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Chair

Mr. Ken McDonald

Standing Committee on Fisheries and Oceans

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• (1545)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): Good afternoon, everyone.

Pursuant to standing order 108(2), the study of the regulation of the west coast fisheries—

Mr. Donnelly, do you have your hand up?

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Yes. Thank you, Mr. Chair.

I was just going to ask a question on a point of order about the equal distribution of time for witnesses. Has that been determined? Has it been looked at? It does appear to be heavy in one hour and lighter in the other.

The Chair: I think a lot of it had to do with when people were available. Normally, we do try to balance it out, but if people are available now versus at the later hour, that's when they would be set up. I think the clerk usually tries to balance it out when possible.

Mr. Fin Donnelly: Okay.

We have six in one hour and four in another.

The Chair: Okay.

Just for the information of the committee, I know that an invitation went out to the minister to call him in to speak to us on the vessel length study. It was his intent to come on the 25th of February, but he's not available. We're going to try to set up another date as early as possible. I would remind members that he will be here on the estimates, I believe on March 18.

All right. We'll continue with our study.

We have witnesses here in person and by video conference.

By video conference, we have Jim McIsaac. As well, from the Watershed Watch Salmon Society, we have the Executive Director, Aaron Hill, and Senior Fisheries Adviser Greg Taylor.

In person, from the Canadian Council of Professional Fish Harvesters, we have Richard Williams, Research Director. From Ecotrust Canada, we have Tasha Sutcliffe, Vice-President of Programs. From Greenways Land Trust, we have Cynthia Bendickson, Executive Director. From the Vancouver Island Health Authority, we have Analisa Blake, Project Manager of Public Health.

We'll start with our presentations from witnesses.

Mr. McIsaac, you're up first, for seven minutes or less. I'll have to be very strict on the time.

Mr. Jim McIsaac (As an Individual): Honourable Chair and committee members, I'm honoured to be invited to speak to you today.

This topic is critically important for the future of B.C. fisheries and our coast. If the government wants to ensure that the benefits from our fisheries and fishing licences go to harvesters on the coastal communities, you must articulate these objectives and fund the department to make it so.

I've been involved in commercial fisheries for over 40 years, with 25 years as a fisherman. Currently, I'm the executive director of a fisheries foundation. I chair the BC Commercial Fishing Caucus, and I sit on the executive for the Canadian Independent Fish Harvesters' Federation. I'm involved in herring and groundfish IFMP processes and track a few others. I sit in many MPA processes, and I participate in multiple integrated marine planning processes along our coast, led by B.C. first nations and regional governments.

Interestingly, all of the endorsed integrated marine plans on our coast call for community-based fisheries. DFO has all but left the integrated marine planning field in B.C. This is a story for another day.

Unlike some of my colleagues on the east coast, I can speak to the history of the fisheries on the B.C. coast. I've had the privilege of fishing from Portland Canal to Juan de Fuca Strait, and from Knight Inlet to Rennell Sound. I have spent time in almost every community along our coast. It hurts me to tell you that the community connection to fisheries is dying, just like fishermen's connections to licences are dying.

Most rural communities along our coast are in decline. Health, education, population, incomes, youth retention, infrastructure, the number of vessels, new vessels, and connection to fisheries are all in decline. Yet these communities all want to strengthen the connection to fisheries. Why? We studied this exact question. Simply put, along with the tangible economic values, commercial fisheries bring intangible values to our coastal communities. These intangible values form the cultural fabric connecting communities to ecosystems, building on the economic values.

Two years ago, the Minister of Fisheries asked the department to undertake a study similar to yours. The department drafted a two-stage approach and started stage one, the background research, last June. When this committee passed the motion to undertake this study, the minister instructed the department to down tools. The department identified that they would finish the background piece in time for your study. Hopefully you've seen that.

There are some 65 gear, species, labour, area, and producer organizations in the B.C. fisheries. No one organization represents a majority of fish harvesters. Many of these associations are controlled by licence and quota holders, including processors, and not active fishermen. Just as with producer and processor associations on land, the interests are vastly different.

I want to talk to you about two research initiatives that are relevant to your study. The first compares the northern B.C. herring fishery with southeast Alaska's. It is very interesting, given the relatively similar ecosystems, to see the vastly different socio-economic systems we've created. In northern B.C. there are no communities with a fisheries economy, yet in southeast Alaska, multiple communities have robust fisheries economies.

I would point you to three differences that are relevant to your study. First, in southeast Alaska there are clear overarching social objectives supporting a coastal fisheries economy that go along with the conservation objectives. Second, the decision-making and governance system rotates through and is connected with the coastal communities. Third, they strictly enforce boots-on-the-deck access: If you have a licence, you'd better fish it.

The second research initiative I wanted to speak about is the Canadian Fisheries Research Network. It involves a nationwide industry, academic and government collaboration to draft a comprehensive, sustainable fisheries evaluation framework. Last year, the network reported on a major paper. We compared every major sustainability framework on the planet, including DFO's own sustainable fisheries framework, and crafted a comprehensive version.

Most sustainable frameworks crafted prior to 2012 are now called sustainable fisheries 1.0. They focused almost exclusively on ecological sustainability—the yellow circle in the graphic that I circulated. They all lack human dimensions of sustainability. This sustainable fisheries 1.0 formed a basis for MSC—marine stewardship certification. They were raked over the coals in 2012 for certifying fisheries that employed slave labour. The point is that both ecological and human dimensions are needed for sustainable fisheries.

In the middle of my graphic, you'll see a fisheries enterprise. There are three core components for a fisheries enterprise—harvester knowledge, technology and legal access. At the core, legal access is what your study is about. Legal access is the government's main tool for managing harvesters. Governments create and issue licences and quotas, set input and output controls, identify who can use them and whether they can be sold, transferred, traded or leased. In reality, government policy—or lack thereof—frames the market for licences.

● (1550)

We have examples where policy prohibits the transfer, effectively setting the market value at zero. Of course, there are creative ways around policy, as you have seen with PIIFCAF and control agreements in Atlantic Canada.

If fisheries are a public resource to be managed for the public good, is there an obligation for governments to create a market so that investors make a profit from trading in licences? Some would say yes: Under the guise of certainty and stability, there is a right to profit from trading in licences. However, Rob Walton told the 2017 World Ocean Summit that corporations are not entitled to exist; they must earn it. Similarly, profit is not a right; it must be earned.

As one fisherman told the committee, he couldn't sleep in and catch his fish. Why should a licence holder, without boat, gear, crew, electronic monitoring, or knowledge of fish or tides be entitled to profit without fishing? Neither investor, nor processor, nor fisherman should be entitled to profit from our public resource. They should earn it.

My second slide shows the increased licence and quota value, pegged at \$2.3 billion at the start of last year. This increasing valuation stands in stark contrast to the decreasing incomes for fishermen. Why? Simply put, the benefits from the fishery have been stripped from the risks. The cream—over a third of the landed value, \$130 million last year—is taken off the top in licence and quota fees. Over \$1 billion has been lost by harvesters in coastal communities over the last decade.

This is why fishermen have no money to build new boats. This is why our communities are in decline. This has deepened the government conflict with first nations along our coast. If the government wants to ensure that the benefits of fishing licences go to harvesters and coastal communities, it is imperative for you to clearly articulate these objectives, fund the department to make it so, and require annual progress reports on these objectives. In the meantime, support the call for a minimum standard: a shared benefit-risk agreement for all fisheries where licences and quotas are leased.

In closing, Canada's fish vendors, processors and distributors have access to domestic markets that are hungry for fish. Governments have opened up international markets that are similarly hungry for fish. With this unprecedented access, there is no need for fleecing local harvesters and coastal communities. Let's get this corrected, so that future generations benefit from our abundant resources.

Thank you.

The Chair: Thank you, Mr. McIsaac.

We'll now go to the Watershed Watch Salmon Society, also by video conference. I don't know if you are sharing your time, or if one person will be doing the speaking.

• (1555)

Mr. Aaron Hill (Executive Director, Watershed Watch Salmon Society): We'd like to share our time, if that's okay.

The Chair: Okay, you have seven minutes. You can start when you're ready.

Mr. Aaron Hill: Thank you very much to the committee for the opportunity to report to you on this very important issue.

Watershed Watch Salmon Society is a B.C.-based charity. We were founded 20 years ago. We advocate for the conservation of wild Pacific salmon and their habitats. From our inception, we have been actively engaged in many aspects of the management of the Pacific salmon fisheries, ranging from marine stewardship council certifications to multi-stakeholder management committees.

I'm the executive director. I hold a master's degree in ecology. I worked for several years as an observer on commercial and recreational salmon fisheries, and I've sat at numerous federally mandated fishery management advisory tables.

My colleague, Greg Taylor, is our senior fisheries adviser. He holds a master's degree in resource management. He was the vice-president of fisheries management for oceans fisheries and has led several commercial fishing organizations. He represents the Pacific Marine Conservation Caucus at DFO's integrated harvest-planning committees for salmon. He is the chair of the multi-stakeholder Pacific Fisheries Monitoring Compliance Panel. He is also the CEO of Talok Fisheries, a first nations-owned commercial fishing enterprise here in B.C.

He is our expert on this file, so he is going to conduct the rest of the presentation.

Mr. Greg Taylor (Senior Fisheries Advisor, Watershed Watch Salmon Society): Thank you, Aaron.

Thank you, Jim. I think we come from a similar era in the B.C. fisheries.

Watershed Watch Salmon Society has been a strong supporter of the introduction of catch shares and individual transferable quotas in B.C.'s commercial fisheries, because they address the following conservation and governance challenges that the commercial sector was facing prior to the introduction of ITQs. At the time, there was an inability of fleets to fish within the fleet-wide total allowable catch. There were incentives to misreport on log books and sales transactions. There were poor fisheries monitoring and compliance. Fleets were more motivated by the race for fish than building a well-managed and economically and ecologically sustainable fishery. There is inadequate stock assessment and monitoring. There is a lack of a mechanism to transfer catch shares between the commercial fleet and first nations, and there is difficulty in controlling the fishing power of the fleet in situations where managers saw smaller TACs or allocations available.

The ITQ and the catch-share programs have been successful in resolving many of the above issues in many B.C. fisheries, because they resolve many of the well-known issues associated with open-access fisheries. They applied and allocated rights to the fisheries. They introduced incentives for fleets to invest in co-operative solutions to stock assessment and fishery monitoring challenges.

