

PACIFIC SALMON REVITALIZATION

THE MIFFLIN PLAN

The Mifflin Plan is more than fleet rationalization and licensing measures, although media and other commentators mainly focus on these aspects and their impacts on people. It's a very comprehensive strategy aimed at taking decisive action on conservation, economic viability, fleet rationalization, allocation, and consultative mechanisms and at solving long-standing problems plaguing the fishery.

It is also a plan that will require concerted federal, provincial and community cooperation on habitat management and protection to ensure that the efforts we make to manage and sustain the resource bear fruit for future generations.

CONSERVATION

So let's first address the conservation dimensions of the Mifflin Plan.

Ocean Conditions

In addressing the challenges facing the Pacific salmon fishery, we first have to look at what's happening in the oceans. Changes in the oceans have a major effect on marine survival of salmon and may change dramatically the size of runs of returning adults. Despite our best efforts to protect fish in fresh water, events in the ocean which are beyond our control have major effects on the stocks.

Beginning about 1977, salmon production for most stocks increased dramatically in Russia, Japan, Alaska and parts of British Columbia, with the exception of Washington and Oregon salmon, as well as coho and chinook stocks in the Strait of Georgia. This

high production in the North Pacific is believed linked to changes in oceanographic conditions. In contrast, returns in Washington and Oregon have been poor, likely due to a major decrease in marine survival.

As an aside, it is interesting to note that in the Columbia river system, the USA has been spending up to 700 million dollars a year to restore stocks through hatcheries, waterflow regimes and habitat restoration. As a result of these measures there are a lot of young fish going to sea, but very few surviving, indicating a major problem with marine survival. This not only stresses the importance of ocean conditions in the salmon equation but this also indicates that we cannot spend our way out of the problems through enhancement and habitat restoration as some critics of the plan suggest.

We may be seeing the same signal in our Southern BC stocks as was seen in Washington/Oregon. Recent poor returns to the Fraser, in addition to recent low returns of chinook and coho, indicate that we might be facing more difficult ocean conditions and lowered ocean productivity. For instance, we have had an unprecedented event recently, two back to back El Ninos in 1992 and 1993 with exceptionally warm waters and associated predators on our coast and this has had a major effect on the survival of salmon going to sea as juveniles in those years.

In this current climate of uncertainty in terms of ocean conditions and marine survival, our scientists advise that we may be facing a regime shift in the ocean. A change in ocean conditions leading to lower productivity. We cannot bank on increase production to resolve the problems and in fact we have to be more cautious in our management approach in the event that there is indeed a long term trend towards decreasing productivity of salmon in the oceans. In other words, we have to set even more fish aside for the spawning grounds and, in so doing, to reduce risks to resource sustainability.

In conclusion, ocean conditions and marine survival are major factors affecting the availability of salmon for the future. Changes are taking place and the future is uncertain. This means that, as part of the Mifflin Plan, we must adopt risk averse approaches to management and place the highest priority on conservation. Maintaining stock viability and diversity will allow us to take advantage of more favourable survival conditions when they return.

Stock Management Strategy

The Mifflin Plan takes into account the uncertainty about the future productivity of salmon in the oceans. But it also takes into account the current state of the fleet and the current state of management. The need for an overhaul of fleet management stems from a number of critical and long standing problems associated with the current structure of the commercial salmon fleet on the west coast.

Over the past few decades, the catching power of the fleet has risen significantly as fishing gear and vessels have become more efficient. This poses management risks as the current fleet capacity makes it more difficult for fishery managers to effectively control harvest rates as fisheries are prosecuted and to control incidental catch of weaker stocks. The risk associated with management decisions increases with the growing capacity of the fleet. Managers have reduced fishing time significantly over the past decade with the result that little management flexibility remains. For instance, last year there were only a couple of 12 hour openings for the seines in Johnston Strait. Another important consideration is the impact current fleet management has on effective enforcement. Shorter, crowded openings increase the pressure to fish intensively and offer reduced

opportunity for industry cooperation. Increasingly complicated management plans reduce flexibility in enforcement planning and create increasing risks with the resource.

