

## **Integrated Advisory Group on Mitigation under Chapter 3 (Chinook) of the Pacific Salmon Treaty**

Vancouver Island Conference Centre  
Nanaimo, BC  
27 May 2009

### **Summary of Discussion**

#### **MORNING PRESENTATIONS**

Presentations were made by three Government of Canada (GoC) departments: 1. Service Canada, 2. Western Economic Development Canada (WD) 3. Indian and Northern Affairs Canada (INAC),

DFO staff also provided updates on the US (Alaska) approach to mitigation funding, as well as the DFO-led process around mitigation in Canada.

1. Gordon Chow from Service Canada gave a presentation on programs and services that are provided that may benefit fish harvesters or affected communities. Highlights of his presentation included:
  - a. Employment Insurance (EI). Recent changes to the EI program include the extension of benefits by an additional five weeks; however, these changes do not apply to fish harvesters.
  - b. Aboriginal Human Resources Development Strategy (AHRDs). The program assists Aboriginal people to prepare for, find, and keep jobs.
  - c. Aboriginal Skills & Training Strategic (ASTSIF). The fund provides \$75 million over two years for Canada and one-third of the funding is going to BC, Alberta, Yukon and Northwest Territories. The fund will support short-term, focused initiatives designed to help Aboriginal people obtain the specific skills they require to benefit from economic opportunities.
  - d. Work Sharing Program. This program is an element of the Employment Insurance (EI) program and can be used in assisting businesses experiencing a temporary slowdown caused by factors beyond their control (e.g. economic downturn). It is designed to avoid layoffs by offering EI income benefits to qualifying workers willing to work a reduced work-week while their employers recover.

#### **General Comments:**

- It was noted that individuals and communities may need to review these programs in more detail to see how they may benefit fish harvesters, support businesses and communities.
2. Del Hughes and Garth Stiller from WD gave a presentation on three programs:
    - a. Community Adjustment Fund (CAF). The fund is designed to create jobs and maintain employment. Priority will be given to rural, single-industry communities. Due dates for initial applications are June 5, 2009 and June 26, 2009.

- b. Recreational Infrastructure Fund (RInC) .The purpose of this fund is to provide economic stimulus by increasing construction activity related to recreational infrastructure. The deadline for applications is June 19, 2009.
  - c. West Coast Community Adjustment Program (WestCAP). This program is aimed to increase economic activity and improve the quality of life in BC's fishing-dependent coastal communities. The goal is to encourage long-term, sustainable economy development and diversification in these communities in order to diversify local economies. Funding for successful applicants is provided in the form of a non-repayable loan.
3. Tracy Dunsford from INAC outlined three programs, including the following:
- a. Aboriginal Business Canada (ABC). This division supports Aboriginal business start ups by supporting the development of business and marketing plans.
  - b. Community Economic Development Program. This provides financial support for community economic development planning and capacity development initiatives, development of proposals and leveraging financial resources, and carrying out economic development activities.
  - c. Community Economic Opportunities Fund. The program provides economic benefits including more community employment, greater use of land and resources under community control, enhanced community economic infrastructure, more and larger community businesses, more business opportunities, and a better climate and environment for community economic development.

It was noted that partnership is a key element to these programs and that there may be a role for communities and non-First Nations in working with candidates who may be eligible to receive support through these programs.

#### General Comments:

- Some participants noted the need for a program directly related to mitigation for harvest reductions as part of the Pacific Salmon Treaty.
- Because most of these communities do not have capacity or expertise to write grant proposals, a comment was made that it would be helpful if federal departments could provide employees to go out in the communities to provide help in this area. WD noted that, in some cases, Community Futures or Northern Trust can provide that service. Further, it was noted that WD is holding two community workshops (one in Nanaimo and one in Port Alberni) for those needing information and support in drafting proposals and WD staff (including the presenters) are available to answer specific questions regarding the programs or submission of proposals.<sup>1</sup>

DFO provided an update on an action item from the last meeting regarding the US (Alaskan) approach to mitigation under PST. It has been reported that Alaska will be receiving some mitigation funding from the US Federal Government. DFO officials spoke with a representative from Alaska who noted that the Alaskan Government is still waiting for confirmation from the Federal Government that funding will be provided before initiating a

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<sup>1</sup> Note: the meetings in Nanaimo and Port Alberni were scheduled for the week of May 27 and have now been completed.

consultation or advisory process. Alaskan officials noted that the mitigation funding could not be used for licence retirement due to constitutional/legal constraints, but direct payments to harvesters would be considered. Alaskan harvesters have also expressed interest in using the money towards activities such as salmon enhancement, as well as fleet and vessel improvement. Any further updates will be provided to the Integrated Advisory Group (IAG) as they are received by DFO.