They require rigorous monitoring, control and surveillance measures paid for by industry, and they led to effective collaborative governance of fisheries.

We acknowledge shortcomings in ITQs. There is no doubt they have been well identified, so ITQs for sure are not perfect. ITQs are not the only solution to the problems defined above. Indigenous and artisanal fisheries in B.C. and around the world often involve effective strategies to address similar issues. Also, we do not disagree that ITQs create social and economic inequities. We do believe, however, that ITQs and catch shares are the best option to implement effective governance and encourage sustainable management of fisheries.

The United Nations Fisheries and Aquaculture Department, FAO, argues that effective governance, along with strong monitoring control and surveillance, is necessary to ensure that the demand for the fishery resource does not outstrip the biological capacity of that resource.

Encouraging effective and integrated fisheries governance and MCS—monitoring, control and surveillance—in Canada is critical, as Fisheries and Oceans does not have the resources to effectively manage and monitor fisheries on its own. Whatever fails were exhibited in stock assessment, fisheries management, stock and compliance monitoring and enforcement before ITQs and catch shares were implemented have only gotten worse. Fisheries and Oceans Canada requires the co-operation, resources and confidence that first nations, commercial fishers, processors and anglers can bring to resolving these issues.

For this to be effective in the context of this being a public resource, the governance must be self-regulating, have sufficient capacity to generate resource rents to pay for the stock assessment and monitoring activities, and be transparent. ITQs generate these attributes.

The history of implementing ITQs has been filled with controversy and conflict. I attended the first meetings on developing halibut ITQs in the early 1990s on behalf of the First Nations Fisheries Council of British Columbia. Interestingly, FCBC was against the introduction of ITQs at the time. As consultations on the introduction of halibut ITQs continued, they formed a pattern that was seen through the introduction of similar programs in other fisheries. People were either for them or against them. As discussions progressed, positions became more and more entrenched, and nuance was lost. The well-recognized distributional shortcomings of ITQs were not addressed in an increasingly bitter debate.

We think it is important to address these shortcomings, but not at the expense of weakening the important conservation, governance, and monitoring, control and surveillance benefits that are achieved through the introduction of ITQs and catch shares in B.C.'s commercial fisheries.

•(1600)

We would also warn legislators that entrenched powerful interests on both sides of the debate remain. It would be wrong and ill-conceived to fall into the trap of believing that the debate is one of small-scale fishermen on one side and corporate interests on another. The political landscape is much more fractured and convoluted.

It would be a serious error to open up debate without first establishing that the conservation, governance and monitoring benefits captured in the current ITQ and catch share regime be enshrined in any future changes, if Canada is to remain true to its own and international guidelines for the precautionary management of fisheries.

In conclusion, Watershed Watch supports dialogue that may lead to increasing access for young fishermen, economic and social benefits for coastal and first nations communities, and community or co-operative resource ownership and control. In fact, we believe that current demographic, economic and social shifts may mean that the time is right to encourage expanded commercial fishing and processing opportunities for smaller coastal and first nation communities. Again—and this is the key—we cannot do so at the expense of the conservation and governance benefits that ITQs and catch shares have achieved thus far.

Thank you.

The Chair: Thank you, Mr. Taylor and Mr. Hill.

We'll now go to Mr. Williams, for seven minutes or less, please.

Mr. Richard Williams (Research Director, Canadian Council of Professional Fish Harvesters): Thank you, Mr. Chairman.

I appear today as research director for the Canadian Council of Professional Fish Harvesters, the national human resources sector council for the fish harvesting industry across Canada. Our primary focus is labour force renewal.

We have submitted to committee staff a recent report on the serious demographic challenges now facing the industry. The report provides compelling evidence of industry dysfunction and policy failure in the Pacific region: failing harvester incomes, severe labour supply challenges and poor economic returns relative to comparable fisheries in Atlantic Canada and Alaska.

It seems clear from testimony before this committee that something needs to be done to mitigate the unfair distribution of economic benefits in the B.C. fishery and to put the industry on a stronger growth track. Representatives from the corporate sector have acknowledged the need for some moderation in quota leasing costs, but have argued strongly against a more substantial shift in B.C. They make three basic assertions: one, aside from the leasing cost issue, the B.C. industry is performing optimally, or "it ain't broke, so don't fix it"; two, vertical integration and open market access in fishing rights are essential for managing overcapacity and building a

competitive industry; and three, the B.C. fishery is too complex to withstand a major policy shift without risk to everyone.

There is insufficient time here to debate the first point, but by any standard measure of success—employment, incomes, export earnings—the B.C. industry is not on the growth path we see in other regions. Some of this evidence is appended to the testimony I've provided.

On the second point, the case for vertical integration is weak in the fishery. In theory, corporate ownership of licences provides secure access to raw materials that should spur investment in harvesting and processing technology, R and D and market development. If the theory worked in reality, we would be seeing company fleets of new high-tech fishing vessels, with well-paid and well-trained crews, and much more value-added processing in B.C. Instead, we find companies offloading financial risk onto independent harvesters, moving processing operations offshore, and leasing out their licences rather than fishing them. Ironically, we see much more positive investment and innovation trends in the Atlantic, where vertical integration is constrained.

Lastly, the argument that the B.C. industry is too complex to risk a major policy shift is, frankly, specious. The Atlantic fishery has many more fleet sectors, four DFO regions and five provincial jurisdictions, and it has weathered many large-scale transitions: the 1990s groundfish collapse, shifts to quota management in many fisheries, rapid expansion of indigenous access, and extensive capacity reduction—phenomena we have seen in B.C., but on a much larger scale. Yet, stock conservation and industry growth outcomes have improved dramatically since the 1990s in the Atlantic. We believe this is precisely because the owner-operator and fleet separation policies have given everyone—harvesters, processors, communities and governments—a stake in advancing the industry. We've submitted a separate paper just on this topic.

Put quite simply, all fisheries are complex, but that is not a reason to avoid changes if policies and industry structures are not meeting sustainable growth objectives. The relative success of the Atlantic fishery, we believe, is built on three policy foundations: owner-operator, fleet separation and adjacency. Could such foundations be developed in B.C.? These are decisions to be made by stakeholders in B.C., but experience in other jurisdictions provides options and guidance on process.

First, the almost universal experience has been that large-scale changes in fisheries policy require harvester leadership, engagement and buy-in. In B.C., steps would need to be taken to strengthen organizations representing active harvesters and to expand their role in advisory committees.

Second, an important first step would be for the minister to establish a time frame with sufficient runway for licences to change hands through more or less normal market processes or transactions. The best operational example, of course, is PIIFCAF, which established a hard stop at seven years, after which all licences had to be in the hands of active owner-operators. This was planned to provide sufficient time for most holders of trust agreements to divest them without severe financial losses.

• (1605)

Third, a licence exchange board could be established to buy and sell licences at prices regulated according to fair market value within an owner-operator fleet separation context. This model exists in Europe. It could be established under federal or provincial legislation, as a federal-provincial partnership, as an independent Crown corporation or as a non-profit. Sellers could receive a one-time payment or pension income with tax advantages through annuities. New entrants could lease, lease to own, or purchase with the board holding a mortgage.

Fourth, reverse auction processes have been used in some jurisdictions to implement licence transfers without stoking price inflation. Over 10% of lobster licences in gulf New Brunswick were retired over five or six years when the Maritime Fishermen's Union invited owner-operators to submit bids on their selling prices and then accepted the lowest bids.

Fifth, to buy licences from companies and investors, new entrant harvesters will need access to affordable capital. Fisheries loan boards, loan guarantee programs and other financial services provide such access. The fisheries loan boards in Nova Scotia and New Brunswick recently changed their policies to provide loans for licences and quota, as well as vessels, and they have special programs for young new entrants. The Canadian Farm Loan Board provides generous grants, affordable credit, and business management training for young people to acquire farms and equipment. Local government agencies and industry organizations in Maine, Alaska, Iceland and Norway make small quotas or lobster trap allotments available at no cost to get young people started in fisheries.

Sixth, there are a number of social enterprise models in operation in different jurisdictions. Non-profit licence banks, controlled by harvesters and/or community boards, purchase access rights in the open market and make them available at affordable lease rates to active harvesters and new entrants. Co-operatives, owned by active harvesters, could purchase quota to share among members at affordable costs. First nations communities collectively own licences and quota, and they train and equip individual harvesters to become vessel operators.

A transition strategy for B.C. should be determined by B.C. industry stakeholders. The main point is that there are lots of working models to learn from and adapt. Bill C-68 will soon provide

the DFO minister with the legislative scope to initiate a significant shift in Pacific region policy.

We strongly encourage this committee to recommend to the minister the development of owner-operator, fleet separation, and adjacency policies appropriate to British Columbia fleets and fisheries.

Thank you.

• (1610)

The Chair: Thank you, Mr. Williams.

Now we'll go to Ms. Sutcliffe, for seven minutes or less, please.

Ms. Tasha Sutcliffe (Vice-President, Programs, Ecotrust Canada): First, I want to thank all of you for doing this study. Many, including me, are hopeful that this will result in positive change in B.C. fisheries.

I've been here before, but for those who don't know me, I lead the fisheries program at Ecotrust Canada. I care deeply about the issues being discussed here, and not just because it is my job. I have worked in fisheries for the past 30 years, beginning with deckhanding on my father's boat.

I want to start by addressing questions from earlier proceedings about corporate control and concentration in licence ownership.

First and foremost, this is extremely difficult to track, even for government, due to the lack of transparency in the licensing system. However, through an information request to DFO for 2017 data, we can see that of the 345 licence and quota holders in the groundfish trawl, halibut and sablefish fisheries, the top 26, or 7.4%, hold 50% of the quota value, and the top four, or 1.2%, hold 50% of all the quota pounds. We can also see that the majority of groundfish quota pounds are not fished by owner-operators. They are held by processors, overseas companies and even fishing family companies that for the most part no longer fish the majority of their quota.

As for overseas investment, besides a few large companies, this is very hard to trace, but there are examples. For instance, you may have heard of the recent scandal with money laundering through gambling and real estate in B.C. We traced one company that has been investing in groundfish and now owns 5.9 million pounds of quota. The director of this company is the same overseas investor named in newspaper articles on money laundering through casinos and real estate in Vancouver.

The key point here is that this is a Canadian public resource, and yet it is extremely difficult to confirm who owns the licences and the quota, never mind the level of control and benefit that is left flowing to fishermen, first nations and adjacent communities.

