

Strategic Plan for Salmon Share Based Management

Vision

Nested within DFO's Strategic Plan Vision, Mission, Objectives and Outcomes, the following is the vision for salmon share based management (SBM):

Defined shares for the commercial salmon fishery to support integrated management so that all fishery participants can contribute to a sustainable resource and achieve economic prosperity

Principles

1. Conservation
The SBM regime must support the objectives of the Wild Salmon by enabling more flexible harvesting that targets stronger CU's and avoids weaker ones.
2. Consistency with treaties
The SBM regime must support the transfer of commercial salmon access to First Nations in a fair and transparent manner.
3. Integration
To support commercial fisheries that are managed under common and transparent rules, the SBM regime must support the transfer of commercial shares between and among First Nations and commercial fishing fleets.
4. Accountability
To ensure that conservation objectives are met and that commercial shares are being respected, all commercial fishery participants must conform with established standards and protocols for fishery monitoring and catch reporting.
5. Responsibility
All fishery share holders are responsible for participating in fishery planning and decision making processes to ensure that credibility and confidence in the SBM are maintained. Responsibility also extends to financially supporting the SBM regime.
6. Equal share
In the absence of a consensus recommendation to the contrary by commercial licence holders, all commercial licences will be assigned an equal share of the allocation for a particular fleet. This equal share can either be used for transfers to First Nations or for participation in SBM regimes.

7. Incremental

SBM is both complicated and contentious. The rate and form of implementation will be based on lessons learned from demonstration fisheries, the level of support of commercial fleets and First Nations, progress of necessary analytical work and the complimentary implementation of the WSP, enhanced monitoring standards and evolving First Nations policy direction.

Objectives

1. SBM Development

Key questions need to be addressed on the technical feasibility and key characteristics of an SBM regime.

- a. Shares of what? Is there a single answer to this question? Analytical work, including simulation model development, is required to evaluate options with respect to meeting WSP objectives and to test feasibility of moving shares among coastal groups and from the coast to inland locations.
- b. Individual or groups shares? Is it either/or, or does it depend upon the situation?
- c. How do we make effective use of commercial fishery “bundles” of shares in transferring shares of specific stocks or CU's to First Nations, including in large river systems like the Fraser?
- d. Fishery planning models are needed to enable collaborative IFMP development. Models need to include FSC and recreational fisheries in addition to commercial fisheries.
- e. Transferability rules are required between groups and individuals.

2. Enhanced Fishery Monitoring and Catch Reporting

- a. SBM requires a high standard of catch monitoring to instill confidence among participants that shares are being respected.
- b. Design of monitoring programs depends on the nature of the share; stock resolution, individual or group share.

3. Improved Co-management

- a. Collaborative management involving all holders of commercial shares is part of the SBM vision. Collaboration needs to occur at the appropriate scale to accommodate the full geographic and temporal range of the shares being managed. This will likely require a hierarchical co-management regime with nested geographic scales.
- b. Opportunities exist to build on emerging processes or to create new watershed scale processes to advance SBM in the Skeena, Somass, and Fraser River watersheds.

4. Implementation

- a. Commercial demonstration fisheries, conducted since 2005, have been instrumental in advancing SBM. This “learn by doing” methodology has permitted the testing of a variety of SBM approaches; ITQ, IEQ (individual effort quota), IQ, inter-fleet and commercial to FN. The scale and complexity of demonstration fisheries has advanced over time as fleets, First Nations and fishery managers become more comfortable with what works and what might be considered overly risky.
- b. Moving forward on SBM will require working with fleets that are less comfortable with SBM as opportunities present themselves, and encouraging First Nations to explore SBM options that may provide economic benefits to their communities.
- c. SBM will be implemented to the extent possible within existing legislation and regulations, however, there may be instances where changes may be required. Possible regulatory and legal changes will need to be identified and go through established processes.
- d. SBM will likely require policy changes that will require review and approval within DFO. Again, these policy changes will go through established processes.
- e. Resistant fleets will be influenced to adopt SBM as impediments are removed or incentives presented.

Motivation to Adopt SBM

The current circumstances in and the future prospects for the commercial salmon fishery are very poor. The fishery is facing significant conservation as well as financial and economic challenges and all of this is fuelling growing conflicts over resource sharing. There is general agreement that the management system needs to be reformed to address these many challenges.

Although there are key differences of opinion among the various interests in the commercial salmon fishery with respect to the establishment of individual quotas, there is general agreement that a better defined sharing system for commercial salmon harvest is needed. Better defined sharing of the harvest between different commercial fishing fleets and between First Nations and the all citizens fishery can provide more certainty and security for the established participants in these fisheries and a more effective facility to provide for transparent and mutually acceptable adjustments when they are required for conservation reasons and for social and economic purposes. This can directly contribute to improved conservation and financial performance, reduce conflict and encourage cooperation in the management of the fishery.

However, a new sharing system that is capable of addressing the challenges will be necessarily complex and it needs to be recognized that the required changes

to the fishery cannot be achieved over night. Although this will disappoint those that wish to move quickly, many details remain to be worked out and an incremental approach that fully involves all of the affected parties will be essential to designing and building a system that can work effectively and that is broadly supported by and has the confidence of the participants.

