. We need it and do not want it jeopardized in any way. Therefore, we feel that longline fishing is much safer, and not as polluting and harmful as trawling.

• (1150)

Mr. Peter Stoffer: Okay.

The Chair: Mr. Cuzner.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Thank you.

For clarification, the community held a quota; who would have allocated that quota to Clearwater?

Mr. Samuel Nuqingaq: For the past 15 to 20 years Nattivak had 330 tonnes. Nattivak was giving it to Clearwater to fish it on a royalty basis. Each year we were giving it to Clearwater so they could fish it for us and pay us on a royalty basis. By trying to go after that 330 tonnes again for that vessel we have lined up, the *Jenny & Doug*, we will fish it ourselves and hire more people to go on the boats.

Mr. Rodger Cuzner: So the royalties are there and there's nobody from the community on the water? There's no jobs being created?

Mr. Samuel Nuqingaq: No, there were some jobs going to *Atlantic Enterprise* and *Arctic Endurance*, to Clearwater, somewhere between 10 and 14 in a whole year.

Mr. Rodger Cuzner: The halibut is a joint stock shared with Greenland. I'd like to have a department official clarify that, but I assume that's right. Does that add a further challenge to gaining an independent allocation?

Mr. Samuel Nuqingaq: That 330-tonne quota, which Nattivak had had for so many years, on 0A, which is up in our area, is fished by Baffin Fisheries Coalition. They're the ones who have all the allocation on that. The 330 tonnes is a historical quota for us and we would like to have that back. Right now it's in the minister's hands, and we're still waiting. Not only us, but Cumberland Sound, Clyde River HTO, and Pond Inlet HTO are still waiting to find out if they got that quota back again.

Mr. Rodger Cuzner: You guys were at one time a member of the coalition?

Mr. Samuel Nuqingaq: Yes, we were.

Mr. Rodger Cuzner: What was the biggest fallout with the coalition?

Mr. Samuel Nuqingaq: We saw there were limited jobs going to the boat. There are six communities that are involved with the coalition and four are independent, that we know of. It's trying to benefit those communities that are involved as well.

Mr. Rodger Cuzner: You didn't feel that benefits were being reaped through being a part of the coalition?

Mr. Samuel Nuqingaq: The people who go there rotate. It's not two for a whole year; I don't know how many it is, because they rotate. Some of them can go there for one or two trips.

Mr. Rodger Cuzner: When you're looking at jobs, are you looking at developing processing branches? Are you looking at establishing a processing plant where there would probably be additional jobs? Is that another wish for your group?

Mr. Samuel Nuqingaq: Yes, we have. We had funding from the Department of the Environment to do a feasibility study for a fish plant in our community. We'll find out in a little while, but we hired a person to do the feasibility study. There are also clams in our area, and 11 people in our community are divers. That would be a benefit to them as well. When they were diving to collect clams, they ran into a problem with CFIA. If we had a plant, they wouldn't run into that problem anymore.

•(1155)

The Chair: Mr. Matthews.

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): Thank you, Mr. Chair. I just have a couple of questions.

Just as a bit of a follow-up, 330 metric tons is your quota. You now have an arrangement with Clearwater. Obviously they pay for the fish in the water and they catch it with their vessel. Where is that fish landed?

Mr. Samuel Nuqingaq: For the past 15 to 20 years, Clearwater has been fishing that entire 330 tonnes. To be honest with you, I don't really know where they're dropping off that turbot.

Mr. Bill Matthews: How much longer do you have the arrangement with the Clearwater? Is it done on an annual basis, or do you have a multi-year arrangement?

Mr. Samuel Nuqingaq: At first, it was a ten-year contract with them. It's up to our association whether or not we wish to give it back to Clearwater or fish it ourselves.

Mr. Bill Matthews: Yes, but the question is, do you have a multi-year agreement with Clearwater now whereby they will continue to catch that fish and give you money, or is that agreement now over?

Mr. Samuel Nuqingaq: No, we don't have a contract with them. The contract ran out.

Mr. Bill Matthews: So the contract is up, and you can do what you want with the fish now. You can give it to someone else if you want.

Mr. Samuel Nuqingaq: Yes.

Mr. Bill Matthews: Mr. Earle, I believe you mentioned that you're working out an arrangement for a 100-foot vessel. Is that to catch that 330 metric tons, or to catch fish you hope will be assigned?

Mr. Harry Earle: We're waiting for confirmation of the quota at 330 tonnes, but the vessel is in St. John's.

Mr. Bill Matthews: So it's for an additional 330 tonnes.

Mr. Harry Earle: This is the same quota that has been caught by Clearwater. They would catch it with this vessel. The owner of the vessel will enter into an arrangement with them, whereby they will have an option to purchase the vessel and will become the owners.

Mr. Bill Matthews: So right now, with the vessel not purchased, where will that fish go?

Mr. Harry Earle: It will be caught and brought back. We're currently having discussions as to whether we can possibly land the fish in Makkovik.

Mr. Bill Matthews: You mentioned trying to get some fish in...I thought you said zone 0A.

Mr. Harry Earle: Yes.

Mr. Bill Matthews: You've mentioned that this is now assigned or allocated to other communities, so you're really asking the minister to take it away from some other communities and give it to you. Is that what you're really asking?

Mr. Harry Earle: No, we're not asking to take it away. In a way, the fish has all been assigned to the Baffin Fisheries Coalition, as I understand it, except possibly for 400 tonnes. There was an increase in the quota from 4,000 tonnes to 4,400 tonnes, so there's a possibility that we could acquire some of that 400 tonnes.

Mr. Bill Matthews: Who is getting that 400 tonnes now?

Mr. Harry Earle: Last year, 2004, 200 tonnes were caught by the Cumberland Sound quota holder, and the other 200 tonnes were not caught at all. They were left in the water.

Mr. Bill Matthews: Thank you for that.

The Chair: We have a minute and a half, so I'm going to ask a couple of questions.

I'm still not clear on what's going on here. I understand that the 330 tonnes is outside the Nunavut settlement area, outside the 12-mile limit. Is that right?

Mr. Harry Earle: Yes.

The Chair: And are the quotas assigned offshore based on the advice of the Nunavut Wildlife Management Board, yes or no?

• (1200)

Mr. Harry Earle: Yes.

The Chair: We're getting buck-passing here when we're hearing evidence from the Department of Fisheries and Oceans, so I'd just like to know who is supposed to make the decision. I understand the minister makes the final decision, but I'm assuming the minister seeks the advice of the NWMB. Is that correct?

Mr. Harry Earle: That's right.

The Chair: So was it the NWMB that advised the minister to give the additional quota to the Baffin Fisheries Coalition?

Mr. Samuel Nuqingaq (Interpretation): The 330 tonnes we are seeking is 12 miles out towards Iqaluit; that is what we are asking for. We want to be able to fish that area. Last year there was 4,000 tonnes from 0A that was approved for one year by the organization you just mentioned, and we did not get any of that. We were not part of that whatsoever. We have put all our applications in and done whatever needs to be done with the minister, and right now we have not heard anything back from the minister. We are just waiting for an answer regarding that area, so we do not know where we stand right now.

The Chair: Thank you, but that's not my question. My question is a simple one: where does the minister get his advice on to whom to issue quota? Does he get it from his officials or does he get it from the NWMB?

Mr. Samuel Nuqingaq: I'll say this in English.