These patterns are occurring across many fisheries, and we know this is just the tip of the iceberg. We can't determine the full level of concentration and who is really making the money, because there are back-end trust agreements and other mechanisms that hide the true beneficial ownership. There are multiple subsidiaries of listed companies that are nearly impossible to link up, and there are fishermen attached to licences and quota who have no real ownership and certainly are not getting the value of those assets. Because we have no owner-operator or fleet separation policy, there is no guarantee that the vessel owner and the quota owner are the same, or even that either of them is a fisherman.

Further, in a previous session, someone asked if you had to have a licence to hold quota. You do have to attach quota to a licence for species—for example, a halibut L tab—but you do not need to be a licensed, registered fisherman to buy those licences. Any investor from anywhere can set up a B.C. business, buy a halibut licence and quota, and attach them to someone else's vessel.

Another question raised is whether vertical integration affects landed value. Landed value used to be a proxy for income going into fishermen's pockets. Now, with increased leasing and B.C. buyer control over prices, this is far from being the case. In B.C., there are numerous examples of fishermen getting less than a fair share of their product's value. They are price-takers. In some cases, this is because so much of the would-be landed value goes out to leases, and in other cases it's because they are not paid landed value but rather a lower price per pound or, in effect, a wage set by the owners of the licences and the quota.

Here's an example, for sea cucumber, of how current policy allows landed value manipulation. Sea cucumber is landed for \$18 a kilogram and is then sold dried wholesale for as much as \$1,000 a kilogram. The vessel and crew get \$5 of that after leasing and monitoring costs, and they still have to cover expenses such as fuel. Even with the weight conversion, only a small fraction of the value—as low as 1% to 2%—goes to harvesters or stays in adjacent B.C. communities.

To be clear, processors are a critical part of the fishery. They add value to fish. They get it to market and create good local jobs, but as can be seen in Atlantic Canada, processors do not need to own all the licences and quota to be successful businesses and for the industry to thrive. In fact, a number of processors in B.C. are also being adversely affected by this system. To access supply, many processors have to purchase or lease quota at high prices and make it available to the vessels that fish for them. They are forced, too, to compete to maintain their supply, which can increase their costs and contribute to lease price inflation.

●(1615)

I want to take a minute to touch on the way forward. There needs to be a set of guiding principles for the process and objectives for the outcomes, such as PIIFFCAF has for Atlantic Canada. For example, principles should include that it must be a collaborative and

transparent process, and it mustn't adversely affect conservation objectives, as others have said.

The tools and practices from the current system, such as monitoring and leasing bycatch species, are all still doable under a policy framework that puts licences and quota in the hands of fishermen and their communities. It does not have to be at the cost of conservation outcomes. It needs to avoid harm to active fishermen and those entangled in the current system. A 70-year-old harvester who has fished for 50 years but can't afford a boat or a licence before he retires must not be pushed out of the fishery. There also needs to be consideration for those who, to secure their fishing livelihoods, become over-leveraged in the current system. It also needs to support first nations' reconciliation objectives in fisheries.

Ecotrust will submit more detailed recommendations for policy and program options to improve outcomes, but I'll say here that key elements to consider include the following: made-in-B.C. owner-operator and fleet separation policies that, by definition and terms, meet the unique needs of each fishery; a fish harvester loan board to help provide affordable access to capital that does not hinder independence; locally designed community and/or harvester-led licence banks that may act as a transition support, help new entrants or those who can't afford to buy in, or provide an alternative means of community access where needed; a finite timeline with clear, stated outcomes, one long enough for people to get out but not so long that we lose more capacity and community assets; an easily accessible and complete public registry of all licence and quota holders that identifies the true beneficial ownership; and an environment where fishermen have real representation, as they do in other provinces, and where speaking out for change does not compromise one's livelihood.

The system is complex, and change must be thoughtfully made, but this is not an excuse not to meet that challenge. The current licensing policy is not working, and time is of the essence. Policy must be developed that ensures that the benefits of our seafood resources stay in our communities. The cost is too high not to.

My written brief, which I'll submit, includes further evidence to support what I've presented here, and I hope that it supports the change, much needed in our Pacific coast.

Thank you for your time.

The Chair: Thank you, Ms. Sutcliffe.

We'll now go to Ms. Bendickson, for seven minutes or less, please.

Ms. Cynthia Bendickson (Executive Director, Greenways Land Trust): Good afternoon, everyone.

My name is Cynthia Bendickson, and I am the executive director at Greenways Land Trust, in Campbell River, B.C. Greenways is a small environmental charity that supports a food security network for the Strathcona Regional District.

Thank you very much for inviting me to speak to you today as part of the review. This issue is incredibly fascinating, and I am heartened to see our government taking an interest in it.

Fisheries management on the west coast touches on much of the global economic discourse that has taken place after the 2008 financial crisis on globalization, capitalism and inequality.

I first came to be aware of the socio-economic issues in our local fisheries management when I was hosting community meetings to develop a food security needs assessment for Island Health. The purpose of this assessment was to determine what assets each of our communities had in terms of enabling people's reliable access to sufficient, safe and nutritious food.

Food security has many definitions, but often included is the concept of sustainable food systems that ensure that the food we consume is produced or harvested in such a way that it can continue forever. Well-managed wild capture fisheries are an important component of sustainable food systems. They can produce a huge amount of high-quality, nutritious food indefinitely, as long as the fish and their ecosystems are protected and stewarded.

Current fisheries management on the west coast has encouraged large fishing companies at the expense of small, independent fishers. This has had a significant impact on the food security of coastal communities.

To illustrate this, I want to tell you about Tahsis, B.C. Tahsis is a remote coastal community on the west coast of Vancouver Island. It is located at the head of a mountainous inlet, and once you reach the mouth there is nothing but the Pacific Ocean between you and Japan. It is the epitome of the rugged west coast.

In its heyday, Tahsis was home to 2,500 people, a sawmill, a school and two churches. Like many of our coastal communities over the past decades, the changes in our economy have taken a toll. The sawmill closed in 2001 and most people moved on. Some people stayed, and newcomers have moved in, some attracted by low housing prices and others by the remoteness. There are artists, seniors and a few working families. Tahsis now has around 500 full-time residents and 1,500 during the summer fishing season.

There has been talk of some members of the nearby Mowachaht/Muchalaht First Nation coming back to live on their reserve near the community, but it is difficult for anyone to move to Tahsis because of the lack of jobs. However, the fishing is excellent and the village is trying to reinvent itself as an ecotourism destination.

Food security—particularly access to food—is difficult in Tahsis. After the closure of the Gold River grocery store three years ago, the

closest grocery store is in Campbell River, which is a three-hour, 150-kilometre drive away, with half of that on gravel logging roads over steep mountain passes.

Over the past decade, the community has pulled together to figure out ways to increase its food security. There is now a thriving community garden, a local food exchange, and the school has a breakfast and lunch program supported by community volunteers. The school participates in Farm to School BC, using produce from the community garden because there are no farms in Tahsis. New this winter, a dedicated group of community volunteers started a good food box program, bringing in affordable vegetables once a month for over 35 families.

When I held my first community meeting in Tahsis, over 20 people attended, which told me immediately how important food security is to the community. We discussed many things, but the main issue that piqued my interest was the mention of the lack of local seafood. How could this be? During the summer there are dozens of sport fishing boats at the docks, and there is even a small fish processing facility in the village so that the American and European tourists can have their fish processed before it is shipped home. This community had bountiful seafood right on its doorstep, much closer than the grocery store, and it was obviously interested in providing for itself.

It is illegal to sell or barter for fish caught on a sport fishing licence. If they couldn't afford a fishing guide like the wealthy tourists, their own licence would cost less than \$30. Why didn't they just go out and get some?

There are significant barriers, even with a licence being affordable. Fishing is expensive. A friend once told me that buying a boat is like standing in a cold shower and ripping up \$100 bills. After five years of owning my own boat, I'd have to say he was right. On top of that, there are rods, tackle, charts, life jackets, and so on. Once you've invested in gear, the investment of time is required, which can be considerable, especially if you lack local fishing knowledge and the knowledge needed to process and prepare your catch.

Once I understood these barriers, I wondered why there were no commercial fishers in Tahsis anymore. Many community members assured me that they used to be there. Why couldn't they just buy seafood from a local commercial fisher?

•(1620)

It was at that point that I really went down the rabbit hole of—I'm sure you've heard this part from people who are much more knowledgeable than I am—quotas, leasing, consolidation, vertical integration, increasing capital requirements, increasing efficiency, armchair fishermen, and all of this leading to a reduction in independent fishers—fishers who are part of the communities where they fish. This reduction in independent fishers is how this all links together.

Even a small seafood company is not going to be interested in directly selling their product in Tahsis. It is a tiny community that is literally at the end of the road. However, maybe there are some fishing families in the Mowachaht/Muchalaht First Nation who want to see more of their sons and daughters back out on the water in their traditional territory, selling locally and making a living from fishing. Maybe there's a young couple out there that wants to buy a boat, live in Tahsis, start a family and become fishers for their community.

Many small communities in Canada have farmers who make a living from selling at a farmers market or a roadside stand, so why is it that in Tahsis, which has almost no agricultural land but a bountiful ocean, fishers cannot make a living selling to their local community?

Tahsis is only one community that I have been able to illustrate in my very limited time here. My food security colleagues and I can tell you similar stories about Zeballos, Port Hardy, Tofino, Ucluelet, Sayward, and Alert Bay. The reduction in independent fishers has had a real and significant impact on the food security of these communities. Some communities are luckier. Cortes Island still has several fishers who sell locally, and Campbell River has a specialist seafood store at Fisherman's Wharf. However, with increased barriers to entry to fishing for independent fishers and the greying of the fleet, it is only a matter of time before the same issues spread into these communities as well.

I urge you to make changes to fisheries management on the west coast, so that independent fishers can thrive, for the health of our coastal communities and all Canadians.

Thank you.

•(1625)

The Chair: Thank you, Ms. Bendickson.

We'll now go to Ms. Blake, for seven minutes or less.

Ms. Analisa Blake (Project Manager, Public Health, Vancouver Island Health Authority): Thank you for the opportunity to contribute to your study of west coast fisheries. I'm here today representing Island Health. We are the health authority responsible for the island region, from Victoria in the south to Mount Waddington and Port Hardy in the north. This includes a large section of remote B.C. coast, accessible only by boat or air.

