
Updating the Commercial Salmon Allocation Framework

Phase One Report

January 24, 2014

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Updating the Commercial Salmon Allocation Framework – Phase One Report

Introduction

Fisheries and Oceans Canada (DFO) is undertaking an initiative to update the current Commercial Salmon Allocation Framework. The Department has engaged commercial salmon harvesters through the Commercial Salmon Advisory Board (CSAB) and First Nations through the First Nations Salmon Coordinating Committee (SCC), and the Province of BC under a Terms of Reference that outlines the scope and purpose. See Appendix A for the full Terms of Reference.

The reasons for changing the commercial allocation process are varied depending on who is speaking however there is consensus that changes need to be made. Simply put, the concerns are that the current framework does not permit long term planning and stability and does not provide the flexibility to respond to the fluctuations in salmon abundance and market conditions. In addition, many harvesters have raised other issues, separate from commercial salmon allocation framework, and often these are about the inability to harvest commercial allocations. This is a complex situation with varied interests, values and passions associated with an iconic species.

There are two phases to this engagement process. The purpose of Phase One was to gather suggestions on possible changes to the existing Commercial Salmon Allocation Framework and describe the socio-economic analysis and indicators to be used in evaluating proposed changes. Phase Two will examine the suggestions for changes and evaluate them based on objectives and criteria. The objectives and criteria are outlined in the Terms of Reference document. The socio-economic indicators to be used were suggested by the participants and others in Phase One. A third party socio-economic analyst will support Phase Two.

Following Phase Two, the Department will consider the received advice on proposals to update the Commercial Salmon Allocation Framework and will make a decision on any changes to the current Commercial Salmon Allocation Framework.

Purpose of Document

The purpose of this document is to describe the process and communicate the outcomes of “what we heard” for Phase One of the Fisheries and Oceans Canada initiative to update the current Commercial Salmon Allocation Framework. It will also describe the anticipated process for Phase Two.

The intention of this report is to provide a summary of the input received through discussions at the meetings, the online and written submissions. It will provide another way for clarifying the progress on this initiative and more broadly informing others not directly involved in the process on its perspectives and considerations. Its aim is to strengthen the engagement and further support an effective process to update the commercial salmon allocation framework.

Background

This initiative to update the current Commercial Salmon Allocation Framework is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST) announced by the Department in 2010. This includes addressing the deficiencies in the current Commercial Salmon Allocation Framework that were identified by the CSAB and the Integrated Advisory Group (IAG) formed to provide advice on PST mitigation. Equally as important, this work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions.

The scope of this work is to update the commercial salmon allocation arrangements within *An Allocation Policy for Pacific Salmon*¹. The Commercial salmon allocation framework relates to allocations within the commercial sector (see section 4.3 of *An Allocation Policy for Pacific Salmon*). For the purposes of this process “commercial” refers broadly to any existing commercial and First Nations fisheries where the licence holder has been permitted to sell fish. The existing allocation priorities for First Nations food, social and ceremonial and recreational salmon fisheries will be maintained, consistent with this Allocation Policy.

Outcomes from this initiative must also be consistent with key department direction. For example, conservation of wild Pacific salmon and their habitats is the highest priority in resource management decision-making and any changes to the Commercial Salmon Allocation Framework will respect *Canada’s Policy for Conservation of Wild Pacific Salmon* (the ‘Wild Salmon Policy’).

DFO will consult with Aboriginal groups when allocation decisions may potentially affect Aboriginal fishery interests, in accordance with S. 35 of the Constitution Act (1982), relevant case law, and consistent with Departmental policies and considerations. Further, this process will not in any way define or limit any aboriginal title or rights of First Nations, and will be without prejudice to the positions of the parties with respect to Aboriginal title or rights.

The Terms of Reference for Updating the Commercial Allocation Framework outlines the process, the objectives, questions to help inform the discussions, strategic context and management considerations and evaluation criteria (see Appendix A).

¹ <http://www.pac.dfo-mpo.gc.ca/fm-gp/species-especes/salmon-saumon/pol/index-eng.html>

Process Design for Updating the Commercial Allocation Framework

There are two phases to this engagement process. The following is a description of the process that occurred in Phase One as well as the anticipated process for Phase Two.

Phase One

Main Objectives

1. To seek input from the interested parties if changes should be made and if so, what would be possible changes to the existing Commercial Salmon Allocation Framework and;
2. To solicit socio-economic indicators to measure outcomes of proposed changes.

There were three ways in which people could participate: meetings through representatives from each Area, responding to an online questionnaire and also in writing.

The Department sent letters (see Appendix B) in the fall to all First Nations that have had licences that permit the sale of salmon advising them of the process and opportunities for input or to request meetings.

Appendix C shows the Fishery Notices sent to all licence holders October 17 and November 7, 2013 advising them of the process with information needed to participate either through the above representatives or independently through the online questionnaire or in writing. Appendix D is the cover letter of a mail out that was sent out to all licence holders in December with the same information as the Fishery Notice, as well as a further notice sent in January extending the deadline to January 31st for input. Responses will be used to assist in evaluating suggestions for changing the current Commercial Salmon Allocation Framework.

Design of Engagement

The design of engagement process was to ask participants whether they felt changes were necessary, what outcomes they were hoping for with proposed changes and with what indicators and metrics would they use to evaluate the changes.

The meetings, online and written submissions focused on six questions posed in the Terms of Reference to help inform the discussions. Those are:

1. What are the current deficiencies with the current Commercial Salmon Allocation Framework?
2. What elements of an updated Commercial Salmon Allocation Framework would you like to see to give you greater allocation stability, business flexibility and/or increased access to harvest opportunities?
3. What elements of an updated Commercial Salmon Allocation Framework would facilitate increased collaboration on operational harvest decisions among commercial fishery participants?
4. What current rules or barriers could or should be eliminated as part of the updating of the Commercial Salmon Allocation Framework?
5. What economic impacts do you hope to see for yourself and the fishery as a whole, from the proposed changes to the Commercial Salmon Allocation Framework? How would you like to see these impacts captured and measured in the socio-economic analysis which is planned as part of Phase One of this process?

6. Are the criteria provided for evaluating any suggestions put forward for updating the Commercial Salmon Allocation Framework reasonable? Are there other criteria that should be evaluated? How should the retirement of commercial licences be incorporated into an updated Commercial Salmon Allocation Framework? How should possible future licence retirements be dealt with?

Meetings

A series of four meetings were held from September 23 to December 19, 2013 engaging representatives of the CSAB and the First Nations representatives of the Salmon Coordinating Committee. The two groups met separately for two days each. Appendix E is a schedule of the meeting dates and participants attendance. There are detailed meeting notes for each meeting. As well, DFO has communicated with First Nations bands and tribal councils and AAROM groups, and has attended specific meetings with First Nations upon request.

Online and Writing In

There was an opportunity to be involved through a web-based questionnaire and to write in directly. The Department collected submissions until January 31st. A summary report on the key issues/themes identified in responses has been produced (see Appendix F).

Current Commercial Allocation Arrangements “Status Quo” - Template

For the meeting participants to engage in suggesting changes to the current “Status Quo” framework, the Department provided a summary template outlining the main elements of the existing framework. This “Status Quo” template was used as a tool to assist meeting participants compare potential proposals containing one or more ideas for changes with arrangements under the Status Quo. This tool was used to organize all proposals made and to facilitate an open and transparent evaluation process in the second stage of the process.

Phase Two - The Next Step Evaluation

Main Objectives

With the expertise of a Socio Economic Analyst the main objectives of Phase Two are to:

1. Review the input of suggested changes to the framework received and evaluate potential outcomes against the criteria, objectives and socio economic indicators discussed in Phase One. If any suggested indicators cannot be evaluated explanations will be provided.
2. Facilitate discussion with participants on proposed changes and outcomes and to identify areas of common ground/differences. This process could lead to a refinement of existing proposals or new proposals.
3. Obtain final advice from parties on preferences for proposed changes.

Following Phase Two, the Department will consider the advice received and will make a decision on any changes to the current Commercial Salmon Allocation Framework.

Socio Economic Analyst Contracted

November 17, 2013 a “Request for Proposal” process for a Socio Economic Analyst (SEA) was undertaken and in late December “Fraser and Associates Economic Consultants” was contracted. This contractor will assist the engagement process by analyzing the suggested changes (proposals) against desired outcomes, using indicators developed based on participants input gathered in Phase 1. This analysis will create a transparent evaluation process assessing how proposed suggestions meet criteria and helping the discussions and collaboration elicit preferences for any proposed changes.

Dates for Meetings

There will be a series of 3 meetings from January through to March 2014. Dates are: January 20, 27 – 28, February 20 (CSAB), February 27-28 (FN SCC), and April 1 – 2 (FN SCC) and April 7-8 (CSAB).

Summary of Observations

The following section will provide a Summary of Observations from Phase 1. This section includes a general observation about the process, observations from the two meeting groups, the CSAB and the SCC and observations from the online and written submissions.

General Observation

What is in the Framework?

In the meetings there was considerable time spent discussing what comprised the commercial salmon allocation framework and which of its elements or components were judged deficient and required change. Consequently, it became important to clarify how the framework functioned in practice first before simplifying and outlining its key components.

The Commercial salmon allocation framework is used to define allocations within the commercial sector (see *Background*). Defining the allocations involves starting with an objective of a coast-wide commercial gear split of 22% troll, 38 % gillnet and 40% seine based on sockeye equivalents. Sockeye equivalents are the method used to convert the differing value of the five salmon species which are caught in differing proportions by the fleets into a common currency. In any given year, annual coast-wide allocations by gear type are translated into a commercial allocation plan in the salmon IFMP's that specifies allocations by species for approximately 20-25 major fishery production areas. With this understanding then the commercial salmon allocation framework can be distilled into four key components: 1) the coast wide commercial gear split; 2) the sockeye equivalents; 3) the annual adjustments to gear allocations; and, 4) the divisions of the gear allocations into fisheries (production area and species) to achieve the coast wide gear splits. Finally, relevant to what the framework comprises includes defining the allocation associated with licences relinquished from the commercial salmon fishery for transfer to First Nations and identifying the range of First Nations' fisheries that are part of the commercial fishery.

Importantly, however, the allocation framework does not guarantee that target allocations will be achieved in any given year. The achievement of target allocations depends on a range of factors that affect commercial fishing opportunities including conservation needs for the resource, ability to fish selectively to avoid stocks of concern, priority for First Nations food, social and ceremonial fisheries and other factors. As a result, many commercial participants view the realization of commercial allocation arrangements as inextricably linked to fisheries management approaches. While this work is focused on the commercial allocation framework itself, consideration of how proposed changes to the allocation arrangements could affect realization of allocation targets under current (or future) fishery conditions will need to be considered carefully.

Meetings

There are four sets of meeting notes from each of the groups with over 100 pages, not including the attachments. For those who want more details, it is possible to request the notes from the meetings. For this report, the notes from the meetings have been distilled into six themes; engagement, scope, deficiencies, elements of the framework, capacity and implementation, indicators for evaluation.

