

Position Paper on Pacific Region Commercial Fisheries Licensing Policy

Wild fisheries can be one of the most sustainable sources of protein on the planet. However, rising populations and vulnerable food systems are growing the demand and value, while access is being increasingly limited. For fish harvesters and fishing communities around the world, the value is much more than economic; there are also significant intangible social, ecosystem and cultural values. Yet, coastal communities are being disconnected from adjacent fisheries.

The current commercial fisheries licensing policy in Canada's Pacific does not support working fish harvesters and coastal communities – it undermines efforts to sustain and build viable fishing enterprises and rewarding careers for residents of the coast. With the current licensing policy, community access to the wealth generated from adjacent waters is greatly limited, making efforts by the Provincial, First Nations, and local Governments to build thriving resilient coastal communities ever more challenging. It also greatly impedes the ability to fully realize the goals of resource reconciliation agreements between Canada and First Nations.

In Section 2.5, Canada's new Fisheries Act calls for, among other key considerations in decision making, *'consideration of social, economic, and cultural factors in the management of fisheries'*. In Atlantic Canada licensing policies are developed to protect the interests of coastal communities and independent harvesting enterprises, and in doing so strengthen socio-economic and cultural outcomes in the region. These policies have recently been put into regulations to further ensure that, in Atlantic Canada, independent harvesters, First Nations, and coastal communities are primary recipients of the economic and social benefits derived from harvesting seafood. The same protective measures in policy and regulations needs to be put in place for BC.

We are committed to working together to ensure that the benefits generated from west coast commercially harvested fish stay with working fish harvesters, First Nations, and adjacent communities, contributing to resilience, prosperity, and wellbeing for this coast and for the province.

To this end, we call on the Government of Canada, to work with BC First Nations, the Provincial Government, local Governments, and harvester organizations, to implement a transition to a Pacific Region Commercial fisheries policy framework and licensing system that ensures license and quota ownership and use by working fish harvesters and First Nations communities.

- This policy applies to commercial allocations which are separate and distinct from rights-based access, and this transition must respect Indigenous rights and treaties, UNDRIP, and be consistent with Reconciliation Agreements, Treaties and other constructive arrangements with First Nations.
- The transition must address the same policy objectives for Pacific Region as are now in affect for commercial fisheries on Canada’s Atlantic coast, i.e.:
 - *to preserve and protect the independence of licence holders in commercial inshore¹ fisheries and [ensure] that the economic benefits from fishing stay with harvesters and within their communities.**
- The transition plan should immediately address the following recommendations of the May 2019 Report of the House of Commons Fisheries Committee (FOPO), *West Coast Fisheries: Sharing Risks and Benefits (see appended)*:
 - Stopping future sales of quotas and licences to non-Canadians.
 - Transparency of beneficial ownership of quotas and licences.
 - Financially incentivize independent fish harvester ownership of licences and quotas.
 - Transition plan developed through extensive, authentic and meaningful engagement
 - Regulation of leasing costs during transition.
- In line with recommendation #14 from the May 2019 FOPO report, the transition plan must be developed by Canada, BC, and First Nations through extensive, authentic and transparent engagement with working fish harvesters, coastal communities, and other industry stakeholders.
- Following a similar process and timeframe used in the Preserving the Independence of Inshore Fleet in Canada’s Atlantic Fisheries² (PIIFCAF) policy process, the transition should be pursued primarily through market-based transactions involving willing sellers and willing buyers.
- The transition should be implemented over a limited period, no more than 7 years as in the PIIFCAF case, that allows current license and quota holders to recover their investments, does not contribute to excessive price inflation, and allows purchasers to finance their acquisitions at rates that support long-term enterprise viability.
- The transition plan should include measures to protect the interests of working fish harvesters who may be negatively impacted by these changes. Due to highly inflated licence and quota prices and restricted fishing opportunities, many working harvesters currently must rely on leasing licenses and quota to make a living and sustain their enterprises.
- The transition strategy should include new policies and programs to facilitate labour force rebuilding and pathways for new entrants to become enterprise owner-operators including community tools to support access transition, affordable financing options tailored to the industry like the fisheries loan boards now in place in other jurisdictions.