Recently, our provincial health officer issued a recommendation that B.C. adopt a “health in all policies” approach. I hope the information I am providing today will help ensure that health is factored into the design of any policy decisions made by this committee.

Island Health is a partner in the Island Food Security Hubs collective. This is a group of community agencies working with partners across the region to address food security and, ultimately, improve health. Food security is a complex systems issue. A healthy food system requires ideas and action from across sectors. It's through this cross-sector approach that the Strathcona food security hub, in 2014, identified access to seafood as a key concern for the north island. This spurred a chain of inquiry and action that has led me and my colleague Cynthia here today.

Cynthia has spoken to you regarding the incongruous challenge of the lack of access to fish in fishing communities. My colleague Helen von Buchholz will be speaking later on the broad health impacts stemming from the erosion of fishing economies on our coast.

The perspective I bring today speaks to the gravity of the impact of this policy on food security and nutrition. Food security means that healthy food is easy to access and that we all have the skills, resources, time and tools to make healthy food choices. In a healthy food system, people who supply our food can do so in a way that is both environmentally and economically sustainable.

We are food-insecure when we cannot reliably access the foods we need to live healthy and active lives—

The Chair: The lights are blinking. That means there has been a call for a vote in the House. I would ask for unanimous consent of the committee to hear the rest of her presentation. That will allow us to hear all witnesses in this particular group.

Mr. Blaine Calkins (Red Deer—Lacombe, CPC): Can we go for 15 more minutes?

The Chair: We have unanimous consent.

Ms. Blake, please continue.

Ms. Analisa Blake: We're food-insecure when we can't reliably access the foods we need to live healthy, active lives. Food insecurity varies across the income gradient, and it varies geographically. Thirteen per cent of those living in the island region face food insecurity, meaning they can't always count on getting the next meal on the table.

Canada's new food guide has excellent advice for a healthy diet, and fish figures prominently in the guide. It also notes the importance of food skills, including the skills to fish. However, Canada's current fisheries policy on the west coast has inadvertently created a situation in which access to nutrient-dense seafood is highly restricted, and which is eroding the skills, traditional knowledge and infrastructure that support fishing for both indigenous and settler populations.

In remote coastal communities, grocery stores are scarce, and fresh, healthy food on grocery store shelves is scarcer still. On the water, though, fresh, nutrient-dense seafood is abundant. However, whereas once local people could go to their local dock to purchase locally caught fish, today, due to federal fishing policy, this is no longer a reality. In the few communities where commercial fishing is still a viable industry, locally caught fish go almost exclusively to fish processing plants and then to the wider market, bypassing entirely the local community.

Fish is fuel for the people of our coast. Seafood is rich in many essential nutrients for health: protein, vitamin D, omega-3 fatty acids, calcium, iron and vitamin A. These nutrients are known to support bone and muscle health, eye and skin health, immune function, brain development and mental health. They play a key role in disease prevention against cancer, stroke, heart disease, infection, arthritis, dementia and cognitive impairment.

Why does this matter for coastal communities? I'll give you a few examples.

For one, remote communities on the island face increased levels of child vulnerability. One in three kindergartners in B.C. starts school with vulnerabilities that inhibit development. Malnutrition in the early years can dramatically affect brain function irreversibly. This is where fish can help with the nutrients that support brain development.

Another example is that mental health trends are worsening in B.C. One in four islanders faces mental health challenges that affect their ability to cope with stress, work productively and engage with their communities. Fish can help here, too, with nutrients that support healthy brain function.

One more example is that B.C. faces a crushing burden of illness in our aging population, and many seniors in remote communities must leave their homes to receive the level of care they require for complex chronic conditions. Fish consumption can prevent or delay the onset of many of these illnesses, allowing more seniors to age in place.

Besides nutritional impacts, the experience of precarious food access, in and of itself, is highly stressful and takes a serious toll on health. Higher rates of food insecurity are linked to lower rates of self-reported health and mental health, and higher rates of obesity as well as mood and anxiety disorders. Can you imagine the feedback loops of increasingly unhealthy populations stemming from these problems? The fallout from these generates staggering costs to society and to the taxpayer.

I hope it's clear by now that any change in policy for west coast fisheries must contain measures that will remove barriers for locals who wish to access locally harvested seafood. I hope it's also clear

that those involved in the commercial fishing industry must be able to generate sustainable incomes adequate to ensuring their own food security.

You might be starting to see by now that local economic development through good fisheries policy could have many health-promoting benefits, not just for fishers but for fishing communities on the whole, and that, conversely, poorly designed policy is actually harmful to community health and wellness. A comprehensive health impact assessment would add an important dimension to this inquiry and could help to further inform the challenging decisions you have ahead of you.

Thank you.

• (1630)

The Chair: Thank you.

We have approximately nine minutes left, so we can probably have three, three and three. We could do nine minutes of questioning—three minutes, three minutes and three minutes.

Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.): Mr. Chair, I move that we suspend right now, go to the vote, and then we hear from the other witnesses. We don't know if we're going to be interrupted again, so I think it would be wise to hear from everyone first.

The Chair: The vote is not going to be any faster. We did agree to extend by 15 minutes, and we still have nine minutes left in that 15 minutes.

Mr. Pat Finnigan: What's the order? Is everybody going to have the same opportunity?

The Chair: Yes, they will each have three minutes.

I thought you wanted to ask a question.

Mr. Pat Finnigan: No, that was a suggestion.

The Chair: We did unanimously say we were staying for 15 minutes. We have nine minutes of questioning available.

Mr. Hardie, you have three minutes.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you very much.

For the people on video conference, if you can answer this question, please make your answers short.

Is there available quota for all available licences, or do we have more licences around than we have quota to fulfill, at least in terms of coming up with, if you like, livable income for somebody?

Who wants to start with that?

Mr. Jim McIsaac: I'll start, if I may. Last year, there were 45,000 tonnes of unfished quota. That was above and beyond what we harvested last year in terms of what was allocated or identified as total allowable catch for British Columbia.

Mr. Ken Hardie: Why would that be? If everybody is looking for quota because they want to go out fishing, why was so much quota left unclaimed?

• (1635)

Mr. Jim McIsaac: It's because it's in the hands of a few, because it's harder to find—there's no bank or repository where you can go and identify that—and because people will want money for it.

Mr. Ken Hardie: Ms. Sutcliffe, I come to you on the issue of PIIFCAF. We've heard that some of the bands basically sell their quota or lease it on the open market. This seems not to be in line with what PIIFCAF was intended to do, which was to put fishing back into the hands of first nations communities.

Ms. Tasha Sutcliffe: I think you're referring to PICFI.

Mr. Ken Hardie: Yes, I'm sorry.

I had an east coast flashback there for a second.

Ms. Tasha Sutcliffe: That's okay. They're very similar acronyms.

It depends on the CFE, community fishing enterprise. They have different models. Some lease out to the highest bidder, and some have very strict rules around prioritizing their own nation members. It really depends from one to the other. There are criticisms from many local first nation fishermen I know, who say they can't access local licences and quota because of the leasing to highest bidder model that occurs.

I am hesitant to speak to that in detail, since I do not work with all the nations. I mainly know from anecdote.

Mr. Ken Hardie: Answer briefly, Mr. Williams.

Mr. Richard Williams: Just to answer your first question, yes, there are fleets or fisheries in which there may be more licences than there are fish, or there are not enough fish to provide for them. There might be, but you have that on the east coast as well. The argument that we have to have open ownership because of the overcapacity is a false argument. The same problem has existed in Atlantic fisheries, in groundfish and so on, and has been resolved.

The Chair: Thank you, Mr. Williams.

Your time is up.

It's Mr. Arnold, for three minutes or less, please.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair. I'm going to be sharing my time with Mr. Calkins.

It's short, so I'm going to ask for a very short answer.

Mr. Williams, you referred to a report that DFO is going to be preparing. Can we clarify with the clerk if that report has been finished and if it has been provided to the committee? I didn't get the exact quote, but I believe you stated that the west coast fishery is too fragile for drastic change. Who said that?

Mr. Richard Williams: I listened to the testimony from Canfisco and the BC Seafood Alliance. Their commentary was that their

fishery is very complex in terms of the nature of salmon stocks, the nature of certain species mix and so on.

Mr. Mel Arnold: Thank you.

I'll pass it on to Mr. Calkins.

Mr. Blaine Calkins: Thank you very much, Mr. Arnold.

Cynthia, BOAT is an acronym for “bring out another thousand”. If you have a boat, get rid of it now.

Ms. Cynthia Bendickson: I want to.

Mr. Blaine Calkins: Mr. Williams, do you have a legal opinion?

I'm going to ask several questions, and you guys can answer at your own convenience. If the government actually implemented a seven-year transition period with some type of mandatory quota sale, do you have a legal opinion on what the department would be facing from the ownership?

For anybody who wants to answer this question, we've heard about foreign ownership of some of the quota and licences. Are there any other ways that you know of that foreign interference or foreign money is coming in to influence fisheries policy on the west coast?

Mr. Richard Williams: The minister has just won a series of legal challenges on the minister's ability to allocate licences, reallocate licences or make those changes. So far, the legal precedents are all—

Mr. Blaine Calkins: It's fine.

Does anybody want to comment on foreign ownership or foreign interference in the governance of fisheries on the west coast?

Mr. Jim McIsaac: It's happening.

Last year, for the known purchases of licences, there was \$60 million through the boat brokers here, and half of that was from foreign ownership or from foreign purchasers.

Mr. Blaine Calkins: Mr. McIsaac, if we adopted a similar model to the way Alaska runs its fishery, do you think the fishermen in the coastal communities in British Columbia would be better off?

Mr. Jim McIsaac: Certainly.

Mr. Blaine Calkins: Thank you.

Is there any time left?

The Chair: You have 30 seconds. You should make it quick.

Mr. Mel Arnold: Can you identify what country this foreign influence is coming from?

Ms. Tasha Sutcliffe: I can. It comes from a number of different places—

Mr. Mel Arnold: What is the nationality of the person involved with the money laundering, who you said also owns the quota?

Ms. Tasha Sutcliffe: They're based out of China.

The Chair: Thank you, Mr. Arnold.

Now, for three minutes or less, we have Mr. Donnelly, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

First of all, I want to thank all of our witnesses for their presentations today. I also want to apologize to our witnesses. We have a 90-minute session here with six witnesses, so that's 42 minutes of presentations, and now with this vote interrupting our questions, we have only a couple of minutes each to ask you questions.

