



Pacific Region Licensing Rules: Options for Change Discussion Paper May, 2010

Background

Licensing is a central tool in the management and control of fisheries in Pacific Region. The creation, modification and enforcement of licensing rules is governed by established regional licensing rules and fisheries management processes developed by the Department of Fisheries and Oceans in the 1970's. Since that time there have been many changes to the management of specific fisheries and licensing rules have become increasingly complex. The Department frequently receives requests from commercial and communal commercial harvesters for more flexibility and consistency in the application of DFO's licensing rules, particularly those which restrict vessel replacement and or vessel designation.

Exceptions are generally referred to the Pacific Region Licence Appeal Board (PRLAB) for review and recommendation to the Minister who makes the final decision.

DFO undertook an internal review of existing licensing rules in 2008/2009 to explore options for change to modernize licensing rules to reduce the level of complexity and accommodate changing management and sustainability requirements. The review also identified opportunities to streamline administrative processes and improve client service and effectiveness. To that end, the review:

- assessed the continuing relevance of current licence rules ; and
- identified opportunities to simplify, standardize and amend or eliminate rules where warranted.

As a result of the review, the Pacific Fishery Licence Unit proceeded with amendments to administrative processes for vessel registration and salmon stacking applications.

Effective May 01, 2010, the application to register a new commercial fishing vessel will no longer require the submission of a survey done in accordance with DFO Vessel Measurement Guidelines. For vessels not previously registered with Fisheries and Oceans Canada (DFO), the overall length indicated on Transport Canada documents will be recorded.

In addition, stacking of commercial salmon licences is now permitted at any time during the licensing year.

Canada

Purpose of this document

Additional changes to the licensing rules are now being considered and input from industry is being solicited. As with the internal review, proposed changes to specific Pacific Region commercial licence rules should provide increased flexibility for harvesters and address inconsistencies in the application of rules between individual fisheries. This document is intended to generate discussion and industry input into a collaborative analysis of options for licensing rule changes.

The following options are being considered:

- increase flexibility with respect to vessel length restrictions for licences in Individual Quota (IQ) fisheries
- provide flexibility for vessel replacement restrictions and/or designations for licences in non-IQ fisheries;
- proceed with regulatory reform for Schedule II species; and
- allow separation of married licences with rules.

The department welcomes proposals from interested parties on these or other suggested options.

It is the Department's intent to evaluate the feedback received from this paper against our guiding principles and discuss proposals for changes to licence rules through existing sectoral advisory committees over the course of the next year. The evaluation process will consider the impacts of any options for change on the affected industry participants.

Individual licence holders and vessel owners are encouraged to work with their sectoral committee to provide further input and proposals in response to this paper. While additional broader licensing rules and questions may be raised, discussion of other rule changes in addition to the changes proposed is beyond the scope of this document.

Framework for evaluation of proposed changes

A key part of DFO's Fisheries Renewal agenda is the reform of Fisheries Management Licensing Policies. The ultimate goal of this reform initiative is to create a coherent and transparent national licensing framework with clear principles and objectives that promotes Economic Prosperity and recognizes regional / fishery differences.

Evaluation of proposed changes to existing licensing rules will be guided by the following principles:

- Consistent with DFO's mandate:
 - economically prosperous marine sectors and fisheries,
 - sustainable aquatic ecosystems,
 - safe and secure waters

- Foster greater economic viability and prosperity of the fishery sector without placing additional pressure on fisheries resources and promote an integrated and competitive fishing sector.
- Open process – changes to licensing rules will be made in an open, transparent and inclusive manner
- Streamline administration of licensing

Changes should support the principle that fish are a common property resource, and are managed for the benefit of all Canadians, consistent with conservation objectives, national and international commitments while respecting Aboriginal and treaty rights of First Nations.

