

## NUNAVUT WILDLIFE MANAGEMENT BOARD

### Minutes: Allocation Policy for Commercial Marine Fisheries Revision Workshop

February 16 and 17, 2012  
Navigator Inn, Iqaluit, Nunavut

#### NWMB Working Group Members Participating:

Ray Andrews	Workshop Chair & Chair of Fisheries Allocation Committee (FAC)
Brian Burke	FAC member and President, Burke Consulting
Jim Noble	NWMB Chief Operating Officer
Michael d'Eça	NWMB Legal Counsel
Anna Magera	NWMB Fisheries Management Biologist

#### Other NWMB Staff:

Sheila Pokiak Lumsden	NWMB Wildlife Communications/Admin Technician
Evie Amagoalik	Interpreter
Lazarus Arreak	Interpreter

#### Commercial Marine Fisheries Industry Representatives:

Jaypetee Aeeagok <sup>1</sup>	Arctic Fishery Alliance, Secretary / Treasurer
Harry Earle	Arctic Fishery Alliance, General Manager
Dave Bollivar	Arctic Fishery Alliance, Fisheries Advisor
Jeff Maurice	Baffin Fisheries Coalition, Chief Operating Officer
Jerry Ward	Baffin Fisheries Coalition, Chief Executive Officer
Jacopie Maniapik	Baffin Fisheries Coalition, Chair
Ben Kovic	Baffin Fisheries Coalition, Niqitaq Chair
David Alexander	Baffin Fisheries Coalition, Crew Manager
Roger Alivaktuk <sup>2</sup>	Cumberland Sound Fisheries Ltd., Chair
Peter Kanayuk	Cumberland Sound Fisheries Ltd., Board of Director
Don Cunningham	Pangnirtung Fisheries Ltd., Chief Executive Officer
Adamee Veevee	Pangnirtung Fisheries Ltd., Board of Director
Kendra Ulrich	Pangnirtung Fisheries Ltd., Project Manager
Peter Keenainak	Qikiqtaaluk Corporation, VP, Industrial Development

#### Government Representatives:

Eric Kan	Eastern Arctic Area Director, Fisheries and Oceans Canada, Iqaluit
Sandra Courchesne	Senior Fisheries Resource Management Officer, Fisheries and Oceans Canada HQ

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<sup>1</sup> Thursday morning only

<sup>2</sup> Thursday only

Charlotte Sharkey	Fisheries Management Resource Officer, Fisheries and Oceans Canada, Iqaluit
Wayne Lynch <sup>3</sup>	Director, Fisheries & Sealing, GN Dept. of Environment
Ron Brown <sup>4</sup>	Manager, Fisheries & Sealing, GN Dept. of Environment

**Other Industry Participants:**

Elisabeth Cayen <sup>5</sup>	Nunavut Fisheries Training Consortium, Executive Director
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**1. Prayer, Welcome Introductions**

Ray Andrews requested Ben Kovic to provide the workshop's opening prayer for all in attendance.

Everyone then had the chance to introduce themselves to the rest of the workshop participants, including their name, title and organization they represent, and this is reflected in the workshop attendees list above.

**2. Allocation Policy Overview and Workshop Focus**

Ray Andrews, the workshop Chair, identified Anna Magera who would provide a brief overview the agenda items and an overview of the workshop objectives. Ray Andrews then provided introductory comments and commented on how encouraging it was to have all the participants around the table together.

The Chair called upon the NWMB Legal Counsel, Michael d' Eça to present an overview of Allocation Policy for Nunavut's commercial marine fishery (or the "Policy") and workshop focus.

Michael d' Eça, NWMB Legal Counsel made some introductory remarks, and commented that in his opinion, the commercial marine fishery is the most successful, dynamic and challenging for the NWMB. The Policy was developed back in 2007, and it has been a continuous work in progress.

The NWMB desires to make improvements to the Policy and what is presented represents 4 years of collective implementation experience coupled with comments that were secured in 2010 and 2011 consultations with Nunavut's fishing industry [or the "Industry"].

