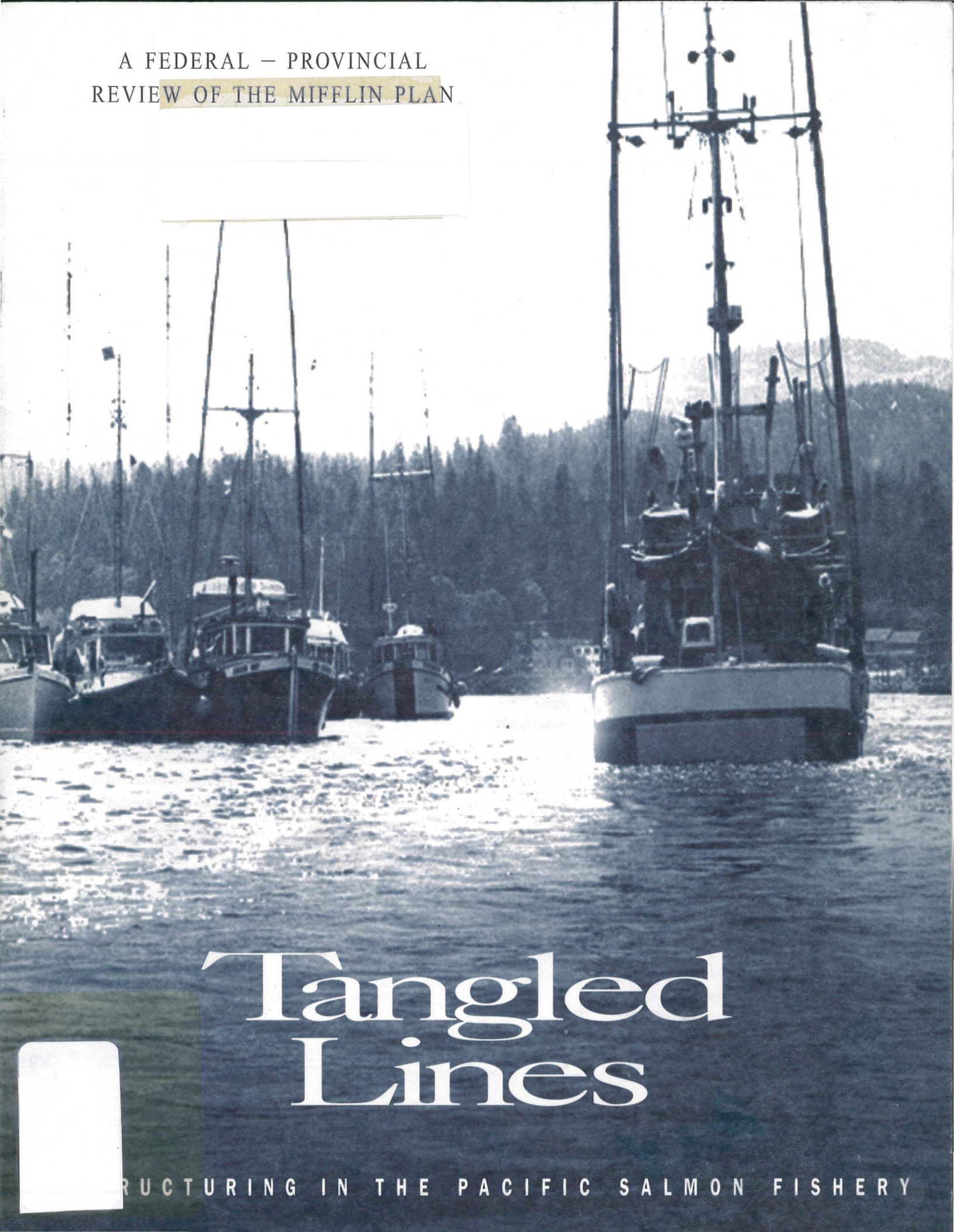


A FEDERAL – PROVINCIAL
REVIEW OF THE MIFFLIN PLAN



Tangled Lines

STRUCTURING IN THE PACIFIC SALMON FISHERY

PACIFIC SALMON REVITALIZATION PLAN REVIEW PANEL

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Introduction: Troubled Waters

Canada's Pacific salmon fishery is at a point of crisis. Up and down the Pacific Coast — from Massett to Steveston — there is a common perception that a once-proud and vital, \$400-million-a-year industry is in serious trouble as world salmon prices fall and critical stocks of B.C. salmon continue to decline.

And, following two consecutive poor salmon seasons, during which incomes and profits fell to record lows, the industry and many of its fishers were understandably confused and angry. One obvious focus of that anger: a series of major structural changes launched by the federal Department of Fisheries & Oceans and designed to address long-standing problems of fleet overcapacity, stock conservation and management of the industry.

On March 29, 1996 the federal government introduced its Pacific Salmon Revitalization Strategy, commonly known as the "Mifflin Plan" after current Department of Fisheries & Oceans Minister Fred Mifflin.

The major elements of the Plan include:

- An \$80-million federally-funded voluntary licence retirement program or "buyback" whereby fishers would relinquish their licences through a specially established buyback committee chaired by Jim Matkin;
- Single-gear licensing which means a single-licence holder can fish with only one gear type (gillnet, troll or seine);
- Area licensing which designated the coastal fishing waters into two areas for seine boats, three for gillnetters and three for trollers. Under the Plan, a single-licence holder could choose a single area in which to fish;
- Stacking. Once a licence holder has chosen an area, the Plan allows him or her to purchase additional licences or "stack" from fellow fishers in order to fish other areas or another gear. When a licence is stacked, the licence-holder can re-designate the area associated with the stacked licence;
- The Plan was also intended to reflect DFO's more conservative risk-averse management,

which stipulates that conservation is the number-one priority and must be designed so that adequate numbers of returning salmon reach their spawning grounds each year.

The Plan sparked vociferous criticism from day one. Some claimed it would devastate the isolated fishing communities which dot the B.C. coastline. The loss of a salmon fishing licence, it was argued, would be keenly felt in small communities already struggling to survive the seemingly inexorable loss of jobs in other resource industries.

Others claimed the Plan was imposed without consensus, even though there appeared to be little agreement among the multitude of interests and advisory groups.

While the Panel was told that there was a general agreement at the Pacific Roundtable, an industry advisory group, for the need to reduce the size of the fleet and its capacity, the Panel was also told there was little agreement on anything else. All this, after a process many felt to be flawed, that nevertheless had involved more than 70 industry representatives for five months during the summer and fall of 1995.

Simply put, the groups at the Roundtable each reflected a particular view of the salmon fishery and how to preserve their share of its catch. The process did not achieve consensus on any specific measures for fleet reduction or a new licensing regime, designed to achieve the twin goals of conserving salmon stocks while making possible a decent living for those remaining in the industry.

Because the Plan represented such

fundamental change, it became a lightning rod for the anger and frustration of people worried that a century-old way of life was gone forever. In coastal communities, hard hit by two back-to-back poor fishing seasons, there was deep resentment regarding a series of federal service reductions and closures at military bases, lighthouses, fishery offices and hatcheries. This was in addition to continuing forestry job losses.