Options for Change

1. Vessel Designation and/or Vessel Replacement Rules

All commercial and communal commercial fisheries have restrictions on the length of vessels that may be used for harvesting. The rules on vessel replacement for vessel-based licences and vessel designation for party-based licences are inconsistent – in some cases licence eligibility is limited to the length of a smaller replacement vessel and in others it maintains the original length. Where vessels hold multiple licences in a number of fisheries, each with different restrictions, the situation becomes more confusing and meeting vessel length restrictions has become a significant issue.

Vessel length restrictions have been relaxed or eliminated in some IQ fisheries, while for fisheries where quota management is not in place (e.g. crab, shrimp trawl, shrimp and prawn by trap, Schedule II) or managed by IQs on a demonstration basis (e.g. salmon), there is no flexibility.

As other management measures such as quota management, trip limits, catch and gear restrictions and limited entry licensing can be used to limit fishing effort to conserve the resource while promoting economically viable fisheries, it is appropriate to consider options for increased flexibility regarding vessel replacement rules. Exemptions to licensing vessel replacement and vessel designation rules to address specific situations remain the most common issue raised in the appeal process.

Proposal:

150 % flexibility or elimination of vessel replacement rule in all fisheries managed by individual quota (IQ)

- Allow 150% flexibility for vessel length restrictions in all fisheries managed by IQ (halibut, rockfish, sablefish) consistent with rules already in place for the groundfish trawl and geoduck fisheries
- Consider phased elimination of length restrictions for fisheries managed by IQ.

Proposal:

Up to 130% or 150% flexibility for vessel designations and/or vessel replacement rules in fisheries not managed by quota

Allow 130% or more flexibility for vessel replacements and/or designation for licences in non-quota fisheries (salmon, crab, shrimp trawl, prawn and shrimp by trap, Category C, eulachon) while maintaining other restrictions on limiting effort for proper management (ie. gear limits)

2. Separation of vessel-based licence eligibilities and Schedule II rules

The restriction on separating licence eligibilities was implemented to address concerns about potential increases in fishing capacity as a result of separating vessel-based licences and placing them on two or more vessels.

This restriction is often perceived to have no relevance to conservation or other management objectives. Fisheries have evolved and the vessel replacement rules regarding separation of married licences and relinquishment of Schedule II privileges are inconsistent.

In fisheries managed by IQs, rules have been modified to allow separation while not creating additional Schedule II privileges. Separation of vessel-based licences held by a vessel is not currently permitted in other fisheries, not managed by IQ's.

The Pacific Integrated Commercial Fisheries Initiative (PICFI) maintains this rule in consideration of applications for relinquishment of vessel based licence eligibilities, however licences acquired through the Department's Allocation Transfer Program may be separated when distributions are made under Aboriginal Fisheries Strategy (AFS) agreements.

Fish harvesters frequently request exemptions to this rule to allow maximum flexibility and to adjust fishing operations.

Proposal:

Separation of vessel-based licence eligibilities with rules to prevent creation of additional Schedule II privileges

Allow separation of licence eligibilities in non-IQ fisheries with Schedule II proviso consistent with groundfish trawl and geoduck fisheries. For example a licence eligibility may be separated from other licence eligibilities and placed on a Canadian commercially registered fishing vessel that does not exceed the maximum vessel length. Where the receiving vessel does not already hold a vessel based licence eligibility, the Schedule II privileges associated with the eligibility are relinquished so no additional fishing pressure is created.

3. Removal of Schedule II species and creation of separate licence categories

Since 1969, a number of species have been removed from Schedule II of the *Pacific Fishery Regulations* or the Category "C" licence and issued as separate licence categories to allow for effective management and control of these fisheries. Remaining Schedule II species include: spiny dogfish, lingcod, Pacific cod, sole and flounder, skate, green sturgeon, smelt and tuna.

Maintaining Schedule II privileges presents challenges for development of management measures specific to individual fisheries and has complicated management of these fisheries. Harvesters have expressed concerns that the existing Schedule II regulatory framework impedes fishery specific viability.

