



**MEMORIAL PRESENTS
THE MERITS AND SHORTCOMINGS OF A FLEET
SEPARATION POLICY**

April 24, 2012

Background

1. Fleet Separation Policy adopted in 1979 for <65' fleet.

Objective: To separate harvesting from processing and disallow the issuance of new fishing licences to corporations and processing companies.

Amended recently to allow 100% harvester owned corporation to hold license.

2. PIIFCAF - Preservation of the Independence of the Inshore fleet in Canada's Atlantic Fisheries. 2014 deadline to get out of controlling agreements.

What's so Modern about DFO "Modernization?"

3. DFO policy review - "everything is on the table". Do they stand for nothing? No framework of principles. Sustainability and prosperity. Who's against those? (DFO apparently, based on 3K crab measures) They asked what policies people want to get rid of, not what policies or principles they want to maintain and strengthen.
4. Policy review - not a single mention of coastal communities. It is the owner-operator fishery that maintains the link between the resource and the coastal communities.

Community Context

5. This is part and parcel of a bigger question - in whose interest do we harvest a renewable natural resource?
6. Fishery is the mainstay of most of our coastal communities. The fishery provides the interesting context for tourism. There's limited attraction to ghost towns.
7. The history of the fishery - fish was allocated to harvesters. All they were given was the right to fish. Small boats, fish landed locally, licenses can be transferred within NL region only, economic activity generated. Access based on adjacency and historic dependence.

The Corporate Sector

8. >65' sector - no owner/operator or fleet separation policy, licenses are Atlantic-wide, can be transferred from province to province.
9. OCI issue - example of consequences of privatization. Too much debt, demands to export unprocessed, landing product outside NL.
10. Ask car dealers, furniture dealers, skidoo dealers etc which fishery is most important to the local economy.

We Don't Want to Wind up Like B.C.

11. British Columbia fishery - no O/O, F/S policies. Leasing as % of LV - halibut and sablefish 75%, rockfish 50%, lingcod 38%. Drastic decline of coastal communities, quota leases a huge burden. E.g. of dentist. No \$ left for proper capitalization of vessels or payment of crew.

We Don't Want to Wind up Like B.C.



SEA WORLD FISHERIES LTD. FISH LANDING RECORD

LANDING
 PAYROLL
 SUMMARY
 STATEMENT SENT
 OFF LOAD
 TRUCKING
 VALIDATION
 MONITOR & DATA PROCESS
 AERO INV.

BOAT: SEA HARVEST DATE: 03/16/2010 UNLOADING DOCK: AERO TRADING
 C.F.V.#: 25734 AREA: SE NO. OF TOTES: 23T HLB, 3T B COD, 11T RF
 TRIP #: F-SEA1-105111 DAYS: 3/06-3/18/2010 LOCATION: PORT EDWARD
 SLIP #: ETA SWF: N/A GEAR: LONGLINE TRUCKING: NA (ALL FISH GO TO AERO)

ITEM	QUANTITY	PRICE/LB	AMOUNT	REMARKS
YELLOW EYE (#12174 #210)		LBS		
QUILL BACK (#1177 #23)		LBS		
CHINA / TIGER		LBS		
CANARY		LBS		
SILVER GREY		LBS		
SHORT RAKER	1,583	LBS 0.75	1,187.25	TOTAL ROCKFISH, LC & BC GROSS INCOME \$14,811.80
ROUGHYEYE #1 3207, #2 30	3,237	LBS 0.70.5	2,259.90	TOTAL ROCKFISH, LC & BC NET INCOME(LESS Q FEE) \$5,915.30
DIGIT	398	LBS 1.10	437.80	% OF TOTAL INCOME 19.17%
RED BANDED	68	LBS 0.75	51.00	EXPENSES FOR ROCKFISH, LC & BC PORTION \$3,022.10
MIXED ROCK-YM		LBS		TOTAL FISH WEIGHT (OTHER THAN HALIBUT) 7,120
OTHER.		LBS		
OTHER.		LBS		
LING COD -LIVE		LBS		
LING COD - HIG		LBS		
BLACK COD (J CUT) -S	521	LBS 5.25	2,735.25	TOTAL B COD (JIC): 1,834 = RD: 2,769
BLACK COD (J CUT) -S	1,313	LBS 6.20	8,140.60	TTL BC RELEASED(JIC): 143 = RD: 216
BLACK COD (J CUT) #2		LBS		TTL Q USED (JIC): 1,977 = RD: 2,955
HALIBUT - HIG (10120)	6,824	LBS 4.50	30,708.00	TOTAL HALIBUT GROSS INCOME \$98,125.15
HALIBUT - HIG (2040)	8,509	LBS 4.75	40,417.75	TOTAL HALIBUT NET INCOME(LESS Q FEE): \$24,948.67
HALIBUT - HIG (4095)	1,660	LBS 5.00	8,300.00	% OF TOTAL NET INCOME 80.83%
HALIBUT - HIG (6090)	456	LBS 5.20	2,371.20	EXPENSES FOR HALIBUT PORTION \$12,142.62
HALIBUT - HIG (809)	91	LBS 5.20	473.20	TOTAL HALIBUT WEIGHT 21,216
HALIBUT - HIG (#2)	3,775	LBS 4.20	15,855.00	AVERAGE HALIBUT PRICE \$4.60
OVERAGE		LBS		RECEIVER GENERAL FOR CANADA
TOTAL INCLUDING OVERAGE:	28,435	LBS GROSS \$	-112,936.96	PAUL'S GROSS INCOME