While the Roundtable agreed that the fleet-reduction plan should commence immediately prior to the 1996 season, it also recommended that fleet reduction be twinned with an adjustment program. DFO discussed a special adjustment program for the Pacific fishery with other federal departments, but this approach was rejected in the inter-departmental review process.

Acutely conscious of the disastrous effects of having to close the Atlantic cod fishery, DFO was determined not to allow a repeat scenario for B.C.'s salmon fishery. Changes were needed before reaching a point of no return. Consequently the Plan contained tough measures calling for fundamental change. The comprehensive nature of the changes envisioned by the Plan, together with the pace of their implementation, led many to react negatively. Premier Glen Clark communicated his concerns to Prime Minister Jean Chrétien at the First Ministers' Conference held in May, 1996.

As a result, Ottawa and Victoria formed a Federal-Provincial Review Panel in September, 1996. Panel members — Bill Lefeaux-Valentine, appointed by the provincial government; Mike Francino, appointed by the

federal government; and John Fryer, an independent member agreed to by both governments — began a series of coast-wide consultations. Under its terms of reference (see appendices), the Panel was directed to review the impacts of the Plan and make recommendations for determining appropriate adjustment measures. The terms of reference also stipulated that: "In the context of the ongoing implementation of the Plan, any proposals for improvements to the Plan, based on the findings of the study, will be submitted to the government of Canada for consideration."

In September, 1996, the Panel began a series of community-based, coast-wide consultations which took it to 22 communities and allowed it to meet with more than 1,700 people over a period of 10 weeks.

During the consultations, cynicism was expressed about the value of such a process. The Panel would like to assure all those who took the trouble to attend or participate or send in their comments, that their input was critical in the formulation of the recommendations detailed below.

Early in the process, the Panel realized that immediate short-term financial assistance was required for those who lost their jobs because of fleet reduction. Consequently, the Panel provided interim recommendations requesting support for short-term job creation:

1. The Panel recommends that Human Resources Development Canada in consultations with other agencies of the federal and provincial government offer a program of short-term job creation to

commence as soon as possible. The program should be appropriate in scope to the economic dislocation experienced this year and similar in design to the program offered at the end of the 1995 season;

2. The Panel feels that the short-term job creation delivered by the United Fishermen and Allied Workers Union and Human Resources Development Canada in 1995-96 deserves careful consideration as a model but that it should be expanded to include native organizations, such as the Native Brotherhood, in the management and delivery of a new program. Special attention should be given to communities most affected by job losses in the salmon fishery.
3. Given that the Panel will not complete its final report before November 30, 1996, the Panel recommends that the moratorium on applications for licence stacking be extended until January 15, 1997.

In its coastal travels, the Panel noted a series of troubling messages:

- While many speakers, from a cross-section of fishing and interest groups, said the Plan was the main cause of the fleet's current financial instability, others told the Panel that the industry had been in a decline long before the Plan was introduced;
- Some critics attacked the Plan for its lack of adjustment assistance to individuals and coastal communities, hard-hit by fleet downsizing. As the Panel was soon to learn, the sale of several salmon licences out of a remote coastal village often had a devastating economic impact. On the other

hand, many of those who had sold their licences in the voluntary buyback appeared well pleased with the bargain. Others said the buyback was a better alternative than going broke, but still expressed regret at leaving the industry;

- When it came to speaking directly to those who would be most affected by the Plan, the Panel was struck by the strength and diversity of the views presented to it;
- Annoyed about the goals and mechanics of the Plan, many people lashed out at the federal Department of Fisheries & Oceans. The Panel soon learned that such a complex and technical Plan — with its far-ranging and interrelated implications — was poorly understood by many fishers and the general public alike;
- Compounding this paucity of communications was a widely-held perception that many DFO management and policy decisions were made in Ottawa, rather than British Columbia.

To carry out its mandate, the Panel also had to assess the significance of a series of converging and related issues which greatly affected the 1996 Pacific salmon season:

- During the 1990s, prices for all species of salmon have fallen by 30 to 50 per cent. In recent years, Alaska has increased its wild salmon production while Chile, Japan, Scotland and Norway increased their production of farmed salmon. Currently, B.C. produces seven per cent of world wild salmon and just 4.3 per cent of world farmed salmon;

- Under a revised and renamed Employment Insurance program (EI), unemployment benefits to B.C. fishers were likely to decline in the longer run. Its predecessor, the Unemployment Insurance program (UI), was a significant source of income to many B.C. fishers. Qualifying for EI may actually become easier on the West Coast, but benefits will eventually fall;
- Two large processors — B.C. Packers and the Canadian Fishing Company — announced a joint venture to consolidate their Lower Mainland processing facilities. This could well result in fewer on-shore jobs;
- In the summer of 1996, in a move to conserve threatened stocks of chinook salmon, DFO instituted a program of non-retention in the recreational and troll fisheries in the Queen Charlottes and on the West Coast of Vancouver Island;
- Both 1995 and 1996 were poor seasons for the commercial salmon fleet. The year 1996 saw poor ocean survival for chinook and coho and low catches for pinks. Sockeye returns were better than forecast yet because of DFO's new risk-averse management policies, fishers harvested a smaller share of the salmon runs than in previous years.

In the face of poor prospects for the 1996 season and in recognition of the need for fundamental long-term restructuring, many fishers accepted the buyback. In the voluntary buyback, 1,274 fishers offered to sell their licences. But only 798 licences were able to be purchased in the \$80-million program.

As a direct result, fishers who stayed in the business shared net earnings of \$21 million more. But, as the Panel was soon to learn, the Mifflin Plan also caused job and income losses for many:

- Up to 2,750 crew lost all or part of their income from the fishery (1,173 skippers and 1,577 deckhands);
- Industry expenditures to suppliers decreased by an estimated \$19.1 million under the Plan's fleet-reduction component because fewer vessels needed outfitting. This in turn resulted in 145 fewer jobs in the supply sector with an associated wage bill of \$2.9 million.

In numerous heart-felt presentations, many people stressed that small coastal communities, in partnership with the fishing industry and governments, must devise new strategies to ensure a viable livelihood in a changing industry and changing times.

Aboriginal people and communities were

particularly disadvantaged in trying to cope with the reduced employment base. Fishing jobs and income comprise a much greater share of the economic base in such communities and there are few alternative job opportunities.

Generally speaking, the impact of selling licences was felt more severely in smaller coastal communities, especially those with large aboriginal populations and already plagued by low per capita incomes.

The federal fleet-reduction component was not coupled with an adjustment and transition program for the displaced and for those communities severely impacted. Communities did not feel they were properly consulted about the Plan. Communities did not feel they were being treated as full stakeholders by DFO. Some felt the change should have been phased in over time. Moreover, the Plan was implemented at a time when fishers were vulnerable, as a result of two disastrous salmon seasons. Others felt that it was partly for these very reasons that action was urgently needed.

PACIFIC SALMON REVITALIZATION PLAN REVIEW PANEL

Findings and Recommendations

Despite near universal agreement that fleet reduction — with its important voluntary buyback component — was pivotal to any successful program to restructure and revitalize the fishery, criticism of the Mifflin Plan was instant and unrelenting. After hearing from all interested parties, the Panel identified and investigated a series of major themes and, based on its assessment, produced a series of recommendations.