DFO also provided an overview (review) of the process regarding consultation and the development of a mitigation strategy. It was noted that the meetings of the IAG are the first stage in a longer process. DFO will be continuing to engage groups represented in the IAG process, as appropriate, throughout the development and implementation of a mitigation strategy. The following overview of the process was provided:

- The first stage involves consultations with First Nations and stakeholders through this Integrated Advisory Group (IAG) process and bilateral consultations (as necessary) on the design of a mitigation program (April – June). This process includes additional technical meetings, as required.
- At the conclusion of the IAG process, Felicity (facilitator) will provide a summary of the discussions including points of convergence and disagreement. This summary report will be distributed to all participants in the IAG and posted on the DFO website, and be used to inform the development of a mitigation program.
- Following consultations, DFO will review the input received and develop a policy proposal (including options) for a mitigation strategy for consideration by the Minister of Fisheries and Oceans. This process will include discussions with other government organizations (i.e. WD, Service Canada, INAC) and it will eventually form the basis of the Memorandum to Cabinet (MC).
- The MC is a document required for Government approval of all significant policy or funding initiatives. It is a high level policy document and will outline timeline, general principles and broad elements of implementation. DFO will share the outcome of the policy approval process with the IAG and the timeline for this stage of the process will be approximately October or November 2009.
- Once a proposal has been approved by the Government and depending on which option is approved, who is involved in the strategy, etc., DFO will initiate further consultations regarding the implementation aspect of the mitigation strategy. This is expected to take place during late 2009 and early 2010 with a goal of completing this work in 2010 in order to have the money flow to those impacted as soon as it is received from the US.

#### General Comments:

- The comment was made that reductions in the fishery are taking place in 2009; therefore there is an immediate need for assistance. There was a proposed resolution indicating that because some impacts are immediate and PST mitigation funds are still to come, the IAG recommends immediate action as a bridging mechanism to develop a mitigation strategy for those immediately effected. Potential actions could include extended EI, industry loans (including no interest loans), and using existing funds as well as identify new funds.

ACTION: It was noted that some participants were out of the room when the concept of a resolution was proposed. Therefore, the Area G representative will draft and circulate a proposed resolution.

ACTION: DFO will follow-up with provincial government (who is now responsible for EI) to provide information about their role and potential linkages to Provincial programs.

4. DFO made a presentation on two items: a review of salmon allocation (both the Allocation Policy and the annual process for harvest allocations) and an update on the technical work/analysis undertaken since the last meeting. The highlights were as follows:
  - a. Background of allocation policy for salmon which included explanation of allocation principles:
    - i. Sockeye Equivalents (SE) for the basis of the salmon allocation process, whereby all species are converted into a single currency (e.g. one chinook is equated to 3-4 sockeye, based on value, etc.)
    - ii. Each year, DFO and the CSAB review value of the various species, look at potential harvest levels and factors such as the number of licences in the various areas, then negotiate an annual harvest plan, including proposed allocations for the various areas and gears.
    - iii. In 1999/2000, DFO adjusted the number of commercial salmon downward as part of buy-back program. The Allocation Policy (1999) and Kelleher framework include a model (ratio) for adjusting the target shares for the various fleets based on changes in the number of licences.
  - b. Overview and update on technical work and a model developed by DFO and reviewed by a working group of the IAG:
    - i. DFO noted that harvest rates on Chinook salmon were reduced in 1999 (by about 50%) due to conservation concerns. In 2008 it was determined that harvest rates were still too high, which led to the negotiated reduction of 30%.
    - ii. Retrospective analysis prepared by DFO and the technical working group indicate that the impact of the 30% reduction is approximately 48,000 fish on average compared to the 1999 PST Agreement.
    - iii. The technical working group reviewed a model prepared by DFO that can analyze the impact of the 30% reduction a number of ways, based on a variety of assumptions, etc. The analysis indicates that (looking backward) the primary direct impact would have been on the troll fleet and Area G (i.e. only two years where additional SE's may have been transferred from the net fleet(s) to the troll fleet based on their target allocation of 22%).