We submit our application to NWMB to get our 330 tonnes in 0B. They have met and talked about who's going to get the allocation. We have asked them to let us know who got the quotas, and they told us that they cannot really send it to me right now because they have sent that recommendation to DFO. Michelle Wheatley, the director of DFO in Iqaluit, told us it's in Minister Regan's office right now.

The Chair: I'm sorry to go on about this, but I just want to be clear.

The problem is that when we hear from the fisheries officials, they say they're taking advice from the community, from the NWMB, because that's what the spirit of the act is, that the people of Nunavut should to the greatest extent possible have their own say over their own resources. If that is true and if you do not get a quota, it seems to me you should be addressing the people on the NWMB, who make the recommendations to the minister upon which the minister acts, not coming to the minister. You have to convince your own

people first, because it's your own people's board that is giving the advice that the minister is taking.

Now, all I'm asking for is this. You're coming here to ask us to do something, but if we ask the minister to issue you a quota and he turns around and says the NWMB didn't give him that advice and he's not going to go against them because they know what's right up there, then we are at a dead end. All I'm trying to establish is whether you are confident the NWMB is going to recommend your cause to the minister.

• (1205)

Mr. Samuel Nuqingaq: Yes, we understand that, and when we called NWMB and asked if we got our 330-tonne allocation again for this year, they couldn't tell us and they told us that they gave it to DFO in Iqaluit, and DFO in Iqaluit told us that they gave it to Minister Regan to make a final—

The Chair: Sorry, but they at least could have told you, “We made this recommendation, we just don't know what the minister is going to do with it”. Do you know what recommendation they made to the minister?

Mr. Samuel Nuqingaq: We have asked. We called six times in one day to NWMB and asked about who got the quota, and they couldn't tell us. And I don't know why they cannot tell us.

The Chair: I understand they can't tell you who got the quota, but they should be able to tell you who they recommended should get the quota. Have they told you who they recommended should get the quota?

Mr. Samuel Nuqingaq: They haven't told us at all.

The Chair: Okay. Thank you.

Mr. Keddy.

Mr. Gerald Keddy: I'm hearing two different issues and I just really need a point of clarification. The first point is, as I understand it, there's one issue on 330 tonnes of quota that the Nattivak group already owns and that's been fished by Clearwater. You've asked to have that quota for a vessel that you are going to take out of Newfoundland, and there's been no answer on that yet. So that's one issue.

The second issue is the 4,000 tonnes of quota fished in 0A that you wanted a part of. Am I correct?

Mr. Koalie Kooneliusie (Interpretation): For example, last year we asked for 1,500 tonnes and we already knew we had 330 tonnes that were ours, but we were refused and we could not get any answer as to why we were refused.

So we understand your questions, but we can't answer them because we were never given real information.

•(1210)

Mr. Gerald Keddy: I understand that you're getting the runaround here from DFO, the minister's office, or somebody, without question, but I don't understand why there's any discussion whatsoever on the original 330 tonnes that your community already owns, unless the contract you've signed with Clearwater is a multi-year contract. If it's not, then that's your quota; you can buy a boat and fish it, the same as you can on the southwestern coast of Nova Scotia. If you own the quota, you can fish it or you can sell it. You don't have to go hat in hand to the minister over it. If you have a bona fide fishing licence, you can fish your quota.

I don't understand why there's not an answer here on the 330 tonnes.

Mr. Samuel Nuqingaq (Interpretation): I want to make this point clear. As for the 1,500 tonnes Koalie was talking about that we applied for last year, I just want you to understand that when it was refused, there was no other way we could try, no other venue or way to get it. We want you to understand that once it was refused, there was no other way place we could go to get it.

The Chair: Thank you.

Monsieur Blais, s'il vous plaît.

[Translation]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Thank you, Mr. Chairman.

My question will not be dealing with quotas since I have no way of knowing what your situation is without going there myself or seeing a document that would make it easier for me to understand. To say the least, the situation seems to be rather confusing for the time being.

So I want to ask you about your port facilities. First, do you have any? If I understood correctly, at some time, you had none. I'm talking about port infrastructure, like wharfs and so on. If you have none, did you request any facilities? If you did, when was that?

[English]

Mr. Samuel Nuqingaq (Interpretation): We had problems with the translation. It wasn't really clear.

The Chair: He wants to know if there's any infrastructure, and if so, what is it? And if not, have you applied for it?

Mr. Samuel Nuqingaq: Are you talking about a fish plant?

[Translation]

Mr. Raynald Blais: No, I'm talking about docks, port facilities or a small craft harbour.

•(1215)

[English]

Mr. Samuel Nuqingaq: We don't have a port. There's just a small dock in our community, but no port in our community.

[Translation]

Mr. Raynald Blais: Does that hurt you? Would this be part of a solution? Did you consider it? Did you apply for one?

[English]

Mr. Koalie Kooneelusie (Interpretation): We have no concerns with docks whatsoever, because in the area where we are, the high tide or low tide doesn't go out that much, and there's a natural dock where even ships that are coming in to unload are able to unload very easily. And also, there's another place that hunters use to unload their catch, so the dock is not a problem.

The Chair: Thank you.

One hour has been used up. I would like to give Mr. Stoffer the opportunity to ask one short pertinent question, and Mr. Cuzner the same, and then that's it. Then we'll go to our second group of witnesses.

Mr. Stoffer.

Mr. Peter Stoffer: I'll be as brief as I can.

Part of your response is, why are they here when it is assumed that the Minister of Fisheries would take recommendations from the Nunavut Wildlife Management Board on allocation of groundfish licences? But I have a bit of a concern, and I want to verify if indeed this is correct.

Mr. Ben Kovic, who is now head of the BFC, at one time was with the NWMB. Am I correct on that?

At that time, would Mr. Kovic have been in a position to allocate licences or quotas to the BFC?

The reason I'm asking that is because it seems quite coincidental that a person who is in the NWMB would give quota or licences to the BFC and then shortly afterwards become head of the BFC. It gives the perception of a conflict of interest.

Is this one of the suspicions that you have? If it is, is this one of the reasons you're here? Also, who else is fishing the 0A quota?

Mr. Samuel Nuqingaq (Interpretation): Last year, when we were asking for the quota, he was the president. We felt that, yes, there was conflict of interest. That's why we were very careful in that area.

It's not up to us to point out who wants what area to work in. Mr. Kovic himself can choose where he wants to work. That's how it goes. When we want to work, we go to where we want to work. We had discussions about that conflict of interest, and we felt that we had to make sure there was no conflict.

Yes, we were quite aware of that.

•(1220)

Mr. Rodger Cuzner: Just coming from that point—and I'm still trying to get clarification on this—Mr. Kovic would have made the recommendations to the BFC. He had been with the NWMB for a number of years, and he would have made recommendations for allocation for BFC for a number of years.

Your group was a founding member of the BFC. Would you as a member of the BFC not have been a recipient of those quotas while you were still in the BFC?

I'm still looking for clarification as to why you left BFC, why BFC isn't driven by creating jobs in the community.

You're saying this is all about jobs, and I appreciate and respect that, but if there's something less than above board or less than kosher, we didn't get that sort of stuff from your testimony.

I find that we're in here an hour now and I don't know if I'm any more informed, other than that you want to create jobs in the community. Could you sort of drill down here, in the dying moments of the testimony, as to why you are outside the BFC? Give us what your feel is on the Kovic situation. How are we going to fix it? What's the solution?