Management and conservation

The Panel believes communities should, and must, play a greater role in the resource enhancement, habitat protection and stock assessment aspects of fisheries management. In noting a recommendation made by the Fraser River Sockeye Public Review Board in 1994, to establish "an independent Pacific Fisheries Conservation Council to act as a public watchdog for the fishery, to report to ministers and the public annually and from time to time as is appropriate," the Panel made the following recommendations:

Recommendation 1:

Act on the recommendation made in the 1994 Fraser River Sockeye Public Review Board report which called for a Regional Conservation Council to be established to act as public watchdog for the fishery.

Recommendation 2:

Develop and implement a system of royalties for use of the public resource — the Pacific salmon fishery. A progressive royalties charge based on landings should be instituted, with funds generated being allocated to conservation, enhancement and other programs of value to the industry.

Recommendation 3:

To further assist coastal communities, royalty charges for landings at designated centres (remote communities) be partially abated to promote greater community participation in the fishery. A similar abatement should be made for owner-operators.

Community impacts and adjustment needs

The Panel traveled to communities that had been most affected by the Plan. A report, *Fishing for Answers: Coastal Communities and the B.C. Salmon Fishery*, commissioned for the B.C. Job Protection Commission singled out 15 communities as especially vulnerable. Visiting all but two, the Panel soon confirmed the economic dislocation. In many of these communities, the Panel was asked: "What are we supposed to do here, now?"

Commercial fishing, the Panel was told, had

been the lifeblood of the community. Many remote villages had large aboriginal populations with low per capita incomes.

On the other hand, the Panel noted that some coastal communities, despite having lost a large number of jobs, successfully developed community-based programs of economic diversification. These moves clearly softened the impact of job losses in the industry. Some — from Campbell River south to Duncan — lost more than 700 jobs because of the Plan. Yet these communities were actively promoting alternatives such as marine and wilderness tourism and fish farming.

In the Panel's meetings, re-training was usually discussed with much wariness. Stories abounded of expensive and fruitless re-training initiatives elsewhere. "We need real jobs, well-paid jobs in our community," a former Prince Rupert fisherman stressed, emphasizing a strong desire to stay and work in his home town rather than be re-trained for work available only in Vancouver or Victoria. Continuing to live in traditional home communities was a common theme, especially from aboriginal people.

The Panel was impressed by efforts already underway in some small communities. In Tofino, for example, a "Marine Resources Initiative" has been developed to build on the many local marine resources. Despite being identified as one of the hardest hit communities, Tofino appeared resilient and positive — already hard at work at a proactive program of community diversification. Alert Bay, another one of the communities most directly affected by the Plan, has also undertaken community economic planning

workshops to begin a process of diversification.

However, the Panel recognized that many coastal communities will need time to adjust to a set of new and sweeping changes and a transition period should be factored into any new programs developed to support them.

The Panel noted the need for special assistance to individuals who are close to normal retirement age. A special assistance early-retirement bridging annuity would assist some individuals who, upon leaving the industry as a direct result of the Plan without financial remuneration, can demonstrate special need.

Recommendation 4:

A federal-provincial early-retirement program be developed on a 50-50 cost shared basis under eligibility rules to be determined by governments.

It also became apparent to the Panel that federal agencies need to develop more coordinated and proactive communication to ensure that all communities are fully aware of various development programs, including those which provide advice and support for small business and community planning. Both governments will need to ensure that coastal communities and individuals promptly receive new information regarding opportunities in fishing, value-added fish products, tourism, aquaculture and other forms of economic development.

In addition, the Panel concurred with the recommendation of the B.C. Job Protection Commission (JPC) that immediate assistance be provided to businesses distressed by the

Plan and two successive poor fishing seasons. The JPC is well qualified to assess, refer, if necessary, and address the problems of specific businesses.

Recommendation 5:

The provincial and federal governments endorse the recommendations detailed in the 1996 B.C. Job Protection Commission report to set up access teams to identify and assist individuals affected by the Plan. The Panel urges both governments to use existing programs and apply the broadest possible eligibility rules, as agreed to by both governments.

Recommendation 6:

The B.C. Job Protection Commission monitor the responses of federal and provincial agencies to the recommendations detailed in this review and report back to governments in one year.

The Panel noted that some communities were geographically well-placed to participate in regional management and habitat initiatives in areas where stocks could be rebuilt to provide economic opportunities.

Recommendation 7:

Establish a \$10- to 15-million per annum, long-term, pilot program of local and regional fisheries renewal initiatives in areas where habitat restoration is likely to pay the highest dividend — such as the Central Coast and Vancouver Island. The

cost of the program would be shared equally three ways by the federal and provincial governments and resource royalties from industry.

Recommendation 8:

That communities, particularly those dependent upon the sea and where interest exists, receive priority consideration for further salmon and non-salmon aquaculture development and the harvesting of under-utilized species, as a means of diversification and job creation.

Fleet reform

In essence, the Mifflin Plan aimed to conserve stocks by adopting a risk-averse management approach. One important aspect of this was the potential for improved manageability of a smaller fleet. More than three quarters of public consultations focused on the specific components of fleet reform — area and single-gear licensing, stacking, the buyback — and their impacts on coastal communities. By the time consultations began to wind down, it was clear there were two diametrically opposed views of the fleet-reform elements of the Plan — those who accepted the Plan urged the Panel to recommend "staying the course" of its implementation and those who rejected it outright and told the Panel to "undo it."

Many fishers told the Panel they accepted the overall direction of the Mifflin Plan and, indeed, had already made business decisions

based on its new-found "certainty." The rules of the game, they said, were now better understood. Others simply did not like the Plan because it restricted their freedom to roam the coast pursuing available fish. Still others indicated support for some of its elements.

Some of those who wanted the Plan to proceed acknowledged its shortcomings but noted that once initiated, a path of irrevocable change was set in place.

Voluntary buyback

The \$80-million federal buyback program was designed to reduce fleet size. It also provided licence holders with the financial opportunity to leave the industry. And while the program was a voluntary one, many fishers questioned its degree of "voluntarism," saying when they examined their futures in the industry against the backdrop of other Plan components, they saw no other sensible economic option other than to sell.

The Panel heard several complaints about the handling of the buyback program. The best articulated and most common complaint was that the buyback program was carried out in two stages. The result was that some fishers who had sold their licences "cheap" in the first round grumbled about the better information and higher prices that went to those who sold in the second round. In a meeting with the buyback committee the Panel was advised that while the prices paid for licences was comparable on average in both rounds, nevertheless some people who sold early in

the first round, at below the average price, might have reason to feel aggrieved. The Panel could find no way to redress this perceived injustice which may have been more a matter of optics than reality, since no one received less than he or she indicated they were willing to take.

There were other criticisms of the buyback. One of the most compelling was that fishers who wanted to get out could not afford to do so because of the capital gains tax they faced if they sold their licence. Several people who had sold out in the 1996 buyback told the Panel that because of the "tax bite", they received less than they had hoped for. It was pointed out the Pacific Roundtable had recommended "one-time" tax relief for those who sold through a government-sponsored buyback. Others felt that at least there should have been a special effort at providing tax advice to those participating in the buyback.

