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# Updating the Commercial Salmon Allocation Framework

FN Forum

January 27, 2015



Canada



## Outline

- Introduction
- Summary of progress in phase 3
  - Areas of common ground
  - Areas for further discussion
- Next Steps
- Background Information



## Updating the CSAF

- Based on one element of the Pacific Salmon Treaty Mitigation Strategy, the Department initiated work to develop an updated Commercial Salmon Allocation Framework (CSAF).
- Terms of reference developed (Sept 2013) with 2 phases. Focused discussions with SCC/CSAB and First Nations upon request.
- Initial expectation that Department would consider advice received after phase 2 (May, 2014) to inform updates to the framework.



## Advice Received After Phase 2

- At the conclusion of Phase 2, the Department received advice from both the CSAB and the SCC participants to continue discussions.
  - CSAB: Further refine CSAB proposal and continue discussions on operational / implementation issues and flexibilities as well as outstanding issues.
  - SCC: Additional discussion on mechanisms for flexibility associated with a revised framework and time for engagement with communities.
  - CSAB, SCC and DFO also acknowledged substantial issues with the SE analysis completed in phase 2.



## Response to Advice to Extend Process

- Department agreed to extend the process to update CSAF with:
  - Additional meetings with CSAB and SCC participants to explore common elements and further discuss aspects where views differed.
  - Funding provided to both the FNFC and CSAB to support coordination, communication and technical support for work.
  - DFO continuing to respond to meeting requests from First Nation communities on the work to update the CSAF as well as communicating with commercial licence holders and First Nations on progress and next steps.



# Common Elements of SCC and CSAB Proposals

- Discontinue use of sockeye equivalents based on 22 Production Areas (PA) by gear (gillnet, troll and seine). Recommend defined shares by 25 (potentially 26) PA's.
- Discontinue annual adjustments using sockeye equivalents. Move to 5 year initial term of proposed shares with 5<sup>th</sup> year designated for a review process (unless extenuating circumstances).
- Clear tracking and accounting of distribution of licences and shares for all existing commercial marine and inland fisheries.



# Common Elements of SCC and CSAB Proposals

- Revised Tier 3 Process: A collaborative commercial fishery planning process including all commercial participants. A new board could include sub-regional and/or local bodies.
- Flexibility: each fishery can determine best management approach for its' share.



## Areas of Continued Discussion

- Uncaught TAC: with/without compensation
- ESSR fisheries: included/separate from TAC
- Transferring of shares/licences between commercial A-H and First Nations economic fisheries.
  - Guidelines and process to review/assess proposals being developed





## Other Key Elements of SCC Proposal

- Distribution of licences within Department inventory through various programs
  - Accounting of access provided
  - Process for distribution of licences
  - Multi-year agreements
- First Nations economic fisheries
  - Ability to transfer shares associated with a marine licence (from regular A-H fleet) to a First Nations fishery in more terminal area



## Department Objectives

- Any proposals for increased flexibility will be reviewed against:
  - Stock assessment needs
  - Monitoring and compliance requirements
  - Requirements for on-grounds management
  - Share tracking and data management considerations
  - Costs of implementation and providing clarity on sharing of management costs.



## Next Steps

- Meetings concluding January, 2015.
- Recommendations from the CSAB and SCC expected end of January, 2015.
- Proposals to be analyzed by the Department in consideration of DFO objectives, policies and operational requirements.
- Proposed changes and recommendations changes to be included within the draft IFMP and circulated in early March, 2015.
- Based on comments and DFO analysis, a decision will be made on potential updates prior to the 2015 fishery.



# Background



## Current Commercial Allocation Framework

- The CSAF is used to define allocations within the commercial sector
- The current process for defining the allocations includes the following 4 key steps:
  1. The coast wide commercial gear split: starting with the objective to develop a coastwide commercial gear split of 22% troll, 38% gillnet and 40% seine (based on sockeye equivalents);
  2. The sockeye equivalents: the method used to convert the differing values of the five salmon species into a common currency;
  3. The annual adjustments to gear allocations; and
  4. The divisions of gear splits within major production areas.



