
Potential Approaches to Mitigation under Chapter 3 of the Pacific Salmon Treaty

Presentation to the Integrated Advisory Group on PST
Mitigation

Nanaimo
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Review of IAG Purpose / Terms of Reference

- The Advisory Group's purpose is to:
 - Provide advice to DFO on the design and implementation of a mitigation strategy related to Chapter 3 (Chinook) of the Pacific Salmon Treaty.

- In doing so, the Advisory Group should consider and develop approaches that contribute to:
 - Mitigating direct impacts of the reduction in catch ceilings for chinook under Chapter 3;
 - Improving the short and long-term viability of salmon fisheries;
 - Opportunities regarding First Nations economic aspirations; and
 - Consideration of support industries and communities.

Review of DFO Principles

- Conservation and sustainable use are the first priority
- Obligations and commitments to First Nations
- Support for economic viability
- Focus on direct fishery impacts
- Stable resource allocation
- Value for money
- Transparency

Potential Approaches Identified by Advisory Group Members To-Date

Approach A: Permanent Retirement of Troll Licences (applied to all troll areas)

- Mitigation funds are used to permanently retire troll salmon licences across all three troll areas (Areas F, G and H)

Effort Reduction:

- Key elements of the mitigation program would be as follows:
 1. Conduct a licence retirement program for salmon troll licenses across all three troll areas
 2. Area Reselection: enable licence holders in all three areas to re-select their area of choice (likely after initial round(s) of retirements)
 3. Address the allocation impacts that arise from the reduction in catch and fleet by adopting a more stable allocation format such as fixed shares for each area

Approach B: Ten-Year Effort Reduction / Sustainability Plan for Area G Troll Fishery

Allocation

- Limit allocation impacts on all other areas and fleets by using pre-PST reduction Chinook TAC for pre-season planning and then remove PST reductions from Area G TAC

Effort Reduction

- Utilize mitigation funding across three categories:
 1. Annual mitigation for catch reductions to those Area G harvesters that demonstrate losses starting with 2009 (similar to US model)
 2. Annual effort reduction: voluntary vessel tie-up on annual basis
 3. Additional longer-term effort reduction: voluntary relinquishment of licences to be held in a "licence bank" by a holding entity

Implementation

- Implementation of the above could be overseen by an administrative body (including DFO, Area G, NTC and other WCVI interests)

Approach C: Licence Retirement Program for all Commercial Areas and Gears

- Mitigation funding would be used to permanently retire commercial salmon licences across all areas and gears
- Retire sufficient gillnet and seine capacity such that target allocations in Kelleher framework (22/38/40) would be achievable
 - Could also provide Area H with more predictable access to sockeye, pink and chum
- Use average of last ten years for valuation of salmon species
- Utilize all mitigation funds for licence retirement within one year (2010) if possible
- Could be applied in conjunction with implementation of fixed allocations by area and gear

Approach D: Convert Funds to Sockeye-Equivalents and Allocate Annually

- Divide mitigation funds into ten equal portions (one for each year of PST Agreement)
- Convert foregone harvest into sockeye equivalents (SEs) and use the \$30M for mitigation to compensate the fleet(s) impacted by the reductions
 - 2009
 - Area G would receive 10% of mitigation funds for 2009 season
 - Future Years (2010-2018)
 - In years of low chinook or high sockeye, troll sector would be allocated sockeye, pink and chum to meet target allocation of 22%
 - Mitigation funds for each year would be converted to SEs and allocated where needed to meet target allocations for each gear

Operational & Implementation Issues

- Area reselection
- Licensing
 - Active / Inactive Licences
 - Schedule II
 - Married Licences
 - Stacked Licences
- Allocation Issues
 - Issues Related to Commercial Allocation / Kelleher Framework
 - Area H
 - Implications of “parked” licences and/or vessel tie-up
- Implications for Share-Based Approaches
 - Concept of fixed shares
 - Restricted access