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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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• (1530)

[English]

The Chair (Mr. Rodney Weston (Saint John, CPC)): I call this meeting to order.

I want to thank our guests for being with us here today.

Minister, I believe you're going to lead off the presentation today and that are going to pass off, at some point, to your colleagues who are with you. I am hoping that you can introduce your colleagues and talk a little bit about the all-party committee that's been struck and, obviously, the message you want to leave with us here today.

When you are ready, you can proceed, Minister.

Hon. Keith Hutchings (Chair of the All-Party Committee on Northern Shrimp Allocations, Member for Ferryland, Minister of Fisheries and Aquaculture, Government of Newfoundland and Labrador): Thank you, Mr. Chairman.

First of all, thank you for the opportunity to present to the standing committee here this afternoon. My name is Keith Hutchings. I am the chair of the all-party committee, and Minister of Fisheries and Aquaculture for Newfoundland and Labrador.

My fellow committee members are Mr. Dwight Ball, leader of the official opposition, Newfoundland and Labrador; and Ms. Lorraine Michael, leader of the New Democratic Party of Newfoundland and Labrador.

We're here today as an all-party committee representing the people of Newfoundland and Labrador, to present a united position on the 2014 allocation of the northern shrimp resources adjacent to our province, announced on April 4, 2014. This committee was formed in early April to pursue the elimination of the last in, first out policy, also known as LIFO, and to seek a more equitable distribution of the northern shrimp quota allocation between the inshore and offshore fleets. This more equitable distribution should be based on adjacency and historical dependence. We have no desire to pit one sector against another, as both contribute significantly to the provincial economy. Instead, we seek a balance.

At this time we would like to provide an overview of the shrimp fishery off the coast of Newfoundland and Labrador, including the offshore shrimp fishery, and then discuss the development of the inshore fishery and DFO's last in, first out policy and its implications for Newfoundland and Labrador's inshore shrimp sector. Finally, at the end we will make some recommendations.

An overview of the shrimp fishery. I do believe you have before you some exhibits. Exhibit A basically outlines the offshore shrimp

fishing areas from 0 through 7. Inshore access is essentially restricted to areas 6 and 7 off the island part off Newfoundland. There is also a small long-standing inshore fishery in the Gulf of St. Lawrence, off our west coast, of approximately 6,000 tonnes. This has been in place since the 1970s.

The offshore fleet has had exclusive access to areas 0 though 6 from 1978 to 1996. This fishery is conducted by offshore factory-freezer trawlers, which are effectively fishing vessels with an on-board fish-processing factory. These vessels catch, then process, shrimp on board.

There are 17 offshore licences, which are owned by 14 companies. Eight of these licences reside in Newfoundland.

The offshore is managed under an enterprise allocation system, which provides each license holder a prescribed amount of shrimp within all-shrimp fishing areas. In addition, there are a number of special allocations or community quotas that are also landed by offshore vessels. These allocations are purchased under royalty agreements and then harvested by the offshore sector.

Very little of this shrimp is sold in Canada. Most is sold as a high-value, shell-on product into Russia and China.

There are 10 vessels in the offshore fleet, with each vessel employing a crew of around 60 individuals—two rotating crews of 30 people. These vessels operate year-round.

There are approximately 80 total landings per year in Newfoundland and Labrador ports by Canadian offshore shrimp vessels.

The offshore fleet transships from four ports in Newfoundland: Harbour Grace, St. Anthony, Bay Roberts, and Argentia. Economic benefits are derived from the landings, purchase of goods and services, and the employment of the crews.

I refer to exhibit C, which references the offshore fleet quota and landings from 1977 to 1996. Fisheries scientists started to see a trend upwards in the shrimp resources in the late 1980s. The Newfoundland and Labrador inshore started to request access in the early to mid-1990s, replicated by the downturn in our groundfish. On the diagram in exhibit C, you will see the threshold level of 37,600 tonnes for the offshore fleet, meaning that regardless of new entrants after this point, the offshore fleet allocation would not go below this threshold amount. I note the offshore allocation peaked at about 66,000 tonnes in 2009, and under LIFO, in 2014, they retain approximately 60,000 tonnes, pending final decisions in a couple of northern areas.

In 1997, inshore harvesters were granted access to SFA 6 by the then minister Mifflin. The aforementioned threshold of 37,600 tonnes was established for the offshore, meaning the offshore allocation would not go below what they had the year prior to the entry of the inshore.

• (1535)

Minister Mifflin's press release, exhibit D, outlined new sharing principles. Specifically they referred to the principles that adjacency would be respected, that priority would be given to increasing participation of aboriginal people, that priority access would be given to inshore vessels less than 65 feet in length, and that employment would be maximized in both the harvesting and processing sectors where possible. I want to emphasize that there was no mention of LIFO at that time.

Minister Mifflin's announcement generated a great deal of fishing and economic activity over the next ten years, despite the fact that these inshore allocations were deemed temporary. The province saw more than \$200 million of private-sector investment in both vessels and plants; 365 inshore fishing enterprises were licensed; at peak, in 2008, there were more than 3,000 inshore landings of shrimp per year; 13 onshore processing plants were established. For context, a shrimp plant is an expensive capital investment endeavour that can cost up to \$16 million.

The province saw 3,500 direct jobs coming out of the inshore expansion. In 2007 the fishing industry renewal strategy was developed as a joint initiative of the Government of Canada and the Government of Newfoundland and Labrador. This strategy encompassed a number of federal and provincial programs designed to support an industry in distress.

On the provincial side we created programs to encourage innovation, support investments, and facilitate transparency in licensing.

On the federal side there were capital gains exemptions, enterprise-combining policies, the new ability to use licences as collateral, and most importantly for our discussion here today, the temporary allocations for shrimp harvesters were made permanent in 2007, leading them to believe that they were permanent stakeholders in the resource on a go-forward basis.

The changes in the licensing policy were tied to a surge in the resource. When the resource began showing some signs of decline in recent years, inshore quotas were reduced from a high of 77,000 tonnes in 2009 to 33,428 tonnes in 2014 based on the application of LIFO since 2010.

Furthermore, the inshore fleet took on more debt to take full advantage of becoming fully licensed participants in the shrimp fishery. The enterprise-combining policy, coupled with the ability to use a licence as collateral, encouraged significant investment in the inshore industry. With declining shrimp, the return on this investment is now diminishing. The 365 enterprises licensed in 1997 have since reduced to 280, with only 234 of these active.

Over this time, three onshore processing plants closed because of structural damage and one as the result of a business decision. At this time there are ten plants licensed to process shrimp in Newfoundland

and Labrador. Exhibit E demonstrates where in Newfoundland and Labrador they exist.

This concludes the overview of the shrimp fishery.

At this time I'd like to turn to the management of the shrimp resource.

Since the inshore harvesting licences were made permanent in 2007, there have been changes to the integrated fisheries management plan or IFMP for northern shrimp. It was in 2003 that the IFMP first made a reference to LIFO. To quote from the 2003 IFMP:

Should there be a decline in the abundance of the resource in the future, temporary participants will be removed from the fishery in reverse order of gaining access—last in, first out.

In the 2007 IFMP there was a variation on this. To quote from the 2007 IFMP:

Should there be a decline in the abundance of the resource in the future, new participants/allocations will be removed from the fishery in reverse order of gaining access—last in, first out.

This changing dialogue caused much confusion. In 2007, with people being permanent stakeholders—there was an expectation that they were permanent stakeholders, as I said, in the industry—they invested and expected to be able to take a return on a go-forward basis, based on that investment.

These changes were made with little consultation or consensus from the Northern Shrimp Advisory Committee. The changes have major implications for the inshore harvesters who were made permanent in 2007, as many believed LIFO would no longer apply to their sector and invested based on that understanding.

The Government of Newfoundland and Labrador has made numerous representations against LIFO over the past number of years. Aside from the fact that LIFO is not applied to any other fishery, there are fundamental concerns with the policy.

First, it gives no consideration to differences in areas of access. I'll refer back to exhibit A showing the shrimp fishing areas. The inshore only has access to Areas 6 and 7, while the offshore has access to Areas 0 through 7.

• (1540)

The offshore can still retain well beyond its minimal threshold of 37,600 tonnes by accessing the resources in other areas. There is enough shrimp across the range of Areas 0 to 7 to allow both fleets to remain viable. LIFO places most the reduction on the inshore fleet.

Secondly, adjacency is not considered. For example, the Fogo Island Co-operative and the Innu nation have lost their allocations, while Prince Edward Island still retains an allocation in Area 7.

Thirdly, LIFO ignores the inshore private sector investment and contribution to rural communities that are intrinsic in the traditional allocation principles of adjacency and historic dependence.

Fourthly, LIFO treats inshore permanent licence holders as if they were temporary participants.

I will refer to exhibit F, which demonstrates the impact of the impact of the LIFO policy.

As you can see, the inshore represented by the yellow bars has declined by half since 2009. The offshore sector has declined by a much lower amount and will retain allocations above 60,000 tonnes in 2014. This is well above the threshold that I spoke of established in 1997. As well, a number of special allocation holders have been removed or reduced. Clearly, LIFO has impacted the inshore sector disproportionately.

Referring to exhibit G, we are presenting the quota implications of LIFO since 2009 in tonnes. The inshore has lost access to more than 43,000 tonnes of shrimp since 2009, or 56% of its allocation. This compares with about 6,700 tonnes for the offshore, or 10%. The offshore reduction will actually be less than represented here, pending the final decision for two of the northern shrimp areas, formerly SFA 2 and SFA 3. The special allocations have been reduced by 6,850 tonnes or 27% during this period, with allocations to adjacent quota holders as Fogo Island Co-op and Innu remove from SFA 6.