## Current Commercial Allocation Framework

<b>Conservation</b>	
<b>First Nations</b> - food, social and ceremonial and Treaty obligations	
<b>Recreational</b>	<b>Commercial</b>
Priority access: chinook and coho	<p>95% sockeye, pink, and chum</p> <p>Abundance dependant: chinook and coho</p> <p><b>Coast-wide Allocations: seine (40%), gillnet (38%), troll (22%)</b></p> <p><b>Allocation Policy Principles 5 to 7</b></p> <p><b>First Nations demonstration and economic opportunity fisheries</b></p>



## Limitations with Current CSAF

- Criticisms to current framework include:
  - Does not reflect the current management approach to commercial fisheries which is area based and is not managed on coast wide basis;
  - Does not adequately highlight First Nations commercial arrangements;
  - Creates uncertainty due to annual adjustments;
  - Seen by some as penalizing gear types that add value to harvests.



## Updating the CSAF

- Pacific Salmon Treaty Mitigation Strategy
  - There are three elements to the strategy to mitigate the reduction in the WCVI troll chinook catch resulting from the 2009 PST agreement:
    1. A voluntary permanent Troll Licence Retirement Program ;
    2. Development of an updated Commercial Salmon Allocation Framework (CSAF) which takes into account other reforms to salmon fisheries; and
    3. Economic capacity building in the West Coast Vancouver Island (WCVI) communities most impacted by reductions.
- Element 2 is the focus of this initiative





## Updating the CSAF

- Discussions to update the CSAF began in Sept, 2015.
  - Department developed a TOR (commercial only)
  - Discussions with SCC and CSAB originally through 2 phases
    - Phase 1: gathering proposals for change
    - Phase 2: Assessing proposals through an independent socio-economic analysis



## Phase 1: Results

- 15 proposals for change received (14 from the Commercial Salmon Advisory Board and 1 from the Salmon Coordinating Committee)
- 38 objectives and over 100 potential indicators were provided to the independent socio-economic analyst for consideration



## Phase 1: Results

- Participants generally agreed on the following elements of the CSAF
  - Sockeye equivalents seen as problematic by many – disadvantages fleets that add value to catch
  - Most agreed that the coast-wide approach to allocating shares is too broad and doesn't reflect current fisheries management
  - Support to move to longer term allocation arrangements
  - Need for additional management flexibilities with fishery participants having more say in how their shares are harvested
  - Shares transferred to First Nations from relinquished licences should be explicit and the decision rules clear



## Phase 2: Results

- Phase 2 considered independent socio-economic analysis of change proposals. The four change approaches analyzed were:
  - *Change approach 1* – adopted new sockeye equivalent formula; represented least amount of change from status quo
  - *Change approach 2* - attempted to mirror a CSAB proposal to fix shares at fleet level (Evergreen proposal) and *Change approach 3* - selected several elements from SCC proposal. Both proposals considered as “middle ground” by analyst
  - *Change approach 4* – adopted one CSAB proposal to phase in ITQs (the “phased approach”); greatest change from status quo



## Phase 2: Results

- Main conclusion of preliminary S/E analysis was that no change approach was ideal (all created different winners and losers); social or economic impacts and benefits varied with approach
- Concerns raised with draft report on socio-economic analysis:
  - Assumptions questioned (e.g., expected fish price increases, anticipated fishery catches associated with a proposed change)
  - Selection of objectives and indicators thought by many to favour economic over social values
  - Characterization of change proposals seen as too simplistic or inaccurately described



## Phase 2: Results

- In spite of concerns over S/E results, several areas of general support emerged:
  - Fix shares for commercial fleets and First Nations at the fishery production area level; not at coast-wide level
  - Maintain shares for an indeterminate or multi-year time period; and, eliminate need for annual process to set shares
  - Discontinue use of sockeye equivalents once shares established
  - Provide commercial fishery participants, including First Nations, with greater flexibility to make fishery plans to harvest allocations; subject to operational considerations