In light of those chronic management problems, the strategy of Minister Mifflin is to chart new directions for the fishery. The first component of this approach is to continue to apply a precautionary approach to management, to reinforce risk averse management.. Specifically, risk averse management involves using more conservative forecasts of major salmon populations so that the chance of the actual population returning at above predicted level is higher than populations returning at lower levels. It also means reducing or foregoing fishing opportunities where there is uncertainty about stock size or escapement estimates, in order to place less risk on the stocks. And finally risk averse management means providing additional escapement beyond the target levels to provide additional insurance against the inherent uncertainty in estimating population sizes. In short, risk averse management means putting buffers in the system. Buffers have been resisted by commercial fishermen because it reduces the quantity and quality of fish that is available in fishing plans for commercial harvest at the beginning of the season. It has been resisted by the aboriginals who share similar concerns, as well as Americans, because if you set a lower predicted return, the probable catch estimates for them during the season are by definition lower. But this is what saved the day on the Fraser last season when, as a result of the downgrading of the run, escapement buffers enabled us to achieve the third highest escapement target for this run on this cycle.

The second dimension of the future direction of the management strategy is controlling harvest rates. Time and area closures are the primary tools managers use in season to more precisely regulate the harvest rates. However there are situations where estimates of population size or stock timing are unavailable and there is a risk that stocks may be

over-harvested. Fishery openings must be designed to limit harvest rates to levels that do not adversely affect stocks.

In that context it also important to control the size of the fishing area. If an area is open it must be of sufficient size to permit harvesting with a minimum of congestion but not so large that over-harvesting may occur. This is one of the fundamental reasons why area licensing has been introduced. The department, as part of area licensing, will be reviewing all commercial fisheries to ensure that the impact of a single fishing opportunity will not place important stocks or groups of stock at risk.

Another key dimension we are tackling are interception fisheries. The further salmon are harvested from their stream of origin, the greater is the uncertainty associated with run estimates and other biological variables. While salmon populations will continue to be harvested in outside interception areas such as the troll fisheries on the west coast of Vancouver Island, Northern BC and net fisheries in Juan de Fuca and Johnston Strait - fisheries will be managed to ensure the correct harvest rate is applied in each fishing area, taking into consideration uncertainty over run size forecasts, biological impacts on the stocks and any other relevant factors. When management uncertainty is high, fishery harvest rates in general and specifically with interception fisheries, will be conservative in order to reduce the risk of over-harvesting populations.

Finally, under the stock management strategy that is the basis of the Mifflin Plan, we will also develop more species selective harvesting techniques. Managers will be examining and setting appropriate harvest strategies for existing fishing areas. It will be important that incidental catch levels be more strictly controlled. Special efforts to reduce the incidental harvest of stocks of chinook, coho and steelhead are required. As a result, net fisheries in mixed stock species fishing areas such as Area 1 in the Queen Charlotte

Islands and Area 20 in Juan de Fuca Strait to be reviewed to determine ways of continuing to further reduce the incidental harvest of non-target species. Furthermore, the department will be encouraging gear modification and alternative harvesting techniques to ensure that fisheries become more stock selective. For example, gillnet opportunities in both the Skeena River in August and the Fraser River in September and October are very limited due to the concerns of incidental catch of non target stocks. Under the Mifflin Plan, management decisions limiting these fisheries will continue. As well, we will be encouraging fishers to identify alternative ways of harvesting surplus stock without effecting non target stocks.

Effective implementation of these measures requires a smaller fleet.

Fleet Management in the Future

Area licensing and a reduced fleet are essential to achieve conservation and sustainability objectives. But the Mifflin plan did go further by changing the way commercial fisheries will be conducted.

Trollers are basically distance fishermen. If you look at the northern troll, in the information package that the Minister sent to fishermen, it is made clear that changes will be made to that fishery as a result of area licensing. In the information package, which I encourage you to study, it is stated that conservation concerns for West Coast Vancouver Island and a number of other chinook stocks in the northern and central portion of the coast will continue to impact on the northern B.C. troll harvest of chinooks. Basically we are telling the fishermen that their chinook opportunities will not be the same as in the past. Similarly, concerns for Skeena River coho will result in continued closures of areas to assist the rebuilding of those stocks. Consistent with PSC recommendations there will

be no directed troll fishery in the north for Fraser sockeye and pink salmon. Fraser sockeye and pink fisheries will be limited to assessment purposes. In short, there are major changes for northern trollers associated with area licensing. The same is true for other areas. In the Strait of Georgia troll, we have indicated to fishers that harvest opportunities for chinook and coho will occur only during the years of high abundance where levels exceed recreational requirements. In other words, there will not be a directed commercial coho fishery unless there is enough fish for recreational fishermen. However, access to Fraser sockeye and pinks will probably increase for Gulf trollers because we are going to reduce harvest rates on the stocks, up north.

In the gillnet fleet, West Coast Vancouver Island gillnetters for instance are told that we are going to control much more than in the past the incidental catch of coho, steelhead and other weaker stocks. We are going to work with gillnetters in all areas to develop more selective fishing approaches. For seiners, harvest of sockeye in Area 1 and recreational fishery impacts will be closely monitored. Fraser River sockeye opportunities in the north will be significantly curtailed.