Since the announcement of Pacific Fisheries Reform in April, 2005, some fleets have been highly motivated to test new management approaches that are largely, but not exclusively, based on Individual Transferable Quotas (ITQ's) (Table 1). The Area A and B seine fleets and Area F and H troll fleets have worked with DFO fishery managers to design and implement a variety of innovative SBM approaches. Funding to support data management and to offset fishery monitoring costs in some cases has been made available to encourage these demonstration fisheries. In 2007 and 2008, PICFI has been the source of funding.

Prior to developing the 2009 Integrated Fishery Management Plan for salmon, DFO distributed a questionnaire to all commercial salmon licence holders to canvass their views on possible SBM demonstration fisheries for the up-coming fishing season. The results are noted in Table 2, and indicate that a significant majority of respondents from the Area C and D gillnet fleets did not want their Area Harvest Committees to be exploring SBM options, while at least half of the remaining fleets were interested in doing so.

Incentives

Effective implementation of SBM across all commercial fisheries will require buy-in from license holders. Any management regime works better and compliance is usually higher when the regime simultaneously meets the needs of harvesters and government regulators. Ensuring that the proper incentives are in place to encourage this outcome is extremely important. The following are key incentives to building support for SBM and demonstration fisheries.

1. Fishing Opportunities

SBM could provide commercial harvesters with additional fishing opportunities or the ability to derive benefits from their catch shares where identified TAC's are small or require greater stock selectivity than is possible in traditional fishing locations using traditional commercial gear. These opportunities are becoming evident in the Fraser and Skeena rivers as concerns for weak stocks lead to reductions in ocean mixed stock harvest rates. The implementation plan for the Wild Salmon Policy, particularly for Strategy 4 (integrated Fishery Planning), will have a significant influence on the motivation of commercial harvesters to adopt SBM.

2. Flexibility to Self-Adjust

Fishing opportunities will increasingly be defined by a strict TAC. Given the high cost of fishing and the quality demands of the market place, conducting fast paced competitive fisheries involving the entire fleet for a pre-defined catch target is anachronistic. A high proportion of the seine and troll fleets want some ability

to self-adjust to shape their fishing strategy to the available catch and the market place. This has been the primary motivation for the commercial demonstration fisheries conducted to date. Resistant fleets view the high numbers of inactive licences as a self-adjustment mechanism for the fleet.

3. Meeting Catch Monitoring Standards

A higher, more consistent standard for commercial fishery catch monitoring is required to sustain the fishery from an ecological and economic perspective. A draft standard has been under consultation since the spring of 2008, but has yet to be finalized, with no time frame for implementation. Meanwhile, commercial demonstration fisheries have all been exceeding the standard with 100 percent dockside monitoring and validation through a third party service provider. This type of monitoring is required in an ITQ style of fishery but is only affordable with the ability to self-adjust as described above. Fully implementing commercial catch monitoring standards is expected to stimulate greater interest in SBM among all commercial licence holders.

4. Transfers to First Nations

Treaty negotiations are but one of the methods through which commercial fisheries access may be transferred to First Nations. ATP and PICFI are two current programs aimed at transferring commercial access to qualified First Nations both inside and outside of the treaty process. In marine fisheries, this transfer is straight forward, as the First Nation communal commercial licence is fished under the same conditions of licence as the regular commercial fishery. However, for inland salmon commercial fisheries, the coastal licence must be converted into an allocation of fish. SBM, will provide a transparent method of making this transfer. Past methods, like converting historical catch associated with a licence into sockeye equivalent units has drawn criticism.

Keys to Influencing Resistant Fleets

1. Area C – Fishing opportunities will be increased through SBM as Skeena Watershed Initiative, WSP and IFMP insist on much reduced mixed stock ocean harvest rates on sockeye and chum salmon, and by-catch limits on steelhead. SBM will require transparent mechanism for transfer from coastal commercial to in-river First Nations fisheries, while maintaining aboriginal participation in the coastal commercial fishery.

ITQ's will be difficult to accept given public opposition to date by the UFAWU and the northern Native fishing Corporation (NNFC). Both Area C (196 of 658 licences) and Area D (56 of 355 licences) are heavily influenced by the NNFC, which is on record as opposing ITQ's.
2. Area D – As with Area C, fishing opportunities will be a key incentive, as will the ability to pay for new catch monitoring programs.
3. Area E – Potential fishing opportunities on small surpluses of all salmon species, particularly Chinook, may cause Area E harvesters to consider some

form of SBM, as will the potential loss of access to Fraser sockeye due to ocean mixed stock concerns. Historical opposition to government policies on First Nation fisheries (e.g. pilot sales) makes this group resistant to changes like SBM that may reduce their numbers. Further, the part-time nature of this fishery makes it difficult to effectively use economic incentives.