TRIP FUEL PETRO CANADA#40300:	3,554.49	BOAT SHARE / BOAT USE	2,735.25	BOAT USE @ \$0.20/LB X 21,316 LBS HLB FOR 532608 BC LTD.
EXPENSES: CROCKERY	1,148.21	SWF'S HLB QUOTA FEE	1,430.00	SWF: (3.25+0.20)X8306 LBS+(3.25+0.17)X12,008 LBS (TTL HLB Q USED=21,314 LBS)
# VALIDATION: \$0.10X HLB WT.	2,131.50	ADD. Q FEE HELD	0.00	NO ADDITIONAL Q FEE -AVE P/L \$4.80 LESS THAN PRICE BREAK OF \$1.48 OR \$3.42
CON. BAIT:		KERDS HLB Q FEE		
AERO INV. BAIT: #70547	5,028.60	SWF'S B COD Q FEE	(8,698.50)	SWF TO PAY AERO B COD FEE: (\$4.50 X 1,977 JIC WT)
BAIT:		KERDS B COD Q FEE		
M/LEAMS GEAR #8370	423.15	ROCKFISH Q FEE		
PAC. N & T GEAR #48798 #48808 (1/2)	1,978.77	TOTAL TRIP EXP	1,430.00	PAUL: \$1500; SWF: \$14,262.72 TO PAY FOR TRIP EXP. ON PAUL'S BEHALF
GEAR EXPENSES	1,500.00	HLB LIC & RF RENEWAL	3,400.00	SWF: 2010 HLB L113 LEASE FEE \$3,006.25#47 RENEWAL FEE \$100
TOTAL EXPENSES:	15,764.77	NET \$	7,736.23	

* DEDUCT @ \$0 HLB HLB ONLY FOR THIS TRIP. BACK TO \$0.15/LB HLB FOR OTHER TRIPS

CREW	LONDON EDWARDS	SHARE (11%)	1,289.38
S.I.N.		E.I. (1.73%)	(22.31)
ADDRESS	223 IRWIN ST., NANAIMO, BC, V9R 4X4	OTHER	
	C. 250-616-3726	NET \$	1,267.07
		DEPOSIT TO OWN A/C	
CREW	COURTLAN THOMAS	SHARE (1.25%)	1,611.72
S.I.N.		E.I. (1.73%)	(27.68)
ADDRESS	APT. #201, 1908 BOWEN RD., NANAIMO, BC, V9S 6S9	OTHER	
	TEL: C. 250-756-5970	NET \$	1,583.84
		DEPOSIT TO OWN A/C	
CREW	NICOLE BOYLE	SHARE (1%)	1,289.38
S.I.N.		E.I. (1.73%)	(22.31)
ADDRESS	156 CRESTVIEW DR., P.R., BC, V8J 2Z5	OTHER	
	TEL: 250-627-7996	COURIER CHARGES	(8.00)
		AIR DHL CHECK TO OWN ADDRESS	1,289.07
CREW	KRIS GOMEZ	SHARE (0.75%)	967.03
S.I.N.		E.I. (1.73%)	(16.73)
ADDRESS	#506, 860 VIEW ST., VICTORIA, BC, V8W 3Z8	OTHER	
	TEL: 250-887-3789	COURIER CHARGES	(9.00)
		MAIL CHECK TO OWN ADDRESS BY EXPRESS POST	941.30
CREW		SHARE	
S.I.N.		E.I. (1.73%)	

The New Zealand Scandal

12. New Zealand - radical deregulation in 1986, corporate ITQs. Small boat enterprises marginalized. Coastal communities disconnected from fishery, Corporations quickly controlled quotas, set the lease fees, harvesters had all the costs and responsibilities of fishing with little hope of reasonable returns.

13. 62% of their offshore catch is on FCVs. NZ Seafood Industry Council tells Ministerial Inquiry they want more cheap labour on their boats, not less. Inquiry set up because of concern about damage to NZ reputation caused by allegations of slave labour aboard FCVs.

What Kind of Model is That?

14. CEO of NZ deepsea company: “If a company’s only rationale to make money is to pay slave rates of 50 cents an hour they should leave the fish swimming.”
15. Company deepsea operations manager: “They are true accounts of modern-day people trafficking, slavery, fraud, lies and deception.”
16. Fish caught on foreign vessels, processed in China and exported to overseas markets. Where’s the NZ benefit in that?

Inevitable

17. Inevitable result of radical deregulation of the fishery. Fishing equivalent of sub-prime loans. What kind of model is that to aspire to? What reason is there to think that a radically deregulated Canadian fishery would wind up any differently than NZ?

18. There's nothing modern about any of that.

Some Closing Thoughts

19. Financial might should not replace adjacency and historic attachment as the cornerstone of resource access.
20. Phony argument about ITQs being more conservation oriented. Compare groundfish to lobster.
21. ITQ argument is all about ideology. Radical deregulation, like the banking sector. What could possibly go wrong?
22. The survival of coastal communities is directly linked to the survival of the Owner-Operator and Fleet Separation policy. Policy change by all means, but the pillars need to remain in place.