

(NEW) COMMERCIAL SALMON ALLOCATION FRAMEWORK UPDATE

Introduction and Purpose

The purpose of this appendix is to make you aware of proposed updates to the commercial salmon allocation framework (CSAF) under consideration and to solicit views you may have on these proposed changes. Advice received as part of the IFMP process will be considered prior to any decision by the Department.

For details on specific shares proposed by fleet, species and fishery production area and associated principles and guidelines for harvest proposed by the CSAB, please refer to the Commercial Salmon Allocation Implementation Plan in Appendix 7, Section 7.4.

In September 2013 as part of the Pacific Salmon Treaty Mitigation program, Fisheries and Oceans Canada started a process to obtain advice on updating the CSAF and to address deficiencies raised by commercial harvesters and First Nations. The Department engaged with existing advisory processes including the First Nations Salmon Coordinating Committee (SCC), the Commercial Salmon Advisory Board (CSAB) and interested First Nations for seeking advice on possible changes to the framework. The Department developed a Terms of Reference that provides the scope for the work. Discussions with the SCC and CSAB were completed at the end of January 2015. A summary of recommendations for proposed updates to the CSAF suggested by the two groups are noted below.

- For background information including the Terms of Reference on the CSAF work see: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>.
- Summaries of each phase of this work, including submissions from the SCC and CSAB on proposed updates can be found at the following links:
 - Phase 1 report (<http://www.dfo-mpo.gc.ca/Library/353131.pdf>)
 - Phase 2 report (<http://www.dfo-mpo.gc.ca/Library/354370.pdf>)
 - Phase 3 report (*under development; when completed this report will be available at - <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>*)
 - SCC and CSAB recommendations: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>

What is the CSAF?

An Allocation Policy for Pacific Salmon (<http://www.dfo-mpo.gc.ca/Library/240366.pdf>) outlines how DFO prioritizes salmon for conservation requirements, First Nations requirements for food, social and ceremonial purposes, and recreational harvest, as well as, outlining how the salmon are shared among commercial salmon fisheries. The part of the policy that outlines how the commercial allowable harvest (after accounting for conservation, First Nations FSC requirements and recreational sharing arrangements) is shared among commercial salmon fisheries is referred to as the 'commercial salmon allocation framework' (CSAF).

The current CSAF is an arrangement that shares the total value of the annual commercial salmon harvest to achieve a coast-wide ratio of 40% seine (Areas A and B); 38% gillnet (Areas C,D and

E); and 22% troll (Areas F,G, and H). Each of the 5 salmon species is converted into their value relative to sockeye (sockeye equivalents). The total value of all salmon species expected to be harvested each year (after making allowances for constraints, such as conservation of co-migrating populations) is determined and then divided among the A-H fleets. The intent is to achieve as close to the coast-wide gear shares (40:38:22) as possible.

Currently, commercial salmon licences voluntarily relinquished for transfer to First Nations through DFO programs (such as PICFI or ATP) and transferred to First Nations may be fished in existing Area A-H commercial fisheries. In addition, some of these commercial licences are held in the DFO inventory and used to provide economic access in First Nations fisheries.

Many commercial fishery participants, including First Nations, have raised a range of concerns that the current CSAF arrangements are destabilizing, do not include all First Nations economic fisheries, are not reflective of the current fisheries management practices, obstruct or prevent more preferred fishing approaches and could, in some circumstances, act as a disincentive to add value to catches. In addition, coast-wide gear shares have been very difficult or impossible to balance in most years given the fluctuating abundance of sockeye salmon and the inability to move Pacific Salmon Treaty defined chinook harvests from troll fleets to net fleets.

DFO role in process to update the CSAF

The Department began the update process based on concerns with the current CSAF raised by the CSAB and First Nations in order to obtain suggestions on addressing its deficiencies. The Department's role has not been to propose changes to the CSAF; rather its focus is to consider proposed changes to ensure that these are consistent with key Departmental objectives (specified in the Terms of Reference), policies, and programs. Following the process to identify potential updates to the CSAF, the Department will consider the advice received to inform a decision on any changes to the current CSAF. The Department has also advised that prior to implementing any potential decisions on updates to the CSAF, particularly around providing more flexibility to harvest shares will require an evaluation framework to be developed and used to ensure proposed approaches are consistent with Departmental objectives. DFO will lead the development of the evaluation framework with input from the SCC and CSAB.