Immediate steps for implementing a transition

- A clear policy commitment from the DFO Minister, to work with the Province, and First Nations to collaboratively develop and implement a stakeholder engagement and transition planning process

¹ As stated in the Policy for Preserving the Independence of the Inshore Fleet in Canada’s Atlantic Fisheries, “Inshore refers to the fishing sector where fish harvesters are restricted to using vessels less than 19.8m (65’) Length Over All (LOA)”. This term is not currently used in B.C.
 * <https://www.canada.ca/en/fisheries-oceans/news/2020/12/minister-jordan-strengthens-protections-for-inshore-commercial-fish-harvesters-on-east-coast-keeping-economic-benefits-in-coastal-communities.html>

² <https://www.dfo-mpo.gc.ca/reports-rapports/regs/piifcaf-policy-politique-pifpcca-eng.htm>

for a new Pacific Region licensing regime in which commercial fishing licences and quotas will transition to owner-operator or First Nation ownership and control.

- The process should have an agreed upon timeframe that shows a meaningful commitment to immediate implementation, including a clearly defined timeline for transition (no more than seven years, modelled after the PIIFCAF option).
- As an immediate step in this transition, an owner/operator (o/o) class of licence should be designated to align Pacific Region licensing policy and regulations with Atlantic Region inshore fisheries. Key components of this new license class will include:
 - Until the transition to a new licensing policy is completed, entering a licence into this class will be voluntary.
 - As is the case in Atlantic Canada, First Nation owned licences under the communal commercial class are, and will remain, exempt from the development of this new o/o licence class and its associated rules and conditions.
 - Transferability between communal commercial and owner-operator licences that will need to be addressed to promote reconciliation objectives with First Nations, and provide stability to owner-operators.
 - A detailed proposal for designating this new o/o licence class “Promoting Independent Harvesters in Canada’s Pacific Fisheries” developed by the United Fishermen and Allied Workers Union is appended.
- Once transition objectives are determined, a transparent, comprehensive, and collaborative review and engagement process for each fishery must be conducted to determine how to execute a full transition to the two main categories of licence – the new owner/operator for harvester owned licences, and commercial communal for Nation owned licences which would remain exempt from the owner/operator policy. Key stakeholders to be “transparently and authentically” engaged in this process are listed in FOPO recommendation #14 (see appended).

20 Recommendations from the FOPO study “West Coast Fisheries: Sharing Risks and Benefits”

Recommendation 1

That Fisheries and Oceans Canada maintain the limited transferability for nondirected catch, which is a widely supported system for ensuring that nontargeted groundfish that is caught can be sold and tracked for conservation purposes.

Recommendation 2

That based on the principle that fish in Canadian waters are a resource for Canadians (i.e. common property), no future sales of fishing quota and/or licenses be to non-Canadian beneficial owners based on the consideration of issues of legal authority, and international agreement/trade impacts

Recommendation 3

That Fisheries and Oceans Canada permit the separation of stacked (or “married”) licences for sale by the licence owner to divest some or all of their licences in the sole intent of facilitating existing harvesters and new entrants to become owner-operators

Recommendation 4

That, to increase the transparency of quota licence ownership and transactions, Fisheries and Oceans Canada determine and publish, in an easily accessible and readable format, a public online database that includes the following:

- The beneficial holder of all fishing quota and licences in British Columbia, including penalties for failing to accurately disclose the holder of fishing quota and/or licences, and that Fisheries and Oceans Canada work with Finance Canada to achieve this goal.
- All sales or leasing of quota and licence holdings be reported and made public by Fisheries and Oceans Canada, including buyer, seller and sale/leasing price.

Recommendation 5

That Fisheries and Oceans Canada prioritize the collection of socio-economic data for past and future regulatory changes and make this information publicly available.