Summary of the Commercial Salmon Advisory Board Meetings

Engagement

1. Participation by CSAB has been active and there has been a strong commitment to the process. Those participating have worked hard to outline views, understand other perspectives and identify key concerns with the Commercial Salmon Allocation Framework and suggest potential solutions.

2. The first CSAB/DFO meeting on updating the Commercial Salmon Allocation Framework clarified the process for the initiative and largely addressed questions on membership, timelines, schedules and roles. Although new participation in the second meeting of the CSAB meant some revisiting of matters previously covered in the first meeting, largely the group was able to move on to a discussion of proposals for changing the current allocation framework.
3. By the third meeting of the CSAB the discussion was principally focused on proposal descriptions, clarifications on their intent and their fit relative to the “Status Quo” template. Groups or individuals were able to describe what the proposals would change in the template and highlight its effect on or implication for the fishery and/or its participants and as well propose how the effect might be measured. There have been approximately 13 proposals suggested for consideration with varying levels of details provided.
4. A number of commercial groups and the union have taken steps to apprise their membership on the deliberations and seek views on moving forward.

Scope of Initiative

1. During the discussions on the Commercial Salmon Allocation Framework concerns over management of fisheries are often raised and this has complicated the advice on changes to the allocation framework.
2. There is a strong view that reform of the Commercial Salmon Allocation Framework needs to include defined allocations for non-commercial harvesters, particularly the recreational fishery, whose allocation arrangements are seen as undermining effective commercial allocation arrangements, particularly troll interests.

Perspectives on Deficiencies

1. There are a number of similar views or common observations on the deficiencies of the Commercial Salmon Allocation Framework:
 - a. The sockeye equivalents are generally seen as inappropriate and seen by some as unfair (displace Area H troll) or create disincentives to increase catch value (Area H, G, F and Area A and B).
 - b. The coast or region wide approach to the allocation arrangements comprising the current framework is a concern by all except for one group. It is largely seen as too broad and not tied closely enough to how commercial salmon fisheries function and are managed. Views vary on what is the most suitable level for assigning shares with suggestions including basing shares on a north/south basis or something more highly resolved – i.e. shares linked to local fisheries/ production areas or individual licences). Area G states they would like status quo arrangements with an updated formula for calculating sockeye equivalents.
 - c. There appears to be support for moving to longer-term allocation arrangements. Some have suggested periodically reviewing share performance and making modifications based on deviations from acceptable tolerances. This is not supported by Area G.
 - d. There is strong support for valuing all commercial TAC and assigning explicit shares to any ESSR harvests to ensure that this is part of any commercial allocation.

- e. Rules for the transfer of catch shares from relinquished commercial licences are seen as inadequate and inconsistently applied and reform is sought to clarify the transfer rules and apply them in a transparent, consistent and measurable manner.
- f. The broad view is that clearer rules around establishing by-catch mortality are needed and there is wide support for assigning catch mortalities at least at the fleet level.

Elements of an Updated Commercial Salmon Allocation Framework

1. Several of the changes to the allocation framework propose that commercial shares be defined at various levels: North/South by Area and gear level; by Area and fishery production area; by individual licences, or possibly some combination of all three. Depending on the proposal there is flexibility to transfer catches within the gear and fishing areas or across gears within the same fishing area.
2. The proposals would assign value for all commercial harvest and allow for fishing interests to forgo harvest and allow potential catch to be harvested by other parties in more terminal locations but only if agreed through an arrangement struck by all the interests.
3. Proposals also include making improvements to the current allocation arrangements through more effective integrated processes and with specific share arrangements proposed for all salmon fishery participants, including First Nations and recreational harvesters.
4. Proposals have suggested that decisions about how shares are fished (e.g. ITQ, pool, derby) should be left to fleets to decide with no group forced to adopt ITQs if not supported by the Area Harvest Committees and/or licence holders.
5. There are strong concerns by some that the proposed share based approaches will lead inevitably to ITQs and these are seen as a form of property rights that will disenfranchise fishing interests and communities and concentrate access in limited hands.
6. The differences in perspectives are further complicated by how shares may be defined initially. Equal assignment of allowable harvest by licence holder is seen as the simplest by some, while it is regarded as unfair by others who would prefer any initial assignment of shares considering vessel catch history as an important or principal factor in the determination of the shares.

Capacity and Implementation Views

1. There is concern that no matter the changes to the Commercial Salmon Allocation Framework, DFO resources are inadequate to implement its changes. Many in the CSAB perceive that further reductions in DFO capacity puts at risk achievement of allocation goals.
2. Several members have sought further clarity on expected increased industry costs for fishery monitoring and catch reporting.
3. DFO observed that a number of the proposals were highly dependent on catch and population information which is currently not available and thus the feasibility of implementation would need to be evaluated against conservation and compliance requirements and the industry capacity to support the changes. This will be particularly

important given that DFO resources will be limited and cannot be expected to support increased costs.

Indicators for Evaluating Proposed Changes

1. The list of potential outcomes that participants suggested for assessing proposals and the measurement indicators has been largely compiled with many common indicators suggested by the various participants.
2. Participants have expressed some different perspectives on which of these indicators are more or less important in assessing an outcome.

Summary of the Salmon Coordinating Committee Meetings

Engagement

1. The efforts by the SCC to clarify how the Commercial Salmon Allocation Framework affects their interests and then provide advice and views on how the framework might change have been highly informative. The department and the SCC have been able to work well together to clarify the current commercial salmon allocation arrangements, improve understandings and document obstacles to change.
2. The first meeting was dominated by discussions on process and seeking clarity on the reporting documentation and format of minutes, membership, roles and responsibilities and clarifications what is included in the First Nations share of the commercial salmon harvest. The FN share was frequently referred to as the “bucket” or “basket” during subsequent meetings. This discussion included which First Nations fisheries and arrangements are in or out of consideration in updating the framework.
3. Identifying changes to the current Commercial Salmon Allocation Framework were affected by the relatively recent exposure to the allocation framework by a number of First Nations and the complexity of First Nations interests (marine based groups can have different interests to inland groups). Tier 1 discussions (among SCC representatives only) have been helpful in focusing attention on possible changes to the framework.
4. An important characteristic of the approach in the SCC has been the emphasis on describing preferred outcomes and identifying broad objectives being sought in First Nations’ fisheries, potential obstacles to implementation and First Nations suggestions for changes that might improve outcomes. Subsequent meetings provided for discussion on possible changes to the commercial allocation framework by using objectives outlined by the SCC (Appendix G) and led to suggestions on what elements of the framework could be proposed for change.
5. Various First Nations have underscored the point that the SCC is not consultation and does not foreclose obligations by the Department to consult bilaterally as appropriate.
6. The SCC collaborated on one comprehensive proposal for consideration.

Scope of Initiative

1. Increased access to salmon has been noted as key objective of First Nations. Although the terms of reference for updating the allocation arrangements are not focused on changing access levels it was noted that changes to the allocation framework (rules around transferring shares, uncaught commercial allocations, etc.) could have implications on access.

2. The SCC requested improved clarity on what is included in the initiative. As a result, the Department produced a FACT SHEET (Appendix H) outlining questions and answers regarding the work. Some First Nations used the SCC summary outlining their objectives and the fact sheet to update their communities on the process.

Perspectives on Deficiencies

1. Several concerns have been raised regarding the current Commercial Salmon Allocation Framework. Sockeye equivalents are seen as a hindrance and harvest shares would be better assigned on a species basis; coastal and annual allocation arrangements do not match with First Nations interests that support longer term and local share allocations; First Nations seek an enhanced decision-making role in fishery planning and, finally specifying by-catch mortality and assigning this to individual groups was suggested by several First Nations.
2. ESSR has been flagged by some First Nations (principally the Lake Babine Nation) as an important issue and they have argued that the current ESSR policy, which does not include these surplus fish as part of the commercial TAC, should continue.
3. Others have suggested that the current framework doesn't deal appropriately with uncaught fish (i.e. fish that are part of the commercial TAC but for various reasons, like conservation constraints, cannot be harvested regular commercial fisheries). Suggestions have been made that there need to be ways of defining the shares for First Nations fisheries which provide for a greater degree of certainty for marine, in-river and terminal fisheries than is possible under current arrangements, including the current ESSR policy.
4. Lower Fraser First Nations noted concerns with the current arrangements in the economic opportunity fisheries highlighting the year to year arrangements, the link between Food, Social and Ceremonial (FSC) and economic allocations in agreements and the general instability of these arrangements. They have questioned how this could be treated in a revised allocation framework.
5. The current framework makes no distinction between active and in-active licences and First Nations would base any shares on active licences only.

Elements of an Updated Commercial Salmon Allocation Framework

1. The fishery objectives proposed by the SCC helped inform a discussion on what obstacles in the commercial salmon allocation needed to be overcome to realize these objectives. This work served to indicate a number of issues with the current allocation framework and identified the necessity for additional rows in the template to accommodate missing components of the First Nations fisheries.
2. First Nations have strong views on the outcomes they seek and by association the implications on the allocation framework. The First Nations propose that their commercial shares be defined at the fishery and species level, that by-catch be specifically allocated as part of the shares and that the non-tidal fishery be a component of the commercial fishery. ESSR fisheries would be separate and continue to operate under the existing approach. First Nations would have the flexibility to decide on how best to harvest these shares and that could also include participating in existing commercial openings or more local communal arrangements and locations where that was operationally feasible and desirable.
3. An explicit share would be assigned to any transfers associated with relinquishments (possibly through the creation of a new licence category). Moreover, First Nations

fisheries would participate in access to uncaught commercial TAC as part of the commercial fleet.

4. Economic agreements would address current instability through more predictable and ongoing arrangements with clear rules on how the allocation percentage is translated into numbers of fish and allowable harvest.

Capacity and Implementation Issues

1. As in the CSAB discussions DFO flagged issues associated with operating more local fisheries with defined allocations and their feasibility given existing stock information, management and enforcement capability. The First Nations support adopting appropriate catch monitoring and compliance activities in respect of community share arrangements. However, details on how these may work, the risk tolerance and acceptable performance standards have not been explored.
2. The First Nations proposal envisions possible opportunities for First Nations commercial allocations to be accessed at a more local level with greater flexibility to manage effort to meet community interests. The Department has indicated further discussion is required here.

Indicators for Evaluation of Proposed Changes

1. A number of evaluation criteria have been identified following the discussion on proposed changes to the allocation framework and for the most part these have been standard factors noted in socio-economic analysis. Additional information on indicators used in other evaluations was also provided to the Department. Appendix I is a list of all of the indicators to date from both groups.

Proposals for Suggested Changes

Overview of Proposals

At the end of Phase One there are 15 proposals for suggested changes to the commercial salmon allocation framework prepared from the discussions with the First Nations Salmon Coordinating Committee (SCC) and the Commercial Salmon Advisory Board (CSAB).

One summary proposal was developed by the SCC (see Appendix J) and 14 emerged from the CSAB discussions. The large number of CSAB proposals reflects the diversity of interests in this group and the different perspectives for change as represented by the 3 gear types and 8 gear license areas. The SCC proposal was developed following First Nations only discussions within the SCC; it is understood that the proposal has yet to go through any approvals process that might be required by each of the First Nations.