I had questions for all of our presenters. I'm now going to have only two questions, and I'll start with Ms. Sutcliffe.

You spoke about tracking corporate control, and you suggested a public registry, I think. I'm wondering if that is one of your recommendations for a more accountable reporting of quota ownership.

• (1640)

Ms. Tasha Sutcliffe: Absolutely.

Right now, there's actually no reporting of quota ownership online by DFO. We had to get the little bit we did get through an ATIP request.

Mr. Fin Donnelly: I do appreciate that you've written your suggestions. Are those submitted to the committee?

Ms. Tasha Sutcliffe: They will be tomorrow.

Mr. Fin Donnelly: That is going to be my point for everyone who has presented today. I stress this to all of our witnesses. If you haven't already submitted recommendations to this committee, it would be very much appreciated if you could submit those. You can also submit background reports, which are important for our analysts to review, but the recommendations are also very key.

Mr. McIsaac, you mentioned "tools down", which was a comment about the government. Could you elaborate a bit more on the department's waiting and not going further and looking into the outcome of this study?

Mr. Jim McIsaac: The minister didn't want the department to be conducting the same study as the standing committee. Basically, the minister told the department "tools down" on doing that. The department was doing it in two stages. One was doing a background piece, and the other part was doing interviews, which was the second stage.

They downed tools on the interview part and just continued to do the background piece. The background piece should've been presented to you guys. It was to be presented to you. That was what we were told.

Mr. Fin Donnelly: Did they tell you this publicly?

Mr. Jim McIsaac: I have an email that outlines what they were to produce last year.

Mr. Fin Donnelly: Okay. I don't believe this committee has heard anything about that. We had department officials here and they did not mention that. Obviously, I think we need to bring the officials back and question them about why they haven't spoken about that.

Can you forward that email to the committee?

Mr. Jim McIsaac: I certainly can.

Mr. Fin Donnelly: Thanks very much.

Again, I'm sorry that we are out of time. I'm sure all of us would be asking more questions. I really appreciate your time today.

Thank you.

The Chair: Thank you, everyone.

Thank you to our witnesses. If they want to hang around, we are going to come back after the vote. Maybe when our next presenters present, we can ask questions of everybody.

Mr. Blaine Calkins: Mr. Chair, if we have any other questions, can we ask our witnesses to respond to them in writing? If we have them for our witnesses, would they be able to do that?

Would that be okay?

The Chair: Yes.

Mr. Blaine Calkins: I'd be interested to actually hear about why DFO is being very non-transparent about where the quota is.

Ms. Sutcliffe, if you could write back or give us a response, that would be great.

Mr. Mel Arnold: Can we just confirm that those questions and answers would be part of recorded evidence?

The Chair: Yes.

We will now suspend for the vote.

• (1640)

(Pause)

• (1720)

The Chair: Welcome back, everybody. We'll continue now with our meeting, which we had to suspend while a vote took place.

I want to welcome our witnesses, appearing both by video conference and in person.

Here in person for the second half of the session we have Seth Macinko, Associate Professor in the Department of Marine Affairs at the University of Rhode Island, and Cailyn Siider, Fisher, here as an individual.

By video conference, we have Evelyn Pinkerton, Professor at the School of Resource and Environmental Management, Simon Fraser University.

The Chair: I don't think we have the connection for—

The Clerk of the Committee (Ms. Nancy Vohl): She is there, but we lost the connection.

The Chair: She is there, and that's Helen von Buchholz. I may have beat that up saying it, and I apologize if I did. Helen von Buchholz is a student at the school of public health and social policy, University of Victoria.

We'll get started, and when we get that connection reconnected, we'll go back to that.

We'll start with Ms. Pinkerton for a statement of seven minutes or less, please.

• (1725)

Ms. Evelyn Pinkerton (Professor, School of Resource & Environmental Management, Simon Fraser University, As an Individual): I would like to talk about two things. One is the failure of the free market system in our fisheries. The free market system was intended to work under certain conditions, but these conditions do not exist in most Pacific fisheries today. Second, I'd like to talk about options for transitioning to an owner-operator/fleet separation system in the least disruptive way, based on ideas of B.C. fishermen and the world fisheries literature.

The free market system can work well when there is, number one, equal access to capital; number two, equal access to information; number three, a transparent auction-like situation. Instead, we have conditions in the ITQ system in which young fishermen cannot afford to buy either a licence or a quota because they don't have access to enough capital for either. We have lack of equal access to information, because ITQs do not go up for bid in an auction-like system, but instead are leased privately and increasingly through processors, with lessor or lessee not knowing what lease price is being charged.

Third and finally, ITQs are often held by shell companies and are gravitating offshore because fishermen are not required to reveal the ultimate beneficiary in their application for a licence. Corporate control of licences has enabled the export of fish to be processed abroad where labour is cheaper, causing the closure of fish-processing plants in Canada. The last major cannery in British Columbia was closed in 2016, and fish caught in B.C. waters are now canned in China, Vietnam, Thailand and Alaska.

If owner-operator/fleet separation is a viable alternative, how do we get there with the least amount of disruption? There are many good ideas from active fishermen who responded to an online survey of B.C. fishermen conducted in the summer of 2018 by the United Fishermen & Allied Workers' Union, UNIFOR.

There is a high level of agreement in this survey on three basic questions. Ninety-one per cent answered "Yes, in some fisheries" to these questions: "Would you support an owner-operator policy created to meet the needs of B.C. fishermen?" and "Would you support a fleet separation policy that prevented processors/buyers from controlling licences/quotas?" It's interesting that they say "in some fisheries", so maybe not all fisheries. The third question was "Should DFO hold an inquiry to change west coast licensing policy to benefit active fishermen and rural coastal communities?" Eighty-one per cent answered "yes", but they said that third party involvement would be crucial. They were a little hesitant about DFO controlling the whole thing.

Now, there are four major ideas that came out of this survey about how to do desirable change, and also from the fisheries literature. These ideas demonstrate that it's possible to design ways of moving to owner-operator without hugely disruptive consequences to corporate or fishermen ITQ owners.

I'll probably have time to talk only about one idea, which is licence and quota banks. In licence and quota banks, fishermen's organizations or communities have purchased ITQs, hold them in a quota bank and lease them out to qualifying community members at affordable prices that are much lower than the market rates charged

by most quota owners. This gives us options for dealing with both fishermen and corporate ownership of ITQs, under an owner-operator scenario.

Fishermen in the survey responded, with 76% saying that they thought this was a really good idea, worth exploring. They're familiar with the Northern Native Fishing Corporation, which has existed since 1982 in northern B.C., out of Prince Rupert, whose purpose is to allow fishermen stable access to licences. There were about 200 licences in this quota bank when three tribal councils bought the B.C. Packers rental fleet. The purpose is to allow fishermen stable access to licences at a moderate lease fee, without licences being treated as a commodity to be traded for profit by either fishermen or processors.

This model has been taken up around the world in a number of places. I'll just mention the Cape Cod Fisheries Trust in Massachusetts, which does this. They manage to lease out quota to small-scale fisheries for 50% of the market lease fee. There's a dock fish quota bank in B.C. that does a similar thing. There's a marvellous one at a very small scale in one community in Denmark, Thorupstrand, which has become very famous.

• (1730)

The one I want to talk about the most is the CDQ program in Alaska. It has a somewhat different way of handling this issue, but I think it could be easily adapted to a quota bank. When the Bering Sea and Aleutian Islands fisheries went to ITQs in 1992, 10% of the quota was reallocated to the communities, which were largely indigenous.

In the Alaska case, they didn't necessarily go to licences, although they could have. My point is that this is something that could be easily used in Canada as a way of repatriating fisheries to Canada. This was done, by the way, in Newfoundland and Labrador with a shrimp factory trawl fishery. When that fishery, which was within the 200-mile limit, was fished by other countries, Canada simply began to reallocate the fishery to onshore co-ops.

That kind of system could be used to reallocate percentages of fisheries, any percentage that people thought was fair, to quota banks, which would then release that amount of fish to owner-operators. This offers a very useful tool for thinking about how much—what percentage—of the fishery you want to reallocate, at what rate and at what time.

I'm not going to have time to talk about the other ideas, but I'll just tell you what they are. One idea is to talk about allowable quota ownership, how much quota ownership anyone could have. Another is allowable quota fees, if you're going to gradually phase out quotas, and—

The Chair: The time is up.

Ms. Evelyn Pinkerton: Okay.

The last idea was about the fact that we do now have a halibut fishery in Newfoundland and southern Labrador, in division 4R, that is managed in a way that is extremely beneficial for fishermen and would be worth looking at.

Thank you.

The Chair: Thank you for your presentation. With hope, anything you didn't get to say will come out in questioning.

We'll now go to Mr. Macinko, for seven minutes or less, please.

Mr. Seth Macinko (Associate Professor, Department of Marine Affairs, University of Rhode Island, As an Individual): Thank you, Mr. Chairman, and thanks to the committee. It's a real privilege to be here.

The chairman gave my present position at the University of Rhode Island. I had a slide show, but I guess that's been circulated to some of you. Hopefully I'll get around to explaining the title—it's inspired by a very famous paper by a very famous Canadian fishery biologist. I thought I'd start with seven slides. Math isn't my strong suit. I listened to all of the previous testimony, and a lot of people try to talk really fast, so I thought, if I just use seven slides, I think I can do it.

First, I'll talk about my background. Almost 40 years ago now, I dropped out of college to join a modern-day gold rush. The first picture is there in the upper left. I was with the crab boats out in Unalaska—or as some people know it, Dutch Harbor. At the top right, that's me. We're joking around, trying to signal to the skipper that it's a little too rough to fish. We didn't really wear a mask and a snorkel.

We wiped out the crab, and they closed the crab fishery for two years in the Bering Sea and the Gulf of Alaska. At the bottom left is another picture. I switched to shrimp fishing around Kodiak. We wiped those out, so it was two for two. I decided I had to do penance to the universe, and I went back to school. I got my undergraduate degree in England, and ultimately my Ph.D at the University of California, Berkeley.

I ended up working back in Alaska for the State of Alaska, and in the fourth picture there, that's the Anchorage Hilton. I like to show that especially to students. All fisheries management is about conservation and/or allocation, and usually it's about the former disguised as the latter. That's the place where most fish in the United States is caught—the Anchorage Hilton—because that's where they do the allocation. For over 20 years, I was on the Scientific and Statistical Committee, which is the mandatory advisory body to the North Pacific Fishery Management Council. I just ended that service last year.