Recommendation 6

That Fisheries and Oceans Canada develop a comparative analysis of the East Coast and West Coast fisheries in regard to regulations with a view to devising policy that would level the playing field for independent British Columbian fishers

Recommendation 7

That Fisheries and Oceans Canada undertake discussions with the Province of British Columbia to explore the establishment of a model for a loan board to support harvesters’ intent on purchasing licence.es and/or quota, to maintain or modernize existing vessels or to purchase new ones

Recommendation 8

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, provide financial incentives to independent ownership of licences and quota vs. corporate, overseas or absentee ownership. This could include: tax incentives; a shared risks and benefits program; and/or the creation of community licence and quota banks

Recommendation 9

That Fisheries and Oceans Canada create a loan and mentorship program to help independent harvesters enter the industry.

Recommendation 10

That Fisheries and Oceans Canada work with the Government of British Columbia to develop strategies to expand value-added fish processing in British Columbia and the recapture of benefits from processing in adjacent communities.

Recommendation 11

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish an open public auction process to allow fishers to lease licence and quota

Recommendation 12

That Fisheries and Oceans Canada, with regard to West Coast commercial fisheries, establish a licence exchange board to allow the trading of licences between owners.

Recommendation 13

That Fisheries and Oceans Canada reconstitute the membership of advisory boards to ensure equitable representation by fishers, processors and quota owners

Recommendation 14

That Fisheries and Oceans Canada develop a new policy framework through a process of authentic and transparent engagement with all key stakeholders:

- Active fish harvesters (or where they exist, organizations that represent them) in all fisheries and fleets including owner-operators, non-owner operators, and crew;
- First Nations commercial fish harvesters (or where they exist, organizations that represent them);
- Organizations representing licence and quota holders that are not active fish harvesters, including fish processing companies;
- Organizations representing First Nations that hold licences and quotas for commercial fisheries;
- The Minister responsible for fisheries in the British Columbia government;
- Fisheries policy experts from academic institutions and nongovernmental organizations; and
- Representatives of municipal governments and socio-economic development, health and cultural agencies in coastal communities.

Recommendation 15

That, with regard to West Coast commercial fisheries, the Minister of Fisheries and Oceans establish an independent commission to:

- Develop a concept for a 'fair-share' system to equitably allocate the proceeds from the fishery of individual species between the quota/licence holder, the processor and the harvester, based on the average wholesale price earned by the processor over a three-month period.
- Work with Fisheries and Oceans Canada to explore the feasibility of set limits on the amount of quota or number of licences for an individual species that can be owned by an individual or entity and ensure that comprehensive consultations are undertaken.
- Devise a policy of current market buy back from fishers looking to exit the industry and to prioritize that quota and licence sale to emerging young or independent fishers through a

student/mentorship/apprenticeship program as has been done successfully in other regions for the country and other jurisdictions (Maine, Alaska, Norway) who have testified before this committee.

- Prepare a concept through comprehensive consultations that could transition the West Coast fishery to a “made-in-BC” owner-operator model.

Recommendation 16

That the development of Fisheries and Oceans Canada’s new policy framework should be undertaken by a working group chaired by a senior National Headquarters official and comprised of appropriate officials from National Headquarters and Pacific Region.

Recommendation 17

That the Minister of Fisheries and Oceans direct the Department to develop an implementation framework for transition with time limits and phased approaches similar to the Policy for Preserving the Independence of the Inshore Fleet in Canada’s Atlantic Fisheries (PIIFCAF), but appropriate to particular fleets and/or fisheries.

Recommendation 18

That transition strategies should take account of the recommendations, needs, rights and capacities of First Nations and the framework for reconciliation

Recommendation 19

That the Minister of Fisheries and Oceans initiate immediate steps to regulate quota licence leasing costs to allow for a fair return for vessel owners and adequate incomes for fish harvesters during the transition to owner-operator. Such measures should continue after transition to guarantee crews fair wages under the new regime.