The Chair: Mr. Cuzner also asked the question, if BFC received the quotas, did you not get a piece of the action when you were a part of BFC?

Mr. Samuel Nuqingaq: Nothing that we have heard from BFC was... It was created back in 2001, and there were four different people from our community going to BFC meetings, and they're no longer with our association. At some point I guess they weren't informing us properly. When they were in our community, BFC and also NTI told us that there was an agreement that none of the communities would get either royalties or a portion of the quota within the three years of forming the Baffin Fisheries Coalition. We left them last year, and if we were still with them this year, maybe we would have a portion of the quota, or they would give us a royalty payment.

At first we didn't know that they had made an agreement for three years, that none of the communities would get either royalties or get a good portion of the quota. That's my understanding when they were presenting their stuff in our community.

Mr. Rodger Cuzner: So where would the royalty have gone in the last three or four years?

Mr. Samuel Nuqingaq: BFC said that they put funds aside to train people or to purchase a vessel. BFC has all the royalties from that three-year period. None of the community has received it, because they made an agreement for the past three years that none of the communities would get any money.

The Chair: We'll have an opportunity to ask the BFC questions once they give their testimony.

First of all, I would like to thank everyone, gentlemen, for coming, for giving us your evidence. We will now suspend for one minute so that the technicians can reset the system. We'll ask our other witnesses to come up to the front.

Once again, thank you very much.

- _____ (Pause) _____
-
- (1230)

The Chair: Could I call the meeting to order, please.

We have with us for the second hour Mr. Ben Kovic, president, and Mr. Jerry Ward, chief executive officer, of the Baffin Fisheries Coalition.

Gentlemen, we'll give you the floor. You have up to, but you don't have to use, 15 minutes to make your presentation. I know you were in the room during the previous presentation, so you have some general idea of the kinds of questions the committee members were

asking. I don't want to interfere with your presentation, but you might want to take that into consideration when you are making your presentation.

Committee members, they did provide to us a presentation booklet. It's in one official language, so it will be distributed in due course once it is properly translated for our use.

That is of course no reflection on you, as in this country you are entitled to make your presentation in whatever language you wish to make it. It's just that our rules require that whatever language it's in, it must be translated into the other official language and distributed before we can look at it. You certainly can go ahead and make reference to it and make whatever comments you want.

So the floor is yours for up to 15 minutes.

Go ahead, Mr. Kovic.

Mr. Ben Kovic (President, Baffin Fisheries Coalition): Thank you very much, ladies and gentlemen, Mr. Chairman, and committee members.

My name is Ben Kovic. I am the president of the Baffin Fisheries Coalition. With me is my colleague Jerry Ward, my CEO for Baffin Fisheries Coalition. On behalf of the board of BFC, we would to thank you for this opportunity to meet with you today to explain to you what we're all about. There has been some misunderstanding in previous information that was given to this committee, so we will try to clarify some of the issues.

Over the past few months, there has been much misleading information presented to members of this committee and elsewhere regarding the activities of the Baffin Fisheries Coalition. By the way, I'm a beneficiary of Nunavut. I speak in both languages, Inuktitut and English, and I do apologize that I don't speak French. I am a true Canadian.

We take pride in what we have accomplished at BFC since its formation in 2001. Today we finally have an opportunity to tell you our side of the story. In doing so, we hope that you and your committee members will have a better-informed view of BFC.

We have prepared a PowerPoint presentation for you and we will focus on four points: the background of BFC, fisheries resources in Nunavut's adjacent waters, BFC results since its formation, and future priorities.

Mr. Chairman, in 2002 BFC developed a business plan, and we wish to report to you that we have delivered on the strategy put forward in that plan and are now moving forward toward the next stage of our evolution: vessel ownership and maximizing Inuit employment in Nunavut's development fishery. We feel very strongly that only through vessel ownership will we be able to maximize the benefits of our new fishery to the benefit of Nunavummiut—that means Inuit people of Nunavut.

As we move forward, our focus will be on the following:

Maximizing Inuit employment in this fishery: Over the past two years, BFC has organized and implemented three training courses for 36 Inuit workers at an overall cost of \$200,000. Token employment is no longer acceptable. We must get our people into managerial and technical positions on our fishing vessels. In 2004, Baffin Fisheries Coalition led the charge to develop and implement a long-term training program for Nunavut fishermen, and I wish to report that on February 14, 2005, a \$5.4-million training plan was approved under the aboriginal skills and employment partnership program with Human Resource and Skills Development Canada. BFC itself will contribute more than \$1 million to this plan. Again, this is a real commitment to the development of Nunavut's fishery.

Vessel acquisition: We are now into the second year of our charter-to-purchase of a large factory freezer vessel and we will be in an ownership position in the near future. By chartering with an option to buy, we minimized our exposure until we had obtained the facts on the operation of such a vessel. We wanted to know what it really costs to own a vessel before we leapt into the acquisition of it. We now know the cost of operating such a vessel, and our movement forward will be based on sound business principles and having the facts in front of us. We are in this for the long run, and through vessel ownership we will be able to control our own destiny.

• (1235)

Inshore fishery development: BFC is very supportive of the development of the inshore fishery, as is evident from the exploratory work done in Cumberland Sound and from the turbot test fishery in Clyde River and Pond Inlet in 2003. These two communities are north of Qikiqtarjuaq. In the many other projects funded since 2002, BFC has delivered 805 tonnes of H and G turbot to the Pangnirtung plant for further processing, and it cost BFC more than \$1.9 million. This is a real commitment.

We dropped off fish at the Cumberland Sound fish plant at no cost. You have to realize that we want to help the community employ Inuit people in the plant longer, so we have dropped off fish to this plant annually for the past four years at no cost to the community. This is commitment.

We'll be working with the communities of Baffin Island to provide them with financial and technical support to develop their inshore fishery through surveys and exploratory work. We have also prepared a funding proposal for the purchase and operation of two fast and efficient inshore vessels. This initiative alone will cost \$1.2 million over the next two or three years.

Financial contributions to our hunters and trappers' organization members: We have now reached a point where we will be providing dividends to our HTO members, and with these dividends they can provide support to their communities to allow them to purchase equipment that will enable them to do more hunting and fishing and other activities to support the elders in the community.

Infrastructure development: In order to develop an inshore fishery and also to make the offshore fishery stronger, there must be a port facility. Today, despite the fact that Nunavut has the largest coastline of any province or territory, we have no docking facility and no marine centres. This cannot continue, Mr. Chairman. We ask that you and your committee speak out on behalf of Nunavut and see that

we are provided with marine infrastructure facilities like those enjoyed in Atlantic Canada.

Improved communication with stakeholders: Through regular planned community visits, press releases, and newsletters, etc., the public will be more informed of the positive results achieved by BFC.

Increased scientific research in the north: There had been minimal research and survey work carried out in Nunavut-adjacent waters, and at the same time, when science dollars should be increased, we find DFO is decreasing its science budget, and this is very clear. There must be an exception made for the north, where historically there has been minimal research done. In cases where a survey had been carried out over the past five or six years, we had great success, and the 0A turbot fishery is a good example of this.

In 2004 BFC contributed \$112,500 toward another 0A turbot survey. Yes, we want to develop our adjacent fishery, but we are very conservative-minded and want to see a fishery developed based on good scientific information, one that is sustainable and economically viable.