He explained there were 3 inter-related elements to the workshop. Twenty-Seven years ago, in 1985 Pangnirtung in Cumberland Sound and by 1991, Pangnirtung received a small off shore allocation. Between 1994 and 2001 there were a number of developments, the Government of Nunavut came into being, there were court battles and reviews, as well as studies and research

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<sup>3</sup> Thursday only

<sup>4</sup> Friday only

<sup>5</sup> Friday only

that have been conducted. All of which culminated into a 3500 tonne allocation to Nunavut fishers in zone 0A.

In 2007, and following extensive consultations a comprehensive strategy was approved by the NWMB. The Policy's objective has remained the same throughout all drafts, and is reflective of a common goal, which is to facilitate cooperative diversified approach to eco-system-based approach to fisheries management.

NWMB has instituted the Fisheries Allocation Committee (or "FAC") which is made up of five members: two appointed by NTI, 2 appointed by GN and 1 appointed by the NWMB. It provides independent advice to the NWMB to individual allocation levels. FAC's Terms of Reference (or "ToR") forms Appendix A of the Policy. What is mentioned in this presentation are either sections that have remained the same since the 2007 draft Policy, or where changes and updates have been made, or where new sections have been added.

The ToR includes extensive attention to confidentiality of information and is guided by 10 principles, including Article 5 of the Nunavut Land Claims Agreement (NLCA), Inuit Qaujimajatuqangit (or IQ) principles, and sustainable development that also maintains a precautionary approach.

Section 8 of the Policy deals with inshore fisheries development still stands.

Transfer of Nunavut allocations is new and updated since 2007 and allows for 2 types of transfers permitted.

Transparency and disclosure remain the same since 2007 where a balance between confidentiality and conducting open commercial fisheries allocation process are in effect.

The multi-year allocation is a new section. Starting in 2013, the Policy proposes a 3-year allocation that is subject to evidence satisfactory for each allocation holder's annual effort. Years 2 and 3 gather only by Annual Reports and Verification Reports. The Policy sets out specific timelines for recommendations and decisions with respect to applications, plans, and reports.

Section 14 is a new section on allocation reconciliation. It proposes 30 days to reconcile overruns, and if not, then a decision is made on a 1:1 basis.

The Chair welcomed questions and comments to the brief overview.

Don Cunningham of the Pangnirtung Fisheries Ltd. (PFL) asked why there were so many changes on February 8, 2012 and then has everyone come together only a week later?

Michael d'Eca explained that all changes are in response to submissions - oral and written, during last couple of years. It is NWMB's intention to have time beyond this workshop to provide industry an opportunity to provide written submissions to the NWMB. The NWMB would like to finalize the Policy by end of March 2012.

Ray Andrews spoke to the usefulness to be sitting at same table and to get interplay of comments noted.

Jerry Ward of Baffin Fisheries Coalition (BFC) commented that the industry is sitting down today and we all have an opportunity to submit comments, the question is, will the industry have an opportunity to meet again before the Policy is finalized?

Anna Magera, NWMB's Fisheries Management Biologist responded that the workshop is the opportunity to present main changes, and feedback from participants would be appreciated. There will be a period to provide written submissions from co-management partners and industry, whereby a revised version will be sent out via email for comment. Any final comments will be taken into consideration before the Policy is reviewed by the Board at end of March 2012. It is the hope that the Policy will be in effect for the 2013 season.

Michael d'Eca emphasized that consultation is essential. However, after previous consultations, a number of industry members wrote to the NWMB 2010, and what followed immediately from this (as expressed by industry), was consultation fatigue.

Dave Bollivar of the Arctic Fishery Alliance (AFA) had a general question. His question had to do with understanding the exact role of NWMB in process and the commercial fishery outside of 12 mile NLCA boundary. This fishery, outside the 12 miles is managed by authority of the federal government, but then there are a number of things that come up within this allocation process and the Policy. Does NWMB duplicate or conflict with what Fisheries and Oceans Canada (or "DFO") has in place? Do quota holders have to deal with 2 sets of rules, one from each of the NWMB and DFO?

Michael d'Eca asked for everyone's attention to turn to page 2 in Section 2.2 which sets out the jurisdiction of the NWMB. If any allocation holder is of the view that you are required to perform a task, for which NWMB has no authority, clearly you would want to speak up and be given an opportunity to respond. Further, waters outside of the Nunavut Settlement Area (NSA) have the NWMB put forward recommendations to the Minister. Section 2.2 states NWMB's authority resides with section 15 of the NLCA.