There were real concerns about taxes and the Panel felt sympathy for those who did not have a very good understanding of the tax consequences when they volunteered to sell their licences. A closer analysis revealed the following:

- Capital cost allowance recapture occurs when a depreciated asset is sold for more than its depreciated value. This is a perfectly normal and intended consequence of the operation of the tax system;
- Capital gains on licence sale. The Panel noted that capital gains tax is levied only at 75 per cent of the value received and thus is at a lower effective rate than is paid on regular income. The Panel also noted that the largest capital gains are those made by

individuals who originally received their licences for little if any cost. It also noted that fishers have the same access as other Canadians to tax-sheltered retirement savings through RRSPs;

- Aboriginal taxation. The tax-free status of some aboriginal fishers has, in this instance, the unintended effect of making it more attractive for aboriginal people to sell their licences than non-aboriginal people. In the buyback, it was possible to control the number of licences bought from aboriginal fishers so as to constrain the proportion to preserve the percentage of aboriginal participants in the commercial salmon fishery. In the scramble to find licences for stacking, the Panel is concerned that more aboriginal fishers will sell because the tax-free benefit provides a higher price than a non-aboriginal would receive from the same transaction. The Panel can think of no further remedy that would be fair to all licence holders.

In its coastwide consultations, the Panel encountered general support for overall reduction of the commercial fleet and that each of the three main gear groups — gillnet, seine and troll — would be cut substantially. The combined effect of the buyback and stacking appears to be leading to a rough proportionality, but it is quite uncertain whether this will be maintained.

After exhaustive consultation, it has become apparent that the industry is in need of fundamental renewal. Unless the decline in economic fortune is reversed, further upheaval will occur.

Recommendation 9:

Establish a new Salmon Industry Development Board to provide leadership in creating and realizing a vision for the Pacific salmon fishery.

Stacking

Stacking was the single most controversial topic discussed during Panel consultations. Put simply, stacking allows licence holders to acquire one or more additional licences and attach these to a single vessel. The purpose is essentially to provide licence holders with an opportunity to increase their income by investing in another area or gear licence while reducing the size of the fleet. In 1996 alone, 375 licences were stacked.

Yet there was widespread unease with how future changes may occur if stacking goes ahead. Some argue that the rising cost of licences, together with the practical impossibility of fishing two different areas at the same time with the same boat, place limitations on how far stacking can proceed. Others argue that open-ended stacking could theoretically take fleet reduction well beyond any stated goals to date.

Many fishers expressed anxiety about overcapitalization of the commercial fleet. Many said stacking would benefit the wealthy and the corporations. It is true that the cost of entry into the industry is likely to rise inexorably as a smaller fleet pursues the same number of fish. The Panel also recognized that those who exit the industry will benefit from the higher prices paid for licences from those

wishing to remain. The Panel was unable to identify ways to avoid the problem of increasing entry costs as the fleet becomes smaller.

In assessing the licence-stacking regime associated with the Plan, the Panel agreed there was to be a review of this component of the Plan. Both governments agreed that there should be a secret ballot by gear sector carried out by an independent third party.

Recommendation 10a

Federal Panel position:

The federal view was that this vote would provide a basis for a review of the need for stacking in the future according to the degree of consolidation achieved in each gear sector. Such a review should occur two years from now, i.e., at the end of the 1998 fishing season, at least one full year before any changes to the Plan were envisioned.

Recommendation 10b

Provincial Panel position:

The provincial view is that licence stacking should only proceed once each gear sector has voted whether or not it continues. Further, both governments would commit to immediately establish a Fleet Reform Development Board to oversee, evaluate and provide ongoing advice on fleet reform.

Recommendation 10c

Independent Panel position:

The independent member of the Panel believes strongly that the fishers

themselves must ultimately decide on the issue of stacking. On November 27, 1996, a possible compromise on stacking had been discussed by the Panel as follows:

- Stacking will be permitted, in accordance with the current Plan, only until the commencement of the 1997 fishery;
- In November, 1997, a vote among all licence holders will be held in each gear sector to determine whether or not to continue stacking as a feature of the Plan;
- The results of these votes will determine, by gear sector, if stacking continues over the period November, 1997, to November, 1999.

In order to avoid the significant transition problems and industry-wide uncertainty inevitable with an immediate vote, it is the position of the independent member that the compromise discussed on November 27 continues to form a solid basis for an agreement between the federal and provincial governments on the critical issue of licence stacking.

Access to capital

The need to purchase additional licences permitted under the stacking regime means that access to capital is a serious problem. Two successive poor seasons and the fragile condition of the west coast salmon fishery sector made it difficult for many to borrow

money. Meanwhile the buyback, in the view of many, made licences more expensive. At present, banks and other lending institutions do not accept fishing licences as collateral.

The Panel also identified special problems that constrain aboriginal commercial fishers from getting the financing needed for additional licences. For example, on-reserve housing cannot be used as collateral.

With regard to aboriginal fishers, the Panel recognizes the importance of the Aboriginal Fisheries Strategy licence-retirement program in acquiring licences to maintain aboriginal participation in the commercial fisheries. The Panel urges Industry Canada, through the Native Development Fund, to examine its lending policies to ensure that loans to aboriginal fishers receive consideration as an appropriate form of economic development. Given the impact that single-gear licensing has had, the AFS licence-purchase program may be useful in acquiring additional troll licences for these former combination operators.

The result was a widespread feeling that participation in stacking was an option only for wealthy individual fishers or corporations. Many fishers noted the uncomfortable choice they faced in either having to get out of salmon fishing altogether or incur debts that make it hard to earn a reasonable living. A third choice, resisted by many, would be to seek capital from processors in exchange for the encumbrances of long-term contracts under terms many fishers describe as unfavorable.

Recommendation 11:

The federal government commit to publish as soon as possible or by March 15, 1997, the terms and conditions of a

financial support program designed to provide financial assistance to fishers willing to purchase additional licence(s) prior to the commencement of the 1997 fishing season. The program itself will be put into place at the earliest opportunity thereafter.

Corporate concentration

Many fishers expressed concerns over the issue of corporate concentration, fearing the large fish-processing companies will increasingly be able to control prices and exert influence over the industry — to the detriment of the resource, coastal communities and small independent operators.

As a result, the Panel commissioned a study by two University of B.C. professors of commerce. In their study, *Corporate Concentration in the Pacific Salmon Fishery*, professors Gerald Garvey and Ronald Giammarino wrote: "It appears the major processing companies, have, like many other large industrial corporations, decided that it is simply not profitable to seek control of all aspects of their business.

"Concerns about increased corporate concentration appeared to draw on the 1960s era of 'empire building' mergers, rather than the strategies that the major processing companies are actually following.... In essence we have concluded that many of the real concerns can be traced to problems that particular parties face in raising funds on the capital market."

In their study, the professors recommended that steps be taken to enhance the access to

capital markets for parties that wish to acquire fishing privileges. This could range from providing education to guaranteeing loans.

Recommendation 12:

Establish a registry of licences to afford transparency on ownership, liens and other obligations attached to licences (such as community affiliation) based on the principle that patterns in the beneficial use of a publicly-owned resource should be open to public scrutiny.