Increasing Nunavut's share of its adjacent resources: Even though Nunavut has increased its share of the overall fishery allocations in its adjacent waters from 24% to 41% since 2001, we must get to a point where we have at least an 80% to 90% share of our adjacent resources, just like our southern neighbours.

• (1240)

Mr. Chairman, we ask for nothing more or nothing less than what southern adjacencies have enjoyed for many years, and that is that 80% to 90% of the resources allocated to its adjacent waters go to the province or territory adjacent to the resources.

Mr. Hearn, do you think that Newfoundland and Labrador would settle for having 63.3% of adjacent shrimp going to Prince Edward Island, or their lucrative crab fishery being fished by 63% Nunavut interests? I do not think so.

The injustice and inequity are even more pronounced when you look at the unfairness of the 0B turbot allocation. In this fishery, we have a company from a non-adjacent area that, with no investment in the 0B fishery, was able to politically manoeuvre a 1,900-metric ton 0B turbot allocation in Nunavut's adjacent waters. I might add that this company obtained its 900-metric ton 0B allocation under a commitment to the Department of Fisheries and Oceans that the product would be further processed at two of its plants, Burgeo, in Newfoundland and Labrador, and Canso, Nova Scotia. Maybe the committee should ask the workers of those communities how much of 0B turbot went to their plant and why they are closed today?

Mr. Chairman, committee members, ladies and gentlemen, it is only through the combined efforts of a coalition like BFC that we could have achieved the success we have experienced since 2001 in Nunavut's adjacent fishery. We are now focused on a more vocal Nunavut and are intent on gaining a larger share of allocations in adjacent waters. We look forward to your questions and comments, and at the end of the meeting we hope that we have clarified some misconceptions regarding BFC.

Now, I turn this presentation over to Jerry Ward, the CEO of Baffin Fisheries Coalition, who will go through the PowerPoint presentation with you.

I think everybody has a copy of this on their desk.

The Chair: Mr. Kovic, thank you. No, we do not. As I explained before, I'm not able to put it before the committee members because it's in only one official language.

Mr. Ward, go ahead, but you have less than three minutes, I'm afraid.

Mr. Jerry Ward (Chief Executive Officer, Baffin Fisheries Coalition): Thank you, Mr. Chairman.

After sitting through the order of presentation, I'm not going to spend a lot of time going through this PowerPoint, because Ben has summarized it.

We really want to get to the gut of the issue; that is, we want you to ask the questions, and I think there are a lot of unanswered questions and misconceptions about what we're actually doing. So we're going to go right into that. I'll make a simple comment to start with.

The Baffin Fisheries Coalition was formed in 2001 and it came about for a very good reason. The industry was fragmented. After 20 years of the offshore shrimp fishery, there are no ports, there are no fishing vessels. There was no infrastructure whatsoever. So to get the critical mass, BFC came about through various stakeholders, through the Nunavut Fisheries Working Group specifically, which was made up of the Government of Nunavut, the Nunavut Wildlife Management Board, Nunavut Tunngavik Inc., and DFO specifically was used as an adviser. And that came about to get the critical mass and to take control of the fisheries in our own water.

We weren't prepared to have 16% of the shrimp allocation historically, with more than 80% going to the south, and we all know the situation of 73% of turbot in OB going to the south—totally unacceptable. It's only by being organized, being focused, and having a plan...

The first thing we did was develop a long-term business plan. We've been successful, and we wish to report that every recommendation and objective as identified in here by the stakeholders in general has been carried out. We're now ready to move forward into vessel ownership and acquisition.

That's where we are today. We've achieved these objectives. It's time to clear the air, and I might add that all members of Baffin Fisheries Coalition signed an MOU, signed by members of all the HTOs and the other industry. For the first three years all of these funds would be used to do training, in particular to do resource work, to do exploratory work, exactly what we've accomplished. All

members signed on to that. At the end of those three years, we said we would look at paying dividends back to the communities, which is exactly where we are today.

Last year at our annual general meeting when the decision was made to charter with an option to buy all members—inclusive, all members, including the Nattivak HTO agreed unanimously in a letter to NWMB that the full allocation in OA should go to BFC for the very reasons we just mentioned: vessel ownership; take control of the fisheries. That was done.

So we hope after listening to some of the questions... We are very supportive of Nattivak HTO. We understand their problems, but to clarify the situation, we have to separate OB fishery. That is theirs. They have every right to it, and to clarify the issue, that's theirs and they should get and they will get it.

OA is a different issue. Park that to the side. The big issue, to clarify it again, is that there will be increases in OA in the future, and we are on record very clearly as saying that we support Nattivak HTO and other inshore communities to get a portion of that allocation to benefit their communities. They have every right to it, and we support their efforts.

That's the summation from our perspective. We're here to answer questions.

• (1245)

The Chair: Thank you very much, Mr. Ward.

Can you provide the committee with a copy of the MOU that you referred to, as well as the letter you referred to that was sent to the NWMB?

Mr. Jerry Ward: Yes, we will certainly provide that information. With regard to any minutes and so on, subject to board approval, they'll be distributed to you.

The Chair: At this point, just the memorandum of understanding, which you said was signed by everybody, including the previous witnesses, and the letter that you said was signed by everybody, including the previous witnesses.

Mr. Jerry Ward: That will be done.

The Chair: Thank you.

Mr. Keddy, ten minutes.

Mr. Gerald Keddy: I appreciate the witnesses' discussion here. I think you have shed a little bit of light onto the testimony we've heard, but I have a few questions.

As I understand it, and as you've just said, there are two separate issues at stake here. The Nattivak Hunters and Trappers Association have 330 tonnes of turbot now in OA, or in OB. That's theirs. That's separate from the Baffin Fisheries Coalition. Yet, the NHTA are members of the Baffin Fisheries Coalition. Am I correct in that?

Mr. Jerry Ward: No. They are no longer members.

Mr. Gerald Keddy: They are no longer members, but they were members in 2001, 2002, up to 2004?

Mr. Jerry Ward: Correct.

Mr. Gerald Keddy: Correct. If they were there at the beginning of it, they would still have a portion of the 4,000-tonne quota that the Baffin Fisheries Coalition would have.

• (1250)

Mr. Jerry Ward: They would share certainly in the dividends, which we agreed from day one in 2001 would come about in the 2004-05 fiscal year. It was their decision. They elected to pull out of BFC.

Mr. Gerald Keddy: I don't have enough information to make a judgment on why they pulled out or not, and I'm not going there.

I'm going to ask the same question again. They may have pulled out of the association, but if the quota was given to the association, and there were half a dozen groups who formed the Baffin Fisheries association, each one of those groups would have access to a certain amount of that quota, 4,000 tonnes in division OA.

Mr. Ben Kovic: Okay, thank you.

On the allocation made to the Baffin Fisheries Coalition, yes, it's clear and it's real that it was allocated to the Baffin Fisheries Coalition when the board was in full association. These memberships are no different from the membership that was speaking just before us. They're all hunters and trappers associations, and also Inuit private sectors. There is no southern interest in this Baffin Fisheries Coalition as an ownership. They're all 100% Inuit owned.