One of the things that really motivated me throughout, certainly in my graduate studies but also the rest of my professional life, is on the

next slide there. This was a question that was asked by the then mayor of Kodiak, Alaska, who was also a fisherman, when they were proposing the forerunner of what we now know as the ITQ program in halibut and sablefish. Not many people know it, but there was an attempt to talk about that even earlier, in the early 1980s. Here's the mayor asking what the effect would be on the coastal communities. That single idea has followed me for the rest of my professional life.

Thinking about that, the effect on these coastal communities.... On the next slide, at the top left is a little place called Craig on Prince of Wales Island. Dr. Pinkerton just mentioned the CDQ program. I was on the National Research Council committee that reviewed the CDQ program. There's a little map of the communities. At the top right, that's what it looks like to fly out to Little Diomed, which is on the dateline. You land on the sea ice, and that's open water at the end of the runway, which is scraped on the sea ice. In addition to this interesting concern about communities.... The bottom right is where I tug on your heartstrings: the next generation. I'll come to that in just one second.

My background, all of my thinking, all of my concerns about this have taken place where there's been one dominating idea that's ruling our management philosophies all around the world, and that's the push to privatize. On the last slide, you see a very well-known textbook by a Norwegian fisheries economist, and next to it you see a report by the Environmental Defense Fund and the Prince's Charities—that's Prince Charles. It's a rather interesting title that I think bears some relevance to our subject here today.

That's just a quick background on me. Let me go back to my slides.

The second slide that I would have shown you was my summary of listening to all that has transpired. I went on your marvellous website and either listened to the testimony or read the transcripts. Here's a little summary: stick boats, foreign investors, 80% lease rates, prohibitive entry cost to youth. What I didn't put on that slide, and should have, is what I heard at least one of you ask: How did we get here? The other thing that is just startling is this stark difference in the policy results between Atlantic Canada and British Columbia.

Number three follows from that. There's nothing new here. One of your witnesses said it's a worldwide problem, and it really is. Everything you're hearing in your hearings is being replicated around the world, where this push for privatization has occurred.

•(1735)

I'll just give you a quick story. Talk about stick boats.... Well, in Denmark, they have a famous case of an eight-foot dinghy that has over a million euros in quota shares stacked on it.

I put Tasmania in my speaking notes. I was in Tasmania about 10 years ago. They have an ITQ fishery there for abalone. At that time, approximately 60% of the quota was held by a single individual, an American. They invited me back five years ago. One of my first questions was, "Hey, does the American still own all the quota?" They laughed and said, "No, he sold it to the Chinese."

This is what I mean. What you are seeing is not an accident. It's a worldwide pattern.

Number four, my fourth slide.... I've come to the conclusion now that you can sum up modern fishery management with the catchphrase, "Make feudalism great again." I heard it in the testimony of previous witnesses. People we used call fishermen now refer to themselves as sharecroppers.

The other way of summarizing what you're dealing with is my other little phrase: "Stealing from the future". I had my wife help me translate this into French. She's French. She originally came back with "stealing the future". I said, "No, I want 'stealing from the future'", because that's what I think is going on.

Number five is that this is not an accident. It's not an unintended consequence. It's the intended result. In the speaking notes, which I've circulated, there is a guide to a film by a Danish filmmaker called *The "T" in Fish: Reform of the EU CFP*. In that little film, they interview the architect of the Danish ITQ system. He summarizes the pattern we're talking about—concentration, high cost—and he says, looking straight into the camera, "This is a result of the regulation, and this is the intended result." Then he's followed by the Danish minister of fisheries, and she says, "We don't want to interfere in the free market." This is what I call market fundamentalism, and that supports what Dr. Pinkerton was talking about. These are intended consequences that we're witnessing. I commend that film to you.

I showed you the cover of the Prince Charles and EDF report. What's really interesting is the title of the first chapter in that report: "Introducing fisheries as investable propositions". That's where we're going, worldwide, with this privatization logic. Bring in Wall Street. That's what you're hearing testimony about.

Number six is the slide that I put in to answer the question, "How did we get here?" We got here following an ideology masquerading as science, and what I call a failure to distinguish the tool from the ideology. This is all coming out of fishery economics. A large portion is coming out of the University of British Columbia. We've been going down this road for 65 years, ever since the famous paper by Scott Gordon.

My title is inspired by a 42-year-old paper by Peter Larkin, in which he said there are two extreme paths that could be followed for fisheries, which both rely on an underlying political philosophy. The extreme path we've been going down is the privatization path. The failure here is to distinguish the tool. The tool is just pre-assigned catch. That's all it is. You could do this through a public leasing model. All of this talk about rights-based fishing and property rights—that's the ideology.

• (1740)

The Chair: Okay.

Thank you, Mr. Macinko. We've gone way over the allotted time.

Mr. Seth Macinko: Okay. I'll stop.

The Chair: Hopefully, anything you didn't get out will come out in the line of questioning.

We'll now go to Ms. von Buchholz, by video conference.

You're up next, for seven minutes or less, please.

Ms. Helen von Buchholz (Student, Public Health and Social Policy, University of Victoria, As an Individual): Thank you, Mr. Chair.

I'm here today as an individual, and my perspective is based on my experience both as a project manager for public health in Island Health and as a student in the master's program in public health and social policy at the University of Victoria.

My presentation here reviews the health impact assessment done as part of a course project to identify potential impacts of the current west coast fishing policy on the health of both individuals and communities. The three steps I will touch on very briefly are screening, scoping and appraisal.

I'm going to go through screening really quickly. It sounds as if this has been the topic in a number of conversations. The manner in which the ITQ system was implemented in B.C. back in the 1990s allowed a speculative market to drive up the cost of licences, making it difficult for most independent fishers to buy fishing licences. Today, most local fishers lease and, as the previous speaker said, the price can be as high as 70% to 80% of the catch. After operational costs, often very little is left over for the local fisher to live on. Along with this, along our west coast we've seen closures of companies, low wages and precarious work, and many young fishers have left their communities for alternative work. Subsequently, local businesses that once relied on the revenue from the local industry often close.

Now I'm going to zip into my second step, which is scoping. This is where I dug in a little to my background in public health.

Regarding the impact on health and hypothetical pathways, during this step of the HIA I did a literature review and identified that, as we all know, greater levels of poverty were associated with communities where there were industry closures, job loss and precarious employment. Perceived job insecurity reduces job satisfaction and impacts the physical and mental health of individuals, families and communities. A couple of hypothetical pathways worth noting came up in the evidence and the literature.

Precarious employment, job loss and long-distance commutes to work and school led to work-related and personal stress, strained family dynamics and less social and cultural connection with the community. This was found to lead to a couple of things. One was increased cardiac risk factors, such as higher blood pressure and high cholesterol, and there tended to be a decrease in physical activity. All this can lead to higher rates of fatal and non-fatal heart attacks, depression and anxiety, work-related injuries and higher rates of death overall. In a study of a small B.C. town following industry closures, Oncescu et al. found a fraying of the community's social support system. I really love that term. The aspects that are vital for a rural community to survive.... It made it more difficult to sustain a rural lifestyle.

Poverty disproportionately impacts certain groups, leading to disparities and inequities. The greatest impact is felt by some of our most vulnerable populations, such as our children, seniors and those with the lowest incomes. For example, I am going to touch a little on our children, and I hope it will come full circle and make sense. We know that poorer children have poorer health, and children from low-income homes often have less access to social and health services, poor housing conditions and a lack of healthy food. They often have highly stressed parents and higher rates of protective care. This can all lead to decreased connection to the community and a low sense of worth, leading to low performance in school and early substance and tobacco use. Among children from low-income homes, we see higher numbers of infant deaths, chronic illness like asthma, teen suicide, mental illness and lower education rates, which perpetuate the cycle of poverty. I know we all have heard about the social determinants of health.

In step three, the appraisal part, I went to the local health area data and looked to see if what I found in the literature and the evidence lined up in our local west coast fishing communities.

• (1745)

Before I start in on that, I want to acknowledge that there are multiple intersecting factors that impact health. I'm not making any claims of causation. However, the local data did highly align with the findings in the literature. Residents living in B.C. communities impacted by fishing industry closures and precarious employment experience greater negative social determinants and poorer health as compared to Island Health and B.C.

Just before I proceed, I want to acknowledge that, while I love data, some of the local data may actually be a little difficult or painful for some people to hear.

Here goes the data dive. When compared to Island Health and B.C., residents living in rural fishing communities.... Those I looked at most carefully were the communities along the west coast of Vancouver Island, also known as the Pacific Rim, the Mount Waddington and Port Hardy area, and Campbell River. The residents living in those communities and outlying areas had higher incidence of chronic diseases, including asthma, diabetes and ischemic heart disease, and a higher incidence of mood and anxiety disorders and depression. They had a higher prevalence of standardized all-cause mortality, death by suicide, and alcohol and illicit drug-related deaths.

We also found in the data—again comparing to Island Health and B.C.—higher levels of unemployment, families living in poverty and children and youth in care, and a higher number of residents living in homes in need of major repairs.

There were also higher rates of infant mortality. As we know, infant mortality is an important indicator of the overall wellness of a community and has a strong positive correlation with disability and adjusted life expectancy. This is something that is very close to my heart. In Campbell River, the infant mortality rate was 4.7 per 1,000 live births, which is considerably higher than the Island Health rate of 3.8 and the B.C. rate of 3.0.

It is important to note that on the west coast the rates are now quite low. However, this was following an extensive effort to improve infant mortality, including a baby bed program, of which I was one of the instigators. That was in response to an infant mortality rate of 5.7. Many of these infant deaths were actually sleep-related deaths, which are deaths in otherwise healthy infants.

I'm not sure how I'm doing here for time.

• (1750)

The Chair: Actually, you're a minute over time, so I have to end it there.

Ms. Helen von Buchholz: Okay.

The Chair: Maybe anything you didn't get out will come out in the line of questioning.

We'll go now to our last presenter.

Ms. Siider, you have seven minutes or less, please.

Ms. Cailyn Siider (Fisher, As an Individual): Honourable Chair and members, thank you for having me here today to speak.

My apologies for not being here earlier in the month with the other young fish harvesters—and older fish harvesters—but I'm grateful for this opportunity today.

Thank you, as well, to the other folks on this panel for sharing your time with me.

Most of you have heard me speak before, though that was some time ago, so please allow me a moment to reintroduce myself.