LIFO is simply a policy that the Minister of Fisheries and Oceans has the ultimate discretion to enforce or change. There is no historic significance, and there is no precedent. This policy administers a public resource and can and should be changed.

I will now ask my colleague to discuss the economic impacts we believe have resulted from quota reductions based on the LIFO policy.

Mr. Ball.

• (1545)

Mr. Dwight Ball (Member for St. Barbe and Leader of the Official Opposition, Government of Newfoundland and Labrador): Thank you, Keith.

My name is Dwight Ball. I want to thank the committee for taking the time today to meet with us as well.

I'm the leader of the official opposition of Newfoundland and Labrador. One of the key messages we want to convey today is that the economic impacts of any cut to the shrimp quota are significant, in particular when the cut is not distributed evenly between the inshore and the offshore fleets.

The inshore fleet is losing an equitable share of the shrimp resources based on this LIFO policy. Every 1,000 tonnes of quota reduced to the inshore sector in 2014 equates to approximately \$1.5 million in lost revenue to inshore fishing enterprises, a loss of 20,000 person-hours of employment in inshore processing plants and of approximately \$250,000 of wages, and more than \$2.5 million in lost revenues to the 10 shrimp-producing plants.

The quota allocation decisions recently made by the federal government do not consider economic impact on rural communities and will affect more than 250 small-boat enterprises in the inshore fleet sector and more than 2,200 plant workers and businesses throughout the province that supply this industry. Overall, more than 100 communities in which the inshore shrimp harvesters and plant workers reside will be negatively impacted.

The total landed value of shrimp harvested in the province's offshore and inshore sectors in 2013 was \$187 million. This speaks to the tremendous economic activity that the shrimp fishery generates in our province of Newfoundland and Labrador, and in particular in the rural areas of the province. A better distribution of the shrimp resource will ensure the economic well-being of those rural communities that are relying upon it.

I now ask my colleague Lorraine Michael to continue this discussion.

Ms. Lorraine Michael (Member for Signal Hill - Quidi Vidi and Leader of the Third Party, Government of Newfoundland and Labrador): Thank you, Dwight.

As has been said, I am Lorraine Michael, Leader of the New Democratic Party of Newfoundland and Labrador, and I, too, thank the committee for being able to be here today.

This all-party committee understands that there is a review of the underlying climatic and other conditions leading to a decline in the northern shrimp allocation. We are aware that this resource is changing and it is possible that quotas could continue to decline. We're not denying this fact.

Over time quota cuts will lead to a significant loss of employment in both harvesting and processing sectors and possible closure of more shrimp plants. The Government of Newfoundland and Labrador appreciates the need to make such cuts to protect the resource, but the way these cuts are administered will be crucial to the economic well-being of rural Newfoundland and Labrador. This issue has such serious implications for communities throughout Newfoundland and Labrador that all members of the provincial legislature joined with industry stakeholders, the business community, and municipal leaders to seek a better outcome. That is why we are presenting to you here today. If LIFO were eliminated now, it would reduce the immediate and drastic impact of current allocations on rural communities.

I will now hand the proceedings back to the chair of our all-party committee to outline our recommendations.

Hon. Keith Hutchings: Thank you, Lorraine.

Our all-party committee was created to present a unified position on shrimp quota allocations. At this point I'll conclude by discussing our recommendations.

Recommendation one: the committee is calling on the federal government to eliminate LIFO and establish a new sharing arrangement between the inshore and offshore through a process that is consistent with those applied in other fisheries.

Recommendation two: the committee is calling on the federal government to ensure that this sharing arrangement considers adjacency and reflects the history of both fleets in the northern shrimp fishery.

Recommendation three: the committee is calling on the federal government to carry out an immediate full scientific assessment on the northern shrimp resources and that full assessments occur annually during this time of apparent resource decline. The committee strongly believes quotas must be determined by full scientific reviews and not just surveys.

Recommendation four: the committee is calling on the federal government to implement a plan to study the impact of climate change on the ecosystem and the northern shrimp resources.

This concludes the remarks of our committee. We certainly invite, and look forward to answering any questions you may have.

The Chair: Thank you, Mr. Minister.

We're going to start off with a 10-minute round, and we'll be led off by Mr. Chisholm.

● (1550)

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Thank you very much.

To the witnesses, we appreciate your presentation. We appreciate how you come as representatives of the people of Newfoundland and Labrador and as the all-party committee.

We only have 10 minutes. I'm going to start off, and then hand it over to my colleague, who you may know, from St. John's South—Mount Pearl.

I wanted to ask you a couple of things.

What I hear you saying is this. You do recognize that there's been a change in the resource and that the federal government needs to respond to that in dealing with the quota. In your recommendations, though, you do say there needs to be more science and more study and that these decisions need to be made on that basis. I appreciate the recognition you've given to that.

Also, the question of this last in, first out policy is not set in stone. There are questions about how it was established in the first place, as I understand it, and there's the fact that it's not set in stone, right or wrong. The circumstances are such now that there needs to be equity in the way the reductions are implemented. I appreciate that.

It's interesting what you've said about the offshore versus the inshore. Relative to the reductions that began in 2009, and the impact that you've seen in the communities that you've spoken about in the inshore, could you speak briefly to the impact you're already seen, the economic impact, to the reductions that have already been borne by the inshore?

Hon. Keith Hutchings: Our coastal communities and rural communities in many regions are heavily dependent on the fisheries, you can understand—and certainly the processing facilities are. Any time we lose those two components—processing and, obviously, the harvesting sector with it—it has huge implications for the economy of those regions. It's not only the fishing activity, but it's also the supply and support services to small and medium enterprises. It's regional growth, which oftentimes stagnates or is eliminated as a result.

It's on both sides: it's on the harvesting side, it's on the processing side. And as I say, it's the community and the economic well-being

and the sustainability of those communities. That's probably the most important element I could say to you. It's about sustainability and being able to drive those communities and maintain the people and families who live in those communities.

One of my colleagues would like to speak.

Ms. Lorraine Michael: Yes. It's just to say I know that there has been discussion over the decades, going right back to Michael Kirby, that we shouldn't make decisions in the fishery based on seeing it as a social program. I understood where Michael Kirby was coming from at that time, and I certainly agree with that.

But the point that we're making here today is that if the shrimp fishery is eventually going to phase out, then everybody who is involved in it at the moment should be dealing with that in an equitable way. It shouldn't be one group that's suffering all at once, and another group that's not suffering.

That's important for the communities. That's the way we're looking at it. I'm not looking at it from the perspective of small business or large business or anything like that. It is that if we're going to help the communities make the adjustment as things move in this fishery, then everybody should be treated equitably. I think that's an economic argument, not a social program argument.

It's essential that we make sure that as the shrimp fishery is dying, we know that the ground fishery is moving up. Changes are going to happen as a result, and adjustments have to be made, and it's this transition period that everybody should be helped through, not shutting out a whole section that's killing communities, that will kill communities.

Mr. Dwight Ball: Thank you. Not to really duplicate what we've already heard, but I think that 2007 was a defining moment, as I see it, in this fishery. Before 2007 we saw the system of temporary licence holders. That changed in 2007 when they were given permanent status. As a result of that, many of the inshore plants and harvesters went out and made significant investments. Obviously the revenue generated from that would be supported by having that permanency in place.

To me it's when LIFO actually changed in 2007, when temporary licence holders became permanent ones. It then gave people the courage to go out and seek that investment, which they did. So removing that in an inequitable fashion right now would result in undue pressure and challenges not only for the communities but also the harvesters and, indeed, this industry as a whole.

I also want to add that of the plants that we're talking about here, 10 in total, some of those are not just shrimp plants—albeit shrimp is an important component of the livelihood and the viability of those plants. So regardless of where you go, we're putting rural communities in Newfoundland and Labrador at significant risk with the reductions we're seeing from the type of management and decisions being made by the federal government.

● (1555)

The Chair: Thanks very much.

Mr. Cleary.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you, Mr. Chair.

Thank you for the witnesses travelling here from Newfoundland and Labrador. Your testimony before this committee is critical.

I'm taking a look at Fred Mifflin's press release—the former Minister of Fisheries and Oceans—from 1997, when he announced new entrants into this fishery, new inshore entrants. He's quite clear in terms of adjacency. He says, “Adjacency will be respected, which means that those who live near the resource will have priority in fishing it.”

It's quite clear. As your testimony has already outlined, there was no mention then of LIFO. So I have two questions. The first is, to what degree does the inshore fishery of Newfoundland and Labrador rely on other fisheries outside of shrimp? We know that cod, for example, has taken a hit in the last few years. The price of cod that a fisherman earns, I believe, is only about 50¢ a pound, and crab has also taken a hit. What other species, what other fisheries, do our traditional inshore fishermen have to rely on? That's the first question.

I want to get my questions out before you go because we have limited time. My second question is on these four points that you brought up, Mr. Hutchings, in terms of eliminating LIFO, adjacency, scientific assessment, and a plan to study the impact of climatic change. It is specifically in regard to number three, which is the scientific assessment of northern shrimp. My question is in terms of the management, in terms of the science right now on northern shrimp. We had a witness here from the seafood processors' association. You mentioned that we do assessments. DFO only has two scientists who are focusing on northern cod. Can you elaborate on why a scientific assessment is critical at this point?