The Appendix K is the template that describes the “raw data” of what the 15 proposals would change in the commercial salmon allocation framework. For some proposals it also outlines the implications on associated fishery measures, regulations, departmental programs and policies. The organization of the proposals using the template facilitates comparisons of the proposals and helps to simplify the changes relative to the current situation, or status quo.

The level of completeness of the proposals varies substantially. The SCC proposal is comprehensive and outlines what would be changed in the current salmon allocation framework and considers some of the implications across fishery measures and other components outlined in the template as well. The CSAB proposals show more of a variety in completeness. Several of the proposals were presented at an early stage in the discussions and the template was partially completed before attention switched to other proposals. In some instances proposals were

prepared with a specific concern in mind. For example, two proposals (Area F value added and the Rockfish allocation model) consider only how an initial licence share may be determined and fixed. Other proposals are quite comprehensive and document the proposed changes and impacts across nearly all components of the template (e.g., phased approach, Area H, Bob/Kim, Area F advisors and UFAWU/UNIFOR proposals).

Many of the proposals have broad implications and their elements will have impacts beyond just the commercial salmon allocation framework. The SCC proposal envisages a number of changes including fixing shares at the species and perhaps down to the community level and assigning by-catch mortality. The changes proposed by the CSAB proposals range from maintaining the current salmon allocation framework but with adjustments to how sockeye equivalents are calculated (e.g., Area G proposal) to more substantial changes such as fixing shares at the licence level with options to reallocate within gear types or possibly more broadly (e.g., phased approach, Full ITQ). There were also three additional proposals suggesting approaches for defining the initial allocations and on the future use of remaining PST mitigation funding.

Several of the CSAB proposals have number of elements in common and a new proposal was constructed to represent these (e.g., "Evergreen proposal"). Key elements of this proposal included fixing commercial allocations at the commercial fleet (A to H) and fishery production area level based on the 'historic' fishery in each area for an indeterminate period and an elimination of sockeye equivalents. Similar to most other CSAB proposals, fleets would retain flexibility to decide how to manage shares, including competitive, pool, quota or other fishery arrangements, at the fishery production area level. This proposal was done to help facilitate and simplify the planned socio-economic analysis of the CSAB proposals.

Others: Online and written submissions

To date there have been 45 online submissions and 40 mailed in responses.

It was clear from the submissions that there is merit in implementing change as all submissions described problems experienced in reaching target allocations. However, most suggestions for change were focussed on changes to the fisheries management approaches rather than the Salmon Allocation Framework itself (see the above explanation "What is in the framework?") The suggested changes for the elements of the framework are covered in the CSAB or the SCC proposals for evaluation. Consideration of how proposed changes to the fisheries management approaches could affect realization of allocation targets under current (or future) fishery conditions will need to be considered carefully. (See Appendix E for a summary report of additional submissions.)

Key Findings for Phase Two

1. The views and perspectives from the meetings, the submissions online and the mailed in responses to date underscores the complexity of the Commercial Salmon Allocation Framework and its challenges for renewal. A number of factors have been raised including allocations for recreational fishery participants, fisheries management approaches for stocks of concern, uncertain future production of salmon, etc. that could affect the future achievement of any commercial allocations. As a result, many participants have sought to increase the scope of the work to address broader issues that are viewed as also affecting commercial allocation arrangements. However, the Department has indicated that the process is clearly focused on commercial salmon allocation arrangements and that adding issues outside the scope of the initiative could prevent or substantially delay any potential changes.
2. In spite of the differences among aspects of the various proposals there is much agreement: most participants want to change the existing framework and replace

- sockeye equivalents, coastal allocation arrangements and annual adjustments with more suitable arrangements. Thus, it seems possible to find broad support for at least some changes to the framework notwithstanding other changes in which strong agreement may not be attainable.
3. Suggested changes to the Coastal arrangements have varied. The following list identifies different levels that have been suggested for re-defining commercial allocations
 - a. Coast wide
 - b. Separate allocations for fleets in the North vs. South
 - c. Fishery Production Area by species and fleet
 - d. Individual licences – by species...
 - e. First Nations – by species and fishery area and, possibly, into local areas/community shares
 4. A successful evaluation of the proposed changes will require consideration of a reasonable number of proposals, objectives and indicators. At this point in time there are unfinished proposals that need to be completed or refined or eliminated. There are objectives from all parties that need to be reviewed and consolidated. As well there is a list of indicators that are in “raw data” form. This list needs to be reviewed, defined and grouped to a reasonable number. There also needs to be a process to eliminate those that are irrelevant or non-measurable.
 5. In several instances changes to the framework that have been proposed so far have led to discussion of operational or technical issues that would need to be addressed to implement a proposed approach (e.g. what stock assessment information is required to manage the fishery? Including information on stocks of concern or to established TACs; are there adequate resources to monitor compliance with allocations; and so on) that raises issues on the readiness of DFO and fishery participants to implement the changes regardless of their support. During Phase 1 discussions, the Department encouraged proposals but as the process continues into Phase 2 increased attention will need to be paid to assessing the feasibility of implementation.
 6. In considering broader changes to the framework it will be important to keep in mind the pressing realities that are facing the salmon fisheries. In particular, the Department has indicated that outcomes must be consistent with Department objectives in the Terms of Reference and will also need to consider the funding capacity of DFO to support new costs.
 7. The final point addresses the remaining process. The sense from the first phase of meetings is the two groups are working through the process, albeit from different perspectives, and that the approach of discussing the proposals and comparing these against the Status Quo arrangements using the template seems effective. This process needs to be completed and all proposals finalized using the template, with the changes described and the effect and measurement factors discussed. Further, opportunities must be sought where First Nations and CSAB can share views and clarify understandings, and ideally, find common ground on changes. One meeting was held between a small group of First Nations SCC and CSAB representatives to discuss common interests and proposed changes and a further meeting is planned. These meetings should continue to support understanding of common interests and areas of mutual support. Any proposals that increase the likelihood that these will be supported by both First Nations and commercial interests are obvious options to explore in more depth.

Appendices

- A. Terms of Reference
- B. First Nations Letter
- C. Fishery Notices
- D. Letter to Commercial Salmon Licence Holders
- E. Schedule Attendance
- F. Summary of Additional Submissions
- G. SCC Summary of Objectives
- H. DFO Fact Sheet
- I. List of Indicators
- J. FN SCC Proposal Summary provided by SCC

Technical Appendix

Template Summary of Proposals (including CSAB's Evergreen proposal)

APPENDIX A

TERMS OF REFERENCE

Fisheries and Oceans Canada – Pacific Region

**Terms of Reference for Updating the Commercial Salmon
Allocation Framework**

July 29, 2013

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Introduction

Fisheries and Oceans Canada (DFO) is undertaking an initiative to update the current commercial salmon allocation framework. To help guide effective discussion and clearly indicate the purpose and scope of this initiative, the Department will engage with the Commercial Salmon Advisory Board (CSAB) and First Nations under this Terms of Reference.

This initiative is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST) announced by the Department in 2010. This includes addressing the deficiencies in the current commercial salmon allocation framework that were identified by the CSAB and the Integrated Advisory Group (IAG) formed to provide advice on PST mitigation. Equally as important, this work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions.

The scope of this work is on updating the commercial salmon allocation arrangements within *An Allocation Policy for Pacific Salmon* (<http://www.pac.dfo-mpo.gc.ca/fm-gp/species-especies/salmon-saumon/pol/index-eng.html>). **For the purposes of this document “commercial” refers broadly to any existing commercial and First Nations fisheries where the licence holder has been permitted to sell fish. The existing allocation priorities for First Nations food, social and ceremonial and recreational salmon fisheries will be maintained, consistent with this Allocation Policy. Outcomes from this initiative must also be consistent with key department direction. For example, conservation of wild Pacific salmon and their habitats is the highest priority in resource management decision making and any changes to the commercial salmon allocation framework will respect *Canada’s Policy for Conservation of Wild Pacific Salmon* (the ‘Wild Salmon Policy’).**

DFO will consult with Aboriginal groups when allocation decisions may potentially affect Aboriginal fishery interests, in accordance with S. 35 of the Constitution Act (1982), relevant case law, and consistent with Departmental policies and considerations. Further, this process will not in any way define or limit any aboriginal title or rights of First Nations, and will be without prejudice to the positions of the parties with respect to Aboriginal title or rights.

Process

DFO will work with First Nations and commercial harvesters, and the Province of BC, to update the commercial salmon allocation framework by soliciting input in two phases.

In Phase 1, discussions on possible changes to the commercial salmon allocation framework will commence in the fall of 2013. The key questions (see below) are intended to better ensure that

advice given during the consultations can be used effectively to best address the challenges facing the commercial salmon fisheries now and in the future. Suggestions made for updating the commercial allocation framework will need to be consistent with the Departmental principles and objectives as outlined below. As part of Phase 1, the Department and commercial harvesters will discuss potential criteria and scope for a socio-economic analysis which will be used to help evaluate potential outcomes from changes to the current commercial salmon allocation framework. This analysis will use key criteria that are identified as guidance to frame the questions. This analysis is planned to occur over the winter of 2013/2014 and expected to take two to three months to complete.

Phase 2 is anticipated to begin in early 2014. In Phase 2, the Department will seek advice from First Nations and commercial interests on the results of the socio economic analysis and approaches to updating the commercial salmon allocation framework. It is anticipated that Phase 2 will take approximately four months to complete. Following Phase 2, the Department will consider the received advice and will make a decision on any changes to the current commercial salmon allocation framework.

Meetings for both Phase 1 and 2 are expected to take place with commercial harvesters within existing advisory processes where possible, including the commercial salmon advisory board (CSAB), the First Nations Fisheries Council Salmon Coordinating Committee (SCC) and with interested First Nations.

Discussion Questions

The Department is seeking suggestions from First Nations, commercial interests and the Province of BC for updating the commercial salmon allocation framework. Input received through this process will be considered in any final arrangements outlined by the Department. The following questions are proposed to help inform the discussions and any responses will be used to assist in evaluating suggestions for changing the current commercial salmon allocation framework.

1. What are the current deficiencies with the current commercial salmon allocation framework?
2. What elements of an updated commercial salmon allocation framework would you like to see to give you greater allocation stability, business flexibility and/or increased access to harvest opportunities?
3. What elements of an updated commercial salmon allocation framework would facilitate increased collaboration on operational harvest decisions among commercial fishery participants?
4. What current rules or barriers could or should be eliminated as part of the updating of the commercial salmon allocation framework?

5. What economic impacts do you hope to see for yourself and the fishery as a whole, from the proposed changes to the commercial salmon allocation framework? How would you like to see these impacts captured and measured in the socio-economic analysis which is planned as part of Phase 1 of this process?
6. Are the criteria provided for evaluating any suggestions put forward for updating the commercial salmon allocation framework reasonable? Are there other criteria that should be evaluated? How should the retirement of commercial licences be incorporated into an updated commercial salmon allocation framework? How should possible future licence retirements be dealt with?

Strategic Context and Management Considerations

Responses to the questions above will inform suggestions for updating the commercial salmon allocation framework. Importantly updating the commercial salmon allocation framework will occur within a broader strategic context in which there are a range of current and anticipated management considerations influencing commercial salmon harvests. The following considerations, among others, could comprise this context.