Allocation

Allocation is critical to those involved in the fishing industry. Participants in the Roundtable process emphasized the importance of certainty of allocation. They were concerned that fleet-reduction measures implemented in 1996 may lead to a reduced share of the salmon harvest for the commercial fleet.

In response to this concern, the Minister of Fisheries & Oceans sent a letter to all commercial salmon licence holders committing to resolve long-standing disputes over allocation. He stated that every sector deserves to know what stake it has in the future and described the processes that would lead to clear allocation policies.

With respect to allocations to the commercial sector, the Minister stated: "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 actions would be pointless unless the commercial fleet benefits from the productivity gains resulting from a smaller fleet."

It would have been better if allocations were known before licence holders had to make long-term gear and area selections. Instead, the processes have been established to provide certainty on allocations before the 1997 season.

Recommendation 13:

The allocation process must be open, timely and transparent and formal salmon allocation policies should be put in place as soon as possible. It is essential that clear allocation rules be known before any further major changes are introduced in the commercial salmon fishery.

Single-gear restrictions

Two broad concerns were raised about single-gear licence restrictions.

The first concern was in regards to the viability of fishers who had long depended on the flexibility of being able to fish with a gillnet and troll. This point dominated a meeting the Panel held with fishers and community leaders of the Lax-Kw'alaams (Port Simpson) First Nation. The fact that combination gear had been allowed for one year more in the North was seen as evidence that time was needed to make a transition; fishers in Port Simpson urged the Panel to have this exception to single-gear restrictions made permanent. Fishers from the West Coast of Vancouver

Island also spoke of having lost the flexibility they needed because of single-gear restrictions.

Another concern was gear redundancy. In Ucluelet and other communities, the Panel was told that fishers had made recent investments in new gear which now had to be stripped from their boats. According to these fishers and other former combination-gear operators, thousands of dollars had been wasted. A fisher from Cowichan Bay wrote to the Panel telling it that, to maintain economic viability, he had needed a fall gillnetting season in addition to summer trolling. He estimated that because of the single-gear restriction, he now had \$20,000 of worthless equipment.

Recommendation 14:

Compensation of up to \$10,000 to be provided to former combination-boat owners for gear previously used to generate a significant portion of their annual income and subsequently rendered obsolete by the Plan.

Area licensing

Under the Plan, the coast was divided into three areas for gillnet and troll vessels and two for seiners. Critics claimed the boundaries were essentially arbitrary and a particular problem was identified by West Coast trollers who were concerned about their opportunity to catch Fraser River sockeye in years when these stocks migrated on the inside waters of Johnstone and Georgia straits. The argument ran that no careful thought had really been given to the viability and sustainability of single-

gear licences operating exclusively within each new area.

Some fishers claimed that the Plan forced them to make hasty, cash-flow-driven, short-term business decisions. Because so many fishers had a very poor season in 1995, and especially in light of dismal predictions for this year's Fraser sockeye runs, they opted for the only prospect of reasonable fishing in 1996, which lay in the north. However, many others selected southern areas where there would be little likelihood of commercial fisheries in the summer of 1996.

Recommendation 15:

In view of the difficulties associated with the unpredictability of migrations, the Panel recommends that DFO ensure flexibility in providing fishing opportunities in order to respect the intention of area allocations.

Partnerships and improved relations

The Pacific salmon fishery, as the Panel soon confirmed, involves a huge number of different stakeholders whose many views and interests must be considered when DFO makes important policy decisions. The Panel identified a deep dissatisfaction with existing consultations and was troubled by the intensity of the hard feelings directed at DFO — as well as at each other — by the major players in the industry.

The Panel was also disturbed at the poor relationship that appears to exist between the recreational and commercial industries on the West Coast.

The Plan, rather than building better relationships, as intended, apparently exacerbated bad feelings in a fractious industry struggling for its very survival. And while much criticism is expected by a management agency responsible for opening and closing coastal fisheries, fishers, perhaps reflecting the tenor of society at large, increasingly treat DFO fisheries officers and managers with open mistrust and disdain. It may come with the territory in a job where people are paid to say "no", but the Panel was deeply concerned to learn that, in an increasing number of cases, criticism directed at senior DFO officials had taken on a nasty, personal tone.

Animosity was not only directed at DFO, however. Time and time again, the Panel sat through vehement attacks on "the other guy". Commercial, sports, aboriginal, fish farmers, the provincial government, fish processors and gear types from within the industry were all publicly attacked in Panel consultations. The Panel remains deeply worried about the level of conflict and tension afflicting an industry that needs to use its energy far more constructively if it is to solve the daunting challenges it now faces.

Recommendation 16:

Conduct a professional audit of DFO's communications systems — noting especially the formidable challenges of communicating with remote communities. Timely and fact-based information, using consumer-friendly media, so critical to business planning,

must be readily accessible and understandable to a lay audience.

Recommendation 17:

DFO and the B.C. Ministry of Agriculture, Fisheries and Food (MAFF) ensure that coastal communities and individuals promptly receive new information regarding opportunities in fishing, value-added fish products, tourism, fish farming and other forms of economic development.

Recommendation 18:

DFO consider using independent facilitators in future consultative processes. Under no circumstances does the Panel want to minimize a task which, over the long term, has enormous impact on the industry.

Recommendation 19:

In order to support the positive partnership initiatives already initiated by DFO, particular attention must be paid to reducing conflict between, and improving working relationships with, the different stakeholders under DFO's statutory responsibility.

Recommendation 20:

Special efforts be made to improve relations between federal and provincial agencies having broad responsibilities for the fishery with a view to stressing the need for more regional autonomy in the decision-making processes.

Vision and marketing

During its consultations, the Panel was struck by a lack of a clear, value-added marketing vision from the industry and its key players. Given the declining prices and declining share of B.C. salmon in world markets, the Panel believes that the industry must develop a vision that does not contemplate putting the last salmon in a tin can.

While all sectors will presumably benefit from the more orderly and regular harvesting that a smaller fleet can eventually provide, the Panel detected more real entrepreneurial vision and energy among the smaller processors. The Panel strongly believes the industry must nurture value-added, niche markets — recreational, aboriginal and commercial — and focus on opening up new markets and adding value to existing products. New blood, new energy and, above all, a new entrepreneurial spirit is needed if B.C.'s salmon industry is to thrive in the harsh new realities of the global marketplace.

The role of the B.C. Salmon Marketing Council is important in providing leadership with developing a more diversified and comprehensive approach to marketing wild salmon. The council should work closely with a Salmon Industry Development Board to realize benefits from value-added innovation.

Recommendation 21:

The federal and provincial governments provide ongoing financial support to promote and encourage new entrepreneurial marketing initiatives — for all sectors of the industry.

Recommendation 22:

Legislation for the B.C. Salmon Marketing Council should be amended to make contributions non-voluntary so as to assure adequate and predictable funding for the council.

Recommendation 23:

Identify and open new markets for less-utilized marine species.

Conclusion

As set out its terms of reference, the Panel traveled to 22 British Columbia coastal communities over a 10-week period in order to investigate the impacts of a smaller salmon fleet and assess the effects of the "Mifflin Plan" on these communities. The Panel is hopeful its analysis and recommendations will provide thoughtful insight and hands-on guidance for improvements to the Mifflin Plan.