Hon. Keith Hutchings: Mr. Cleary, your first question is related to capacity or what else is available for the inshore fisher to move on to from where we're at today. There are other species certainly, whelk, sea cucumber, mackerel, herring, turbot, that make up that enterprise, but for someone who holds the shrimp allocation, access to the inshore is extremely important. That varies among regions of the province, as you probably know.

The challenge here with the issue that we're facing is that some of the enterprises that left only have shrimp left and a reduction this year, and any future reduction under LIFO, is going to be devastating for them. You're talking about taking that enterprise out, because after what they've invested since 2007, as I indicated in regard to the permanent stakeholders, they will have nothing.

Shrimp is part of those other enterprises, and they have other varied species. When we're growing our fishing industry we need enterprises with multiple and we can't afford.... If we lose them through science, in this particular case it needs to be equally distributed so that everybody shares some of the pain.

In regard to your recommendation 3, as a province we've had concerns the past number of years about a pullback by DFO in science and research, to the point where we as a province have invested heavily in science and research in Newfoundland and Labrador, certainly for the centre for eco-research at the Marine Institute, and in looking at that ecosystem research and science. This is not looking at specific species, but at the interactions among species and what these mean. You make decisions based on the interactions of those species. It's extremely important.

This is what we're talking about, this is where we need to get to. We need to start that. It should have been done yesterday collectively by DFO, but we need to at least start now. We're doing our part, we've entered into areas that are under federal jurisdiction in regard to science, because we know it's a priority. We just think it's apparent as we go forward in managing the fishery that we have proper fishery management science and information to make those decisions.

• (1600)

Mr. Dwight Ball: First of all, to go back to your first question, Mr. Cleary, as you know in our province there are very little opportunities with all of those species. We're seeing challenges and pressures put on the biomass, certainly with crab, as you mentioned.

There are not a whole lot of other options for people when you look at the ten plants that we spoke about here today that primarily rely upon shrimp to make them viable. It's not as if they could actually have another option that they could easily go to.

To your second question about the science and the importance of science, we know that this is an interconnected ecological fishery that we're talking about here. Historically, if cod stocks are lowering will you see an increase in shrimp? Right now we're just seeing this transition taking place right now, or this is what people are telling us.

It's extremely important that we get the benchmarks in place so that we can properly assess and get an evaluation on how the stocks actually look. Not just in the shrimp stocks of course, but in all other species as well, it's important that we get those benchmarks in place because without that science it's really just a guess.

Ms. Lorraine Michael: I'll just add two points. I won't repeat what's been said.

In the presentation we heard from the Fogo co-op. They will be absolutely devastated by the loss of their shrimp quota. It was quite telling to see their presentation, to listen to their presentation, quite frightening. I'll just put that much out.

With regard to the scientific assessment, from my perspective, and I think all of ours, what we're talking about is getting real facts on the table, looking at what really is happening. We have decisions that are being made, it appears to us, based not on facts and the principles laid out by Mifflin. We think that has to end. I hope you will see a reason for that with our being here today.

The Chair: Thank you, Mr. Cleary.

Mr. Sopuck.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Thank you very much.

It's an honour to have you at our committee.

I want to make it really clear and to get on the table that all of you agree there is a conservation concern regarding the shrimp and that the TAC for northern shrimp needs to be reduced overall. The question is how to reduce it, of course, but it must be reduced to ensure the future viability of the stocks. Is that a given among all three of you?

Mr. Dwight Ball: Yes.

Hon. Keith Hutchings: Yes.

Ms. Lorraine Michael: That's right, yes.

Except for one point: we need to make sure that we have the full information backing that up.

Mr. Robert Sopuck: Sure. There are a lot of deficiencies in science given how difficult open ocean research is. From the information we received from DFO, they talked about SFA 4, where the biomass index has decreased by 21%; SFA 5, by 48%; and about a 33% decline in SFA 6; and 48% in SFA 7.

I don't think we want to leave the implication on the table that there are no good assessments being done, because the assessment at least was good enough to make those conclusions, and you all agree that the stock has declined and the scientific research that was done confirms that, so the science isn't all that bad is it?

Ms. Lorraine Michael: No, but we have an issue with management, and I think that's the bottom line here, the management and the decisions that have been made with regard to it. All of what you're saying may be true, but the bottom line is that we don't see an equitable sharing of the burden of what's going on. I think that's the bottom line here today. That's why our first recommendation has to do with the elimination of LIFO.

Mr. Robert Sopuck: Sure, but again, you said, and quite rightly so, that the more resources that are devoted to more accurate stock assessment, the better it is. But when people talk about the deficiencies in the science, I look again at the information available and the fact that last year, for example, DFO did 1,100 trawl sets and there were 233 vessel days at sea. I'm looking at the map of the trawl sets off the coast and there was a lot of work being done.

You're recommending that we need more than 1,100 trawl sets, that even with that effort, it's still not good enough. Is that what you're saying? Would that be fair to say?

Hon. Keith Hutchings: What trawl sets zones...? What zones were trawl sets in?

Mr. Robert Sopuck: It looked like it was well up to area 2. It went fairly far north. Most of it was around Newfoundland.

Hon. Keith Hutchings: My understanding, and I could be proven wrong, is that in all of these eight zones we haven't seen sufficient research to get a good understanding of the biomass. There's been research done in particular zones, but we're saying that's not good enough. When you look at the region on this map that produces the shrimp resource, we need an evaluation of all of those zones to get a true reflection of what the biomass is, understanding as well that this year there was an updated survey done. It wasn't what you would call a full-blown survey.

We're saying, through this recommendation, that we want the full-blown survey done every year and that we want surveys and research done in those eight zones. So let's see what we're talking about when we're talking about the biomass.

• (1605)

Mr. Robert Sopuck: That's a legitimate request, for sure.

Mr. Hutchings, I was curious about your distinction between a scientific review and a scientific survey. I noted that immediately when you made that point. Can you tell me the difference? How do you see a scientific review being different from a scientific survey?

Hon. Keith Hutchings: That was in the recommendation, was it? Where did I say that?

A voice: Yes, recommendation number three.

Hon. Keith Hutchings: The committee is calling on the federal government to carry out an immediate full scientific assessment of the northern shrimp resource, and a full assessment should occur annually during the time of the apparent resource decline. The committee also strongly believes that quotas must be determined by full scientific reviews and not surveys.

Well, I guess that's a review of the culmination of the surveys that are done. I spoke before about our eight zones and to know the full biomass, you must get a reflection of what's in each zone. So that would be a review of all those surveys that are done.

Mr. Robert Sopuck: Or basically, I think you're saying that the surveys should be done further north. Again, I think that's a legitimate request.

Hon. Keith Hutchings: Do you want to talk to that?

Mr. Dwight Ball: Yes, I would just chime in for a second. To use your own words, this is a big ocean and you mentioned the 1,100 trawl sets. From my perspective, when you look at the coast of Labrador and way down to the south coast of Newfoundland, I would argue that 1,100 trawl sets is really not much at all, when you look at the size of the ocean you're dealing with here. Added to that is the fact you have just under 300 active harvesters right now, so this information is critical.

So what we're asking for here is some hard science. Really, this information needs to be shared with individuals and with the province in general so that we can get a full understanding of what's happening to this biomass, because what we do know is that they are connected. You know, if you talk to harvesters right now, they will clearly point out that what they're seeing is an increase in the cod stock and does this mean that...is it warm water? What is causing all of this?

So this is the hard science that we're talking about. Some of it may be just the stock itself, but there are also the impacts and how this is happening. This is the importance of the hard science that we could use to make these critical decisions, because it is important for this province. I can't stress that enough, how important this is to rural communities in our province, and we do feel right now that there is a disconnect between the research done by the province and that done by DFO nationally.

Mr. Robert Sopuck: I've been informed that the Province of Newfoundland and Labrador has recently made investments in fisheries science with the purchase of a research vessel. Are you partnering with DFO on any science work in the area to help fulfill what your recommendations would be to expand the sampling program?

Hon. Keith Hutchings: It's something we can certainly look at, something that we as a province would certainly entertain with DFO.

I know right now that my officials certainly share with DFO some of the science that we have, when there are consultations back and forth in regards to that science.

If there's something we could do, like a partnership together, we're certainly open to that.

Mr. Robert Sopuck: That's good.

One thing that I think is a bit of concern if this. We had a representative of the Marine Stewardship Council here at one of our earlier meetings. I must say I was fairly critical of him and what his organization does. I view them as meddling somewhat in our natural resource management affairs. I would expect that people in Newfoundland and Labrador, and Surrey would be very sensitive to the meddling of foreigners in our natural resource management practices.

But given that most industries want to have MSC certification in order to market their product, what would your views be on making sure that MSC certification is retained? In order to do that you will have to seek quota reductions. Is that a fair comment?

Hon. Keith Hutchings: I think as a province, we've certainly supported MSC certification and what it means for sustainability of any species. When you look at it from a business perspective, in terms of marketing to other nations and the recognitions given to MSC.... So I think we would agree with your statement.

• (1610)

Mr. Robert Sopuck: Just getting back to the science itself, there's never enough information when it comes to open ocean fisheries. As I said in the previous meeting, I did some fish stock assessment myself in a previous life, but they're usually in inland lakes of 100 square kilometres.

Would you agree that the near impossibility of accurately assessing fish and invertebrates stocks is an extremely daunting task? I don't think anyone in the world has ever been successful at actually determining the biomass of these resources.

How do we deal with that?