1) Biological resiliency and resource sustainability

The Wild Salmon Policy guides the Department's work to restore and maintain healthy and diverse salmon populations and their habitats for the benefit and enjoyment of the people of Canada in perpetuity. Climate change and other environmental factors are anticipated to continue to create uncertainty and will likely increase variability of salmon returns and shifts in species productivity. Future harvest opportunities will likely be focused on those species and/or stocks that are thriving and that can be harvested with little or no adverse impact on other populations. Fishing will need to be selective, able to change with changing relative abundance and could include an increased harvest in more terminal fisheries to avoid weaker sub-populations and non-target species. Over time, improved conservation outcomes resulting from these changes should have the potential to increase the available harvests.

2) Increased harvester responsibility

Consistent with the *Sustainable Fisheries Framework* (SFF) and an ecosystem-based management approach, harvesters are likely to have increasing responsibility to demonstrate that their harvests achieve ecosystem and conservation objectives. Fisheries management decisions will consider the impacts of the fishery on the target species, as well as, non-target species and the ecosystems of which these species are a part. Enhancements to current catch monitoring standards and independent verification can be expected to be a basic requirement of harvesters in many fisheries to better support achievement of sustainability and conservation objectives. Where catch targets or exploitation rate limits are in place, commercial salmon harvesters will be expected to demonstrate compliance with these.

3) Uncertain business environments

Harvesters and producers face challenges associated with the highly variable and seasonal nature of salmon fisheries, increasing global market pressures to increase the value of their product, and meeting the demand from consumers for eco-certified products. Providing greater certainty of access provides incentives for harvesters to make sound business decisions that enhance the long-term prosperity and sustainability of their enterprise, and to support conservation measures and effective fisheries management. Coupled with increasing costs of harvest and production, harvesters will need to have increased flexibility to self-adjust to changing market and/or environmental conditions.

5) Role of government

The fiscal climate will place a premium on effective cost management. The Department's role will continue to be focused on achieving core objectives, such as ensuring the conservation of Pacific salmon, promoting responsible and sustainable fisheries, and removing barriers and unnecessary rules that restrict flexibility.

6) First Nations

It is anticipated that First Nation communities will continue to seek increased flexibility to access commercial harvest opportunities to provide economic opportunities. DFO will continue to work with First Nations and commercial harvesters to develop an approach to an integrated commercial fishery based on the principles of transparency, accountability and collaboration. Several Departmental programs including the Allocation Transfer Program and Pacific Integrated Commercial Fishery Initiative provide commercial access to First Nations communities through voluntary relinquishment of existing commercial licences. The Department also seeks to manage fisheries in a manner consistent with the constitutional protection provided to Aboriginal and treaty rights under S. 35 of the Constitution Act, 1982, and consistent with relevant court decisions.

Objectives

Key departmental objectives are intended to inform consultations on updating the commercial salmon allocation framework and define their scope. The review is guided by the following departmental objectives:

1. To increase the stability of the commercial salmon allocation framework;
2. To increase flexibility of licence holders and producers to better adapt and optimize economic benefits in an uncertain business environment;
3. To improve compliance with conservation objectives;
4. To simplify and streamline rules and processes to allow commercial harvesters greater opportunities to self-adjust;
5. To improve required standards for monitoring and catch reporting so that timely and accurate information is available to decision-makers to support prosperous, sustainable fisheries;

6. To promote effective management arrangements and support open, transparent and collaborative decision making;
7. To provide clarity when costs of management are shared by those who benefit from the harvest of the resource;

Criteria

In Phase 2, the Department will use evaluation criteria to assess whether proposed suggestions for updating the commercial salmon allocation framework are likely to achieve the above-noted principles and objectives. The proposed criteria represent desirable outcomes for fisheries management, against which commercial salmon allocation framework changes can be compared and measured.

1. Resource sustainability

- i. Is consistent with Wild Salmon Policy objectives for maintaining healthy and diverse salmon populations;
- ii. Provides incentives for selective fishing technology and practices to be adopted where appropriate and that there are continuing improvements in harvesting gear and related practices;
- iii. Contributes to all commercial salmon fisheries adhering to selective fishing standards within set timelines;
- iv. Promotes public, market and participant confidence that the fishery is sustainable;
- v. Provides incentives for fish harvesters to work to balance the level of fishing effort with the sustainable supply of fisheries' resources to support responsible management and responsible professional harvesting;
- vi. Aids in minimizing unintended by-catch and reducing waste and adverse impacts on the freshwater and marine ecosystems and habitats to promote healthy stocks.

2. Economic prosperity

- i. Enables improved economic prosperity;
- ii. Enables fleets to have the capacity to assume a larger share of the cost of management of their fishery;
- iii. Increases opportunities to access small abundances, otherwise not available under current arrangements.

3. Improved governance

The proposed commercial salmon allocation framework fosters:

- i. Stable and consistent operating environments;
- ii. All commercial participants fish under the same priority of access and similar rules;
- iii. Costs of management are shared by those who benefit from the harvest;
- iv. Participants are self-reliant and able to self-adjust;
- v. Allocation arrangements permit flexibility to respond more effectively to changing conservation conditions and market demands

- vi. An increased role for harvesters in fishery decision-making and enhanced collaboration among First Nations, the Department and commercial interests;
- vii. Fair and transparent transfers of catch shares to First Nations through voluntary means.

A commercial salmon management system consistent with the above-noted objectives, principles, and criteria can realize greater economic benefits, better support long-term sustainability of Pacific wild salmon stocks and create a more resilient commercial salmon industry which is capable of self-adjusting to changing market and environmental conditions.

APPENDIX B

FIRST NATIONS LETTER



Jeff Grout
Regional Resource Manager – Salmon
Fisheries and Oceans Canada
200-401 Burrard St.
Vancouver, BC, V6C 3S4

September 26, 2013

Dear: Chief, Council and Fisheries Representatives

Re: Updating the commercial salmon allocation framework

I am writing to you of the initiative being undertaken by Fisheries and Oceans Canada to update the commercial salmon allocation framework and to request your feedback.

This initiative is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST, http://www.psc.org/publications_psc treaty.htm) announced by the Department in 2010. This includes addressing the deficiencies in the current commercial salmon allocation framework that were identified by the Commercial Salmon Advisory Board (CSAB) and the Integrated Advisory Group (IAG) (<http://www.pac.dfo-mpo.gc.ca/fm-gp/species-especes/salmon-saumon/pol/pst-tsp/docs/sumreport-rapportsomm-eng.pdf>) formed to provide advice on PST mitigation. Equally as important, this work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions. The scope of this work is on updating the commercial salmon allocation arrangements within *An Allocation Policy for Pacific Salmon* (<http://www.pac.dfo-mpo.gc.ca/fm-gp/species-especes/salmon-saumon/pol/index-eng.html>). For the purposes of this initiative “commercial” refers broadly to any existing commercial and First Nations fisheries where the licence holder has been permitted to sell fish. Outcomes from this initiative must be consistent with Departmental policies and considerations. For example, the existing allocation priorities for First Nations food, social and ceremonial fisheries will be maintained, consistent with *An Allocation Policy for Pacific Salmon*. Further, this work will not in any way define or limit any aboriginal title or rights of First Nations, and will be without prejudice to the positions of the parties with respect to aboriginal title or rights.

To help guide effective discussion and clearly indicate the purpose, scope and intent of this initiative, the Department has developed the attached Terms of Reference which has been revised to incorporate feedback received from the CSAB, the First Nations Fisheries Councils’ Salmon Coordinating Committee (SCC) and others. DFO will work with commercial fishery participants, including First Nations and commercial harvesters, and the Province of British Columbia (BC), to update the commercial salmon allocation framework by soliciting input in



two phases. In this first phase we are seeking views on possible changes to the current commercial salmon allocation framework. The current commercial allocation arrangements are included in the *An Allocation Policy for Pacific Salmon*. To this end, I draw your attention to the attached Terms of Reference and, more particularly, to its sections on Discussion Questions and Criteria. These sections are designed to support effective discussions, with the section on Criteria proposing factors that may guide analysis on the suggestions for updating the commercial allocation framework. We are working to gather views on possible changes over the fall of 2013.

The second phase is planned for early 2014 and will seek advice on the results of the analysis of suggestions received from Phase 1.

Phase 1 meetings are currently being planned and the Department is planning to hold meetings with the First Nations Fisheries Councils' Salmon Coordinating Committee in the fall of 2013. The Department will also consider requests to provide information or opportunities for discussion with First Nations through existing advisory meetings as requested. Please contact the Aboriginal Affairs Advisor in your Area as listed below to discuss opportunities:

North Coast Area	Stephen.Watkinson@dfo-mpo.gc.ca	250-627-3420
South Coast Area	Kent.Spencer@dfo-mpo.gc.ca	250-286-5885
Lower Fraser Area	Terri.Bonnet@dfo-mpo.gc.ca	604-666-8590
BC Interior Area	Adrian.Wall@dfo-mpo.gc.ca	250-851-4853

First Nations wishing to submit written comments can do so by mail addressed to Salmon Resource Management, 401 Burrard Street, Vancouver, BC V6C 3S4 or by e-mail to Elan.Park@dfo-mpo.gc.ca. Finally, those preferring to fill out an electronic questionnaire outlining their views on these matters may do so at <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>. Written comments on the discussion questions and criteria set out within the attached Terms of Reference are requested by October 31, 2013. I appreciate your interest in this initiative and look forward to your feedback.

Sincerely,

Jeff Grout

Regional Resource Manager - Salmon

APPENDIX C

FISHERY NOTICES

Fishery Notice

Category(s):

COMMERCIAL - Salmon: Gill Net

COMMERCIAL - Salmon: Seine

COMMERCIAL - Salmon: Troll

Subject:

FN1017-Commercial - Salmon: Consultations to update the Commercial Salmon Allocation Framework

Commercial salmon licence holders are advised that the Department is currently undertaking an initiative to update the current commercial salmon allocation framework for commercial salmon harvesters.

This initiative is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST) announced by the Department in 2010. This includes addressing the deficiencies in the current commercial salmon allocation framework. This work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions.

Meetings are currently planned through December 2013 with more expected in 2014, with the Commercial Salmon Advisory Board (CSAB) and First Nations.

Further information on this initiative, which includes a terms of reference for the consultations, is available at: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>.

Licence holders who wish to respond to the questions posed in the terms of reference, or to otherwise comment the commercial salmon allocation framework, are requested to complete the online questionnaire available at the link above. Consultation meeting notes for each meeting are available from Area Harvest Committee Representatives.

FOR MORE INFORMATION CALL:

Jeff Grout Resource Manager, Salmon 604-666-0497

Fisheries & Oceans Operations Center - FN1017
Sent October 17, 2013 at 1453

Fishery Notice

Category(s):

COMMERCIAL - Salmon: Gill Net

COMMERCIAL - Salmon: Seine

COMMERCIAL - Salmon: Troll

Subject:

FN1110-Commercial - Salmon: Gill Net, Seine and Troll - Consultations to update the Commercial Salmon Allocation Framework

Commercial salmon licence holders are advised that the Department is currently undertaking an initiative to update the current commercial salmon allocation framework for commercial salmon harvesters.