The allocation that was put forth was made to BFC when the whole membership was still intact. Then whatever outcome during that period, a member leaving, that sort of thing—and I could say today that at that time four members of this association left. Now two of them are back to the Baffin Fisheries Coalition. Pangnirtung Fisheries Ltd. is back and Pangnirtung HTO is back. It just leaves the two members who are still outstanding: Nattivak HTO and Cumberland Sound Fisheries.

Mr. Gerald Keddy: I realize there's some discussion and some toing and froing on how you build your infrastructure, how you train your fishermen, where your boats come from. I guess the final question—and I'm glad we clarified the one part of it, that the 330 tonnes that Nattivak Hunters and Trappers Association has is theirs to fish. We still have a large amount of quota. I believe Mr. Ward said he recognized the fact that any additional quota that may be gained would be divided up among the communities.

I guess my questions are, then, when the Baffin Fisheries Coalition was formed in 2001, how many members did you have, and how many do you have today?

Mr. Jerry Ward: We had 11 members in 2001. We have 10 members today.

Mr. Gerald Keddy: Okay, that's all I have for now.

Thank you.

[Translation]

Mr. Jean-Yves Roy: Thank you, Mr. Chairman.

I want to be sure I understand the situation. Mr. Ward, you did not answer Mr. Keddy's last question. Does the 330-ton quota belong to the Nattivak Hunters and Trappers Association?

[English]

Mr. Jerry Ward: Yes, that 330 tonnes clearly belongs to Nattivak HTO. That is their allocation.

[Translation]

Mr. Jean-Yves Roy: You said this was their allowance. Does it belong to them now? I'm talking about the present.

[English]

Mr. Jerry Ward: It is their quota, yes, but it has to go, on a regular basis, through the Nunavut Wildlife Management Board to be reallocated. But historically any organizations—and in particular HTOs—that have allocations will keep those allocations, and Ben can certainly give you a better answer on this than I can.

Mr. Ben Kovic: Thank you, Mr. Chairman.

The allocation process for historical access to OB stocks has been status quo. We in BFC would not apply for status quo quotas that have been given to other organizations, including the Nattivak association.

One thing I would like to clarify is that when the Nunavut Wildlife Management Board makes an allocation to a community or, for instance, to Nattivak HTO, it goes back to the minister for final...

Mr. Chairman, I just want to clarify what the process is, because I know it. Everything is confidential until the minister rubber-stamps the recommendations by NWMB. If any associations ask NWMB what the decision on the allocations is, NWMB will not say anything, because it's part of the land claim procedure of NWMB. There's no other alternative. The information is confidential until the minister rubber-stamps the recommendation by NWMB. That's all I'm going to say on this.

• (1255)

[Translation]

Mr. Jean-Yves Roy: Yes, but you did not answer my question. Does the quota belong to them, yes or no?

[English]

Mr. Ben Kovic: I guess I would say yes, it belongs to them. But it's like the situation when, even though you have a car... Could I explain? What I'm trying to say is that every one of us has a vehicle, but every year we have to renew our insurance. Even though the vehicle is yours, you still have to apply to renew it. It's the same thing with turbot allocations up in Nunavut. They still have to apply, even though it's almost guaranteed it's yours.

[Translation]

Mr. Jean-Yves Roy: I agree with you but if the quota belongs to them, what's preventing them from using it now?

[English]

Mr. Ben Kovic: It's just a political process.

[Translation]

Mr. Jean-Yves Roy: You're not answering my question. This is not an answer.

[English]

Mr. Jerry Ward: Mr. Roy, there is absolutely nothing prohibiting or stopping them from doing what they want with regard to their OB quota. It is our view that it is theirs, and we support them totally for that 330 tonnes.

[Translation]

Mr. Jean-Yves Roy: But why is this a problem? They say they can't use their quota, and you say that nothing prevents them from using it. So what's the problem? I don't understand.

[English]

Mr. Jerry Ward: Let me clarify this. BFC has no input into where this quota goes for the 330 tonnes. That's true of the NWMB and true of DFO. That's the process they go through.

All we can say is that we fully support Nattivak's historical right to that 330 tonnes and fully support that they get it in the future. As indicated, as with licensing your car every year, why wouldn't they receive it? It's the process. We all know the licensing process.

[Translation]

Mr. Jean-Yves Roy: You're still not answering my question. You say it's the board. What board?

[English]

Mr. Jerry Ward: You're asking us questions beyond our scope of answering, because it's clearly... Under a land claims agreement, NWMB was set up to administer the wildlife in Nunavut, and it would certainly make its recommendations back specifically to the minister, at which time the minister would make an announcement. This has nothing to do whatsoever with BFC. We're speaking of two different issues here.

[Translation]

Mr. Jean-Yves Roy: I asked you what board. Mr. Kovic, you were a director or the president of the board. As former president of the board, you did not give the Nattivak Hunters and Trappers Association access to its quota. Would you please explain that to me? I'm not sure I understand what you mean. On the one hand, you say that you support them but on the other hand, the board would not let them access their quota. If the quota is tied to their group, how can you prevent them from using it?

[English]

Mr. Ben Kovic: I'm going to say it one more time, and it's going to be as clear as I can get it. We have a land claim in Nunavut, and there are procedures to follow. Nunavut Wildlife Management Board has that procedure to follow. There are guidelines. Any wildlife management issues the Nunavut Wildlife Management Board makes recommendations on—it could be fish, bird, anything—go to the appropriate minister for final rubber-stamping.

There is no other alternative. There is no other way of doing it. Even if NWMB were to allocate this for a hundred years to Nattivak HTO, there is a process that has to be followed. Even though NWMB likely would say the 330 tonnes are guaranteed to Nattivak HTO, there is a political process under the land claims process that NWMB reviews, and it goes to DFO. There is no other choice.

● (1300)

The Acting Chair (Mr. Bill Matthews): Monsieur Roy, do you have a quick question?

[Translation]

Mr. Jean-Yves Roy: Please tell me if, in the past, the board recommended to the minister that the Nattivak Hunters and Trappers Association have access to its 330-ton quota. This can't be a secret. I'm not talking of this year but of the past three years.

[English]

Mr. Ben Kovic: I do understand what you're saying, but under the land claim agreement there are rules that you play within. This confidentiality, whether its new or old, has been a routine.

[Translation]

Mr. Jean-Yves Roy: But we're talking of the past.

[English]

Mr. Ben Kovic: It has to be followed by NWMB. There's no other choice.

The Acting Chair (Mr. Bill Matthews): I want to interject here because the time is up for Mr. Roy. My interpretation, if I may impose it on the committee, is that the group has recommended a management plan to the minister, as happens all over the country. There are management plans that are recommended to the minister with the involvement of stakeholders, whether they be harvesters, unions, whatever. But until the minister accepts or rejects or signs on to a management plan, it hasn't happened. That happens on an annual basis. If my interpretation is correct, that's what happens here. This is done on an annual basis.

Am I correct, Mr. Kovic?

Mr. Ben Kovic: The allocations used to be on an annual basis. It has gone, if I'm correct, to three-year allocations now.

The Chair: So it's a three-year plan now. You're waiting now for the minister to okay or alter the three-year plan that's been put forward by the board. Is that correct?

Mr. Ben Kovic: Yes.

The Chair: Until then, it's at the minister's office and the minister will either accept or reject or alter the recommendations put forward by the board, as I understand it. Maybe I'm wrong.

Mr. Ward, do you want to make a quick comment before we move on?