Hon. Keith Hutchings: Well, if you're talking about a specific species, as we are here about shrimp, we know where the species is

being harvested. We know the degree and the volume of area we're talking about.

We need to come up with a fair way or an expectation of how we survey those particular areas and come up with the best idea we can. Certainly there's an opportunity to use the experience and knowledge of fish harvesters. As an example, a fish harvester has told me that because of the prevalence of cod coming back and where shrimp is on the bottom, the shrimp sometimes is coming up into another column of water. So when you do the actual survey, you're not picking up the shrimp.

So that's some of the knowledge and things we're hearing from those who are in the business. I think we need to stop and listen to them and use that as we go forward with surveys, and maybe we need to change the things we do. But I don't disagree that it's a huge challenge. It's big ecosystem, a big ocean. But that said, it's such a valuable resource that we need to pursue and find the best ways we can to get that science.

Mr. Robert Sopuck: Agreed. I have one last question.

Can you speculate on the issue of overabundant seal populations, and fish and shellfish stocks?

Hon. Keith Hutchings: As a province or government, we've certainly supported the sealing industry, as you know. We've continued to support it. We've worked with Carino, the only producer in the province right now, in terms of seal pelts and getting them to market.

We believe, again, that they are a key part of the ecosystem. The estimates now are that there are 7 million plus seals. The TAC now is 400,000. Last year we took 100,000. This year we're hoping for that amount. But again, to say they have a huge impact on the ecosystem is an understatement. The amount of cod that a harp seal or a grey seal consumes is staggering. That's all part of the ecosystem and it needs to be dealt with as well.

Mr. Robert Sopuck: Thank you.

The Chair: Thanks, Mr. Sopuck.

Ms. Jones.

Ms. Yvonne Jones (Labrador, Lib.): Thank you very much, Mr. Chairman.

Certainly, welcome to our guests today. It's very nice to see you all here. The fact you come as a group, as an all-party committee, tells me right away the serious impact this issue is having throughout your province and the serious concern you have as leaders in trying to mitigate, as much as possible, that impact.

First of all, I looked at your presentation and the five recommendations you've put forward. I think they're very good. They're solid recommendations that need to be looked at. They show there is tremendous concern for stocks, but there's also concern for how allocations are done and how they are reduced.

The one addition I would make is with regard to aboriginal people. As you know, I represent the riding of Labrador. Most of the shrimp discussion that we're having here today pertains directly to shrimp fishing areas in the Hawke channel, the Hopedale channel, and the Cartwright channel. Those areas are directly adjacent to the communities I represent and are on the doorsteps of the aboriginal groups living in that particular area.

In the past when we've seen reductions, we've seen aboriginal groups, for example the Innu Nation, have their quotas cut as well and being directly impacted. They were watching offshore trawlers and other fishers from different parts of the province directly off their doorsteps, and they certainly felt that it was a wrong decision government was making in making cuts to their aboriginal government.

In addition to that—and I don't know if the panel is aware—in the Nunatsiavut Government area, when the land claim agreement was negotiated with the federal government, there was actually an agreement that 11% of the allocations should go to the Nunatsiavut Government and their communities. Today this aboriginal group holds less than 7% of the allocation. This year they did not get reduced in area 4, which we were very afraid would happen. But there are implications for them with the quotas they have and for the adjacent fishers in area 5 as well, and there are concerns for them on a go-forward basis.

What I have seen inside the Department of Fisheries and Oceans thus far is that in the territory of Nunavut, the principles of adjacency have been applied in the allocation of fish resources. The federal government has taken their issues seriously. They have ensured that all new allocations of fish go directly to Nunavut and to the adjacent areas that are impacted. That policy has not been flowing to the people of Labrador or to the people of Newfoundland, and that is wrong. There is a recognition right now by the federal government that they have to do things differently if they're going to show real respect for people who live adjacent to resources.

Dwight, in your comments you said that the real change came in 2007, when the Hon. Loyola Hearn was the Minister of Fisheries, representing Canada. It was when he made that change to allow these temporary licences to become permits that we started seeing tremendous investment in onshore processing and by inshore fishers.

Today, because there is no clear pathway for these people with their investment, they are the people who are going to be most affected by all of these cuts. To me, it shows complete mismanagement by the federal government in not providing the protections for those people in the inshore fishery or for people in aboriginal fisheries.

Could you outline for us how you would suggest the federal government start correcting this problem immediately, beyond the five recommendations you've already given us, which are very good?

Some suggestions have been made to me. There are science quotas out there that have now been turned over as permanent quotas to offshore fleets, and some of these science quotas should have been where the federal government was pulling back first, which would have given some relief to inshore fishers and aboriginal fishers.

But I'd like to hear the responses you have to those issues.

• (1615)

Hon. Keith Hutchings: You've identified some of them in terms of science. There's also a quota of 500 tonnes, a small quota, farther up north, as well. Some of those aren't being fully utilized.

If you go back to 2007 and look at the threshold at that point in time when that commitment was made.... In terms of figuring out equitable allocation of the resource, we could look at the threshold for the inshore based on what it was in 2007 when they made that commitment and they became full stakeholders, certainly, in the resource. These are the types of things we have to look at going forward, but always, bearing fully in mind the issue of the biomass and our concerns about it. Again, very simply, it must be equitably distributed in a fair manner, not pitting one sector against another. I think we can do that. I think we have the ability to do it, but the will needs to be there to take it on. As a province, we'll certainly work with the federal government to do that.

Ms. Lorraine Michael: I won't repeat anything Keith said, but I think another practical way is looking at the fact that the offshore, for example, has access to all of the seven and the inshore only to two of them. Certainly, this has been presented to us in hearings that were held. Should the offshore have access carte blanche to anywhere they want to go, especially when they choose not to go to the northern areas without giving any proof of why they shouldn't go there? They call it "paper shrimp". It's only paper shrimp in their books. Real shrimp are there, so I think that whole thing has to be assessed, Yvonne, for sure.

It's why for me, and I think for all four of us, recommendations number 1 and 2 are key, because they address the issue you're talking about, as well, regarding the aboriginal groups, the adjacency, and then the issue with regard to Nunatsiavut. Yes, we've been presented that and we are aware of the discrepancy between the 11% and what they're getting.

Recommendations number 3 and 4 are long term. They're contextual. We want to recognize them, but the key recommendations to deal with the issues that are being raised and that you've just raised are recommendations number 1 and 2.

Mr. Dwight Ball: Thanks, Yvonne, for the comments.

One thing I want to mention is that when you look at the size of the vessels that fish the resource, if you look at the inshore fleet, you're dealing with vessels that are primarily around 65 feet. When you look at the offshore resource it's the larger vessels that are used; they have the ability to go farther north. This is one thing we've heard from the various presenters throughout the discussions we've had.

But one thing was clear with every presenter we heard from, namely, that everyone made a point of talking about and discussing the principle of adjacency. So to Yvonne's point, that brings in the aboriginal component. If you're looking for anything, if you look for a common theme throughout all of this, no one argued the fact that we need good management processes in place, but everyone agreed that adjacency was critical to this. As I said earlier, in 2007 that was the defining moment in the shrimp fishery in the province.

So for us it's based on adjacency. No one argues that we need good science to make what can be some tough decisions.

I don't want to lose sight of the fact that many of our communities, when you look at the offshore allocation, contribute to our communities as well. This is not an easy decision for anyone at this table. But the fair way to do it is to make sure that when you face the challenges, when you meet those difficult times, that everyone shares the pain. That's the reason I think adjacency is a principle.... LIFO right now is an outdated policy. I think that given the level of investment that the inshore harvesters have made since 2007, they still want to be the group that will have an equitable share as we make adjustments on the way down. They want their fair share of the allocation. That's all they're looking for here.

• (1620)

Ms. Yvonne Jones: Thank you.

One of the other things I want to point out, as well, is that with regard to the offshore, of course there are a number of licence holders in Newfoundland and Labrador who use the revenue that they accumulate from the offshore industry to invest in the inshore.

In the area that I represent, we have Torngat Fisheries and the Labrador Fishermen's Union Shrimp Company, and if those quotas were at risk, so too would the communities be at risk.

I think that having a good balance of how the declining stocks are managed and how the reductions are applied is very critical to the protection of many Canadians who work in the industry and many communities that depend upon the fishery.

If you want to talk about fairness, I'm going to give you this particular scenario because I think it's important to point out how mismanaged this resource has actually been. When the LIFO policy came into effect, at that particular time the inshore fishery in shrimp fishing area 6, which is where a lot of people in our province are, had an allocation of 1,306 tonnes of shrimp. That was in 1998. At that time, the inshore allocation, in total, was just over 31,000 tonnes.

As a result, we have seen increases in 1999, 2000, 2001, 2003, and 2008 in the inshore shrimp quota, and it peaked at over 85,000 tonnes. But the inshore quota for Labrador did not increase. However, when it came time to make the reductions in the quota, they were the first people hit. They were directly adjacent, looking out their doorstep at up to 20 shrimp trawlers offshore, as well as the inshore. They went through consecutive increases where they did not get one tonne of shrimp. Yet when it came time that they had to make the reduction, they were one of the first ones and they lost 300 tonnes of shrimp.

I don't have to tell you how that has impacted those communities and the inshore fishermen and their families who live there. It has been absolutely horrendous, from a financial perspective, and from all other perspectives.

Do you mean to tell me that this was good management on behalf of the federal government? It was not, and these people are the ones in this country who are suffering as a result of it.