This initiative is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST) announced by the Department in 2010. This includes addressing the deficiencies in the current commercial salmon allocation framework. This work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions.

Meetings are currently planned through December 2013 with more expected in 2014, with the Commercial Salmon Advisory Board (CSAB) and First Nations.

Further information on this initiative, which includes a terms of reference for the consultations, is available at:
<http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>

Licence holders who wish to respond to the questions posed in the terms of reference, or to otherwise comment the commercial salmon allocation framework, are requested to complete the online questionnaire available at the link above. Consultation meeting notes for each meeting are available from Area Harvest Committee Representatives.

The Department is seeking suggestions from First Nations, commercial interests and the Province of BC for updating the commercial salmon allocation framework. Input received through this process will be considered in any final arrangements outlined by the Department.

The following questions are proposed to help inform the discussions and any responses will be used to assist in evaluating suggestions for changing the current commercial salmon allocation framework.

1. What are the current deficiencies with the current commercial salmon allocation framework?
2. What elements of an updated commercial salmon allocation framework would you like to see to give you greater allocation stability, business flexibility and/or increased access to harvest opportunities?

3. What elements of an updated commercial salmon allocation framework would facilitate increased collaboration on operational harvest decisions among commercial fishery participants?

4. What current rules or barriers could or should be eliminated as part of the updating of the commercial salmon allocation framework?

5. What economic impacts do you hope to see for yourself and the fishery as a whole, from the proposed changes to the commercial salmon allocation framework? How would you like to see these impacts captured and measured in the socio-economic analysis which is planned as part of Phase 1 of this process?

6. Are the criteria provided for evaluating any suggestions put forward for updating the commercial salmon allocation framework reasonable? Are there other criteria that should be evaluated? How should the retirement of commercial licences be incorporated into an updated commercial salmon allocation framework? How should possible future licence retirements be dealt with?

FOR MORE INFORMATION:

Jeff Grout, Resource Manager, Salmon 604-666-0497

Fisheries & Oceans Operations Center - FN1110
Sent November 7, 2013 at 1603

APPENDIX D

LETTERS TO LICENCE HOLDERS



Jeff Grout
Regional Resource Manager – Salmon
Fisheries and Oceans Canada
200-401 Burrard St
Vancouver, BC, V6C 3S4

December 3, 2013

Dear sir/madam,

Commercial salmon licence holders are advised that the Department is currently undertaking an initiative to update the current commercial salmon allocation framework for commercial salmon fisheries.

This initiative is intended to address one element of the Mitigation Program to implement changes to the Chinook Chapter of the Pacific Salmon Treaty (PST) announced by the Department in 2010. This includes addressing the deficiencies in the current commercial salmon allocation framework. This work is intended to improve the long term stability, certainty, and resilience of the commercial salmon allocation arrangements, and provide more flexibility to licence holders to make effective business decisions, and thereby better respond to uncertainty in salmon abundance and changing market conditions.

Meetings are underway with the Commercial Salmon Advisory Board (CSAB) and First Nations. Further information on this initiative is included in the attached Terms of Reference and Fact Sheet.

The Department is seeking suggestions from First Nations, commercial interests and the Province of BC for updating the commercial salmon allocation framework. Input received through this process will be considered in any final arrangements outlined by the Department.



The Department is seeking feedback on the following questions to help inform the discussions and any responses will be used to assist in evaluating suggestions for changing the current commercial salmon allocation framework.

1. What are the current deficiencies with the current commercial salmon allocation framework?
2. What elements of an updated commercial salmon allocation framework would you like to see to give you greater allocation stability, business flexibility and/or increased access to harvest opportunities?
3. What elements of an updated commercial salmon allocation framework would facilitate increased collaboration on operational harvest decisions among commercial fishery participants?
4. What current rules or barriers could or should be eliminated as part of the updating of the commercial salmon allocation framework?
5. What economic impacts do you hope to see for yourself and the fishery as a whole, from the proposed changes to the commercial salmon allocation framework?

How would you like to see these impacts captured and measured in the socio-economic analysis which is planned as part of Phase 1 of this process?

6. Are the criteria provided for evaluating any suggestions put forward for updating the commercial salmon allocation framework reasonable? Are there other criteria that should be evaluated? How should the retirement of commercial licences be incorporated into an updated commercial salmon allocation framework? How should possible future licence retirements be dealt with?

Licence holders who wish to respond to the questions posed in the terms of reference, or to otherwise comment the commercial salmon allocation framework, are requested to provide feedback using one of the following methods:

1. Complete the online questionnaire available at:

<http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>

2. Send feedback on the 6 questions using the attached questionnaire to:

Fisheries and Oceans Canada
c/o Deborah Phelan – Consultation Secretariat
200-401 Burrard St
Vancouver, BC, V6C 3S4

3. Contact one of your Commercial Salmon Advisory Board (CSAB) representatives directly. The individuals below have attended meetings with DFO staff to discuss this initiative:



Area A	Rick Haugan	chaugan@citytel.net
Area A,B	Chris Cue	chris.cue@canfisco.com
Area A, B	Bob Rezansoff	bobrezansoff@telus.net
Area B	Chris Ashton	AreaB@telus.net
Area C	Mabel Mazurek	nnfc@citytel.net
Area C	Joy Thorkelson	ufawupr@citytel.net
Area D, E	Len Carr	LenCarr@telus.net
Area D, E	Paul Kershaw	pkershaw@shaw.ca
Area D, E	Ryan McEachern	ryanmceachern@shaw.ca
Area D, E	Darrel McEachern	grandpadarrel@hotmail.com
Area F	Ron Fowler	FirstAveFishCo@gmail.com
Area F	John Hughes	vegaenterprisesfl@gmail.com
Area G	Ray Jesse	rjesse2@shaw.ca
Area G	Michael Wells	MCWells@shaw.ca
Area H	Dane Chauvel	dane@telus.net
Area H	Mike Griswold	mgriswold.49@gmail.com
UFAWU	Heather Mearns	hmearns@ufawu.org
UFAWU	Kim Olsen	kimolsen1@telus.net

Thanks for taking the time to provide your input on this important initiative.

Sincerely,

Jeff Grout

Regional Resource Manager – Salmon

Cc:

Peter Sakich, Co-chair, CSAB

Chris Cue, Co-chair, CSAB

APPENDIX E

CSAB AND SCC MEETING ATTENDANCE RECORDS

Salmon Allocation Framework						
CSAB Attendance			2013			
Last Name	First Name	Position	Sept. 23-24	Oct. 28-29	Nov. 25-26	Dec. 16-17
Ashton	Chris	Area B	x	x	x	x
Carr	Len	Area D and E			x	
Chauvel	Dane	Area H	x	x	x	x
Clifton	Henry	Area C/NBBC				x
Cue	Chris	Co-Chair	x	x		
Donaldson	P	Area G				
Edwards	Dan	UFAWU			x	
Figg	I	UFAWU				
Fowler	Ron	Area F	x	x	x	x
Griswold	Mike	Area H	x	x	x	x
Haugan	Rick	Area A	x	x	x	
Hughes	John	Area F, H	x	x	x	x
Kershaw	Paul	Area D, E	x	x		
Mazurek	Mabel	Area C	x	x		x
McEachern	Darrel	Area E	x	x		x
McEachern	Ryan	D, E	x	x		x
Mearns	Heather	UFAWU	x	x	x	x
Mosley	Gordon	Area G				x
Olsen	Kim	UFAWU	x	x	x	x
Rezansoff	Bob	Area A, B	x	x	x	x
Jesse	Ray	Area G		x	x	x
Sakich	Peter	Co-Chair	x	x		
Stevens	John	UFAWU	x	x		
Thorkelson	Joy	Area C		x	x	x
Wells	Michael	Area G			x	x
Wells	B	Area G				
Carswell	Barron	BC Govt	x			

Salmon Allocation Framework Session - SCC

Attendance 2013						
Last Name	First Name	Band/Organization	Oct. 1-2	Oct.30-31	Nov. 27-28	Dec. 18-19
Assu	Brian	Atlegay		X	X	X
Assu	Ted	Atlegay		X		
Atleo	Keith	NTC			X	
Beach	Katie	LFFA		X	X	X
Bellis	Dana	FNFC	X			
Cleveland	Mark	Skeena Fisheries Commission	X	X	X	X
Davis	John	LFFA/Observer			X	X
Davis	Robert	Council of Haida Nation		X	X	X
English	Karl	NCSFNSS	X	X	X	X
Greba	Larry	CCIRA		X	X	X
Hall	Don	Uu-a-thluk/Nuu-chah-nulth	X	X	X	X
Jones	Russ	Haida Fisheries Program/Haida Nation	X	X	X	
Lawley	Leonard	Lake Babine Nation		X	X	
Malloway	Ken	LFFA - Fraser Vallery	X			
Matthew	Pat	Secwepemc Fisheries Commission	X	X	X	
Ned	Murray	LFFA - Fraser Valley	X	X	X	X
Newman	Earl	Heiltsuk	X	X	X	X
Point	Jordan	FNFC	X			
Roberts Jr.	Tony	IMAWG	X	X	X	
Ross	Murray	Secwepemc Fisheries Commission	X	X	X	X
Shepert	Bill	Laxkw'alaams			X	X
Shepert	Marcel	UFFCA	X	X	X	X
Smith	Ron	NCFNSS				
Sparrow	Richard	Musqueam				
Staley	Mike	FRAFs				X
Sterritt	Gord	UFFCA - Alternate			X	X
Taylor	Greg	Lake Babine Nation	X	X	X	X
Williams	Fred	Lake Babine Nation	X	X	X	
Wilson	Rupert	Douglas Treaty Group				
Wright	Howie	ONA	X	X		X

APPENDIX F

SUMMARY OF ADDITIONAL SUBMISSIONS

Appendix F: Summary of feedback responding to questions on the commercial salmon allocation framework

There was an opportunity to provide input on updating the Commercial Salmon Allocation Framework through a web-based questionnaire or to write in directly. The Department collected submissions until January 31st.

The Department received a large number of completed surveys, both by mail and through the website. The responses indicated a wide range of perspectives and covered a number of different issues. However, some common themes emerged including the desire for increased flexibility to allow fleets to catch surplus stocks as well as flexibility on when and how to fish, the implications of using sockeye equivalents to value-added products, and allowing for some transferability of shares.

However, many of the issues raised in the survey responses are outside of the scope of the Terms of Reference for Updating the Commercial Salmon Allocation Framework. These issues include fishery management concerns; catch monitoring, stock assessment, allocations for the recreational sector and First Nations, and the process and functioning of Area Harvest Committees. As a result, these issues were not summarized for the purpose of the Commercial Salmon Allocation Framework Initiative, and are more appropriately addressed in other forums such as the Integrated Harvest Planning Committee.

The following is a summary of responses to the six survey questions using the same language used by the contributors where possible, which will be used to help inform the discussions and assist in evaluating suggestions for updating the current commercial salmon allocation framework.