But, if past behavior predicts, the implementation of these new recommendations will not be easy. Simmering beneath the surface of almost all the Panel's discussions on salmon, beyond the labyrinthine complexity and numbing tech-

nical details of salmon management, is a basic lack of trust among all the players — governments, industry, gear types, communities and the many people dependent on B.C.'s salmon fishery.

If, as the Panel strongly urges, governments and industry consider and implement the recommendations detailed above, pivotal to any real-world success will be a new set of relationships built on trust. A daunting challenge indeed.

If this challenge is met, a viable, robust salmon fishery is in the offing. But if it is not, an entire industry and a way of life are at risk. Together, they comprise a bounty we cannot afford to lose.

Summary of Recommendations

Recommendation 1:

Act on the recommendation made in the 1994 Fraser River Public Review Board report which called for a Regional Conservation Council to be established to act as public watchdog for the fishery.

Recommendation 2:

Develop and implement a system of royalties for use of the public resource - the Pacific salmon fishery. A progressive royalties charge based on landings should be instituted, with funds generated being allocated to conservation, enhancement and other programs of value to the industry.

Recommendation 3:

To further assist coastal communities, royalty charges for landings at designated centres (remote communities) be partially abated to promote greater community participation in the fishery. A similar abatement should be made for owner-operators.

Recommendation 4:

A federal-provincial early-retirement program be developed on a 50-50 cost shared basis under eligibility rules to be determined by governments.

Recommendation 5:

The provincial and federal governments endorse the recommendations detailed in the 1996 B.C. Job Protection Commission report to set up access teams to identify and assist indivi

uals affected by the Plan. The Panel urges both governments to use existing programs and apply the broadest possible eligibility rules, as agreed to by both governments.

Recommendation 6:

The B.C. Job Protection Commission monitor the responses of federal and provincial agencies to the recommendations detailed in this review and report back to governments in one year.

Recommendation 7:

Establish a \$10- to 15-million per annum, long-term, pilot program of local and regional fisheries renewal initiatives in areas where habitat restoration is likely to pay the highest dividend - such as the Central Coast and Vancouver Island. The cost of the program would be shared equally three ways by the federal and provincial governments and resource royalties from industry.

Recommendation 8:

That communities, particularly those dependent upon the sea and where interest exists, receive priority consideration for further salmon and non-salmon aquaculture development and the harvesting of under-utilized species as a means of diversification and job creation. Fleet reform

Recommendation 9:

Establish a new Salmon Industry Development Board to provide leadership in creating and realizing a vision for the Pacific salmon fishery.

Recommendation 10a:

Federal Panel position:

The federal view was that this vote would provide a basis for a review of the need for stacking in the future according to the degree of consolidation achieved in each gear sector. Such a review should occur two years from now, i.e., at the end of the 1998 fishing season, at least one full year before any changes to the Plan were envisioned.

Recommendation 10b:

Provincial Panel position:

The provincial view is that licence stacking should only proceed once each gear sector has voted whether or not it continues. Further, both governments would commit to immediately establish a Fleet Reform Development Board to oversee, evaluate and provide ongoing advice on fleet reform.

Recommendation 10c:

Independent Panel position:

The independent member of the Panel believes strongly that the fishers themselves must ultimately decide on the issue of stacking. On November 27, 1996, a possible compromise on stacking had been discussed by the Panel as follows:

- Stacking will be permitted, in accordance with the current Plan, only until the commencement of the 1997 fishery;
- In November, 1997, a vote among all licence holders will be held in each gear sector to determine whether or not to continue stacking as a feature of the Plan;
- The results of these votes will determine, by gear sector, if stacking continues over the

period November, 1997, to November, 1999.

In order to avoid the significant transition problems and industry-wide uncertainty inevitable with an immediate vote, it is the position of the independent member that the compromise discussed on November 27 continues to form a solid basis for an agreement between the federal and provincial governments on the critical issue of licence stacking.

Recommendation 11:

The federal government commit to publish as soon as possible or by March 15, 1997, the terms and conditions of a financial support program designed to provide financial assistance to fishers willing to purchase additional licence(s) prior to the commencement of the 1997 fishing season. The program itself will be put into place at the earliest opportunity thereafter.

Recommendation 12:

Establish a registry of licences to afford transparency on ownership, liens and other obligations attached to licences (such as community affiliation) based on the principle that patterns in the beneficial use of a publicly-owned resource should be open to public scrutiny.

Recommendation 13:

The allocation process must be open, timely and transparent and formal salmon allocation policies should be put in place as soon as possible. It is essential that clear allocation rules be known before any further major changes are introduced in the commercial salmon fishery.

Recommendation 14:

Compensation up to \$10,000 to be provided to former combination-boat owners for gear previously used to generate a significant portion of their annual income and subsequently rendered obsolete by the Plan.

Recommendation 15:

In view of the difficulties associated with the unpredictability of migrations, the Panel recommends that DFO ensure flexibility in providing fishing opportunities in order to respect the intention of area allocations.

Recommendation 16:

Conduct a professional audit of DFO's communications systems - noting especially the formidable challenges of communicating with remote communities. Timely and fact-based information, using consumer-friendly media, so critical to business planning, must be readily accessible and understandable to a lay audience.

Recommendation 17:

DFO and the B.C. Ministry of Agriculture, Fisheries and Food (MAFF) ensure that coastal communities and individuals promptly receive new information regarding opportunities in fishing, value-added fish products, tourism, fish farming and other forms of economic development.

Recommendation 18:

DFO consider using independent facilitators in future consultative processes. Under no circumstances does the Panel want to minimize a task which, over the long term, has enormous impact on the industry.

Recommendation 19:

In order to support the positive partnership initiatives of DFO, it is recommended that particular attention be paid to reducing conflict between and improving working relationships with the different stakeholder groups whom it is DFO's statutory responsibility to manage.

Recommendation 20:

Special efforts be made to improve relations between federal and provincial agencies, having broad responsibilities for the fishery with a view to stressing the need for more regional autonomy in the decision-making processes.

Recommendation 21:

The federal and provincial governments provide ongoing financial support to promote and encourage new entrepreneurial marketing initiatives - for all sectors of the industry.

Recommendation 22:

Legislation for the B.C. Salmon Marketing Council should be amended to make contributions non-voluntary so as to assure adequate and predictable funding for the council.

Recommendation 23:

Identify and open new markets for less-utilized marine species.

PACIFIC SALMON REVITALIZATION PLAN REVIEW PANEL

Appendices

Briefs Submitted to the Panel

Advocacy Organizations

Campbell River and District
Chamber of Commerce
Central Vancouver Island Native
Fisheries Society
Fisheries Council of British
Columbia
Native Brotherhood of British
Columbia
Native Fishing Association
Masset Community Adjustments
Committee
(Fisheries Sub-Committee)
Pacific Gillnetters' Association

Political Jurisdictions

Bellaire, Phyllis
District of Port Hardy

Koch, Annemarie
Town of Port McNeill

Mussallem, Jack D.
Prince Rupert

Pederson, Clifford
Village of Zeballos

Ransome, Teresa
Mount Waddington Regional
District

Rowell, John M.
Village of Alert Bay

Yorke, Don and Pearson,
Kathleen
Council of the Haida Nation,
Haida Gwaii

Ka:íyu: ékíhí/che:k:tlés7etihí
Nation,
Kyuquot, B.C.