There needs to be a complete overhaul, and there needs to be some very serious changes made in order for this program to work

effectively and benefit people in this country. I want to put that out there so it's on the record, but I'm sure you are aware of it.

I'd like to hear any response that you may have as well.

• (1625)

The Chair: Thank you, Ms. Jones. Your time is up.

Ms. Yvonne Jones: Thank you, Mr. Chairman, for your indulgence.

The Chair: Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, Minister Hutchings, and Ms. Michael and Mr. Ball for appearing before us. We appreciate that.

You're all experienced politicians, so let me just say by way of preamble that you understand that we at this table make no decisions about shrimp quotas. The minister has absolute discretion to make those decisions based on impact from her officials and the processes she goes through. Our role is to hear what witnesses say about this particular issue and decide whether we will make recommendations to the minister. We can do that.

Today my role is to understand your position, so that we're clear on that.

As a general question, would you agree that there is some inherent value in stable policies that then produce stable fisheries? We hear that from coast to coast—and I'm from British Columbia—that it's important for a fishery that's going to maintain some kind of economic viability that it understand the rules of the game so that it can make business decisions and so on.

Would you agree that it is an important principle?

Hon. Keith Hutchings: I agree that all players within an economic model, whether it's the fishery or any other industry, need to know, or have the normal expectation that if they invest, they're stakeholders and expect to have a return. So in that environment I think stable policy is very much needed, but when policy evolves.... As you said, we're politicians, we make policy. We often make a policy, and through experience and what happens in a particular area, that policy needs to be changed because the variables change.

So while I agree, in one sense, with stability in regard to the economic model in terms of the expectations, if the variables within a fishery or any other industry change, policy needs to change to reflect that, for the good of the industry as a whole, for the good of all those participants.

Everybody has a right to share in a public resource. We need to find a way to do it that allows them to share equitably, and if changes need to be made in the policy at some point after being in place for 10 or 15 years, well, I would suggest that the policy needs to change to reflect today's happenings in an industry.

Mr. Dwight Ball: I would add to that. Of course, in regard to stability, no matter what you do, when you're looking for investment you expect a return. That was the reason, I believe, that they established a threshold of 37,600 tonnes in 1997. That was the whole idea behind it. But when you advance the argument to 2007, adding a period of 10 years when there were temporary licence holders within this industry, that changed. Those temporary licence holders became permanent licence holders. The threshold is still intact, the 37,600—

Mr. Randy Kamp: I'm sorry to interrupt, as my time is limited.

I did want to talk about that as well, because I think all of you have used the word “permanent” with respect to that, and I think some of my colleagues have as well. To be clear, the word is “regular”. There's no such thing, I think, as a permanent licence in the DFO world, but those licences that were temporary permits became regular licences. I think that's the right terminology.

In fact, both in the press release at the time, and then in the integrated fisheries management plan that followed, it said this:

To address the structural problems in the harvesting sector, fleet rationalization was implemented as part of the Canada-Newfoundland and Labrador Fishing Industry Renewal Initiative. This provided vessel owners with sufficient quota to extend their fishing season. To support the fleet rationalization initiative, DFO converted the temporary shrimp permits to regular licences. Converting permits to licences increases the economic security, thereby giving stability to enterprises and allowing the industry to be more attractive to financing arrangements. This initiative does not affect current allocation principles that have been in place since 1997. These principles include a “last-in, first-out” (LIFO) provision that ensures the current offshore shrimp licence holders will be protected at the 1996 quota levels for six Shrimp Fishing Areas should the quotas fall in the future.

I also have a letter from Minister Hearn, written in April 2007, in which he explains basically the same. It says in one paragraph, “It is important to note that the conversion of the inshore licences will not have an effect on current allocation arrangements.”

It seems clear to me that the intent in 2007 was not to change the basic approach in how the allocation arrangements—some call it access—were going to be applied if the stock were to decline, as it has now.

Can I get your comments on that?

● (1630)

Ms. Lorraine Michael: Maybe I'll make a comment first.

First of all, I'm going to address the LIFO issue. It has been pointed out—we've pointed it out, others will point it out to you, and I'm sure you're going to hear it again on Wednesday, knowing somebody who's going to be presenting to you—that there was no consultation. It was something that was decided and laid on the people in the industry. It doesn't exist anywhere else in the fishing industry, and to keep coming back to that, it wasn't part of 1997. For me it has no connection with the allocations. It's totally separate from that. It's an artificial thing that was laid on the shrimp industry, and I think that has to be recognized by this committee. The proof is there for that, and it has to be recognized.

I totally understand that ministers have the right to make the decisions that they make. But when ministers make decisions that go against some of the principles, such as adjacency, and we're told we can go against adjacency but we can't go against LIFO, which isn't

even a principle that was laid down, then I have a real problem. That's what I see happening.

I would hope that the committee would see its responsibility to bring that message to the minister. I know you can't force the minister to make decisions with whatever decision she makes, but you have a responsibility to listen to what we're telling you, which is the experience of the people in Newfoundland and Labrador. You have a responsibility to bring that to the minister. I want to put that out. I think it's essential for us to make that strong point.

Mr. Randy Kamp: With respect, your claim that there were no consultations, that somehow this LIFO policy was kind of foisted on the industry unbeknownst to anybody in the dark of the night, that's a claim we will investigate with the panel that's following you, with the minister.

But I'm curious about your explanation. When the stock started to fall in 2010 and 2011, it was clear that there were going to have to be some reductions. On what approach would be followed then, my understanding is—let me at least propose this—they followed this arrangement that had been in place since 1997, that there would be reductions based on the percentages that they went up. There were some questions in 2011 and 2012 whether this was the right approach, and an independent review was done of this. It clearly concluded that “It appears that...the appropriate departmental policies, principles and methodologies were used in the decision-making process.” That's a quote from the report. Another reads: “It appears that the policies, principles and methodology have been interpreted and employed correctly and consistently with the definition of the last in, first out principle...”

Here's my final question, because I think I'm running out of time. It's not clear to me whether you're saying that the department really didn't follow the right principles in 1997 and 2003 and then in 2007, and they kind of misinterpreted and misapplied these principles when it came time to reduce, or you're saying that yes, they did the right thing based on the policies that they had, but the policy is wrong and needs to be changed.

● (1635)

Hon. Keith Hutchings: I think it's both. I don't think it's clear. There was confusion in the policy as we went from 1996 to 2007. There was confusion in terms of who was in and who was out, and what the expectation was.

In regard to the Ernst & Young report you referred to, the province was distinct at that time not to have a review of the current policy, because we didn't think the current policy was accurate. We wanted a review, for Ernst & Young to look at how there could be fair and equitable sharing of this resource, because we viewed at that point we weren't where we wanted to be. We wanted to be part of the Ernst & Young report, but it didn't do what we wanted to do.

I think you should go back and look at that, because I do believe that in that report it talks about that there was a lack of consultation, if I remember correctly, in regard to moving LIFO forward and how it had changed. So I think it's important to take a look at the Ernst & Young report as well.

Mr. Randy Kamp: I've looked at that. It's not as clear on this point that you've made. I think it has made some suggestions that we do need to take a look at.

Hon. Keith Hutchings: Yes.

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

I want to just say thank you very much on behalf of the committee for coming and meeting with us today and taking the time to answer committee members' questions. It certainly has been informative, and we do appreciate it as a committee.

This committee will suspend for a few moments until we set up our next witness.

• (1635) _____ (Pause) _____

• (1640)

The Chair: We'll call this meeting back to order.

I'd like to thank our guests for being here with us again today. I appreciate you being here.

Mr. Bevan, I believe you're going to lead off with a presentation.

Mr. David Bevan (Associate Deputy Minister, Department of Fisheries and Oceans): Thank you.

I have a very short presentation, and then I'll turn it over to questions.

On the principles of fisheries management, DFO manages fisheries in accordance with our roles and responsibilities outlined in the Fisheries Act, and we use credible science, affordable and effective practices.

Key priorities include environmental sustainability, economic viability, and the inclusion of stakeholders in the decision-making process, but I would emphasize that ecological environmental sustainability is the cornerstone. We need that to have all things, because without it we have nothing else, we have nothing to allocate, etc. So that is the priority.

We make use of any instruments and policies to guide us in the conservation and sustainable use of the marine resources, and we've learned a lot from the past.

What we have done now is that we've created a sustainable fisheries framework, a framework of new and existing policies that provide the foundation for our ecosystem-based and precautionary approach. I'd refer you to Annex B, which outlines our precautionary approach in a very simple way.

We have enhanced monitoring surveillance. So what have we added? We've added dockside monitoring, better use of observers, hail in hail outs, logbooks, etc. Those have all been added to the suite of monitoring control and surveillance tools to make sure that we have a better understanding of fishery-induced mortality, not just on the target species but also on bycatch, etc.

We have stable access and allocation, and predictable allocation and adjustment processes. That was done, and a bit more on that is on the next slide.

Integrative fish management plans detail how a fishery is managed, how access and allocation processes are established, and provide an implementation instrument for the sustainable fisheries framework and other management initiatives. Those are discussed on a regular basis with stakeholders, and in the public domain they are on our websites.

On slide 4, stability of access and allocation, prior to 2004 and following essentially what happened with the huge shift in resource availability and the moratorium on ground fish, etc., we had a lot of movement of fishermen from one fishery to another, or fish from one group of fishermen to another. It created a fairly chaotic and conflictual environment. It jeopardized the sustainable use of resources and self-reliance, people solving problems with somebody else's fish, and it impeded the proper business environment needed to get the better value out of the resource. It put us as a department and the minister in the middle of conflicts about sharing.