Mr. Jerry Ward: Yes, Mr. Chair. In fairness to Mr. Roy, he asked a very simple question and I'm going to give him a very simple answer. Two little letters called "no". The NWMB has never refused their 330 tonnes in OB, it's as simple as that. They've always received it.

The Chair: We now go to Mr. Stoffer.

Mr. Peter Stoffer: Thank you very much, Mr. Chair.

I'm going to ask some very basic questions, Mr. Kovic, and I thank the two of you for appearing today.

Mr. Kovic, at one time, were you involved with the NWMB?

Mr. Ben Kovic: Yes, I was.

Mr. Peter Stoffer: Very good. And at that time and any time there, were you part of a decision that gave a groundfish licence over to the BFC or quotas to the BFC?

Mr. Ben Kovic: In my position as chairperson of NWMB, I had no decision authority.

Mr. Peter Stoffer: No, no, the question I have is quite clear. NWMB makes recommendations to the minister, which by the way you folks indicated rubber-stamps these decisions. That was your own word. When you were part of NWMB, did that board make recommendations or quota recommendations to the BFC, yes or no?

Mr. Ben Kovic: To the minister.

Mr. Peter Stoffer: Very good, thank you, but for the BFC, is that correct?

Mr. Ben Kovic: Yes.

Mr. Peter Stoffer: Very good. And am I correct in saying that you are now part of the BFC and no longer with NWMB?

Mr. Ben Kovic: Correct.

Mr. Peter Stoffer: Thank you.

Sir, you also indicated that HRDC, or Human Resources, gave \$4.5 million to train Inuit fishermen. Is that correct? How many fishermen have been trained as we speak right now?

Mr. Ben Kovic: Jerry can answer some of that question.

Mr. Peter Stoffer: I just need the numbers. I'm sorry to interrupt, because I don't have much time on my questioning.

Mr. Jerry Ward: Very quickly, it's not \$4.5 million; it's \$5.4 million to March 31, 2008. The minister signed off on November 14, 2005. No, the training program came into place February 14, 2005, for \$5.4 million.

•(1305)

The Chair: I'm sorry, when?

Mr. Jerry Ward: February 14 of this year.

The Chair: I thought you said November.

Mr. Jerry Ward: No. My apologies.

Very clearly, it was \$5.4 million, and already we have two courses with 24 Inuit being trained today in Nunavut. The day it was signed...a week later we were doing it.

Historically, we've had three training courses in the last three years at a cost of \$200,000, and everybody who did those training courses had been on fishing boats that wanted to fish—

Mr. Peter Stoffer: Okay, and I'm just correcting, you said \$200,000 for three years?

Mr. Jerry Ward: No, \$5.4 million.

Mr. Peter Stoffer: No, no, before, you said previous training. I'm just questioning. How many people do you anticipate you will have trained by the time the agreement ends in 2008?

Mr. Jerry Ward: We will have in total several hundred people trained.

Mr. Peter Stoffer: One hundred?

Mr. Jerry Ward: No, several hundred people. The program is designed to not... The problem, the trap we've gotten into, is that we don't just want to train Inuit to be factory workers. The reality today is that there are no Inuit qualified to be engineers, mates, captains. So our plan through ASTP, we call it, is to take them from the factory floor into a mate position, into an engineering position, into certificate of programs. That's where we want to be.

We trained 36 people in the last two years. Those who wanted and were prepared to go on the vessel went on the vessels.

Mr. Peter Stoffer: Okay.

Mr. Ward, tell me if this paragraph is wrong or right:

The BFC has conducted two major turbot-for-shrimp transfer deals in the past year that essentially take Baffin turbot from both the 4,000 tonne 0A fishery and the 1,500 tonne commercial 0B fishery, owned for years by the communities, and transfers these quotas over to foreign-controlled interests, the Appak and Inukshuk 1, owned by the Nataaqaq Fisheries and the Canadian-owned Kakashuk. Turbot from 0A-0B to be put on the Appak, (on lease to the Labrador Inuit Association from Norway), in trade for a shrimp license that is now on the Harbour Grace owned Ocean Prawn. For this turbot, the Ocean Prawn's shrimp license will be placed on the Inuksuk 1.

Then last one:

Turbot from 0A-0B, to be fished on the Canadian owned Kakashuk in trade for their shrimp quota that was originally slated for communities in northern Newfoundland (4 plants). This shrimp will now be fished by the Inukshuk 1, processed on board and shipped directly to foreign markets.

Is that correct?

Mr. Jerry Ward: Mr. Stoffer, I couldn't have done better by asking the question to you, because I'm going to give you an answer to every one of these, which are totally misleading and in most cases false.

The reality today is that BFC has no control...and I repeat, it's a red herring. We have no control over 0B and never have. We're not involved in the 0B.

On the issue with regard to the vessels that are fishing, yes, we have 4,000 tonnes in 0A specifically, for which we have a number of vessels fishing for us. I repeat, they are all Canadian vessels.

On this issue of the *Inukshuk I*, you'll get the great opportunity later to read all about this; we're proud to display it to you. The *Inukshuk I* is a Canadian vessel. It's met all regulations within Transport Canada and otherwise within government. We're fishing it, and we will own it, clearly.

Mr. Peter Stoffer: I'm not sure, Mr. Ward, if a not-for-profit organization—you being part of it—can claim that the *Inukshuk*, because it has a new Canadian flag on it, could be a Canadian vessel. I find that rather startling. Steingrímur Erlingsson and others actually own the vessel. Is that correct? The ship is owned by foreign interests. Is that correct?

Mr. Ward, quite clearly, who owns the vessel right now?

Mr. Jerry Ward: The vessel is owned by Nataanaq Fisheries. It's a Canadian company.

Mr. Peter Stoffer: Is the president Danish, Icelandic, or Norwegian?

Mr. Jerry Ward: He's Icelandic. No, I'm sorry, he's Danish.

Mr. Peter Stoffer: He's Danish. So the president of the Canadian-owned vessel is an Icelander.

Mr. Jerry Ward: No... Yes, that's correct.

May I continue? Again, I'm glad you're prompting these questions.

Let's look at the northern shrimp fishery. The majority of the vessels in the northern shrimp are owned by Nova Scotia companies. I hope there's no conflict of interest from that perspective, Mr. Member, because the majority are Nova Scotia companies, and a majority ownership in the vessels is clearly Danish and Greenlander. And I can list every one of them in Nova Scotia.

We have done absolutely nothing differently. We have followed the law to a T, the letter of the law. This is a Canadian-registered vessel, not owned by Nova Scotia. It will be owned by Nunavut interests, period.

• (1310)

Mr. Peter Stoffer: If I may, Mr. Ward, for clarification, I'm not going to ask you, but a not-for-profit organization like BFC seems to pay a couple of people quite handsomely for their services. Would it be at all possible for you to ask your board if we could have copies of your remuneration and any bonuses that are achieved by the two of you, so that we can have it?

Mr. Jerry Ward: Absolutely not. It's very clear.

For clarification again, BFC is a not-for-profit company, 100% owned by Inuit. It has a subsidiary for-profit company called Nataanaq Fisheries, which is totally legal, to operate and own its vessels. That is exactly where we are. It's no different from the other 17 licence-holders in Canada that prosecute the northern shrimp fishery—no different.