Cowichan Valley Regional District

District of Campbell River

Businesses

Anzulovich, Melko
Anzulovich Fisheries Ltd.
Armstrong, Lin
Codfather Fish Lifting
Benedet, Ron
Benedet Fishing Ltd.
Chatwin, Murray
Ocean Fisheries Ltd.
Donaldson, Peter
Kennedy Lake Fishing Co. Ltd.
Gaynor, Kim Davis
The Original Fishboat Trader Ltd.
Groven, Jack E.
Bella Coola Fisheries Ltd.
Hillier, Brian,
Naden Lodge, Masset, Queen
Charlotte Islands
Lobb, Dave
Naden Lodge, Masset, Queen
Charlotte Islands
Malcolm, David
D. Malcolm Fishing Ltd.
Malcolm, Ron
Pender Harbour Fishing Co.
Mann, Hendrika
Osprey Marine Ltd.
Mann, Ron
Osprey Marine Ltd.
McBride, Laurie
McBride Management Ltd.
McGill, Gary
Oceanaire Investments Ltd.
McKee, Charles H.
McKee's Fishing Co.
Murray, John
Sea Fresh Fish
Turyk, Tim
Bella Coola Fisheries Ltd.
Wallace, Jim
Wallace Marine Services
Wright, Byron
Preferred Holdings Ltd.

Individuals

Bauer, Josef G.
Bisaro, Gordon
Bolderson, Gregg
Brezden, Len
Burkosky, Robert
Cameron, Robert
Carlson, Pierce
Christian, David
Coates, Murray
Disney, John
Drpic, Anthony
Edwards, Glen
Forster, Simon
Fraser, Jake
Gerber, Bill
Goldie, Geoff
Griffioen, Ward
Griffith, Billy
Gustafson, Terry
Hansen, Richard
Hardie, David
Henshall, David
Hillis, Harold
Hing, Helen
Hurst, R.
Kasmer, Tom
Kershaw, Paul
Koyanagi, Len
Legate, John
Mackay, Ian
Malcolm, John
Mearns, Allan P.
Mijaclka, Anthony
Millicheap, Louise
Mirau, Garth
Murray, John (?)
Pattinson, Alan
Pedersen, Willy
Pierce, Rodney
Peterson, Chris
Salmi, Larry
Sauder, Ruth
Secord, Richard
Slack, Terry
Sonnenberg, Len
Sowden, Christine E.
Sowden, Michael
Tanaka, Rick
Taylor, Greg
Topic, Greg
Watson, Hugh
Watson, Randy
Weedmark, Dwight
Wick, Michael
Wyness, Peter J.

Coastwide Consultations

September 16-17	Meeting with Coastal Community Network, Penticton
September 18	Meeting with Native Brotherhood of B.C. Executive, North Vancouver
September 19	Stakeholders Briefing Session - Vancouver
September 24	Public Meeting - Cowichan Valley
September 24	Meeting with Comox Indian Band and other Fishermen, Comox
September 24	Public Meeting - Comox
September 25	Meeting at Cape Mudge Community Centre, Cape Mudge
September 25	Meetings Industry Groups and Municipal Officials, Campbell River
September 26	Meeting, with Campbell River area First Nations, Campbell River
September 26	Meeting with Pacific Salmon Alliance, Nanaimo
September 26	Meeting with Department of Fisheries & Oceans, Nanaimo
September 30	Meeting with Nuu-chaah-nulth Fisheries Committee, Port Alberni
September 30	Meeting at with Mayor and local businesspeople, Port Alberni
October 1	Meeting at Ahousah
October 1	Meeting with Municipal Council, Ucluelet
October 2	Meeting with Central Regional Board, Tofino
October 2	Meeting with Mayor and businesspeople, Ucluelet
October 3	Public Meeting, Powell River
October 8	Meeting with Mayor, Business and Labour Leaders, Port Hardy
October 8	Public Meeting, Port Hardy
October 9	Public Meeting, Sointula
October 9	Public Meeting, Alert Bay
October 15	Meeting with Mayor and Fisheries Committee, Prince Rupert
October 15	Public Meeting, Prince Rupert
October 16	Meeting with Northern Processors, Prince Rupert
October 16	Public Meeting, Terrace
October 17	Meeting with Lax Kw'Alaams First Nation, Port Simpson
October 22	Public Meeting, Campbell River
October 23	Public Meeting, Sayward
October 23	Meeting with West Coast Trollers Association, Parksville
October 23	Public Meeting, Parksville
October 24	Public Meeting, Courtenay
October 29	Meeting with Human Resources Development Canada, Vancouver
October 30	Meeting at Gitksan First Nation, Kitwanga
October 31	Meeting with Kitkatla Band
November 4	Meeting with Western Economic Diversification, Vancouver
November 4	Public Meeting, Pender Harbour
November 5	Meeting with Pacific Salmon Alliance, Vancouver
November 5	Meeting with Fisheries Council of B.C., Vancouver
November 5	Meeting with Original Fishboat Trader Ltd., Vancouver
November 5	Public Meeting, Steveston
November 6	Meeting with UFAWU Fisheries Reg. Committee, Vancouver
November 6	Meeting with Pacific Seafood Council, Victoria
November 6	Meeting with Hon. Pat Carney, Victoria
November 6	Meeting with Meadows Marine Surveyors, Victoria
November 6	Public Meeting, Victoria
November 7	Meeting with Salasun Pacific West Group, Victoria
November 7	Public Meeting, Nanaimo
November 8	Meeting with Kyuquot First Nation, Kyuquot
November 12	Meeting with Heiltsuk First Nation, Bella Bella
November 12	Public Meeting, Queen Charlotte City
November 12	Meeting Municipal Council and Economic Adjust. Committee, Masset
November 12	Public Meeting, Masset
November 13	Meeting with Fleet Rationalization Committee, Vancouver
November 14	Meeting with Department of Fisheries & Oceans, Vancouver
November 14	Meeting with Greg Taylor & associated fishermen, Vancouver
November 14	Meeting with Fishing Vessel Owners Association, Vancouver
November 14	Meeting with Oweekeno/Kitasoo/Nuxalk Tribal Council, Vancouver
November 14	Public Meeting, Delta
November 20	Meeting with Pacific Gillnetters Association, Vancouver
November 20	Meeting with Howard Paish, Vancouver
November 20	Meeting with Sports Fishing Institute, Vancouver
November 20	Meeting with B.C. Salmon Marketing Council, Vancouver

Terms of Reference

GOVERNMENT OF CANADA AND GOVERNMENT OF BRITISH COLUMBIA MEMORANDUM OF UNDERSTANDING ON FISHERIES ISSUES

Review of Impacts of the Pacific Salmon Revitalization Plan Terms of Reference

MANDATE

1. The Government of Canada and the Government of British Columbia share a mutual interest in conserving and enhancing the salmon resource to ensure a sustainable and viable fishery for the future.
2. The Government of Canada and the Government of British Columbia have agreed to conduct a study of the impacts of the Pacific Salmon Revitalization Plan (hereafter referred to as the "Plan") on coastal communities, individuals and corporate concentration.
3. The mandate for the study stems from the July 15, 1996 "Memorandum of Understanding Between Canada and British Columbia on Fisheries Issues."
4. The study will be led by a three-person team (one Government of Canada representative, one Government of British Columbia representative and a mutually appointed independent third party), hereafter referred to as the "study team".