I'm Cailyn Siider, a fifth-generation commercial fisherman from Sointula, B.C., a small fishing community situated in Kwakwaka'wakw territory between northern Vancouver Island and the mainland.

Since speaking to this committee last April, I've been fishing prawns in area A, or Hecate Strait, catching Dungeness crab, longlining for halibut, and trolling for salmon. That was all within my four-month window between fall and winter semesters at university, where I'm finishing a degree in peace and conflict studies, with a focus on conflict transformation and transformational justice.

Last April, when I travelled here to speak, it was in support of Bill C-68. This time it is to speak to the study on the regulation of west coast fisheries, although, as with my last visit, I come here to speak about my experiences of, and reflections on, west coast fisheries policy.

As we speak, my dad, sister, and cousins are building nets and tending to our family punt in preparation for the herring season. My mom and her partner just finished two back-to-back live cod longline trips. My stepbrother and my partner are both preparing for the start of the area B crab fishery on March 1, albeit on different boats.

To describe my family as one of active fish harvesters may be an understatement. Despite commercial fishing being our livelihoods, our involvement is not purely economic. We are fishermen. It is our identity, our culture, and the backbone of the communities to which we belong. I also think it's important to note that my family are not just active fish harvesters—they are also independent licence and quota owners of salmon, halibut, raw fish, shrimp, crab, and herring. As both active fishermen and licence owners, they recognize the fundamental feelings and inequity inherent within the current licensing system. It is a privilege to own fishing licences and quota, and I believe it is a responsibility to recognize that privilege and address inequity where it exists.

My fishing experience, and that of my family, is not academic; it is lived. It is my mom teaching my sister how to hang nets. It's my dad fishing my great-grandpa's sockeye sets in the straits. It's teaching my nieces how to peel crab or dig clams, and it's me spending my last school summer trolling out of Masset, setting gear in the same deep waters and swells my grandpa did, waiting for a smiley to jerk on a line. This intergenerational knowledge and our shared livelihoods are what our communities have been built on, and it's what we're in danger of losing.

By now you're all familiar with the collection and complexity of problems that we face in west coast fisheries. I do not believe that I have much to add that has not already been well articulated by many others, so I'll try to keep my conceptualization of these issues brief.

The problems that many of us brought forward to you through the past year centre on the corporate privatization of fishing resources on the west coast. This has been the result of public fisheries policy that has systematically removed access and benefits of the fishing economy from indigenous and coastal communities and placed them in the hands of a few.

The problems that have been continually presented to this committee do not exist in isolation from one another. Prohibitive lease prices, the issue of marine licences, vessel length restrictions, problematic advisory processes, lack of a framework for succession plans, decreased community access to fish, socio-economic and cultural losses due to this access—all these are intended, or unintended, symptoms of larger systemic problems at play. A

system built upon privatization that has the principle of privatization institutionalized within its structure is not designed to benefit the majority of independent fish harvesters or their communities. This institutionalized privatization targets our communities, not just by eliminating our access to a livelihood but also by disrupting our social fabric. Our lives and livelihoods have become externalities of the system.

● (1755)

I'll be the first to admit that fishermen sometimes disagree—one fisherman may assert that the tide has changed to an ebb, and the next may counter that it's still flooding. It's in our nature to differ. It's this independence and inclination for dissent that make us fishermen, even if it's frustratingly so sometimes. We are so stuck within the current system that any hope of consensus right now is out of reach. We've been forced to play this game and to exist within this system of increasingly limited access for survival.

Fishermen have had to adapt to maintain what little sovereignty we have over our livelihoods, and people are worried to lose that little bit they have. Fish harvesters in our communities have well-founded historical reasons to be skeptical of policy change in Canada. Too often these processes have been top-down approaches that have proven to be disastrous for coastal communities, furthering our marginalization and erasure.

Some folks and entities have adapted well to the current system, but while they recognize their success as an indication of a meritocratic system that works, many others have worked their entire lives to fight over what scraps are left. That being said, it is by no means an us-versus-them scenario, which I hope to demonstrate in explaining my family's involvement as both harvesters and licence and quota owners. Any potential change needs to happen responsibly with mitigated or little harm to those who are entrenched within the existing system.

The well-being of our coastal communities is inextricably tied to access and adjacency to the ocean. Privatization and corporate ownership of fishing is an act of dispossession and displacement and fundamentally disrupts this connection.

If the committee has recognized any consistent themes regarding west coast fisheries policy, it's likely that it's a complex issue. Rather than focusing solely on the complexities of these issues, which can be overwhelming, it may be useful to work backwards and understand core sets of patterns and dynamics that build this complexity.

Foremost in locating the roots of this complex issue is understanding it as a systemic problem that requires systemic and institutional change. This change needs to be truly constructive in that we need to shift relationships, whether at the federal level, within DFO Pacific region or just on the dock, from those fear-based and destructive relational patterns to ones of mutual respect and proactive engagement. This isn't a specific recommendation for this committee but rather something for everyone listening in to think on.

As for some more tangible recommendations for the committee to consider, policy change, and the institutional change that it will foster, is essential to increasing and protecting the well-being of active fish harvesters in the communities to which they belong. Fisheries policy must focus on ensuring that the benefits of fishing resources remain in the communities and in the hands of harvesters who work and depend on the water. Owner-operator and fleet separation policies are a direct and tried means to this end.

Any policy changes must centre active fish harvesters within their respective fisheries. Every fishery is different, and though this adds to the complexity, it is integral that any change processes be bottom-up approaches designed by active harvesters within those fisheries.

The Chair: Ms. Siider, we're going to have to stop it there. We've gone over time.

Ms. Cailyn Siider: Okay.

The Chair: Hopefully, as I mentioned to other witnesses, anything you did not get to present to us may come out in the questioning. If not, we have your brief, or if we don't, please send it to us.

Ms. Cailyn Siider: I will. Thank you.

The Chair: Thank you.

We'll now go to questioning, starting with our seven-minute round.

For the government side, we have Mr. Hardie, for seven minutes or less, please. I will be very strict on the time.

Mr. Ken Hardie: I'm sure you will.

When we're looking at the issue we have here.... If, for instance, we did a transition to the owner-operator/fleet separation policy, there are two options there. One is to blow up what we have now, and I don't sense there's much appetite for that. I don't think we want to severely damage the people who've bought into it in good conscience. We can certainly talk about transition, which is what Professor Pinkerton and Professor Macinko mentioned, or we can bring back free market conditions to the current regime.

I'm wondering, Professor Pinkerton, what you would think about the option of bringing back basically free market conditions to the current division of activities and wealth.

• (1800)

Ms. Evelyn Pinkerton: The free market system is so far from what we have that I wouldn't be hopeful that we would do it successfully even if we tried. I'm not enthusiastic about a valuable public resource such as a fishery being managed by the market.

I like the system of licensing they have in the Maine lobster fishery, where a fishing licence, a lobster licence, is not considered a

commodity. It is leased out by the State of Maine to fishermen. When a fisherman retires, the licence goes back to the state. The state then either eliminates it, if it thinks there are too many licences, or it reallocates it to somebody in line for a licence. I think that's a much better way to handle licensing.

Mr. Ken Hardie: I'm sorry, but I have to interrupt. I do have a few more questions here.

Ms. Evelyn Pinkerton: Okay.

Mr. Ken Hardie: What you're saying here is that in Maine, the state actually continues to own the quota and is basically just the broker. Is that it?

Ms. Evelyn Pinkerton: That's right.

Mr. Ken Hardie: Okay.

We also heard about another way of approaching this. Again, it's predicated on the current system but going to what they call a "fair share". In other words, you have an agreement in advance about how much the quota owner gets, how much the processor gets and how much the fisher actually gets. Is that a viable thing? I would throw that open to anybody who wants to speak to it.

As a further question, should that be based on the dockside price that the fisher gets or the price that the processor gets when it's shipped out of the plant? I'm wondering if anybody has any thoughts on that one.

Seth or Cailyn, did you want to take a run at that?

Ms. Cailyn Siider: I don't think I'll comment on the price. I do think that fair share agreements are appropriate, particularly as part of a transition plan to, say, an owner-operator and fleet separation policy.

Mr. Ken Hardie: All right

I'll ask just one final question in order to leave time for other folks. It's about a "use it or lose it" policy with respect to licences and quotas. We heard from the previous panel that something like 45,000 pounds of quota went unused in one fishery last year. If it's not put on the market and used, should it just simply go away? To sort of encourage people.... I have a licence; make sure someone is using it. I have a quota; make sure somebody is fishing it.

Who wants to weigh in with thoughts on a "use it or lose it" type of policy? Hands up on the TV.

Okay, Seth, come on.

Mr. Seth Macinko: You could certainly do that. There are some places that have done that. It pushes your policy, I suppose, in the right direction. I don't think it will get at the root of many of the other things you're discussing here or the problems that people are bringing to you.

I bit my tongue for your first couple of questions—

Mr. Ken Hardie: I know you did.

Mr. Seth Macinko: —but with all due respect, I think you're proposing putting a band-aid on a flawed system. I think you need to treat the root cause.

The Europeans started going down this road. What you're doing with these systems is what I call mandatory wealth forfeiture. These are public resources. I think you're tinkering on the edges. It doesn't address the fundamental problem.

Mr. Ken Hardie: I appreciate that. Thank you.

The Chair: Thank you, Mr. Hardie.

I inadvertently forgot to mention that there are some witnesses still left from the earlier presentation. If those witnesses would like to sit at the table in case there are questions for them, they are more than welcome to do so.

We'll now go to the government side...or the Conservative side.

An hon. member: The future government side.

The Chair: Oh, maybe in six or eight years—maybe.

At any rate, Mr. Arnold, you have seven minutes or less, please.

Mr. Mel Arnold: Thank you, Mr. Chair. I might share my time. I don't have a lot of questions right now.

Ms. Siider, you're based in the northern Vancouver Island area. How far north do you fish?

Ms. Cailyn Siider: To the Alaskan border.

• (1805)

Mr. Mel Arnold: Only to the Alaskan border. How close do the Alaskans fish to our border?

Ms. Cailyn Siider: Pardon me?

Mr. Mel Arnold: You only fish to the Alaskan border.

Ms. Cailyn Siider: Yes.

Mr. Mel Arnold: How close do the Alaskans fish to our border?

Ms. Cailyn Siider: I think they're just on the other side of the line.

Mr. Mel Arnold: Would I be right in assuming that there's a lot of competition for potentially the same fish?