Subsequent to that, in 2004 we clarified the processes and the criteria for determining best use and acknowledging legitimate uses. We established decision-making guidelines for commercial access and allocation, stabilized sharing arrangements in quota-managed fisheries in the commercial fisheries, and we created a predictable operating business environment. We also changed policies to allow use of licences as collateral in dealing with banks, etc., and we gave enough stability to those processes to give some confidence on the part of lending institutions that they had the value of their loans covered by assets.

Slide 5, however, shows what you were talking to science about last week. Oceanographic conditions are changing quickly on the Newfoundland Shelf, more so than in other locations in the North Atlantic, and the green area shows you where the biggest changes are taking place. They are affecting resources.

Species that are particularly sensitive to these changing environmental conditions include shrimp and snow crab. I will be talking about snow crab, and you may wonder why. The offshore shrimp fishery is 85% dependent on shrimp. The inshore fishery has a varied dependency from 96% down to about 50% or a little bit over 50%. The rest of what they are dependent on is crab. So between those two species it makes up to 98% of the earnings of the inshore fleet so if something's happening to crab, it has an impact.

Given the life cycles of shrimp and crab, those fisheries are based on the relatively narrow range of ages. It takes a shrimp four years to enter the fishery to be big enough to be caught, and then we only fish it for a period of about six years. So you're highly dependent on recruitment, and it's the same thing for crab. It takes eight years to get big enough to be caught in the fishery, and then it's around for about five years thereafter.

- (1645)

On slide 6, the northern shrimp fishery, as noted by the previous witnesses, is a big fishery: \$300 million from Baffin Island in the north to southern Newfoundland. It's managed under a precautionary approach with very conservative exploitation rates. When the stock was in its heyday, hitting a maximum of 176,000 tonnes, the harvest rates were very low. The markets were not there to take it all, and the process was such that in getting it to market, not all of it was used. The harvest rates were very low, and we were well within what was called the healthy zone.

That's changing now. Originally fished by a specialized offshore fleet that developed the fishery, it started to expand rapidly in the late 1990s, and it became a place where we could have some opportunities for displaced cod fishers and other interests. At the time of unprecedented growth, there was an expectation that it was too good to last, that we didn't want to enter into a fisheries management regime that didn't look at the possible downside of eventual declines. There were policies introduced at that time. Subsequent, however, to that growth, there were investments made in this fishery by both fleets. It provides employment, etc.

I would say, just regarding some of the questions that were asked before, with regard to the early entrants, it was a temporary permit with the understanding that should the resource fall back down to pre-growth levels, there would be people removed in the order in which they came. Subsequent to 2007, when the licences were made permanent...and that was as a result of over 40 meetings jointly held with communities and stakeholders by the Province of Newfoundland and Labrador, and by DFO. The RDG of Newfoundland region, and the deputy minister of the Department of Fisheries of Newfoundland and Labrador went to those communities and asked, "What do you need to change in the fishery?" As noted, there were changes to allow for use of licences as collateral. There were changes made to the tax system to allow for capital gains.

One of the things asked for was to move the shrimp fishery from temporary permits to permanent licences so there could be combining, etc. At the time that took place, that's when Minister Hearn made it abundantly clear that, okay, it's no longer an access issue. You don't get out altogether, you don't lose your temporary permit, but rather you have your allocation of the resource linked to that kind of policy framework that became known as LIFO in 2003.

So they made investments, and that's not disputed. There's a lot of money associated with this particular fishery. Special allocations were provided as well to aboriginal groups and other organizations that were allowed to benefit from the tremendous growth. It went from 37,000 tonnes, as I said, to 176,000 tonnes, so there was a lot of growth.

Since that time, however, scientific advice indicates the size of the northern shrimp biomass has been trending downwards, more

predominantly in the south than in the north. As much as 70% to 90% in southern Newfoundland over the last six or seven years has been lost. The total allowable catches have declined by 47% in areas 6 and 7, from the peak. You'll note the total allowable catch hasn't declined as much as the biomass. The reason for that is the harvest rates, as I mentioned earlier, were very, very low. Our target is to keep them in the 15% range, with a cap at 20%. So we were able to keep harvesting opportunities available by having the TAC reduced, yes, but by allowing the harvest rate to go up, but not into a dangerous level of harvest.

- (1650)

Just on the life cycle, you heard last week that there was a problem in linking shrimp abundance to the temperature of the water. It relates, however, to that pelagic larval, one- to four-month stage. If that happens to coincide with a good bloom of algae, as it does in cold-water years, then there's a high degree of productivity. If it happens after the bloom of algae because it's a warm-water year, then the larval shrimp don't have as much food. The males recruit into the fishery. They're big enough to catch after they're about four years old, and then they're available as males for three years and as females for three years and then they're dead.

On other fisheries, the key one being snow crab, as I mentioned, between snow crab and shrimp, those enterprises that fish shrimp in Newfoundland and Labrador are 92% to 98% dependent on those two species. So we harvest only mature males. There are no juveniles or females fished, which allows them to reproduce before being fished. The males are harvested at a rate in the 30% range. That allows most of the males to reproduce before they're caught in a fishery, and the way they reproduce is such that even after they've mated, the females will use sperm from a sperm sac for up to two years after they've mated. So even the fish that are caught in the fishery may still be reproducing under those circumstances.

Overall, exploitable biomass has changed little since the mid-2000s, but the biomass in 3LNO has gone up and the biomass everywhere else has gone down, and in 3K it has gone down by two-thirds, 66%. So there's a real issue in that particular area, and the reason for that is the water temperatures in 3K are warmer than in 3LNO. We expect further declines.

Changes in the ecosystem over the long term may help groundfish, and here you can see the size difference, on page 8 or 9, and that shows you how we can configure the gear to avoid catching anything else.

Page 10 shows that what's in the square is about what's going to be big enough to catch in the fishery in the next couple of years. You can see healthy stocks in 99 and not too bad in 2009. What's there in 2013 means that there's very little recruitment into the fishery expected in the next number of years. That's a very bad sign and indicates that we are going to have further drops in the crab resources.

We will continue to discuss with industry the best response to changing environmental conditions, but I would say that based on all the information we've received from science to date, on crab it looks like a lean period of years and on shrimp, while the predictive capacity of science is less so, we are expecting to see further declines in shrimp as well. So between the two of those, it's a problem.

On cod, we see high productivity on the Flemish Cap, good productivity on 3PS, and while there have been some encouraging signs on cod in 2J3KL, the northern cod stock, it is not yet there to take up the slack from shrimp and crab. And even if it were back in prior abundance, the value would not be enough to make up for the shrimp and crab.

We don't have good news, evidently, and we are going to have to look at a way forward on this fishery.

• (1655)

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

We're going to start off with Mr. Chisholm.

Mr. Robert Chisholm: Thank you very much.

Thank you to the officials from the department.

If members of this committee understand one thing, it's just how complicated the decisions are that need to be made around management in your department. In this particular circumstance, it seems to me that the evidence we've been hearing is that people recognize that there's been a change in the resource and that there needs to be a response to it. I think everybody acknowledges that.

There certainly has been some question as to whether there's enough science being done, but people don't seem to be arguing about that. They're saying, let's try to resolve this question of sharing what is there at this particular point and then add in more work down the road, in terms of better science or giving you better or more tools to allow you to do your work.

The issue is the question of sharing. I want to ask one question and then I'm going to pass it on to my colleague; we have a few minutes. It's the way the LIFO policy appears to come in. The Ernst & Young report, in their review of 2012, observed that the definition of LIFO appears to have evolved over time—this is something that they reported they had heard from a number of representatives, and it was again cited by the all-party committee that was here earlier—that the change in definition of LIFO from 2003 to 2007 was not presented to stakeholders at the Northern Shrimp Advisory Committee meeting and was made without consultation. The principles that were established in 1997 resulted after a fair bit of consultation with the industry.

But then the LIFO policy came in. Everything before 2007 was about temporary licences, and then—you, Mr. Bevan, used the word

“permanent”, though I know it says “regular licences” in the document—people thought they were in. And they were, I would suggest, equal participants in the industry.

I want to ask you to comment on this: that while some observers may suggest that it was clear when LIFO came in what it meant, there were many people who, in some of the documents we have read, don't indicate that there was that clarity.

Even so, are you suggesting that the policy is, in effect, written in stone? If we discover that it was presented and that there was full consultation and everybody understood the rules of the game and so on and that here we are seven or eight years later and circumstances have changed, and yet regardless we have to follow that policy, would you not agree, given what we heard from our guests earlier, that now is a good time for us to review how it is that we're going to respond, from a sharing point of view?

Mr. David Bevan: I think first we should just go back to 1997. It was very clear at that point that people getting into the fishery over each of the subsequent years from 1997 on to 2007 were informed that in the event that the stock went back down, they were out. That was the reality at that point.

• (1700)

Mr. Robert Chisholm: It was called a temporary licence then; isn't that right?

Mr. David Bevan: That's correct. So it was pretty clear.

Mr. Robert Chisholm: That changed in 2007.

Mr. David Bevan: After all those meetings that I mentioned between the province, DFO, and the stakeholders, a whole suite of changes took place and were announced jointly by the province and by Minister Hearn.

Included in those was the change in the status of the licences for the inshore shrimp fishery. But to reinforce the fact that if the stocks went back down there would be a process for dealing with the decline in them, the whole issue of LIFO was reinforced to say that this does not mean you have permanent access to quota. It means that you have a licence, but it doesn't mean that you have permanent access to quota; in the event of declines, access will be applied according to LIFO as it evolved in 2003, 2007, and so on.