Mr. Peter Stoffer: Mr. Chairman, if I may say in conclusion, we just heard from people who said that they have an unemployment rate of almost 85%. If I'm not mistaken, your personal salary from the BFC is quite handsome, plus there are bonuses and other things on top of that.

Mr. Kovic, I don't have what yours is.

It just seems to me that a not-for-profit organization, which just surprisingly has a for-profit corporation, could ask this. If you're not prepared or are unwilling to do it, that's fine. But you leave us with a suspicion, Mr. Kovic and Mr. Ward. In my own assumption there is a shell game going on here, and what's happening is that the fish

stocks are being traded for other stocks. It's no surprise that Mr. Risely down at Clearwater is the honorary consul for Iceland, and that foreign interests are making this, and there are a few other people who are doing quite well by it.

In the end, in my own personal opinion, the fish will get screwed and the fishermen of those areas, the hunters and trappers, will end up with the short end of the stick.

The Chair: Thank you, Mr. Stoffer.

That's his personal opinion, and you don't have to respond.

Mr. Jerry Ward: I have to respond, Mr. Chairman.

This is inappropriate and uncalled for. Let's make it quite clear what we're talking about here: the agenda here versus the Nova Scotians owning the rest of it. I leave it at that. But we are not-for-profit.

With regard to my salary, I am hired based on my qualifications, and I'll put them up against you or anybody around this table, with the 30 years I've been in this industry in the United States, Canada, and elsewhere. I'm paid at a competitive rate.

Have you asked FPI and Clearwater what they're paying their CEOs? Do you think you'd get an answer? Let's get serious, gentlemen.

The Chair: Thank you, Mr. Ward.

Mr. Murphy.

Hon. Shawn Murphy (Charlottetown, Lib.): That's a hard act to follow.

Mr. Ward and Mr. Kovic, I want to thank you very much for being here.

You have some challenges in your territory. But I want to clarify one point, and perhaps it was clarified. On the issue of the ministerial discretion, Mr. Kovic, you made the statement that the minister rubber-stamps it. On the 0A quota, it's my understanding that because of the land claims agreement, this has basically been subdelegated to the Government of Nunavut, and then they, of course, use the Nunavut Wildlife Management Board.

Does the minister have the authority to subdivide this 4,000 metric tons of turbot? I know he can increase it and decrease it, based upon scientific evidence, but can he go in and divide it up? I don't think he can do that under the land claims agreement.

Mr. Ben Kovic: The Nunavut Wildlife Management Board was instituted under the land claims agreement, as you all know. It's the main instrument of wildlife management and the main allocator of resources under the land claims agreement. Whether it be fish, land animal, or bird, everything goes directly to the NWMB for allocation. NWMB reallocates resources to any proponent that applies to those resources. It's their discretion, under the business plan, or however. Then the board reviews those applications and accordingly allocates the resources.

Hon. Shawn Murphy: So in this instance the NWMB has allocated the 4,000-tonne allocation to the Baffin Fisheries Coalition, and you in turn allocate or do it in accordance with your board.

Mr. Ben Kovic: The 4,000 metric tons was allocated to BFC for BFC to fish, as a cooperative movement.

Hon. Shawn Murphy: Yes, I understand that.

It seems to me, Mr. Kovic and Mr. Ward, there are differing visions of the fishery in Nunavut, whether it's an offshore fishery that you pursue or an inshore fishery. The NHTA are obviously going to use longlines and want to go to more of an inshore fishery. You people with your *Inukshuk I* seem to be developing an offshore fishery. That seems to be your business plan.

You've been in business now for four or five years. I know about the fishery through the ice in the Cumberland Sound. But can you describe any movement in Nunavut to try to develop an inshore fishery in the ports you have—Clyde River, Pond Inlet, Pangnirtung—other than the ice fishing in Pangnirtung?

• (1315)

Mr. Jerry Ward: Yes. To answer that, I have a clarification again.

BFC has made it very clear in its business plan and report, when you get an opportunity to read it, that we want a balanced fishery. It means that some will be caught using trawlers and some will be caught using hook and line.

Again, it's the old proverbial red herring here. We were up to 33% for harvesting with hook and line. In the first year it was 100% for trawlers because we could not get Canadian vessels to fish. There was no history. Was it economically viable? They didn't know.

Over the two-year or three-year period, we then had more people wanting to fish. We got to the point of two-thirds and one-third for fixed gear versus mobile gear. We're going to get to fifty-fifty because that's where we want to be. There are pluses and minuses.

Bear this in mind. If you use trawlers, there is the issue of whether you're catching juvenile or smaller fish. Are you doing any damage? If you fish with a hook and line, you're getting larger female egg-bearing fish. This is factual. Is anyone suggesting that we fish only with hook and line, catch all the female breeding fish, and have no fish left in the future? It's a balancing act. We want a balanced fishery.

The next step is very clear. We are fully supportive of an inshore fishery, and we've proven that. We put \$2 million of fish at no cost to one plant in Pangnirtung. When the time comes for Nattivak and the rest of them to get involved in the inshore fishery and so on, we're there to support them. That's one instance.

We also carried out another survey this year, primarily financed from the private sector—BFC in this case—and the other stakeholders to do a survey on OA. There is no question that there's more biomass in OA. The biomass is 113,348 tonnes. We are fishing at 4,000 tonnes, 3.78% of the biomass, very simply. In other jurisdictions it's 8% to 10%.

We will not recommend going higher. We are conservation minded, so we demanded that a survey be carried out this year, which is what happened. It's good. The results were very encouraging. We could see an increase in OA as early as next year.

Hon. Shawn Murphy: Are you saying that 33% of your allocated harvest is done by the inshore fishery right now?

Mr. Jerry Ward: No, I'm saying 33% was done by fixed gear. It's all an offshore fishery, everything in Nunavut. Until we get to the infrastructure...it will be inshore. It's all offshore.

Hon. Shawn Murphy: But there's a small inshore fishery in Cumberland Sound.

Mr. Jerry Ward: Correct.

Hon. Shawn Murphy: Is the proposition being made here by NHTA also an inshore fishery?

Mr. Jerry Ward: No, they'll be fishing in the offshore, in the same geographic area as we're fishing in. There's a map there for everybody and you can see it.

Hon. Shawn Murphy: But they'll do it by hook and line.

• (1320)

Mr. Jerry Ward: It will be hook and line. We're very supportive of the members and very supportive of hook and line.

But keep in mind that it's a situation of the chicken or the egg. BFC was set up to develop the offshore and to take the funding to help develop the inshore. Why? There are no ports, there are no docks, and there are no fishing vessels. You have to be realistic.

Hon. Shawn Murphy: To clarify that, their proposal is to fish with hook and line, and the fish is taken by collector boats. Then where is it taken?

Mr. Jerry Ward: I don't know. There are no ports in Nunavut to take it to.

Hon. Shawn Murphy: I realize that. Where would they take it?

Mr. Jerry Ward: I don't know. They would have to answer that question.

Hon. Shawn Murphy: Okay. That leads to my final issue.

Mr. Ward and Mr. Kovic, I know it's not perhaps your issue, but perhaps you can fill us in. You've identified the issue. One of the biggest obstacles that you have in developing an inshore fishery in Nunavut—the Clyde River, Pond Inlet, and these areas—is the lack of facilities. You're not complaining about the state of your ports because there aren't any. Can you elaborate to the committee on where this stands now vis-à-vis the Government of Nunavut and your organization? Are there any plans on the drawing board? Do you see any construction this year?