Recommendation 20

That Fisheries and Oceans Canada develop a plan to achieve its five-objective fisheries management regime, which includes conservation outcomes: compliance with legal obligations; promoting the stability and economic viability of fishing operations; encouraging the equitable distribution of benefits; and facilitating data collection for administration, enforcement and planning purposes.



United Fishermen and Allied Workers Union Proposal: Promoting Independent Harvesters in Canada's Pacific Fisheries - Draft March 25th, 2022

The UFAWU-UNIFOR requests that the Department of Fisheries and Oceans create and designate of a new licence class, *Owner- Operator*, to facilitate owner-operator policies in British Columbia commercial fisheries to achieve greater socio-economic benefits for our coastal communities. This would be an important step in bringing Pacific Region licensing policies into alignment with regulatory changes recently introduced for East Coast commercial fisheries with the explicit goal of promoting *“viable coastal communities and profitable operations for the average fishing enterprise by preventing corporate concentration and keeping licences and their associated benefits in the hands of independent, small vessel owner- operators”*.¹

In 2019 the Standing Committee on Fisheries and Oceans (FOPO) report *Sharing the Risks and Benefits: West Coast Fisheries*, Committee Members unanimously recommended that a comparative analysis of East and West Coast DFO licensing policies be undertaken to review and advance several of the objectives identified in their Report. Recommendation 15 is to: “Prepare a concept through comprehensive consultations that could transition the West Coast Fishery to a *“made-in-BC”* owner- operator model.”

Proposal of the OO designated licence for Pacific Region commercial fisheries is in proactive alignment with DFO's December 2020 announcement of new regulations for East Coast commercial fisheries:

- Ensure the licence holder retains the benefits generated by fishing;
- Ensure the licence holder is the one fishing under that licence;
- Prohibit ineligible third parties from holding licences in the inshore sector;
- Prohibit ineligible third parties from using and controlling any of the rights and privileges conferred under a licence in the inshore sector;
- This designation class, and a future framework for fleet separation, will be a key part of Canada's Blue Economy Strategy ensuring that the primary economic benefits of our blue economy spill over to coastal economies and into secondary economies. This is a very quickway to start growing Canada's Blue Economy in a diverse and robust way in the Pacific Region.

The OO prefix license class designation proposal will also adhere to the following:

1. OO License Designation would be a voluntary, optional designation initiated by the free will and intent of the license holder.
2. OO License Designations will follow the same “Inshore Regulations” applied in Quebec and Atlantic Canada for beneficial ownership and core operator status. These regulations can be found here:
<https://www.dfo-mpo.gc.ca/fisheries-peches/commercial-commerciale/atl-arc/inshore-regulations-reglement-peche-cotiere-eng.html#toc05>
3. OO policy will not apply to packing privileges attached to licenses.
4. Licenses will be ineligible to drop OO designation once the designation has been applied. It is irreversible and permanent, except in instances where OO licenses are sold into existing or future communal commercial licence class (such as PICFI, ATP, the CFN agreement, etc.). In the event that communal commercial licenses were transferrable out of the communal commercial class they would become OO designated.
5. Licenses married to other vessel-based licenses or stacked with other license areas will be eligible to unstack or unmarry to become OO class.
6. License length issues will need to be discussed/relieved for entry into this category.
7. There will be no capital gains tax on designation of licenses into this category, transfers into this category, or transfers within this category.
8. There will be reduced license fees in this license class.
9. All licenses forfeited or currently held by DFO will revert to this category, excluding instances where they will be transferred into existing or future reconciliation initiatives aimed at increasing First Nations participation.
10. A wait list will be established for eligible new participants.
11. To ensure conservation targets are met in groundfish ITQ fisheries limited transferability of bycatch will be maintained for all species, between all sectors, and between all license class designations.
12. This new OO license will have and meet any, and all, of the same conditions around conservation and protection of the resource including monitoring and bycatch rules.
13. This OO will include all the same safety standards/requirements as other licenses.
14. After a period of three years there will be a joint review process to ensure there are ways to increase protections and mitigate unintended harm to license holders that have opted for entry into OO class.