The basic premise was, though, that if the stocks go down there will be a predetermined process for making those declines. Now, whether it can stay in the face of what may happen next year is going to be up to the minister to decide at that time.

I would point out as well that when the minister made the decision this year, she talked either face to face—or on the phone, for those who couldn't meet her—with every one of the major stakeholders before taking that decision. So it wasn't taken in isolation; she considered all the facts and came to the decision that took place a month ago.

We'll see what the data says next spring when the final stock assessments are in and when we have to go to the minister for a decision. It is at that point that the decision will be made as to how to handle what is likely to be a very difficult set of circumstances.

The Chair: Okay, thank you.

Jack.

Mr. Jack Harris (St. John's East, NDP): Thank you.

The Chair: You have three and a half minutes.

Mr. Jack Harris: Thank you, Chair, and thank you, Mr. Bevan.

I have a bit of an overriding question.

I'm familiar with how the shrimp was developed. There were some very creative decisions made during this process—the allocation to the Fishermen's Union Shrimp Company and to Tornгат Fisheries, based on community ownership of the allocation, essentially. But there are also individuals or investors who developed this fishery.

I have a sense that outsiders who know nothing about this are appalled that the minister has absolute discretion here. I know that there are policies and there is a framework and everything else, but it seems that although we're talking about adjacency principles—and you heard the representations about the adjacency principle—these are add-ons to the original development of the fishery. But it seems to me that this part of it is set in stone.

We're talking about whether LIFO comes in as an add-on. But is there not a way to look at the matter holistically and see that maybe there is a way of imposing another level of fairness on this? I understand what happened in 1997 and what was said then and what has been said now, but it's not written in stone and it's not written in law; it's a matter of policy over time. Can that policy not evolve into different principles along the way?

Mr. David Bevan: The Fisheries Act does provide a great deal of discretion to the minister; the minister has that kind of discretion.

We had a review of access criteria by the Independent Panel on Access Criteria. They said that adjacency, historical attachment, etc., were all considerations. They did not provide us with a hierarchy.

As for new access and new quotas coming into the fishery, those were provided based on adjacency. That's why, under LIFO or under the process in place, 90% of the quota went to the inshore folks close to the resource, on the understanding that the offshore would be protected in the event that the stocks dramatically fell and went back to levels that were more historically sustainable.

Mr. Jack Harris: You may have heard Yvonne Jones talk about where the fish could be caught. You say in the offshore. The fact that somebody isn't there on the offshore perhaps ought not to be an entitlement to an income stream forever because of that. We're not talking about the development of a mine or something like that with a significant infrastructure.

Is there any requirement that those who can fish literally offshore or farther north are expected to do so, or can they fish wherever?

Mr. David Bevan: They're licensed to fish in a number of zones. That means that they are permitted to do so.

The original quota of 37,600 tonnes was split among various areas. For example, 11,000 tonnes of it at the time was in SFA 6. The expectation of those in the offshore is that they'll still be able to fish the level of quotas that were used to establish the departure point for the new entrants. That is, 37,000 tonnes and above were distributed in a different way, based on adjacency, etc. However, those people would expect to fish in the south. If they have to go north, it costs them more and there is more uncertainty.

So it's an issue wherein the people who are dependent upon it without options are looking to move them out and the people who are looking at what historically happened in 1997 are saying, hold on.

Those are factors the minister will have to consider when we're—

• (1705)

The Chair: Thank you very much.

Mr. Leef.

Mr. Ryan Leef (Yukon, CPC): Thank you, Chair.

I must say to everybody, members of Parliament and ministers and even the people fishing, that the east coast fisheries is really acronym-heavy. I'm trying to catch up on all these acronyms, being from the Yukon, where we have a couple of simple ones.

Having said all that, we heard Mr. Ball, I believe, talk of the need for knowledge based on hard science, but then he made an appeal for the consideration of traditional knowledge. Speaking more from our more terrestrial-based background in biology, in Yukon we encompass traditional knowledge with our science, but more for land-based species. For the east coast fisheries, there's a bit of a challenge between the demand for hard science and the need for traditional knowledge. We reach an agreement quite well when the two match, but as soon as science says something that doesn't quite jibe with traditional knowledge, the locals will reject the science. Science will equally reject traditional knowledge, because it sees traditional knowledge as self-serving for the industry's own needs.

How responsive is the department to taking and absorbing traditional knowledge? How are we able now to incorporate it into the scientific body so that the two marry a little better. The example Mr. Ball gave was the increase in the cod stocks pushing shrimp into a different water column. Are we recognizing that, and is the science saying, okay we can take that information and start to deploy our research-gathering capabilities consistent with what we're hearing from the people who are actually working in the fisheries?

Mr. David Bevan: I'll turn to my colleague, David Gillis, in a second, but I think it's fair to say in the fish management business, you always need to deal with uncertainty. You will never get enough certainty to narrow the confidence limits to a point where you have a very precise number. You're always dealing with some degree of uncertainty. The whole point of the precautionary approach is not to fail to act even in the face of that uncertainty.

But in this case, I think we have a time series of data showing a fairly significant trend. While it's not predictive of what'll happen next year with shrimp, I think we have a pretty high degree of confidence that what we're seeing in crab is going to be a bit of grim news in the coming years, because we measure the fish as they go through their life cycle and get bigger to the point where they enter the fishery.

Dave, on traditional knowledge....

Mr. David Gillis (Acting Assistant Deputy Minister, Ecosystems and Oceans Science Sector, Department of Fisheries and Oceans): Thank you.

I have just a couple of points about that.

First off, I think what I would say, at least in this case, is that I don't see a fundamental conflict in what the science is indicating and what the industry and other users are indicating they see. That's not always the case, but in this case I think there seems to be general agreement.

We certainly do use information that comes from fishers and the fishery throughout our whole assessment process, both in crab and in shrimp. The surveys for both species are actually done heavily in collaboration with industry. The main indices that we use for the northern part of the shrimp zones that we manage, and virtually all of the crab zones, are derived from surveys where industry have a very, very heavy role with us, including the design of the survey. So that's a very good input for us to be getting and a very good involvement.

Then, of course, we use a lot of fishery information. It's not just about the survey. The survey is a very important tool for us, but we also season and sprinkle into those results a lot of information that we collect from the fishery, which is obviously information that's generated by the activities of fishers. So that's another input.

Then, very importantly, in our assessment process, when we meet to condense all of the results that we've been able to get from our scientific analysis and bring folks together to review it in the peer review process, industry plays a role in those meetings with us. They have an expertise that we want to have in the room so that we can make sure that we're incorporating their view and knowledge of what they are seeing going on out there as well.

•(1710)

Mr. Ryan Leef: So right now they would have confidence in this downward trend both for snow crab and shrimp in some of these areas. So the call for greater science, more indexing, really, of these populations, as Mr. Sopuck says...we're not counting real numbers of shrimp—

Mr. David Gillis: We are indexing the counting.

Mr. Ryan Leef: So with that indexing model, is it a matter of just doing more trawl sets dealing with the bigger ocean, with more resources? Or are we on the right track to model this? And the real question is, just how do we spread out the pain, as we heard, by waiting for better ocean conditions or waiting for better population numbers?

Mr. David Gillis: There isn't a scientist anywhere who wouldn't tell you they could use more information and more resources to gather information. That's what we do. But in this case, we feel that our advice and our stock assessment are credible. There are always uncertainties. The uncertainties that we see in this case are not unusual to us; they are the kinds of uncertainties that are quite typical from a sound assessment. All of the information, including the basic analysis that we do, is in the public domain, and we very much encourage folks to have a look at that. If they feel there are ways we can improve our science process, or the way that we collect our information, then we're certainly very open to that.

On the whole, in these instances, we're quite comfortable that we have a read on what these key stocks are doing and that the advice we're providing around them is sound.

Mr. Ryan Leef: This may be more of an industry-based question, but with cod stocks coming up a little bit, is there any anticipation that a rising cod price will increase with this? Or is that market a stable pricing?

Mr. David Bevan: There's a lot of cod in the world. We don't have a lot of it, but there are a million tonnes in the world, and that may be a rounded number, but hundreds of thousands of tonnes exist, and the markets will not notice our fish, so the price will not go up.

There is a caution, I think. I was taken to task by the science I quoted the last time that we were getting within 30% of the limit reference point, which is the point on abundance where you can actually start thinking about a fishery. It turns out that that was a simplification. We had quite a lot of catch in the surveys, but the science advice after analysis is that we're 18% of the way toward the amount of fish that would be needed to say we can have a fishery of some directed nature on this stock.

Mr. Kevin Stringer (Senior Assistant Deputy Minister, Ecosystems and Fisheries Management, Department of Fisheries and Oceans): This stock being northern cod, 2J3KL, and just the limit reference point being the average of what it was approximately like in the eighties, and we're at 18% of that now. A few years ago, a decade ago, we were at 2%.

Mr. Ryan Leef: It's growing, but there's still a ways to go.

Mr. Kevin Stringer: So it increased nine times, and millions more, but it's still 18% of the average of the eighties.

Mr. David Bevan: We have to avoid the temptation to start cropping it off. We've done that in the past. As soon as it starts to grow, we crop, and we had to shut it down again. So I think we have to be very prudent with that. As I said, it has done better on the Flemish Cap for biological reasons, and better in 3Ps, but it's not yet in a position to be an offset for the shrimp fishery for those draggers.