Jeff Maurice of BFC provided a remark to Dave Bollivar's comment which he found interesting, and asked about the challenges the AFA face and why the AFA questions NWMB and DFO authority on fisheries?

Harry Earle of the AFA provided a supplemental to Jeff's question and said that Dave was simply posing a question and not a challenge, to the NWMB. The question has to do with specific requirements that need to be met and where should we meet those requirements (to NWMB or to DFO?).

Jerry Ward of BFC added that the industry does not need duplication in system, or perceived duplications. He asked of the administration of FAC, and wondered if there will be a presentation on the Fisheries Allocation Committee? To which he received a reply of yes, there will be a presentation on the FAC later on in the agenda.

### **3. Mandatory Requirements for Responsible Stewardship and Verification Reporting**

Anna Magera made a presentation on these aspects, or Section 6 of the Policy. To provide a background on responsible stewardship this was an important addition when first put into the Policy. It speaks to conservation and habitat, the NLCA, and its section 5.1.5.

Applicants are to submit a stewardship plan. The plan would have compliance with:

- Law and policy, including DFO regulations, Species at Risk Act, etcetera,
- Research and reporting,
- Responsible habitat and ecosystem protection,
- Responsible vessel and training requirements,
- Responsible fishing practises and gear use.

Previous comments from industry and co-management have led to these changes presented today.

A notable change to the section is that when industry holders submit annual Verification Reports to the DFO and Transport Canada (TC) submit annual Verification Reports. This was originally suggested by DFO. These reports are would be reviewed by NWMB and FAC and then there would be 30 days to comment once released to industry holders.

DFO Resource Management in Iqaluit has also spoken with industry and current Nunavut allocation holders have indicated their consent for DFO to release their annual catch information in a report to the NWMB. This reporting would include annual catch, whether the catch matches allocation, Nunavut-Nunavut transfers, Nunavut-southern transfers.

DFO and Transport Canada are still conducting some internal review on what info would be reported for rest of mandatory requirements. DFO Conservation and Protection would verify s6.1(a,c), 6.2, 6.3, 6 and TC would verify s6.1(b), 6.4.

Ray thanked Anna for the presentation on this section and opened the floor for comments or questions.

Jerry Ward of BFC asked about section 6.2, and noted that each participant must cooperate with a). As an example, if they want to do a research project for five million dollars (5M) does the industry have to oblige financially? From how it reads, section 6.3, must assist a), in the definition, sponge and corals from DFO, and if so, that this needs to be quantifiable.

Sandra Courchesne of DFO pointed out that they are still conducting an internal review where significant changes could be incorporated and the language may be changed based on discussions within DFO.

She also spoke about stewardship and the Integrated Fisheries Management Plan (IFMP) definition. Industry has to abide by DFO legislation, regulations and management measures in relevant IFMPs. DFO cannot enforce what is not contained in these DFO measures (e.g. points on corals and sponges).

Peter Keenainak of Qikiqtaaluk Corporation (QC) asked if the industry is seeing mandatory requirements put into DFO licensing? Or are these conditions being attached to licenses beginning in 2013?

Anna Magera responded to Jerry Ward's comment on section 6.2 a) in that we should take into account section 6.3, corals and sponges. As for quantification, this is something that is not in DFO policy, there are a number of policies that are pertaining to species like corals and sponges (e.g. DFO's Benthic Impacts Policy, Emerging Fisheries Policy). For example, for encounter protocols - there is nothing on the books that specifies quantities and how they relate to encounter protocols. This has good support for NWMB and the working group.

Jerry Ward of BFC commented that DFO has a number of policies in the country, and we [the industry] are all conservation minded, and adhere to mandatory requirements where it specifically states this adherence. The hope is for all of us to understand and this is hard for us [the industry] to agree to something such as this when it is not quantified.

Ray Andrews, the Chair, spoke that this is part of overall requirements, of DFO and North Atlantic Fisheries Organization (NAFO). DFO has it currently where corals and sponges are not quantified, and this should be highlighted in NAFO requirements because it is becoming more explicit, the whole process is to quantify.

Michael d'Eca added an investigation on how this issue got into Policy could be done. Industry helps determine what the threshold is and trigger that the industry thinks is appropriate. Perhaps industry can provide what are appropriate numbers.