So you can appreciate, by those few but important examples, that the department is basically reconfiguring the fishery and will probably expand on this concept over time. Reconfiguring the fishery to put less risk for the resource maximizes our chance of conserving stocks. This is very critical in a time when we are facing uncertainty in the oceans.

ECONOMIC VIABILITY

Now lets turn to the economic reasons why the Mifflin Plan is in place.

We have 4400 vessels licensed to fish salmon in this province. The cost of a small vessel has gone from \$50,000 to the present level of \$200,000. The cost of fuel has gone up stratospherically within the last 15-20 years. The cost of electronic equipment and gear has gone up as well. The cost of labour has gone up.

Costs have risen, but the amount of fish to be caught has not. The resource base is stable even though cyclical. In addition, risk management will require us to put less fish in fishermen's holds and more on the spawning grounds.

So costs have gone up, the resource base is tending towards diminishing and the prices of fish have gone down. Prices paid to fishermen have gone down systematically and there is no indication that they will go back up again. Consider a few examples. Between 1987-90 and 1991-94, sockeye prices have gone down by 28%, pink by 45%, chum by 53%, coho by 34%, and chinook by 39%. Chile sold almost nothing to the Japanese market four years ago, its farmed fish has now captured 17% of the Japanese market, the biggest traditional market for BC salmon. Norway's farmed salmon products have a stranglehold on the European market, the second biggest market for BC salmon. The Alaskans are blessed with ocean conditions that are incredible and last year they caught 220 million salmon. We caught 20 million. Because Alaskan production has been so high, it has had the effect of keeping the prices down. Today you can't give away pink salmon.

So the economics of salmon have changed dramatically and the fishermen who hope that prices and demand will rebound are dreaming in technicolor. We must reduce their numbers to put a little bit more of the harvestable surplus in the hands of those remaining in the fleet so that they have a better chance to make a decent living. In past years, on average, 25% of salmon fishermen in the industry did not break even. I am not speaking

of last year. Last year 45% of the fishermen did not make ends meet and this year, this will be the case for 65% of them. Over the long haul 25% of fishermen fishing for salmon did not break even and a significant number over and above that were making only a few thousand dollars and essentially depended upon UI benefits to augment their incomes. However, UI is being reformed and will be less available to fishermen.

These were the primary economic reasons the Roundtable said the fleet had to be reduced anywhere between 25-50%. They did not agree on the ways of doing it, but they all agreed action must be taken before the 1996 season.

So lets not forget the economic realities on which the Mifflin plan is based. Salmon fishing will not provide economic benefits for individuals and communities unless the size of the fleet is reduced.

FLEET RATIONALIZATION

License Retirement and Area Licensing

There are two major ways of achieving the necessary reduction in the fleet. The license retirement program will remove licenses from the fleet and, as a result, improve the average income expectations of the remaining fishermen. It is important to remember that the department will never allow fishing on major runs until managers are confident that there is harvestable surplus, that conservation needs are met and that Section 35 needs are met. But when we open up a fishery, the harvestable surplus will be shared among fewer commercial fishermen. Therefore, they will catch more fish per boat and put more money in their pockets than they presently are.

The second major means of reducing the size of the fleet is area licensing. Area licensing has critics. It has critics the same way that area licensing for herring had critics. But as we speak, people are making money in the herring fishery because we have restored the fishery from nothing to what it is now and made it more viable. We'll try to do the same for salmon. Area licensing will reduce the competition in each area and this will provide fishermen a better chance to make a decent living in their community. Area licensing will also lead to more decentralized management structures which has long been the aspiration of many people involved in British Columbia fishery. People want more input into management decisions. Area licensing and structures that grow with it will deliver that.

Impact On Communities

Communities will be decimated, critics say. But on what basis can they say that. Most of the licenses are in Nanaimo and the lower mainland. Isn't it probable that most of the license retired will come from those areas? It is as probable as the scenario that is painted by the critics. Area licensing will allow us to have more manageable, more easily enforceable fisheries, fewer boats, lower harvest rates, and more time for harvest. Harvesting the resource more prudently and reducing risk is the name of the game.

The fleet cannot be reduced through a buy-back along. It would simply cost too much. Having said that, there is no denying there will be impacts on individuals as the stated objective of the program is to reduce the number of harvesters to enhance conservation and industry viability.