The Department's broad interests are to support changes to the CSAF that can improve the long term sustainability of Pacific wild salmon, help commercial fishery participants achieve greater economic benefit, and create more resilient commercial salmon fisheries. More specifically, the Department will be evaluating possible outcomes against several objectives. This includes evaluating if the changes: improve compliance with conservation objectives; improve the stability of commercial salmon allocation arrangements; provide more flexibility to licence holders to adapt to uncertain business markets and fish abundance; assist in catch reporting and monitoring; and promote collaboration among licence holders, First Nations and the Department. In undertaking this work, the Department is directed by its policies, regulations and legal obligations and any outcomes from this initiative must be consistent with this direction.

What changes to the CSAF are proposed?

The SCC and the CSAB met separately to identify potential updates to the CSAF. Additionally, a series of meetings, with a small group of SCC, CSAB and DFO participants, explored areas of agreement on proposed updates to better understand the basis of any differences. A table was

prepared that identified the key elements of the changes being considered and compared the perspectives of the CSAB and SCC on specific issues (see Phase 3 report for details. When completed, this will be available at: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>). The following section condenses the key ideas in the small group discussions and provides a summary of the changes being suggested, including key considerations that were judged to be in common with substantial support.

It is important to underscore that this is a summary of the changes being proposed and is not a comprehensive list of all elements of changes sought by the CSAB and SCC – additional details and clarifications of proposed changes are contained in the Phase 3 facilitators report and individual submissions from the CSAB and SCC which will be available at: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>.

For simplicity, the changes to the CSAF that have been proposed by the SCC and the CSAB are organized into three categories:

1) *Stabilizing commercial shares* – an area where there is broad agreement on key elements, although differences in some areas remain. Specifically, feedback is sought on commercial allocations at the fleet, species and fishery production area level for a proposed 5 year period starting in the 2015 fishery.

2) *Flexibility to harvest shares* – a group of changes where the goals of the SCC and CSAB are similar but where operational uncertainty on how the changes will be implemented remains. Feedback is sought on proposed principles and operational guidelines that are proposed for considering additional fishery management flexibilities for harvesting shares by all commercial harvesters, including First Nations. Proposed fishery management flexibilities (if implemented) would also be subject to Departmental review using a consistent evaluation framework.

3) *Additional elements for discussion* – other potential updates where policy implications need to be further addressed or where operational issues still require more discussion. These details are not specifically outlined in the 2015/16 IFMP and are **not** being considered for implementation in the 2015 fishery. Further discussion and additional analysis will be required prior to any decision. For further details please refer to the facilitator's Phase 3 report.

(Boxed text: Proposed summary for the final IFMP, pending approval by the Department)

1. Stabilizing Commercial Shares

There is broad agreement among the SCC and CSAB proposals on changes to the CSAF which are aimed at stabilizing the commercial salmon shares. This includes moving away from the current coast-wide gear shares (i.e. 40% Seine: 38% Gill Net: 22% Troll) defined in sockeye equivalents to shares by species, fleet and fishery production area that are established for a multi-year basis. The following updates are proposed, although some details remain to be determined:

- Commercial salmon shares (specified as a % allocation of the allowable commercial harvest) should be assigned by species, fleet and fishery production area. Initial shares at the species, fleet and fishery production area proposed by the CSAB are provided in Appendix 7, Section 7.4 of the IFMP;

- Shares to apply for a 5 year period with provision for a review after year 4 to determine if adjustments should be made to Area A-H sharing arrangements in subsequent years. An earlier review could be considered if circumstances warrant by majority agreement of the commercial advisory board;
- Sockeye equivalents should no longer be used to adjust shares on an annual basis;
- Licences transferred to First Nations communities for commercial purposes, from an individual relinquished commercial licence, will be based on an equal percentage allocation of the allowable commercial harvest for all licences in that commercial licence area (i.e. Areas A to H); and
- A central, common tracking system to be in place to provide an open and transparent annual accounting of all commercial A to H licences/allocation; and, First Nation economic fishery allocations by each First Nations economic fishery.