4. Area G – This is a highly polarized fleet divided into those who believe that fishermen should have to actively fish their allocation to benefit and those who support an ITQ approach. The elected Area Harvest Committee is dominated by the former group and has rebuffed any attempts by the minority to discuss demonstration fishery options with DFO fishery managers, in spite of the results of the survey in Table 2. Reducing the size of this fleet through the Pacific Salmon Treaty mitigation program may cause this fleet to reconsider.

Key Milestones

Please note that the following milestones are estimates based on the Department's current tactical approach to implementing fisheries reforms, including SBM for salmon, and the receptiveness of commercial licence holders and First Nations to adopt SBM. Fisheries management policy initiatives (e.g. MSC, WSP, RMSDF, PST mitigation, etc.), progress in developing new treaty negotiation approaches (PAFF) and strategic PICFI investment decisions will also influence milestone dates.

2009/10

1. Continue demonstration fishery support
2. Continue in-river feasibility
 - 1.

**Table 1. Commercial Salmon Demonstration Fisheries
Conducted from 2005 to 2008**

Fleet	Year	Description
Area A	2008	Full fleet, individual transferable weekly quota for Skeena sockeye and pink salmon based on in-season run size information and target weekly harvest rate.
Area B	2005	Partial fleet (40 vessels max.) voluntary, individual non-transferable quota for chum salmon in Johnstone Strait based on expected catch and effort in the open fishery and a highly uncertain approximation of run size.
	2008	Full fleet, ITQ for Fraser sockeye, with transferability permitted among Area B and H licence holders. ITQ determined in-season.
Area F	2005 - 2007	Partial fleet, voluntary, ITQ Chinook fishery under the Pacific Salmon Treaty allocation. Pre-season ITQ with possible in-season adjustment based on WCVI Chinook composition of the catch.
	2008	Full fleet ITQ Chinook fishery under the Pacific Salmon Treaty allocation. Pre-season ITQ with possible in-season adjustment based on WCVI Chinook composition of the catch.
Area H	2006	Partial fleet, voluntary, ITQ fishery for Fraser sockeye. Pre-season ITQ with in-season adjustment.
	2007	Partial fleet, voluntary, ITQ fishery for chum salmon. Pre-season ITQ with in-season adjustment.
	2008	Full fleet, ITQ for Fraser sockeye, with transferability permitted among Area B and H licence holders. ITQ determined in-season.
	2008	Full fleet individual transferable effort quota for chum salmon in Johnstone Strait, based on boat days of fishing associated with the target harvest rate for the fleet. There is no formal TAC for this fishery.

Note: Common features of all demonstration fisheries include:

- Dockside monitoring to validate landed catch was incorporated as an integral part of all ITQ demonstration fisheries and was paid for by the individuals participating. This also supports the broader objective for more timely and accurate fishery data.
- Data systems to capture quota transactions were developed for all demonstration fisheries and were used by DFO fishery managers and fishery officers to track the authorized catch levels for individual licence holders.

Table 2. Summary of Survey Results: reported to fleets on January 23rd, 2009**Survey Question:**

Are you in favour of your Area Harvest Committee working with DFO to develop a share based salmon demonstration fishery for your fleet for 2009?

Area A	Response		% of Surveys Returned
	Yes	No	
1) For Skeena River sockeye?	74.6%	25.4%	66%
2) for Skeena River pink?	74.6%	25.4%	
3) for any other species or stocks?	74.6%	25.4%	
Area B			
1) for Fraser River sockeye?	70.6%	29.4%	56%
2) for Fraser River pink?	70.6%	29.4%	
3) for Johnstone Strait chum?	70.6%	29.4%	
4) for other species or stocks?	70/6%	29.4%	
Area C			
1) for Skeena River sockeye?	14.0%	86.0%	61%
2) for Skeena River pink ?	13.2%	86.8%	
3) for any other species or stocks?	12.7%	87.3%	
Area D			
1) for Fraser River sockeye?	35.5%	64.5%	57%
2) for Fraser River pink?	29.5%	70.5%	
3) for Johnstone Strait chum?	30.3%	69.7%	
4) for any other species or stocks?	26.8%	73.2%	
Area E			
1) for Fraser River sockeye?	52.4%	47.6%	39%
2) for Fraser River pink?	53.1%	46.9%	
3) for Fraser River chum?	46.6%	53.4%	
4) for any other species or stocks?	51.1%	48.9%	
Area F			
1) for North Coast coho?	50.0%	50.0%	63%
2) for any other species or stocks	45.0%	55.0%	
Note: The Area F Chinook ITQ demonstration fishery is planned to proceed on a full fleet basis as in 2008.			
Area G			
1) for WCVI AABM Chinook?	50.5%	49.5%	62%
2) for Fraser River sockeye?	58.6%	41.4%	
3) for Fraser River pink?	47.9%	52.1%	
4) for any other species or stocks?	46.9%	53.1%	
Area H			
1) for Fraser River sockeye?	67.6%	32.4%	62%
2) for Fraser River pink?	66.7%	33.4%	
3) for Johnstone Strait chum?	67.6%	32.4%	
4) for any other species or stocks?	63.6%	36.4%	

Note: The Area F Chinook ITQ demonstration fishery is planned to proceed on a full fleet basis as in 2008.

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