• (1715)

Mr. Ryan Leef: Simply speaking about those shrimp fisheries—you tied it into the bloom and the patterns there—how flexible are we and how possible is our responsiveness to big spikes in that? It would seem to me that population could spike heavily and decline heavily, based on seasonal conditions. Are we flexible and responsive to that?

Mr. David Bevan: I think the answer would be yes, that we don't want to manage to noise. We've done that in the past as well where we see something.... For example, 3Ps cod has great noise in the analysis, and if you manage to that, you're just going to create biological and economic chaos. It's better to damp it out. So if we see a huge spike, we'd have to ask ourselves, what's going on? But if the time series starts to reverse, for example, and shows abundance, we could definitely do LIFO in reverse. The inshore people got 90% of it on the way up, and that could happen again if we had that abundance, but we don't expect that to happen.

While science will not say they can predict what will be there next year, I think our personal experience as managers is it's on a downward trend, and there would be no reason empirically to think that will be reversed in the short term.

The Chair: Thank you very much.

Ms. Jones.

Ms. Yvonne Jones: Thank you.

Thank you for your presentation today.

These are all very interesting discussions for sure, but just to respond to the question of my colleague across the way, first of all, I would say to you that we're happy to see the cod coming back, but there is a realization, a very strong realization, that it's not going to replace the declines that we're seeing in shrimp and crab from a financial perspective. That's why we're here today with regard to this northern shrimp. We feel there is a better way to manage the reductions in quota to ensure that there is minimal impact on communities and people in the Province of Newfoundland and Labrador.

The mere fact that the minister and the leaders of the two parties in Newfoundland and Labrador show up at the standing committee on fisheries to make their case on behalf of Newfoundlanders and

Labradorians should be evidence enough of the huge importance of this issue in the province and the reality that there needs to be change in how it's done.

First of all, you may have heard my earlier remarks, but just so you know, the area that I represent in the riding of Labrador includes the greatest efforts in the shrimp fishery, whether in the Hawke channel, the Hopedale channel, or the Cartwright channel. The people I represent are directly adjacent to these shrimp stocks. However, they've had to fight the federal government tooth and nail over the years to even gain access and allocations to those quotas.

Their access came very late, long after there were maybe a dozen or 14 licences offshore that had already been established. Does it make it fair that they would be the first people to be pushed out the door?

First of all, when I see the LIFO policy that the government has in place right now, I look at it and I think that it's a tremendously effective excuse for not having to realistically look at what the downsizing in quotas is doing and how it's impacting the inshore sector and the communities in Newfoundland and Labrador and the aboriginal groups in the areas I represent.

I'm not disputing that the science is showing that quotas need to be reduced. I also hear that from fishermen I represent every day. I have a lot of constituents who fish offshore on those offshore trawlers and they tell me the same thing. I am not disputing that. But what I'm disputing is the fact that the Government of Canada is failing to make the proper reductions in quota to mitigate the impact, first of all, on the people who are most adjacent to the resources, meaning the people of Labrador. I would like to see a shift in policy and principle of how it's done to ensure that these people are treated more fairly. In this day and age it's absolutely ludicrous that the people of Labrador, and the aboriginal people who have land claims agreements with the federal government, should have to be lobbying and fighting to have access to a resource that's on their doorstep.

I'm asking what your view would be in light of that and how this change could be implemented so that we have the least impact on those people that are affected.

•(1720)

Mr. David Bevan: From our perspective what's unfortunate is that we don't see a way to avoid negative impacts. Now, that means that the minister has the unfortunate job in this case of having to determine how to manage that negative change. In the event it continues, that's the reality to be faced by the minister. She will do the same thing she did this year. There will be scientific advice, recommendations that are discussed with the industry on TACs, and then there's going to have to be a discussion as to how to manage those TACs in the event they go down.

The minister will be making that decision at this time next year. It's going to be exacerbated by the fact that in 3K in particular we expect to see a continued decline in the crab stocks there. Even though the TACs haven't gone that much because we've been trying to look after the fishermen, it will be difficult making a go of it on those mixed species fisheries between shrimp and crab. The minister is going to have to make a whole suite of very difficult decisions next year, following advice from the department, yes; following a lot of input from stakeholders; and following, no doubt, meetings between the minister and stakeholders.

Ms. Yvonne Jones: When I look at how changes could be made that would have really mitigated what the impact is right now in our province, I think that the federal government, in managing this resource, also has to say to themselves, do we want to ensure that we're going to execute the entire inshore shrimp fishery in Newfoundland and Labrador? If that's what you want to do, that's exactly the road we're going down. That has to be a fundamental decision, a principled decision of the federal Government of Canada right now.

We've already seen a number of processing plants close. We've seen a number of licence holders getting out of the industry. It's not because they want to, but they're being forced out because of this reduction in allocation.

Yet, we know that the offshore shrimp fleet still controls and harvests the bulk of all the shrimp in those particular areas adjacent to where these people live. We also know that they have the ability to go into the OB areas, area 2 and area 1, where we're seeing increases in quota, and they're not being looked at as an alternative.

It's unfair that over the last number of years that 56% of the reduction went to inshore fishers, and 27% went to special allocations, which again, affected the inshore and the communities in Newfoundland and Labrador, where only 10% went to the offshore. There has to be a better way to do this, and there has to be a decision taken by the federal government. If you want to execute the inshore shrimp fishery in Newfoundland and Labrador, you're on the right road. This LIFO policy will make sure that gets done.

If you don't want to do that, there is a time and an opportunity now to make a change. As we manage this particular industry and we manage the reduction in quotas, we can do so in a way that we're able to preserve the industry for the communities and the people who live adjacent to it as well.

Mr. David Bevan: I understand that point of view.

Obviously, these are hard decisions, and I think it's not going to get any easier. It's going to get even more difficult, possibly next

year. Those are points of view that will have to be taken into consideration as we move forward.

The Chair: Thank you very much, Ms. Jones.

Mr. Kamp.

Mr. Randy Kamp: Thank you, Mr. Chair.

I have a couple of questions, and I'll turn it over to Mr. Sopuck. I know he salivates when there's a scientist in the room.

We've heard a number of times, both today and other days, about the disproportionate nature of the cuts on the way down. Of course, we haven't heard too much about the disproportionate nature of the increases on the way up. In fact, I think they were, by policy, intended to mirror each other.

Can you tell me the rationale? Was it the principle of adjacency that determined that 90%, or close to that, of the increase on the way up should go to the inshore fleet, and only 10% to the offshore fleet? What was the discussion at the time to come up with this? Was it a principled decision, is my question?

•(1725)

Mr. David Bevan: I think the IPAC group, the independent panel on access criteria, did come later after the 2000 integrated fisheries management plan was put together. But it did finally come out and say that we should look at dependency, adjacency, and the historical link to the fishery.

In the case of northern shrimp, all three have been important elements.

With respect to the offshore, there was the idea that they had historically developed that fishery and, therefore, that any addition would be based on allocations for need and allocations for adjacency, but they were given the guarantee that if it went down, their historical connection to the fishery would also be respected.

So all three elements were being contemplated on the way up, and indeed in many areas 90% of the increase went to the inshore, based on the fact that they were adjacent to it and needed to have some access to a fishery due to the collapse of other stocks.

The guarantee for the offshore was that they would be protected and that they would not lose their access on the way down, such that their original investments would be compromised.

As I said earlier, that was first and foremost based on access. So you had a temporary permit that would not be reissued in the event the stock went down below the threshold you had entered the fishery on. But when that was part of a suite of changes resulting from that huge consultation that took place in 2006-07, then they made it into a quota discussion so that you had a licence but your quota would go down in accordance with how you entered the fishery.

All of that of course was done at a time when we were still moving up, peaking in 2009, and now we've been going down since 2010. It was a deal, I suppose, that people entered the fishery taking 90% on the understanding that they had some obligation to exit it or to give up quota on the way down. But it's one thing in theory, and it's another in cold, hard fact, and it does impact on people. It impacts on a whole number of groups in this fishery. As I said, it's one thing in theory, and it's another in fact. But that was considered by the minister in all of the deliberations that were held this year and the result was announced in early April.

Mr. Randy Kamp: Thank you for that.

Clearly, these are difficult circumstances and difficult decisions for the minister.

I read with interest the Ernst & Young report that said they don't make recommendations, but provide advice. But they do say that:

the following considerations could be made in future decline situations: Increase transparency in the establishment of policies and principles....

and

...in the application and interpretation of policies and principles.

Do you think you've made the necessary progress in that? Slide 12 has a sustainable fisheries framework and the IFMP lays out for us how these decisions are made. Do you think there is still more to be

done, similar to what is being advised here in the Ernst & Young report?

Mr. David Bevan: I think in most fisheries we've locked in stability of access and allocation. We have decision points that deal with what would trigger a change, so I think that most of the time it's fairly transparent. It's in the integrated fisheries management plan. It's been discussed with stakeholders, etc.

I think what we're facing right now is a pretty significant change. As you saw from science last week, temperatures, salinity, etc., have all changed quite dramatically, and that's creating a real change. Thus far we've been following the plans and following what was committed to on the way up. But I think we are going to be looking at a pretty dramatic suite of changes that we'll have to look at come the spring next year, and the minister will have to make the decisions at the time.

● (1730)

The Chair: Thank you very much, ladies and gentlemen, for taking the time to be here today. We certainly do appreciate your testimony and your answers to our questions. On behalf of the committee, I just want to say thank you once again.

There being no further business, this committee now stands adjourned.

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