Further considerations on *Stabilizing Commercial Shares*

Initial shares have been largely agreed to within the CSAB and supported by the SCC, subject to consideration of further feedback on the draft Integrated Fisheries Management Plan. However, within the CSAB there is some disagreement about the appropriate sharing arrangements for some fishery production areas.

The CSAB has proposed 3 additional fishery production areas for describing commercial sharing arrangements. In addition to the current 22 fishery production areas, three new areas have been proposed to better define sharing arrangements for troll fisheries limited by the Pacific Salmon Treaty including the WCVI Aggregate Abundance Based Management (AABM) chinook, Northern BC AABM chinook and the AB-line pink troll fisheries.

The SCC has generally agreed to these changes and has proposed the CSAB consider adding an additional fishery production area for a total of 26. This 26th fishery production area would result by dividing the Fraser river chum from the southern inside chum production area. This proposed change has not been agreed to by the CSAB and this issue remains outstanding.

Based on further feedback on the draft IFMP, a final decision will be made on the allocation arrangements and duration beginning in 2015. It is expected that annual post-season reviews will be conducted to consider how well the approved allocation arrangements have been implemented in commercial fisheries that season.

(Boxed text: Proposed summary for final IFMP, pending approval by the Department)

2. Flexibility to Harvest Shares and Integrated Planning Process

Both the CSAB and the SCC are seeking greater flexibility to harvest the shares that are assigned at the fishery production area level and/or are associated with voluntarily relinquished commercial licences transferred to First Nations.

The following principles and operational guidelines have general agreement among SCC and CSAB representatives:

- Greater flexibility, such as fishing location and methods, should be provided to harvest the shares; however, ‘one size does not fit all’ and each gear type through its area harvest committee or First Nations economic fishery should determine the best approach to harvest their shares;
- First Nations that have Area A-H licences may continue to fish those licences in the current A-H fisheries or they may choose to transfer the harvest share associated with those licences to a First Nation economic fishery. Under the SCC proposal, any First Nations economic fishery would have to be managed in coordination with other fisheries and would require approval from the Department (including proposed fishing method, location and time);
- A revised collaborative process is required to coordinate the collective interests of the A-H fisheries and First Nations economic fisheries in order to produce integrated fishing plans. A Terms of Reference for an updated commercial salmon advisory board that includes both First Nations economic fishery and CSAB representatives should be developed to clarify membership, roles and responsibilities, management functions, and other relevant features of the collaborative process. This could also include more local harvest planning processes as required;
- In-season transfers of shares among and between A-H and First Nation economic fisheries would be considered. These arrangements will be subject to operational guidelines for pre-season and in-season transfers (see the current *Interim Guidelines for Temporary Commercial Salmon Share Transfers, Appendix 7, Section 7.18*);
- Transfers between fisheries, including marine and inland areas, must account for similar stocks/species, as well as, any management adjustments that may need to be taken into consideration for transfers to inland areas;
- By-catch and stocks of concern (i.e. non-targeted species that limit target species access) will not be formally allocated at this time. Available impacts must be shared between all commercial fisheries, including First Nation economic fisheries, in the development of operational plans to allow every fishery reasonable access to its target species. Operational plans should be discussed annually through a collaborative process among all commercial fishery participants, including First Nations economic interests. The use of by-catch will require more discussion to further clarify how by-catch is best used under different scenarios;
- To have accurate, timely and accessible fisheries data, such that there is sufficient information for all Pacific salmon fisheries to be managed sustainably and to meet other reporting obligations and objectives; and
- Common standards to be in place for evaluating and approving flexibilities to harvest shares whether these are Area A-H or First Nations economic fisheries. Operational issues about how to operationalize harvest flexibilities in different areas has underscored the need for greater clarity and transparency in applying any of the proposed changes.

Further work is required to define principles and operational guidelines to ensure appropriate implementation of the proposed changes to the CSAF. The Department has noted its intention, to prepare an evaluation framework for assessing requests for additional fishery flexibility and

providing the objectives and criteria that would be used to consider any requests for harvest flexibilities brought forward. DFO intends to seek input from the CSAB and SCC on the evaluation framework.