Jerry Ward of BFC provided a supplemental and expressed that this is a substantive issue for DFO and NAFO to quantify. This is currently wide open and the NWMB could, in effect, put industry allocation holders out of business. Industry cannot do a thing about it once they are quantified.

Kendra Ulrich of PFL spoke to the same point on section 6.3.c) and commented that it seems 6.3 a) identifies sensitive habitats, that prevents fishing in specific areas, and should not be included here.

Harry Earle of AFA has the same concerns as Jerry Ward on corals and sponges, and noted that section 6.5 b) includes Greenland sharks. This reference is new, and in referring back to Cumberland Sound or the offshore fishery, the fishery could be shut down if they are caught. So, the question is, why are they [Greenland sharks] added?

Anna Magera talked about the need for more research into sensitive species, including the increasing concern over Greenland sharks.

Jeff Maurice of BFC had a general comment on Nunavut to Nunavut transfers and Nunavut to southern transfers. How relevant is this to the internal process? What is going to be done with the information?

Sandra Courchesne of DFO commented on the DFO policies in general and suggested that if industry and the Board wants to incorporate a particular management initiative into an IFMP it could then be included in condition of licence. This comment was in relation to Peter Keenainak's earlier question.

Peter Keenainak then asked a related question. If the Policy is not in parallel with DFO policies, which carries more weight with respect to compliance?

Michael d'Eca said that it is clear that within Nunavut Settlement Area (NSA), the NWMB and DFO have co-jurisdiction and have to rely on each other. The bottom line is that the Minister makes decisions that are subject to judicial review. The Minister accepts, rejects or varies the NWMB decisions. Any waters outside of the NSA, the NWMB has an advisory role. If were not in an IFMP they wouldn't be enforced. There will not be any conflicting policies between the NWMB and DFO.

Dave Bollivar of the AFA returned to the point Jerry Ward started, and he emphasized the section does include mandatory requirements. He understands the law and regulations, but the policy is nebulous at times. The Policy also talks about relevant research and reporting, and there again, this becomes subjective. There is nothing specific, but yet it says mandatory. How does NWMB evaluate against this standard? It needs to be quantifiable. It is worrisome that Greenland sharks are added and that no one from the industry asked for it. So where does it come from, the DFO?

As an example, there is a fishing activity, and DFO might provide a warning, and then it is reported to FAC, who in turn see this warning as serious and then state that it wants to take stronger action than DFO. If it is made mandatory, it needs to be tightened up and it needs to relay a clear understanding of what's required by industry.

Jerry Ward of BFC stated that an [Greenland halibut] IFMP is needed because this is not complimentary, it is incremental.

Don Cunningham of PFL also spoke about the Greenland shark. It appeared as each participant must use a particular type of gear, would that be one fishing gear? Are we not already in compliance with this already?

Adamee Veevee of PFL spoke on Greenland sharks as well, in Cumberland Sound. It is always reported in the by-catch take. Both Greenland sharks and turbot fishing in the Cumberland Sound use long lines. Are they going to be reporting the turbot fishers, the 25 fishers? In the community of Pangnirtung, we know when Greenland sharks are not around when we are fishing. These measures in the Policy on mandatory requirement make him think that perhaps it is a good idea to test which other gears are best.

Michael d'Eca replied to Don Cunningham's comment. If your fishery is permitted one gear, then yes, you are in compliance. Whole thing about adding the Greenland shark, we [the NWMB] can find out how they got into the Policy.

Anna Magera sees the points regarding quantification as being very important and duly notes them. It is the intention of putting in some measures and to make sure that where there are opportunities to minimize conservation concerns, allocation holders are acting on them.

In response to Don Cunningham on gear restrictions there is a stewardship plan where the industry are able to lay out how they are meeting requirements, and to provide background for the FAC members.

Harry Earle of AFA expressed that with the exception for Greenland sharks (which he thought should be removed); other arguments are already in the Policy. With the tweaking of wording, like suggested detection of corals instead of indication, there could be improvements made.