1. What are the current deficiencies with the current commercial salmon allocation framework?

Sockeye Equivalents

- It (current allocations) was done based on value (dollars) rather than on pieces or pounds by species. This was illogical and a disincentive to value added handling
- The outdated sockeye equivalent value, Kelleher sharing system penalizes value-added
- The gear types that give added value to the fish caught should be given more fish because they have gone out of their way at great expense. It just makes better economic sense to maximise the value of the resource
- Sockeye equivalents count dollars when catch, escapement, and migration are counted in pieces

Coast-wide approach

- Uncertainty, inflexibility, and no common currency between the North and the South fisheries and no currency between the troll and the net fleets to make adjustments. The system is broken and cannot and does not work, leading to constant frustration and conflict and wasted effort.
- No ability to transfer allocation around to adapt to changing abundances
- Area shares need to be fixed or should I say a percentage of the available TAC. No licences locked in. No Areas should be without a percentage of the allowable catch. It is too broad. Needs

smaller areas (like the current statistical areas) and it needs to be more stock-specific. There must be stock assessment by DNA of all commercial harvest sectors

- Using coast-wide when there is area licensing that prevents balancing of coast-wide shares.
- North/South split
- Rigid management structure won't allow allocation to be fairly balanced
- Allocation consistently gets skewed in favour of seine fleet
- There is currently little flexibility in season to allow fleets to catch any surplus stocks

Annual negotiations

- It does not allow for timely in season adjustments to the quota
- Basing shares on previous years catch and no formula to adjust in-season

2. What elements of an updated commercial salmon allocation framework would you like to see to give you greater allocation stability, business flexibility and/or increased access to harvest opportunities?

Bycatch

- No longer releasing of coho when fishing for springs and releasing of springs when fishing coho. A quota given for both species, and when caught you are out of the water
- We need to have a dedicated by-catch/mortality share between fleets

Annual negotiations

- Removal of the demonstration quota with an actual quota or return to the derby system

Coast-wide approach

- Fix shares overall by licence area but more fine tuning and flexibility on individual stocks by statistical area
- Area licensing could become irrelevant if quota could be acquired

3. What elements of an updated commercial salmon allocation framework would facilitate increased collaboration on operational harvest decisions among commercial fishery participants?

- Increasing collaboration is impossible unless collaboration is required for access. For example, if one gear type can simply fish the other gear types fish without compensation, where is the incentive to collaborate? Increased collaboration will only occur when each stakeholder has a share of the resource that they can "protect" all the way to the spawning beds
- Need to have advisory board that is made up of experienced fishers and others in the industry that are actually listened to by DFO to come up with ways to achieve TAC. as well as addressing the issue of non-targeted fish
- The advisory board in Barkley Sound (similar to the old North Coast advisory board) seems to be a model that brings all the stakeholders to the table and is able to work out reasonable harvest plans that actually allow fish to be harvested

- True cooperation between harvesters and DFO managers using the Commercial Industry Caucus (CIC) model
- If user groups felt their future was not in jeopardy, they could work collaboratively to overcome problems or increase opportunity

4. What current rules or barriers could or should be eliminated as part of the updating of the commercial salmon allocation framework?

- Licence holders need to be able to move fish where and when possible. This can only have a chance if there is an exchange method in place.
- Area licensing is the number one barrier
- Sockeye equivalents as a currency should be replaced with a system that does not penalize or dis-incentivize users that add value or realize higher value from the fish or resource
- Fishermen should be allowed to split and trade stacked salmon licences amongst themselves
- Remove restrictions on vessel length.
- Be able to rent licences. NOT ITQ'S
- The barriers to access of individual stocks which force the troll fleet offshore and into mixed stocks

5. What economic impacts do you hope to see for yourself and the fishery as a whole, from the proposed changes to the commercial salmon allocation framework? How would you like to see these impacts captured and measured in the socio-economic analysis which is planned as part of Phase 1 of this process?

Personal Income

- A way to become economically viable
- Increased profits for participating vessels due to rationalization of the fleets i.e. the appropriate number of vessels required to catch the fish available will fish. No more 'too many boats chasing too few fish'
- I want to be able to make enough money to cover my expenses and maintain my equipment and make a decent living
- To make a realistic income while ensuring there are proper escapements for the future stocks

Economic Efficiency

- I hope to see an allocation system that allows the best economic use of the resource. This means we have to have less emphasis on in-river terminal fisheries on discolored and depleted fish. To capture impact of this change could not be simpler: bright, pretty, red flesh fish taken at mouth of river equals more money for Canada
- A healthy fishery is based on maximized socio-economic values, increased revenue from fishing
- Economic impacts need to work both ways and as it is now the only thing that has any hope for folks leaving the industry or staying is self- adjusting, notwithstanding current buy out of licences and these will probably sunset at some point. Without self-adjusting, then what?

Stability

- More stability for planning yearly fishing
- A self-sustained fishery is what I hope to see
- Predictability and a fair allocation of fish year after year with access to all five species of salmon

Measurements

- I would like to see the different systems, i.e.: fleet wide TAC measured against ITQs to see which system benefits the people actually harvesting the resource and coastal communities

6. Are the criteria provided for evaluating any suggestions put forward for updating the commercial salmon allocation framework reasonable? Are there other criteria that should be evaluated? How should the retirement of commercial licences be incorporated into an updated commercial salmon allocation framework? How should possible future licence retirements be dealt with?

Criteria

- The criteria must include an awareness of the importance of allowing new entrants into the fishery. To do this we need to put emphasis on a management system that identifies and acts on every possible opportunity
- Yes, the criteria put forward are reasonable
- The criteria to measure the effectiveness of any system should be those who fish are the ones who should reap the benefits and coastal communities must also benefit.
- The criteria are hard to understand and more clarification is required to demonstrate how changes to the framework will result in increased stability for the fisheries.

Retirements

- When licences are retired, fish associated with them should remain with the Area. Why do we still have to retire licences? Industry that is left must be real fishermen or have made the decision to stay waiting for opportunity to fish and make it economically viable
- Boat and licence retirement is the owner's choice and we should not be receiving all this buy-back push
- Licence retirements need to be dealt with the same way they are currently done based on outside market values. Government buy out programs should not disturb outside market values by false inflation of values. Retirement of licences by Area will increase the licence CPUE and as long as we are tied to Kelleher, this will have to be addressed to reflect the future probability of this being a real issue or not. Too much of an uncertain future to die on this hill.
- Retirement of licences must be done with awareness that most fishermen retiring now had bought their licences at a time when the government of Canada was managing the fishery in a manner that yielded a reasonable expectation of a return to fishermen
- Future retirements on a voluntary basis

- If you are going to buy out/retire licences/commercial fishermen - acknowledge and compensate for the whole package, not just the licence - i.e. boats and equipment as well
- Future retirement of licences should not be reverse auction buybacks, but be similar to the East Coast and be a fair value not the imposed deflated value that fisheries management has forced on the fleet
- Compensation should be paid on the value of working licences, with some method of calculating separate value for licences that haven't been fishing

APPENDIX G

SCC OBJECTIVES

What are First Nation's interests in completing this work?

First Nation's interests in this initiative are to support changes to the commercial salmon allocation framework that will enhance long term sustainability of wild Pacific salmon, enable First Nation members and industry to realize greater economic and social benefit, and create more resilient economic salmon fisheries. First Nations will be evaluating possible outcomes against specific objectives, including but not limited to:

- Greater certainty and access regarding the harvest shares for First Nation's economic fisheries.
- Provides for specific unencumbered allocations to existing and future fisheries, including all inland fisheries.
- Flexibility to negotiate and implement multi-year agreements for harvest shares, harvesting methods, and monitoring requirements.
- Establish individual species as the primary currency for allocation that would eliminate or reduce the need for sockeye equivalent calculations and challenges associated with reaching agreement on comparable average market values for each species and fishery.
- Improved clarity and fairness in commercial fishery rules and transfer mechanisms.
- Transfers of shares between the general commercial fishery and First Nation's economic fisheries based on "active" licences, where "active" licences are licences that are fished or leased to catch the target species in a specific year.
- Allocation approaches that encourage innovations to increase the social and economic benefits from the fisheries to First Nation communities.
- Sufficient access for socially and economically viable First Nation's coastal and inland economic fisheries.
- Maximize employment opportunities for First Nation members associated with both inland and coastal economic fisheries.
- Supports First Nations governance, joint management and allocation discussions for all fisheries that occur in First Nations territories.
- Where needed, review and reform DFO economic agreements to meet the needs of First Nations.

APPENDIX H

DFO FACT SHEET

FACT SHEET: Process to Update the Commercial Salmon Allocation Framework

Background

The Department is undertaking an initiative to update the current commercial salmon allocation framework. This allocation framework is used to determine “shares” of the Pacific salmon resource allocated to each of the commercial salmon fleets on an annual basis, and strives to provide comparable opportunities for the fleets in the form of “sockeye equivalents”. The Department is engaging with the Commercial Salmon Advisory Board (CSAB) and First Nations regarding perceived shortcomings of the current framework, and how best to address these shortcomings. Meetings are currently planned through December 2013 with more expected in 2014. Further information on this initiative, which includes a Terms of Reference for the consultations, is available at: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>.

This FACT SHEET has been developed to provide clarity about this initiative and to improve understanding of the scope of this work.

What is this about?

1. Why is the Department updating the commercial salmon allocation arrangements?

This initiative is intended to address deficiencies in the commercial salmon allocation framework and follows from the Mitigation Program announced in 2010 to implement changes in the Chinook Chapter of the Pacific Salmon Treaty (PST). At that time, the Department agreed to review the deficiencies in the current commercial salmon allocation framework. These deficiencies were identified by the Commercial Salmon Advisory Board and the Integrated Advisory group, comprised of commercial, First Nations and other interests, that was formed to provide advice on the PST Mitigation.

2. What are the issues with the current commercial salmon allocation framework?

Commercial harvesters, First Nations and others have raised concerns that the commercial salmon allocation framework adopted in the late 1990s does not reflect the current salmon fisheries management practices and responds inadequately to fishery and business challenges. Although there are mixed views on what is wrong with the commercial salmon allocation framework, the following issues, among others, have been frequently noted : 1) the current region-wide salmon allocation arrangements don't fit with area licensing and its approach to managing individual salmon species and populations; 2) the commercial salmon allocation framework requires that allocations are adjusted annually to maintain region-wide gear value and this undermines longer term fishing arrangements; 3) the sockeye equivalents, used to value catches across the different

species in a consistent manner, create disincentives to enhance catch value; and, 4) the Department's licence transfer program, which assigns catches from the transferred licence to a new licence and fishing area, does not have consistent rules, is not done in transparent manner and does not fairly account for the different mix of salmon populations from the transferred licence to the new licence and fishing area. Notwithstanding the range of views on the deficiencies, there is broad general support for updating these arrangements. Current commercial allocation arrangements can be found in An Allocation Policy for Pacific Salmon (<http://www.pac.dfo-mpo.gc.ca/fm-gp/species-especes/salmon-saumon/pol/index-eng.html>).