Further Considerations on Flexibility to Harvest Shares:

The SCC proposal envisages that any First Nations that have Area A-H licence(s) may continue to fish those licence(s) in A-H fisheries or choose to transfer the harvest share associated with that licence to a First Nation economic fishery. This could result in First Nation economic fisheries in marine or inland areas based on shares converted from A-H fisheries. The relevant First Nations economic fishery (including any proposed fishing methods, times and locations) would need approval from the Department. Any First Nations fishery would have to be managed in coordination with other commercial fisheries (including A-H), on the same species and would have to meet Department requirements for stock assessment, catch monitoring, compliance and enforcement.

Similarly, the CSAB is suggesting that fleets in the A-H fisheries should decide how to best harvest their shares through harvest committee deliberations and thus have endorsed the view that “one size does not fit all” when it comes to how fleets may choose to harvest their shares.

(Boxed text: Proposed summary for the IFMP, pending approval by the Department)

3. Additional Elements for Discussion:

In addition to proposed commercial allocation arrangements within Appendix 7, Section 7.4 of the draft IFMP and those listed above in 2. *Flexibility to Harvest Shares*, there are a number of additional elements in the SCC and CSAB proposals where differences remain. These elements may have policy implications and require additional discussion, collaboration and analysis by commercial harvesters, First Nations and the Department.

Details are included within the original proposals received by both the SCC and CSAB which can be reviewed at: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>

Further considerations on additional elements:

Two areas have been highlighted in the SCC and SAB proposals where there is no agreement concerning the proposed change. The SCC has proposed that the current DFO practice for treating unharvested commercial allocations (catch not caught by a more seaward or downstream fishery) should continue. Specifically, unharvested allocations should be transferred to other fisheries, including First Nations economic fisheries, if it is no longer accessible to the original fishery. These arrangements would not require compensation. Conversely, the CSAB has proposed that uncaught allocations should be handled differently including conditions on when arrangements are required for the transfer of unharvested allocations, and whether or not there should be compensation to the fleet with the unharvested shares.

There is also a difference of views on the approach to dual fishing (the retention of fish for food, social and ceremonial purposes during a commercial fishery under agreed circumstances); the SCC has proposed that in FN economic fisheries that dual fishing should be permitted whereas the CSAB has raised concerns about fairness in the A to H commercial fishery and potential

conservation issues if impacts on stock of concern are increased if dual fishing is permitted. CSAB has recommended that the Department continue its' current approach to considering requests on a case by case basis.

In addition, there are some proposed changes that are principally matters best handled between DFO and the relevant group. There are several items that will need to be considered in more detail depending on the changes eventually adopted and more time will be required to clarify issues and resolve concerns. The SCC has proposed a separate management body/process to manage First Nations salmon shares including a proposed body ('First Nations' licensing board') to administer use of shares associated with relinquished commercial salmon licences from the DFO inventory or licences otherwise set aside for First Nations use. These matters will require further discussion with the Department and broader discussions may take place as required.

Finally, there are several areas, such as commercial licencing rules, in-season transfer rules, and rules for determining the circumstances when by-catch can be treated like a target species and so forth where discussions have commenced but not concluded. These, mostly operational matters, will need to be addressed over time subject to any approved updates to the CSAF.

Next steps

You may wish to comment on proposed changes to the CSAF based on the main points or principals introduced under the headings outlined in sections 1 (*Stabilizing Commercial Shares*) and section 2 (*Flexibility to Harvest Shares*) or on the initial allocation table (including number and type of production areas) in Appendix 7, Section 7.4 of the IFMP. Individuals are encouraged to contact CSAB or SCC representatives that participated in the process to gain a fulsome understanding of the intent and considerations that went into the recommendations.

Specifically, the Department is seeking your views on the following areas:

1. *Stabilizing Commercial Shares:*

- a. To what extent do you agree with the initial allocation plan proposed?
- b. To what extent do you agree with the proposed 5 year timeframe, subject to the criteria for review, for the allocations?
- c. To what extent do you agree with the 3 to 4 new production areas being proposed?

2. *Flexibility to Harvest Shares:*

- a. Are the general principles and operational guidelines proposed for considering additional flexibilities to harvest shares useful for guiding fisheries planning in future years)?
- b. Are there any considerations related to general principles or operational guidelines missing?

Those wishing to submit written comments on proposed changes to the CSAF can do so by mail addressed to Salmon Resource Management, 401 Burrard Street, Vancouver, BC V6C 3S4 or by e-mail to Cynthia.Johnston@dfo-mpo.gc.ca.