Proposal:

Remove all remaining species from Schedule II and create one or more licence categories, then eliminate the Category C licence for Schedule II species.

There are already management controls in place for some of the remaining Schedule II species, such as the smelt fishery which may continue as a limited fishery under a separate licence. There is no green sturgeon fishery and it is expected to continue to be harvested for recreational use only.

In conjunction with the Commercial Industry Caucus (CIC), DFO developed a proposal to remove all groundfish species from Schedule II and create an unlimited entry, party-based, category "Z" licence.

DFO has initiated discussions with the tuna industry on developing a new licensing framework. The proposed framework would include the creation of limited entry domestic and international tuna specific licence(s). No changes to the USA 68 licensing and management framework are being proposed.

How to provide feedback or proposals- YOUR OPINION COUNTS!

This document has been broadly distributed and is also available on DFO's website at: <http://www.pac.dfo-mpo.gc.ca/consultation/fisheries-peche/index-eng.htm>

Attached is a feedback questionnaire which we urge you to utilize to provide your comments and alternate proposals.

Completed questionnaires should be returned to:
Pacific Fishery Licence Unit
#200 – 401 Burrard Street
Vancouver, BC Canada V6C 3S4
Email: PFLU@pac.dfo-mpo.gc.ca
Fax: (604) 666-5855

PACIFIC REGION LICENSING RULES: OPTIONS FOR CHANGE FEEDBACK QUESTIONNAIRE

(Please indicate your response to each question by checking yes or no, add your comments below each section or complete and attach a separate document with your comments or other input).

Optional: Please provide your contact information below:

Name: _____

Vessel/Licences: _____

Address/Email: _____

Questions:

1. Vessel Designation and/or Vessel Replacement Rules

a) Do you support allowing 150% flexibility for vessel lengths in all fisheries managed by individual quota?

Yes No

If no, why not?

b) Do you support the elimination of length restrictions in all fisheries managed by individual quota?

Yes No

c) Do you support allowing 130% or up to 150% in flexibility in all fisheries not managed by individual quota?

Yes No

130% 150%

Please explain how allowing greater flexibility for vessel replacements and/or designations would affect your fishing operation.

d) Do you have other options for consideration by the department to achieve flexibility? Agreeable, not agreeable (please explain why). Please provide us with any suggested proposals.

2. Separation of vessel-based eligibilities and Schedule II rules

a) Do you support allowing the separation of vessel-based licences?

Yes No

Please explain how this change would support your ability to adjust your fishing operation.

b) Do you support the relinquishment of schedule II privileges in conjunction with allowing the separation of vessel-based licences?

Yes No

If your answer is no, please explain.

c) Are there other licensing practices/rules that are linked to this rule that will have impact on you that should be considered?

3. Removal of Schedule II species and creation of separate licence categories (Spiny Dogfish, Skate, Sole and Flounder, Lingcod, Pacific cod, Tuna, Sturgeon, Smelt)

a) Do you support the creation of separate licence categories for the species noted through regulatory change?

- Yes No

Please explain how this change would impact your fishing operation?.

b) For the species you are involved in harvesting, would it make more sense in your view for DFO to consider a party based licence or vessel based licence?

- Party Vessel

c) Please include any suggested proposals on how a plan for Schedule II reform could be developed to have a positive impact on the fisheries you are involved in harvesting.

d) Are there other factors the department should consider when creating a plan for Schedule II reform?

4. Other:

Do you have any other comments or suggestions regarding options for change for Pacific Region Licensing rules?

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Fax: (604) 666-5855

Please submit your input by June 30, 2010. Results will be compiled and shared through established advisory processes.

This document and questionnaire are also available at: <http://www.pac.dfo-mpo.gc.ca/consultation/fisheries-peche/index-eng.htm>

For additional information on this review process contact Rae Dalgarno at the Pacific Fishery Licence Unit in Vancouver, 604-666-0566 or by email at PFLU@pac.dfo-mpo.gc.ca