3. What are the Department's interests in completing this work?

The Department's broad interests in this initiative are to support changes to the commercial salmon allocation framework that can enhance long term sustainability of Pacific wild salmon, enable industry to realize greater economic benefit, and create more resilient commercial salmon fisheries. More specifically, the Department will be evaluating possible outcomes against several objectives. This includes evaluating if the changes: improve compliance with conservation objectives; improve the stability of commercial salmon allocation arrangements; provide more flexibility to licence holders to adapt to uncertain business markets and fish abundance; assist in catch reporting and monitoring; and promote collaboration among licence holders and the Department. In undertaking this work, the Department is directed by its policies, regulations and legal obligations and any outcomes from this initiative must be consistent with this direction.

What is within the scope of this initiative?

4. What is under consideration in this initiative?

The scope of this work is on updating the commercial salmon allocation arrangements as outlined in An Allocation Policy for Pacific Salmon. Specifically, this work is focused on updating the framework that directs allocation of the commercial total allowable catch after accounting for conservation requirements; First Nations requirements for food, social and ceremonial purposes; and recreational harvests as outlined in the Allocation Policy.

5. Which commercial fisheries are included in this initiative?

The Terms of Reference for this initiative define "commercial" broadly, as any existing commercial and First Nations fisheries where the licence holder has been permitted to sell fish. For greater clarity, this includes existing salmon fisheries by commercial salmon licence holders in Areas A to H, First Nations economic opportunity, demonstration fisheries and Harvest Agreements.

What is outside the scope of this initiative?

6. Does this work affect the Department's objectives for conservation of Pacific salmon?

No. Conservation of wild Pacific salmon and their habitats is the highest priority in resource management decision-making and any changes to the commercial salmon allocation framework will respect Canada's Policy for Conservation of Wild Pacific Salmon (the 'Wild Salmon Policy') and Allocation Policy priorities.

7. Will this work affect Aboriginal title or rights of First Nations?

No. This initiative will not in any way define or limit any Aboriginal title or rights of First Nations, and will be without prejudice to the positions of the parties with respect to Aboriginal title or rights. Further, DFO will consult with Aboriginal groups when allocation decisions may potentially affect Aboriginal fishery interests, in accordance with S. 35 of the Constitution Act (1982), relevant case law, and consistent with Departmental policies and considerations.

8. Will this work affect recreational fishery allocation arrangements?

No. The existing allocation priorities for recreational salmon fisheries will be maintained, consistent with An Allocation Policy for Pacific Salmon.

What is the process for this initiative?

9. Who is the Department consulting with on this work?

DFO will work with First Nations and commercial harvesters, and the Province of BC. Meetings are expected to take place within existing advisory processes where possible, including the commercial salmon advisory board (CSAB), the First Nations Fisheries Council Salmon Coordinating Committee (SCC) and with interested First Nations.

10. What is the process for updating the commercial salmon allocation framework?

The Department plans to solicit input from First Nations and commercial interests in two phases. In Phase 1, discussions on possible changes to the commercial salmon allocation framework will occur beginning in fall 2013. The key questions in the Terms of Reference are intended to better ensure that advice given during the consultations can be used effectively to best address the challenges facing the commercial salmon fisheries now and in the future. Suggestions made for updating the commercial allocation framework will be identified. The criteria and scope for a socio-economic analysis will be confirmed and used for the evaluation of potential outcomes from changes suggested to the current commercial salmon allocation framework. This analysis is expected to take two or three months over the winter of 2013/2014.

Phase 2 is anticipated to begin in early 2014. In Phase 2, the Department will seek advice on the results of the socio-economic analysis and approaches to updating the commercial salmon allocation framework. Phase 2 is anticipated to take approximately four months to complete.

11. When will this work be completed?

Consultations on this work are expected to be completed by approximately May 2014. Changes as a result of this work are unlikely to be in place for 2014 fisheries.

How can I provide input on this initiative?

12. How can suggestions or feedback be provided on this work?

There are a number of ways to provide feedback on this initiative.

There is an online questionnaire to comment on the commercial salmon allocation framework here: <http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/index-eng.html>

Commercial harvesters may also submit information through Commercial Salmon Advisory Board or Area Harvest Committee representatives.

First Nations may submit information directly to the Department or through First Nations Salmon Coordinating Committee delegates.

How will any outcome be decided?

13. How will different perspectives on potential changes to the commercial salmon allocation framework be considered?

The Department intends to complete an open and transparent evaluation of suggestions made to update the commercial salmon allocation framework. An independent analyst will be contracted to conduct a socio-economic analysis of suggested changes based on evaluation criteria outlined by the Department and taking into consideration, as appropriate, further criteria that may be proposed by the Commercial Salmon Advisory Board and First Nations. Perspectives on the outcomes of this analysis and preferred approaches for updating the commercial allocation framework will be documented for the decision making process.

14. How will decisions be made?

Following the consultation process, the Department will consider the received advice and will make a decision on any changes to the current commercial salmon allocation framework.

APPENDIX I

LIST OF INDICATORS

Table A: Socio-economic indicators suggested by Commercial Salmon Advisory Board

Performance Indicators and Metrics	Measurement
Economic and Social Indicators	Units
Utilization of CDN Commercial TAC (i.e. provides access to harvestable surpluses without exceeding conservation limits)	% CDN Commercial TAC harvested; distribution of by-catch species impacts among harvesters
Participation	# of Vessels, # of licence holders, # active/inactive licence holders, # active small boats by fleet (troll/gillnet fleets)
Fishery Access / Fishing Time	# openings / # days fished / distribution of openings by area
Capitalization	Investment, \$ value of licence/vessel
Catch (per boat, per fleet); breakdown by active/inactive/total vessels	pieces of salmon by species
Revenue (per boat, per fleet, crew) breakdown by active/inactive/total vessels	\$\$, Sox. Equiv. value per licence per area (see alloc'n histogram)
Costs of harvesting - including vessel costs, crew, provisions, lease of quota - if applicable, etc... (per boat, per fleet), breakdown by active/inactive/total vessels	\$\$
Net income (per boat, per fleet, crew), breakdown by active/inactive/total vessels	\$\$, # profitable fishing days (i.e. revenue exceeds costs), \$\$ per licence/active vessel by area
Distribution of earnings/income (vessel, licence holder, crews), breakdown by active/inactive/total vessels	% distribution, \$\$, geographic area
Value added	Ex-vessel prices by species, landed value, wholesale value
Stable resource access; provide certainty	explicit FN economic share, allocation for small boat fleet (gillnet/troll vs. seine), ??
Safety	# vessel incidents, # days lost employment
Employment	# people employed, distribution of jobs, geographic distribution (urban/rural)
Ownership Structure	Distribution of licences, % corporate, % individuals, % owner/operator, %fishermen/FN cooperatives
Processing/ support/Service Industry	# jobs, distribution by area, access to key businesses by area
Access to Capital	Licence value; ability to borrow, # new entrants, vessel/licence sales

Performance Indicators and Metrics	Measurement
Access to human resources (e.g. crew)	# vacant positions
Financial Independence / Government Support	Level of EI claims
Societal / public value to commercial salmon consumption	Retail availability of commercial salmon, others??
Community Impact	linked to # fishermen; ripple effects
DFO Objectives	Units
1. Stability of commercial allocation framework	clear agreement on commercial allocations; explicit duration (time)
2. Flexibility of licence holders to adapt	% of allocations harvested, explicit mechanism for transfers
3. Compliance with conservation objectives	
Catch Limit Compliance	catch as a % of TAC, frequency of overages
By-catch / Discards	consistency with conservation targets; decrease discards
Selective fishing	compliance with standards
4. Streamline rules and process	incr/decr in # rules and regulations
5. Standards for monitoring and catch reporting	explicit requirements, compliance with standards
Industry / Government costs	sharing of costs, per licence/vessel/fleet
6. Effective collaborative management and planning	
Efficient	# processes, # meetings
Effective	# participating groups, # committee members attending, level of support (attitude) for harvest plans, clear decision making processes
7. Management costs	
Management/Science/Stock Assess. Costs	distribution of cost (government, industry, others)
Requirement for additional gov't funding or services (incremental costs)	

Table B: Socio-economic indicators suggested by First Nations Salmon Coordinating Committee.

Summary Objective	First Nation Objectives #	Measurement Criteria from FN Objectives Summary Nov 29	Suggested Indicators
Increased Economic Benefits	2	% commercial TAC not associated with A to H commercial licences	First Nation share of commercial TAC % unassigned TAC
	6	Cost to acquire a commercial licence. # of active/inactive licences in fishery.	investment required to participate in the fishery
	7	First Nations employment and activity associated with access. % FN access harvested by First Nations fishermen. Monitoring costs related to risk to resource. Monitoring costs as % value of the fishery. How to assess social value? Profits that can be re-invested in communities.	net income from each fishery % participation in each fishery average daily/hourly wage
Increased Social Benefits	9	Total person days employment. # jobs. Salary / wages. Including whole industry (fishing, processing, related activities/services, etc...). # people on social assistance / employment insurance. Aboriginal vs. non-aboriginal employment. Training component - HR development (e.g. TC requirements).	person-days of employment by fishery Age distribution and gender of individuals participating in each fishery * size of individual household * mean per capitat harvest in lbs
	6	same as above	same as above
	7	same as above	same as above
Improved Financial/Social Viability	8	Profit. Funds to support capital investment for FN communal fisheries. Average annual income derived from fishing by individuals participating in seine, gillnet, troll and FN fisheries.	Average annual individual income for each fishery * percent on public assistance * average individual cost of fishing site
	2	same as above	same as above
	7	same as above	same as above
Improved Support for FN Governance	10a	Number of FN members working in jobs related to fisheries enforcement and management activities.	person-days in fisheries management jobs
	10b	Number of functional joint fisheries management agreements/processes in place.	number of FNs with separate FN fisheries
			Level of FNs investment in the fishery, stock assessment and management
Improved Clarity when allocations transferred	5	% harvest in First Nations economic/commercial fisheries.	% harvest in First Nations economic/commercial fisheries.
			Relative degree to which the proposal clarifies harvest shares (scale from 1-5)?
Greater Certainty	1	Number of multi-year agreements with clearly defined harvest shares. % of allocation harvested. %FN harvest/processing of the commercial catch. Removal of FSC from EO agreements (Lower Fraser)	Does the proposal facilitate more multi-year agreements (Yes or No)?
	3	% harvest included in multi-year agreements, distribution of harvest by geographic strata (e.g. ocean vs. freshwater, regions, communities, etc...). Catch monitoring standards met-fishery information is credible, Compliance with harvest allocation (i.e. catch vs. allocation), Compliance (e.g. enforcement, #violations).	% of the TAC harvested in each fishery.
	4	% of the TAC of each species harvested.	% of the TAC of each species harvested.
			annual variability in harvest shares by fishery

APPENDIX J

FN SCC PROPOSAL SUMMARY PROVIDED BY SCC

Commercial Salmon Allocation Framework (CSAF) Review
Summary of the SCC First Nations' proposal (Phase 1)
Working Copy
March 2014

Background

In October 2013, Fisheries and Oceans Canada (DFO) engaged the Salmon Coordinating Committee (SCC) in a discussion about updating the Commercial Salmon Allocation Framework (CSAF) in preparation to revise and update that section of the *Allocation Policy for Pacific Salmon* (1999). They are also engaging commercial salmon harvesters through the Commercial Salmon Advisory Board (CSAB) and the Province of BC. The updated CSAF is intended to make the allocation of commercial access to salmon more responsive to current situations, challenges, international and First Nations treaties, and constitutional and legal obligations to First Nations. The Department is engaging with First Nations under its "Terms of Reference for Updating the Commercial Salmon Allocation Framework" (<http://www.pac.dfo-mpo.gc.ca/consultation/smon/saf-crrs/tor-cdr-eng.html>). Funding for this work came from a portion of the \$30 million that the US provided to Canada for signing the 2009 Pacific Salmon Treaty agreement that required the US to mitigate for a reduction in the West Coast Vancouver Island (WCVI) troll chinook catch.