Mr. M. Francino will represent the Government of Canada on the study team.

Mr. W. Letaux-Valentine will represent the Government of British Columbia on the study team.

Mr. J. Fryer will be the independent third-party member of the study team.

OBJECTIVES AND PRINCIPLES

5. Both parties agree that a co-operative approach to reviewing the impacts of the implementation of the Pacific Salmon Revitalisation Plan is required. The study team will operate objectively but will be afforded full support and co-operation.
6. Canada agrees to consider any proposals to address the impacts of the Plan.
7. In the context of the ongoing implementation of the Plan, any proposals for improvements to the Plan based on the findings of the study will be submitted to the Government of Canada for consideration.

SCOPE

8. The study shall take into account:
 - i. the work commissioned by the British Columbia Jobs Protection Commissioner on the impacts on coastal communities and individuals of the Plan and the reduced salmon harvest for 1996.
 - ii. the adjustments to date and ongoing federal analysis being led by Human Resources Canada and Western Economic Diversification on the impacts on coastal communities and individuals of the Plan.
 - iii. an analysis of the impact of the Plan on corporate concentration in the commercial salmon fishery.
 - iv. the implications of the Plan, which include measures announced and proposed, on conservation; government-community-stakeholder relationships; and other factors.

ACCOUNTABILITY AND TIMING

9. The parties will ensure staff and budgets are available to support the work of the study.
10. The study will begin immediately and will follow the attached workplan. The report will be submitted before end of November 1996.
11. The parties shall assume the costs of their participation in the study and jointly assume the costs of agreed-to consultation, costs incurred by the independent third party and costs of agreed-to contracted studies.

Terms of Reference

COMMUNICATIONS

12. All official communications directly associated with the operation of this review (e.g. background documents, progress reports, press releases) shall be jointly issued with agreed upon spokespersons.

DELIVERABLES

The study team shall submit to the two governments its report on the impacts of the Plan, together with any proposals to address them. The report's deliverables shall include:

- i. an assessment of the short-term and longer-term impacts of the Plan on coastal communities, individuals and corporate concentration.
- ii. recommendations for determining appropriate adjustment measures
- iii. proposals for improvements to the Plan.

STAKEHOLDER INVOLVEMENT

14. Consultation is a key element of the study. The study team will consult broadly with interested groups, including communities, shoreworkers, First Nations, Aboriginal organizations, fish processors, vessel owners and crew, participants in ancillary industries, conservation groups and the public.

ORIGINAL SIGNED BY

William A. Rowat, Deputy Minister
Department of Fisheries and Oceans
Government of Canada

SEP 6, 1966
Date

ORIGINAL SIGNED BY

Doug McArthur, Deputy-Minister
Office of the Premier
Government of British Columbia

SEP 6, 1966
Date

GOVERNMENT OF CANADA AND GOVERNMENT OF BRITISH COLUMBIA MEMORANDUM OF UNDERSTANDING ON FISHERIES ISSUES

Review of Impacts of the Pacific Salmon Revitalization Plan

WORKPLAN

1. Conduct broad stakeholder consultations consistent with the study terms of reference.
2. Augment the work of the Job Protection Commission by completing an assessment of the short term changes in corporate concentration related to the Plan and assess the Plan's contribution to conservation and manageability.
3. Concurrently with (2), conduct a long-term socio-economic impact assessment of the Plan, broadly defined, and the long term impact of fleet reduction on the commercial salmon fishery, including its expected contribution to conservation.
4. Conduct an assessment identifying the appropriate amount and type of adjustment assistance; appropriate target groups for such assistance, and cooperative means to efficiently deliver it. Taking account of existing adjustment programs, develop recommendations.
5. Develop proposals for improvements to the Plan including consideration of enhancements to existing elements of the Plan, elements proposed but not yet implemented (e.g. pilot troll individual quotas) and additional elements (e.g. Pacific Policy Roundtable recommendation to augment enhancement).
6. Undertake other work as the parties agree as necessary.
7. Recommend an implementation plan for items (4), (5) and (6).

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING BETWEEN CANADA AND BRITISH COLUMBIA ON FISHERIES ISSUES

WHEREAS the Government of Canada and the Government of British Columbia share a mutual interest in conserving and enhancing the salmon resource, to ensure a sustainable and viable fishery for the future.

WHEREAS both governments recognize that changes are necessary in the structure and management of the fisheries sector in order to achieve this goal.

WHEREAS the Government of Canada recognizes that the Government of British Columbia should assume an enhanced role in the management of fisheries issues.

THEREFORE the Government of Canada and the Government of British Columbia agree.

1. To conduct a comprehensive, bilateral review of federal and provincial roles and responsibilities in the management of the Pacific salmon fishery.

The review shall be based on clear and agreed principles including maintaining and enhancing the sustainability of the resource; providing for the long-term viability of the industry; and, bringing decision-making closer to clients and stakeholders.

The review shall include, but not be limited to, resource management and conservation, resource allocation, licensing and fleet management, habitat restoration and enhancement, minimization of administrative overlap and duplication, and improving service to clients. The review shall also explore new institutional arrangements proposed by either of the parties.

Terms of Reference for the review shall be finalized by August 15, 1996, and the review completed by February, 1997. Formal provision shall be made to involve clients and stakeholders in the review.

2. To conduct a study (one federal representative, one provincial representative, and a mutually appointed and independent third party) of the impacts of the Pacific Salmon Revitalization Plan (hereinafter referred to as the Plan) on coastal communities, individuals and corporate concentration.

Memorandum of Understanding

The study shall begin immediately and be completed by October 15, 1996. It shall include the work commissioned by the Provincial Job Protection Commissioner, in which the federal government is already participating, and the federal governments ongoing impact analysis and response through Human Resources Development Canada and Western Economic Diversification.

The Government of Canada agrees to consider any proposals to address the impacts of the Plan that arise from the study.

In the context of the ongoing implementation of the Plan, the Government of Canada agrees to consider improvements to the Plan based on the findings of the study.

Both parties understand that, after June 30, no further applications for license stacking will be considered for the 1996 fishing season (until November 30).

3. That the Government of Canada will seek the views of the Province of B.C. on the report of the independent Fleet Reduction Committee on Round II of the license retirement program, before the final public announcement is made.

Dated this 15 day of July, 1996 at Sidney, British Columbia.

ORIGINAL SIGNED BY

Honourable Fred Mifflin
Minister of Fisheries and Oceans
Government of Canada

ORIGINAL SIGNED BY

Honourable Corky Evans
Minister of Agriculture, Fisheries and Food
Government of British Columbia



**A FEDERAL - PROVINCIAL
REVIEW OF THE
MIFFLIN PLAN**

R E S T R U C T U R I N G I N T H E
P A C I F I C S A L M O N F I S H E R Y

DECEMBER 1996