The second part of that question is on the concept of having a deep harbour port in Nunavut so that the fish caught on the offshore of the Davis Strait can be landed in Canada rather than Nuuk. Is there any discussion going on as to that possibility?

Mr. Jerry Ward: Yes, I'll answer part of it, and certainly Ben will take the other.

There's no question there's a tremendous amount of work being done on infrastructure specifically. In a former life—this is maybe before Mr. Stoffer's time—I was a senior bureaucrat, a deputy with the Province of Newfoundland and Labrador in fisheries, where hundreds of millions of dollars were put into infrastructure within the inshore.

To get to your question, Small Craft Harbours, through DFO, has done quite a bit of work recently to look at putting docks and facilities there. BFC will certainly support that.

Ben, do you want to comment on it?

Mr. Ben Kovic: To continue with your question about Clyde River and Pond Inlet, the Nunavut government has taken the challenge of doing a phase two of the inshore fishery and they're also doing, with the help of Qikiqtarjuaq, a feasibility study on infrastructure programs and others.

I guess what I'm trying to say is that the inshore fishery will definitely develop in Clyde River, Qikiqtarjuaq, and Pond Inlet as the years go by. What we need, I guess, is infrastructure.

An interesting note here is that Andrew Scott was just sent there last week, and those were things that were raised with Mr. Scott: an infrastructure program and access to programs that other aboriginal groups in Canada, especially in Atlantic Canada, take for granted, and we don't have that program. So we're trying to change some of the programs to be allocated to Nunavut that would benefit a community like Qikiqtarjuaq, Clyde River, and Pond Inlet for inshore fisheries.

I hope I answered some of the questions.

•(1325)

The Chair: Gentlemen, I have just a few quick questions.

We have some briefing notes here. I just want to read you a couple of sentences and ask if you agree or disagree.

“Virtually all fishing for turbot (and shrimp) takes place in Zone I beyond the 12-mile territorial sea”. Is that accurate?

Mr. Jerry Ward: That is correct.

The Chair: “The Government of Canada has both the primary and overall responsibilities for wildlife management in Zone I”. Is that correct?

Mr. Ben Kovic: With zone I, the primary responsibility is the Government of Canada. NWMB has recommendation authority.

The Chair: That's my next sentence: “The function of the NWMB in Zones I and II is advisory: the Minister of Fisheries and Oceans is not bound by the Board's advice”. Is that correct?

Mr. Jerry Ward: That is correct.

The Chair: All right.

Could I then turn to the issue of *Inukshuk I*. Do either of you gentlemen know the head office of Nataanaq Fisheries Inc.?

Mr. Jerry Ward: Yes, 189 Water Street.

The Chair: Where?

Mr. Jerry Ward: St. John's, Newfoundland.

The Chair: And do you know the directors of that company?

Mr. Jerry Ward: Well, you'd have to ask them specifically who the directors are. It's their business. We have a charter. We have a contract.

The Chair: I'm asking you if you know. If you don't know, that's your answer. Do you know who the directors of that company are?

Mr. Jerry Ward: It's my understanding that certainly it's met all Canadian regulations for directorship responsibility: Mr. Steingrímur Erlingsson, Mr. Finnur Hartharsson, and a gentleman in Newfoundland is also a director. As per regulations, all regulations have been met.

The Chair: Do you know who the officers of that company are?

Mr. Jerry Ward: No, I don't know specifically the officers, sir.

The Chair: Do you know what the complement of the vessel is?

Mr. Jerry Ward: What do you mean by complement?

The Chair: The number of people on it, how many.

Mr. Jerry Ward: Yes. It depends on whether you're fishing shrimp or turbot.

The Chair: Let's say turbot.

Mr. Jerry Ward: It can be 25, 27, or 28 people.

The Chair: And was there an agreement between BFC and the ship as to how many of those people should be Canadian?

Mr. Jerry Ward: Indeed there was, sir.

The Chair: What was that agreement?

Mr. Jerry Ward: Where we are today, the—

The Chair: What was the agreement?

Mr. Jerry Ward: The agreement was very clear, and that is that 50% of those that are qualified would be on that vessel. I wish to report that 68%, year to date, of the factory workers on the *Inukshuk I* are from Iqaluit and throughout Nunavut. They are all Inuit and are in various positions. We have no Inuit trained to be on any of the officer or certificate programs. Of those that are qualified, we have 68% today. We have 10 people on board today. We have Inuit. Contrary to the historical token employment from the southern interests who said we could not take any more than one or two because we couldn't get Inuit to stay on board, today we have Inuit staying on. We have them on a rotation basis, two trips, we have a number who've been on for three trips, and we are extremely pleased with the progress.

The Chair: Finally, the NWMB makes recommendations to the minister, and has, I presume, since it became organized.

I apologize for being out of the room, as I had something else I had to deal with, but I believe, Mr. Kovic, your answer was that the recommendations given to the minister are confidential. Is that based on historical precedent or is it based on an actual term of the land agreement?

Mr. Ben Kovic: It's an actual term of the land claims agreement.

The Chair: Could you provide me with a copy of the actual section of the land agreement that says that the recommendations of the NWMB are confidential?

Mr. Ben Kovic: Yes, we will provide that for you.

The Chair: Thank you.

Now, once the decision of the minister is made, are the recommendations then made public after the fact?

Mr. Ben Kovic: Yes.

The Chair: And has that been the case each time?

Mr. Ben Kovic: Yes.

The Chair: Has the minister accepted the recommendations of the NWMB, as presented, each time?

Mr. Ben Kovic: He always has, up until now.

The Chair: Up until now. So there's no reason for you to expect anything different this time, is there?

Mr. Ben Kovic: That's correct.

The Chair: All right.

And when do you expect the minister to make that decision? Historically, when is that done? You make your recommendations; when does the minister historically respond to them?

Mr. Ben Kovic: As you know, Mr. Chairman, the later the minister announces it, the later it is for a company like Nataanaq to allocate it to its fishing companies to work with. So the sooner the better.

It has been very difficult to time when the minister can do this, until he gets to his desk with his staff and works on it.

The Chair: So basically you're saying there's no historical pattern of a period of time between the time you make your recommendations and the time the minister accepts them.

Mr. Ben Kovic: The minister has 90 days to respond.

The Chair: When did you put your recommendations in?

Mr. Ben Kovic: I can't answer that for you.

The Chair: Will you be able to find it for us and provide that information?

Mr. Ben Kovic: We'll have to talk to NWMB for that recommendation; I cannot do that.

The Chair: So you don't know.

Mr. Ben Kovic: No, I don't.

The Chair: We could always talk to NWMB.

Mr. Ben Kovic: Yes.

The Chair: Could I ask you to ask them, or is that confidential as well?

Mr. Ben Kovic: I would appreciate it if you asked them, Mr. Chairman.

The Chair: All right, so then we'll ask them for that information.

Okay, that's it. We've gone well beyond our time.

Gentlemen, thank you very much. Thank you for your forthright answers.

Committee members, thanks for staying until 1:30. As committee members know, or should know or may know, we're not going to have a meeting on Thursday, for obvious reasons. I want to wish everybody a very happy Easter and holiday season—including our witnesses. We'll see you back here when the House resumes.

Thank you, gentlemen.

We're adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.