Capacity Reduction

Some of our critics say that capacity will not be reduced. They are wrong. Capacity will be reduced. But first, let's remember that fishing will only be allowed when there is a

harvestable surplus and will occur only when we are confident that conservation needs will be met. That's our job

Having said this, capacity will be reduced because area licensing will mean less vessels in an area and license retirement, with the \$80 million fund, will remove units from the fleet.

The gillnet and troll fleets will be reduced through license retirement and area licensing. The seine fleet will also be reduced. Many older boats will probably be offered up for sale. But let's not forget that all the new boats were old boats. They came from licenses that were on older boats that were modernized. Inactive licenses will get out of the picture as well. But inactive licenses have this uncanny tendency of resurrecting themselves when there is more fish. These will be permanently removed from the fleet and there will be a reduction in the potential number of seines as a result. Finally, the seines will fish to an allocation that is not higher than their traditional share. Even if they are super powerful machines, they will be limited to the harvest that is allowed to them by the fishery manager.

In conclusion, capacity will be reduced as a result of the plan. As well, capacity will continue to be controlled through time and area closures. . So even if we had "nuclear" seines, they would need an opening to go fishing. It does not matter how powerful they are if they are tied up.

Impact On The Small Boat Fleet

Critics also say that small boat operators will be killed because they will lose access to fair shares of the catch?. Well, the shares of the gillnetter and troll will be protected. We

can't define the small boat share right now because combination boats, which make up about 700 of the small boat fleet, have to figure out whether they will gillnet or troll by May 24. Once those decisions are made, we will have a clear idea of the composition of the gillnet fleet and troll fleet. At this stage, we can assert the share of the commercial harvest allowed to those two fleet sectors will be around historical levels. Mr. Stephen Kelleher, the mediator appointed by DFO and CFIC, will recommend the long term commercial allocation plan by fall.

Critics also say that small boat operators must buy another license. Well, 40% percent of the gillnet fleet fishes one area. We are not forcing them out. Each fisherman has the choice to stay or to leave with compensation. Area licensing, strangely enough, may favour the small boat operator because it will limit the competition in each area. Having said all this, the plan's objective is to reduce the number of harvesters by half over time, and that's not something that anyone finds pleasurable. This is definitely not something that is popular. But in light of conservation needs the economics of the commercial fishery, decisive action must be taken.

ALLOCATION

Fleet rationalization will be achieved in a new context where allocation rules are clear.

We must resolve long-standing disputes over salmon allocation. Every sector deserves to know what stake it has in the future. Accordingly, the Minister has made a commitment to establish clear allocation policies for intersectoral catch allocations. Dr. Art May has been asked to provide advice on initial shares among the sectors and on clear policies and the rules to guide the transfer of shares from one sector to another over time. The objective is to ensure that transfers between sectors are carried out fairly, through a

transparent process and with appropriate compensation. Dr. May is expected to provide advice on compensation rules to make room for additional fish that may be required for Treaty settlement.

For the commercial sector this intersectoral allocation process is a critical one. For the first time, management of all sectors will be guided by clear allocation rules. It is important that all groups provide detailed input to this very important process before decisions are reached by the government.

Concern has also been expressed that the fleet reduction measures implemented in 1996 may lead to a reduced share of the harvest for the commercial fleet. The Minister has reiterated that fleet reductions resulting from the salmon revitalization plan will not be used to reallocate fish from the commercial sector to other sectors. While fleet reduction measures are necessary steps to improve both the conservation of the resource and industry viability, such action would be pointless unless the commercial fleet benefits from the productivity gains resulting from a smaller fleet.

Allocations within the commercial sector will be determined through the mediation work of Stephen Kelleher with the Commercial Fishing Industry Council (CFIC). This mediation process will develop long-term sharing arrangement for each gear type. It is not the department's intent to reallocate fish within the commercial sector. Regardless of the outcome of the license retirement and license stacking, the seine share of the commercial catch will not be allowed to expand at the expense of the gillnet and troll fleets.

And finally, when dealing with allocation it is also important to address the concern about allocation between the commercial fishery and the Pilot Sales Program under the

Aboriginal Fisheries Strategy. There will be no new pilot sales projects in 1996. Further, the policy direction is that sharing arrangements between the Aboriginal and other sectors will be based on percentages of the harvestable surplus (e.g., Native allocations on the Lower Fraser would consist of a base number plus a percentage of the commercial allowable catch which varies depending on run size).

CONSULTATIVE MECHANISMS

The final part of Minister Mifflin's plan is the need for stronger consultative mechanisms within the commercial sector and between all users. That is why, as a first step, the department will be working with the steering committee of the Roundtable towards the establishment of a province-wide Industry Board, complemented by improved area consultative structures that will match area licensing.

CONCLUSION