Ms. Cailyn Siider: Well, yes. We have bilateral treaties because we fish the same stocks.

Mr. Mel Arnold: Typically, on those migrating stocks, who gets first go at them?

Ms. Cailyn Siider: I don't know that I can speak appropriately to that. That comes through those bilateral treaties, the Pacific Salmon Commission treaties.

Mr. Mel Arnold: Okay.

Is there anyone else in the group who would be able to say who gets first access to those migrating fish?

Ms. Tasha Sutcliffe: It would depend on the species and the fishery.

Mr. Mel Arnold: Let's say it's a migrating salmon stock.

Ms. Tasha Sutcliffe: If the migrating salmon stock passes through B.C. waters first, then we would get first crack at it. It doesn't necessarily relate, though, to the share of the fish or the allocation.

The Chair: The bells are ringing. The lights are going again.

Can I ask for permission to continue, as we did in the last session, for 15 minutes, to 6:20 p.m.?

Mr. Blaine Calkins: You'll get no argument from me, Chair.

The Chair: I didn't think I would, sir.

Is everyone in agreement with that?

Some hon. members: Agreed.

The Chair: Okay, we'll continue.

Go ahead when you're ready, Mr. Arnold.

Mr. Mel Arnold: Mr. Calkins, would you like to go?

Mr. Blaine Calkins: Sure, I'll take a shot at it. Thank you, Mr. Arnold.

In Alberta, just as an example, if a forest management agreement is signed between a forest company and the Province of Alberta, there's a stumpage fee that requires a royalty to be paid by the forest company to all Albertans, because the resource belongs to all Albertans. I'm sure it's the same case in British Columbia.

We have the same issue with all the other natural resources we have across the country. I ask this question as somebody from Alberta. Do fishers, fish harvesters or anybody along the line pay a fee because the resource in the ocean belongs to all Canadians? Is there any fee that's collected by the people of Canada other than licensing fees for the resource? Is there a royalty that's collected for the resource, for the salmon, halibut and other fish that belong to the people of Canada?

Is this a trick question? It's not, right? Am I correct?

Ms. Tasha Sutcliffe: I know nothing about that. I believe there are some fees on salmon that go back to a few different organizations. I believe they're split between [*Inaudible—Editor*] and the Pacific Salmon Foundation, but—

Mr. Blaine Calkins: Is it like a check-off fee for the salmon enhancement programs, or something like that? Is that what it is?

Ms. Tasha Sutcliffe: Not directly. I'm not sure.

Mr. Blaine Calkins: Interesting.

Ms. Cailyn Siider: When you purchase a personal fishing licence, you have to make a donation—

Mr. Blaine Calkins: —to the salmon enhancement fund. Is that a recreational fishing licence?

Ms. Cailyn Siider: No, that's a commercial fishing licence.

Mr. Blaine Calkins: Okay.

Ms. Cynthia Bendickson: It's recreational, as well.

Mr. Blaine Calkins: I know I do, for recreation. I'm one of those crazy Albertans who come out and catch halibut and salmon, and I have really good time doing so. Sport fishing is completely different from commercial fishing.

I'm just asking the question. I see the resource as a public resource, as I think many people at the table actually do. I think this committee is seized with some pretty difficult questions right now about whether this resource is being appropriately utilized to the benefit of Canadians, rather than other interests. I think that's the question we're seized with here.

I'm very concerned about this resource, actually. I'm concerned, as an Albertan, for a number of reasons. One, I can't seem to get a pipeline built because of the chinook salmon stocks and southern resident killer whales. This is something that concerns me, because if we had more salmon we'd have a healthier killer whale stock and the pipeline issue might not be quite the issue that it is right now. I need to get to the bottom of this, as an Albertan. This affects all Canadians. It affects all walks of life. This is how all of this stuff is interrelated.

In the first set of witnesses we had earlier today, some talked about a program over a seven-year span, for example, where we actually get back to taking the quota and licences and putting them back in the hands of Canadian fishermen, where the owner-operators of the fishing fleet actually own the quota, rather than leasing it from other interests.

My question for the new witnesses who are here, whether they be from Maine, Canada or wherever, is whether we should actually go down that road. Is that what you're advocating for? Seth, Cailyn, Helen, and everybody else here....

Is that the model? I hear that the model in Maine is quite different. The quota actually belongs to the state. I'd be curious to find out if the State of Maine actually gets a cut of the quota, or is it simply passed onto the fishermen?

• (1810)

Mr. Seth Macinko: Maybe I'll go.

Fisheries are an anomaly in the world of natural resources, in my experience. In one sense, you're asking about what we call a resource rental. I was invited to give a talk at the Australian association of resource economists a few years ago, and they took me down there early. The first day at this meeting, they had a whole day debating not whether to collect a resource rent but how, in the mining industry, and it's the same thing you're talking about with stumpage on public forest lands or a grazing fee. They took a whole day debating the minutiae of how to do this, not whether to do it.

The next day was fisheries. I was on the panel. There were two North American fisheries economists brought down. The conversation immediately switched to how we could give it away to the initial recipients to let them collect the resource rent. That's been followed all around the world.

I'm not advocating.... There was a question about a transition. That's going to be difficult. That's part of the problem. You've already done this, so how do you reel it back in? People are trying to do that all around the world, or asking themselves how to do it.

You've heard over and over that most people who are on the water today, the people we used to call fishermen, are leasing. Who are they leasing from? They're leasing from the people we—I'm using this term collectively—gave it away to for free. You wouldn't do that with timber. You wouldn't do that with oil. You wouldn't do that with range lands.

Then you say, what if we somehow had a system whereby, instead of that, you were leasing from the current existing public owners? Dr. Pinkerton was talking about the CDQ program. They say, "Oh, you want to make fishermen pay." They're paying now. They're just paying the select few whom, for some reason, we decided to endow. One of the problems is that the professional fishery economists, who have been advising on policy for 65 years, have pushed for this privatization.

The Chair: Thank you, Mr. Macinko.

We go now to the NDP, to Mr. Donnelly, for seven minutes or less, please.

Mr. Fin Donnelly: Thank you, Mr. Chair.

We're obviously doing a review of the west coast fishery licensing system. We've heard many witnesses talk about the trend of increasing privatization of the fishery, and the inequity in the current system and this trend that's happening. We're hearing suggestions, and we've heard suggestions about how we might transition towards a new, fairer, more equitable fishery or way of managing.

I have only a short time and too many witnesses and too many questions, so I'm going to ask Dr. Pinkerton this.

In your presentation, you talked about onshore co-op, and I'm wondering if you could elaborate a bit more on the successes. That is what I'm looking at. We heard River Select talk about their co-op model on the lower Fraser. Are these successful ways of managing the fishery that this committee and this government should be looking at? Can you elaborate a little more in a couple of minutes?

Ms. Evelyn Pinkerton: We have an established record in Newfoundland and Labrador. There's a very old co-op on Fogo Island. There's the St. Anthony bay co-op, I think, in the northern peninsula of Newfoundland.

There's one in southern Labrador, but the name is escaping me at the moment. These take a number of forms. That particular one is in the form of co-operatives that own fish-processing plants and are creating local jobs. That's their focus. The Alaska CDQ model is more about people having the freedom locally to create many kinds of fisheries development, including owning licences locally, owning fish-processing plants and developing their communities.

The model that I was talking about especially and that I think is particularly interesting is the licence bank idea, which is like a co-op. I think "co-op" is a perfectly appropriate term to use, because it means some local organization or institution that is capable of holding and leasing out licences. In the long-established—since 1982—Northern Native Fishing Corporation, three tribal councils do it.

I think it's a very flexible idea, because there are many different institutions that could hold these licences or quotas and then lease them out at fair prices. It's done all over the world. I mentioned one in Denmark and one in Massachusetts. We have a small one in B.C. that's specific just to dogfish. I think it's a really useful, flexible model that can be enormously helpful in the kind of transition we're talking about.

The reason I mention the CDQ program is that it's also a very flexible model of how you can reallocate licences and quota, especially from the large groundfish trawl fleet, some of which is not Canadian-owned. You could reallocate from that fleet either to quota banks—which can then lease out the quota or licences—or to onshore fish-processing facilities.

It's an enormously flexible and valuable institution to consider, which I think this committee would find very valuable to consider. There's a whole lot of research and a whole lot written on it. I would be very happy to supply any information that you like. I'm sure that Dr. Macinko and others here could as well.

• (1815)

Mr. Fin Donnelly: Thank you very much.

Ms. Siider, if you could give this committee a top recommendation, your number one recommendation, what would you say that this committee should do in our report?

Ms. Cailyn Siider: Recommend an owner-operator and fleet separation policy.

Mr. Fin Donnelly: That's great. Thank you.

Mr. Chair, I want to use a couple of minutes to bring up an issue. I know that we're going to run out of time.

It was mentioned that the committee would get to discuss Bill S-203 in early February. It didn't happen, for whatever reason. We went on our riding weeks, and it's now February 20. Because of votes this evening, it seems that we won't get to discuss Bill S-203 in committee business—if that was possibly what was going to happen—which means that, again, we're not going to be able to discuss this topic this week. The earliest we can get to it now is the end of February.

Colleagues, we are running out of time on this bill. This comes from the Senate. I will remind you that first reading was on December 8, 2015. Second reading and referral to the Senate fisheries committee was on November 23, 2016. They held 17 committee meetings and heard from 40 witnesses. The committee report was adopted on April 26, 2018. It passed third reading on October 23, 2018. Here we are in 2019, and it looks like we're moving into March before we can even discuss it.

As you know, we're running out of time to get this in front of Parliament, hopefully to be voted on before we rise in June. I would implore us to consider this and to make some time—which won't be this week—for it next week. We have a lot of awesome witnesses, and this is a very important topic, but we also have to look at how we deal with this proposed legislation.

I've probably just used the five seconds I had left to encourage my colleagues to consider this for next week.

The Chair: We'll certainly see if we can fit it into the schedule to come up with an appropriate time to do that.

Before we run completely out of time, I want to say thank you to the witnesses who have appeared today, both in person and by video conference. On behalf of the committee, I do apologize for the interruptions for votes, but it's something we have no control over, and we usually don't know they're going to happen until they actually happen. We can't plan for that when we're lining up witnesses, unfortunately.

Thank you for your presentations. If there is anything that you haven't submitted, such as your speaking notes or whatever, please do that because we can incorporate that into the study.

The meeting is adjourned.

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