The scope of this work, as defined by DFO, is limited to the allocation of the *commercial* shares of salmon in BC. It does not address recreational harvest, allocation of fish for financial purposes ("Use of Fish Policy"), nor does it address aboriginal rights or title.

How are salmon allocated for commercial use now?

The goal of the current commercial allocation framework is to share the total value of annual salmon harvest allocations using a coast-wide ratio of 22:38:40 among troll (F-G-H), gillnet (C-D-E) and seine (A-B) fleets. Each salmon species is valued according to its "sockeye equivalent" value. Next, the total value of all species of salmon expected to return and be catchable (considering constraints due to co-migrating species, environmental conditions, etc.) that year is tallied and then divided amongst the share categories (troll, gillnet, and seine according to the 22:38:40 split). For this process, DFO uses 21 production areas based on major target stocks (e.g. Fraser sockeye), and sockeye equivalent values are adjusted every year based on prior year market values. This annual process makes it difficult to plan business opportunities and removes incentives to add value to product since it would result in lower allocations.

Sharing decisions are made by DFO, but the process is guided by input from the CSAB. First Nations have stated concerns that their communal commercial harvest interests are not well represented in the process. Although the Native Brotherhood has a seat at the CSAB, they often represent First Nations regular commercial licence holders but not necessarily those who fish the commercial-communal access, some of which is done by alternative gear types (e.g., fences, hook and line, small boat gillnet, beach seine, etc.). Therefore, First Nations are often outside of the process which decides how much and how they can access salmon for commercial purposes.

Finally, because First Nations' communal commercial fishing opportunities are not currently explicitly covered by the CSAF, many Nations lack certainty that an opportunity will be provided and therefore are hesitant to develop business opportunities around salmon sales. For instance, a Nation may not wish to invest in developing a smoke-house if they fear that a commercial opportunity will not be provided because of a breakdown in yearly negotiations. In some instances, agreements for economic opportunities are tied to agreements for FSC harvest, and therefore those Nations may not want to sacrifice FSC opportunities to ensure economic opportunities.

For more information on deficiencies in the current framework, see Appendix A.

What are the interests in participating in this process?

DFO has broad objectives of changing the CSAF to enhance long term sustainability of Pacific wild salmon, of enabling industry to realize greater economic benefit, and of creating more resilient commercial salmon fisheries. The CSAB has not yet made public their objectives. Once conservation of stock needs is met, First Nations' have listed the following objectives to guide their participation in the process:

1. Healthy growth of salmon populations
2. Greater certainty and access
3. Unencumbered Allocation (e.g., license shares are sometimes tied to license Area and not necessarily best aligned to Nations' territories, licenses provided to First Nations should not come with obligations to past owners to sell product, etc.)
4. Flexibility to negotiate and implement multi-year agreements for harvest shares, harvest methods, and monitoring requirements
5. Species specific allocations
6. Clear and fair fishery rules and transfer mechanisms
7. Licence shares based on active licences
8. Maximize First Nations' social and economic benefits
9. Viable First Nations' economic fisheries
10. Maximize employment opportunities for First Nation members
11. Develop a First Nations Joint Fisheries Management process
12. Reform economic agreements to meet the needs of First Nations

The SCC's First Nations proposal

The CSAF proposal developed by the SCC's First Nations representatives includes a 74 row matrix that breaks down the Framework into the main components. It is clear that First Nations have an interest in increasing their share in commercial fisheries, and this could be done through a variety of mechanisms, including PICFI/ATP license transfers, Treaty negotiations, license purchases and further license buyback programs. The First Nations' proposal is meant to 1) ensure that the CSAF process is easier to understand, 2) has defined and explicit harvest shares, 3) is more consistent over multiple years, and 4) clearly recognizes First Nations communal commercial fisheries and provides harvest shares for these fisheries. Major changes include:

- *Allocation categories:* Adding a First Nations' category (or "basket") to the current allocation categories of seine, gillnet and troll. This provides First Nations with a defined share and a position to participate in decisions about allocations and to participate in transfers.
- *Consideration of fishing location:* Some fisheries have different values and fishing constraints than do other fisheries. Considerations should be made of the location (e.g., marine, in-river, terminal, preferred fishing location) when allocating share and fishing opportunities.
- *Duration:* Instead of annual agreements, First Nations are proposing 5-year agreements with flexibility for adjustments through a post-season review process. This will provide more certainty to businesses to invest, develop partnerships, etc. This will also provide an opportunity to evaluate the mechanisms of the updated CSAF.
- *Valuation:* Instead of using "sockeye equivalents" which are based on landed value and can work as a disincentive to add value to product, First Nations are proposing that harvest shares be defined on a species and catch area basis, including inland fisheries, and encourage innovation in business.
- *Flexible management:* Once shares are determined, each gear sector, First Nation, or First Nations' group can determine the best approach for the fair distribution of the harvest opportunities and benefits while reducing impacts on stocks of concern. Options may include competitive fishing, individual quotas, communal access, etc. Also, in-season transfers can occur if pre-season plans outline possibilities.
- *Transfers:* Pre-season plans outlining the rules and mechanisms for transfers to all allocation categories (including the FN basket) will be developed prior to the fishing season. This includes species-specific harvest shares that are associated with PICFI and ATP licences, since trading amongst FNs will help to achieve local harvest priorities and access to local stocks. Within season, transfers cannot occur but uncaught fish can be harvested by upstream fisheries.
- *Uncaught fish:* Groups "upstream" of the fishery that could not catch their share could be provided opportunities to harvest a portion of the share not caught by the "downstream" fishery. No compensation is required.
- *Role in management:* First Nations want to have a defined role in management. Currently, annual changes to fleet/fishery shares can have an impact on the First Nations shares associated with the inventory of licenses that DFO uses to provide First Nations with economic access to salmon. First Nations' communal-commercial licenses are not presently represented at the CSAB (inter-sectoral discussions), but will be according to the First Nations' proposal (under the First Nations' "basket"). Furthermore, a separate management body/process may be developed to manage the First Nations' "basket" of salmon (intra-sectoral). This central First Nations' licensing authority would harmonize with DFO's systems to administer/document share utilization, short and long term transfers, etc. First Nations also want to have more flexibility in managing their fisheries to meet their community and fisher's interests and priorities.
- *Dual fishing:* First Nations fishers may retain non-target species for FSC purposes. If the species has a conservation concern, only those likely to die may be retained for FSC.
- *Catch monitoring:* Sufficient validation requirements would be established for all fisheries with provisions for increased monitoring where necessary to achieve compliance and catch reporting

goals. The process would be more transparent than it is now and costs would be shared between harvesters and government (i.e., Federal, Provincial). First Nations monitors will be preferable where available.

What happens next?

There have been seven Tier 2 meeting days and three Tier 1 meeting days on the CSAF to date, plus two small-group meetings with the CSAB representatives. The First Nation proposal will be formally tabled to DFO at the end of February, bringing to an end Phase 1 of the process. The focus of the SCC-CSAF meetings will then shift to guiding the socio-economic analysis which is being done by Sandy Fraser (consultant). He will be gathering information and indicators to be used in evaluating whether the CSAF proposals put forward by First Nations and the CSAB will meet mutual objectives and be cost efficient (Phase 2). The analysis is scheduled to be completed by the end of March. DFO has not set a concrete date for implementation of changes to the CSAF.

First Nations are proposing a Phase 3 where First Nations work with the CSAB to expand discussions and to focus on commonalities between proposals. During this phase, DFO will also be expected to continue bilateral consultations with First Nations. DFO decision makers will be invited to meet with the SCC to hear this proposal. When a recommendation is completed by DFO based on the CSAB and First Nations' proposals, DFO will be invited to meet with the SCC representatives prior to submission to the Minister to review the recommendations. This will complete the Phase 3.

Appendix A: First Nation issues with the current CSAF

Issue	Explained
Valuation	<p>Process of using marine value and sockeye equivalents is outdated.</p> <ul style="list-style-type: none"> • Inland fish are less valuable • sockeye equivalent valuation provides a disincentive to add value to product • Amount provided to FNs is based on TAC/total number of licences, but marine fisheries can access TAC/total number of active licenses • First Nations want to realize full value of FN licence
Transferring allocation	<ul style="list-style-type: none"> • By-catch needs may be different in where license is fished than where license was from • Value is different between marine and in-land (may make allocation not economically viable to fish)
Uncertain in-land share	<ul style="list-style-type: none"> • CFAs are signed late in spring/summer yearly and are tied to FSC agreements • In-season adjustments: coastal fisheries occur before full assessment and thus may access a greater share than upriver harvesters. • Harvesters are not always able to access excess spawners because of management constraints.
Lack of FN participation in decision making	<ul style="list-style-type: none"> • First Nations' communal-commercial licenses are not represented at the CSAB. (Note that Native Brotherhood sometimes at table, but they only represent FN commercial licence holders, not communal commercial fishers)
Fleet structure has changed	<ul style="list-style-type: none"> • More FN participation

since 1999	<ul style="list-style-type: none"> • More corporate ownership vs owner-operated participation • Allocation does not necessarily support more sustainable fishing
Monitoring	<ul style="list-style-type: none"> • Level of monitoring is much higher on FN communal-commercial fisheries than on regular commercial fisheries
Socio-economic studies incorrect	<ul style="list-style-type: none"> • Benefits of economic access for FNs have not been assessed
Current reallocation process (via ATP, PICFI) is insufficient	<ul style="list-style-type: none"> • Reallocation doesn't always make sense economically. Allocation may be too small to fish, or no associated by-catch for area constrains fishing opportunities, etc...
Local management	<ul style="list-style-type: none"> • Currently no mechanism for flexible local management of communal commercial access to maximize benefits • At times of local/terminal abundance, fishers are not always able to access fish because of fleet restrictions. The current structure is not flexible to local conditions
Vessel length restrictions	<ul style="list-style-type: none"> • Licences reallocated to FNs don't always fit their infrastructure. • Doesn't provide opportunities for "mosquito fleets"
Unallocated licenses	<ul style="list-style-type: none"> • DFO holds licences but doesn't always reallocate them.
Ideas of "ownership"	<ul style="list-style-type: none"> • Associated with uncaught fish, licence relinquishment, compensation for overages/underages • Armchair fishers get to make decisions instead of actual fishers who lease the licenses
Flexibility	<ul style="list-style-type: none"> • Some Nations not able to use PICFI and ATP licences because they don't meet DFO requirements
Uncaught fish	<ul style="list-style-type: none"> • Excess fish identified in-season but no mechanism to allow for catch up-stream • Currently, uncaught allocations move between 8 fleets, not FN economic fisheries