#### General Comments:

- One participant commented that the point of the modeling exercise was to answer the question of where impacts were the greatest. Can we answer the question? Harvest rates are being reduced on the West Coast. The remaining question is what impacts are felt by the other areas and gears?

- A participant noted the need to clarify the purpose of the 1979-1982 base period and additional context for the PST; as well as the historical reductions in catch relative to the reductions in abundance. It was argued that there have been other reductions (so overall reductions have been in the order of 75%), therefore it's not proportional. Using the base period, the recent abundance of salmon are 25% less from the base period while the catch levels are not decreased by 25% but rather 75%.
- A comment was made that the issue of active and non-active licences needs to be discussed and clarified.

ACTION: It was agreed the technical working group may need to meet again to determine if the model needs to be modified or how it may be used to analyze options/approaches moving forward.

#### AFTERNOON DISCUSSION

Consultation Question for discussion:

1. What are the allocative impacts on commercial salmon fisheries resulting from the 30% reduction in the WCVI AABM TAC in new Chapter 3 (Chinook)?
  - a. For example, what options would be available should DFO and industry agree to adjust the allocation framework such that the impact of harvest reductions on the commercial fleet were limited to the troll fleet (Areas F, G and H) or Area G?
  - b. What are the possible implications of these options?

#### General Comments:

- A comment was made regarding the approach to the PST negotiations. Early in the process, DFO had underlined domestic conservation concerns, including the need to protect WCVI stocks, and that additional domestic reductions for conservation were anticipated. Estimates were that reductions in the order of 25% of the WCVI would be implemented by DFO, regardless of the outcome of PST discussions.
- The comment was made that this is not just an international negotiating issue, it was a Canadian conservation problem.
- A participant noted that, based upon the fact that the PST was signed with the WCVI in mind, this year (2009) it is essentially a WCVI issue; however, the question becomes what happens in several years time if theoretical changes come to fruition? How do we save them [other areas and fleets] from potential impacts?
- It was noted that we know the PST Chapter 3 (Chinook) is a 10 year agreement; therefore, can we deal with a certain set of scenarios? Can the group agree on conditions or principles and leave the details for later?

#### AREAS OF DIASAGREEMENT:

- The general area of disagreement is between those who believe the issue is one that applies only to WCVI/Area G and those who believe the PST reductions and the development of a mitigation strategy have implications for other areas and fleets.

- There is also disagreement about the potential for fixed shares. Representatives of the net fleet, for example, indicated some support for a “freeze” on allocations.

#### STRAW DOG PROPOSALS:

The facilitator proposed the use of ‘straw dogs’ options or approaches to be discussed and developed using the set of principles and questions outlined by DFO. The comment was made that these need not be based on consensus: a range of options can be considered and used to task the technical committee to see how these options might play out.

A brief roundtable regarding “straw dog proposals” include discussion of the following options/approaches:

- Fix shares by area and by gear and utilize the funding where the impacts are felt,
- Agree on a fixed share for Area H.
- Transfer the \$30M for mitigation into sockeye equivalents (SEs), track the impact of the harvest reductions on an annual basis and provide funding to harvesters in fleets where impacts are felt.
- Use a portion of the mitigation funds to permanently retire a portion of the Area H fleet.
- Move to an immediate area reselection and use the revised numbers of licences as a starting point.
- Maintain allocation as it is, broken down by species (i.e. do not reduce the troll share based on the PST reduction but use the 1999 Agreement TAC as a hypothetical starting point), determine the TAC, then apply the reduction on WCVI and use mitigation funds to compensate the fleet.
- Develop an ‘integrated allocation process’ - a process of accountability that takes into account allocation issues, the direct losses and potential losses and benefits; it also shows accountability/year.
- Permanent licence retirement in affected areas using a reverse bid buy-back.

ACTION: The group agreed that straw dog proposals/options would be committed to paper by the IAG members and sent to Felicity (cc’ed to Corey Jackson, DFO) by June 8.

ACTION: DFO and facilitator will compile the submissions and convene the technical working group to do some preliminary analysis in order to present the range of options on June 24.

Further follow up will be provided through email by Felicity.

Meeting was adjourned.

**Next meeting of IAG: 24 June, Nanaimo**

Attachment: Participant List

**Meeting of the  
Integrated Advisory Group on Mitigation under Chapter 3 (Chinook)  
of the Pacific Salmon Treaty**

**List of Participants**

**Vancouver Island Conference Centre  
Nanaimo, BC  
27 May 2009**

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Draft June 2, 2009