Peter Kanayuk of Cumberland Sound Fisheries Ltd. (CSFL) spoke to Greenland sharks as well within the Cumberland Sound, and wondered about how we deal with them. There may have a problem with by-catch. He has no idea about outside of the Cumberland Sound, that is, further offshore and the season and areas for Greenland sharks. What is the bycatch like offshore? There is one particular gear type, and there are set guidelines in place for Cumberland Sound fisheries. Indicate that fishers already avoid certain areas at certain times of year. There is also reference to juvenile fish, and these too may have a problem to avoid those that are still growing.

Kendra Ulrich of PFL sought clarification on the internal review within the DFO and whether there will be opportunity to comment on the results.

Sandra Courchesne of DFO mentioned that DFO would provide wording changes in the NWMB policy related to the verification reports based on the results of its internal review.

Roger Alivaktuk had no comment thus far.

Wayne Lynch, Director of Fisheries and Sealing at the GN Department of Environment, has been observing the ensuing discussions and listening and his feedback on Greenland sharks is that there is no science that confirms that Greenland sharks are a species of concern in Nunavut. He indicated that GN research last year may have found a nursery for Greenland sharks. Are they really a conservation concern for Nunavut?

Brian Burke, FAC Member, indicated that the working group would like to make sure DFO will do the verification reporting and that an arrangement can be worked out with NWMB.

Jim Noble, NWMB Chief Operating Officer (COO) spoke to Greenland sharks, in that the Board has previously been asked to consider changes in hook size, measures to reduce Greenland shark bycatch, and ways reduce equipment loss. Why is there now a lack of concern about Greenland sharks?

Eric Kan, of DFO spoke on how it was good to speak openly to discuss concerns to the draft Policy. We have look into future, and mentioned that he advocates for the department, and will do so with the group from DFO Headquarters in the following week. The fisheries modernization meetings in the coming week may offer more information on new bycatch and benthic policies, and provide opportunities for input.

It is important to speak to organizations of fisheries, in addition more technical presentations on bycatch policies. This is part of moving towards more eco-systemic approaches rather than just addressing species concerns. There is always room for improvement.

Brian Burke of Burke Consulting commented that in a perfect world, we would have an IFMP that would address issues in the turbot fishery. His question is how much time do we all have to respond to new DFO policies?



Eric Kan of DFO stated that there is an opportunity to have an [Greenland halibut] IFMP meeting, and that they are looking to the fall time instead of any earlier time to hold such a meeting. With the other new DFO policies, DFO is just in the consultation phase, so there will be lots of time to respond.

Wayne Lynch expressed a deep concern about the consultations and their impact on Nunavut, as well as previously cancelled meetings with DFO, and the lack of licencing policy for the territory. Is it real consultation?

Jacopie Maniapik of BFC agreed with Peter Keenainak's comment in reference to Greenland shark as not being a critical issue at least in the Cumberland Sound, which is different than off shore fisheries.

Adamee Veevee also commented about the seasons of the Greenland sharks as a way to avoid them. Currently Greenland sharks are coming into Cumberland Sound when fishing, as do small halibut, juvenile fish, and this is treated differently if growing turbot are a bycatch, in 0A. He wondered if there will be an opportunity to comment on the Cumberland Sound boundaries.

Ben Kovic spoke to the compliance and fishing practises. He asked, once the Policy in force, it is responsibility of companies to follow the Policy, and to educate observers on vessels and then at end of each season report to DFO or Transport Canada that the vessel was in compliance during the season. What does the Policy state in latter part of pages, with respect to multi-year allocations, if a company hasn't followed the first year plan? Would NWMB review the Verification Report from DFO and TC and then subsequently modify the allocation to that company?

Charlotte Sharkey of DFO had no additional comments to add.

David Alexander of BFC stated that with respect to section 6.5, he would like to see an increase in quotas and he also pointed out that the policies and regulations are very difficult to follow.

Anna Magera will look at Greenland shark and how it came into the Policy, and come back with an answer for the workshop participants [follow up: it was confirmed that this suggestion came from DFO in previous consultation on revisions].

#### **4. Scoring System**

Ray Andrews introduced this item and said that this section needs upgrading. He asked Brian Burke to take the workshop participants through the scoring process.

Brian Burke introduced the section by relaying that changes have been made to date based on feedback from industry thus far.

The Evaluation Form changes address concerns over too much overlap and duplication, ambiguousness, subjectivity, reference to exploratory fisheries fund, and concerns about emphasis placed on building vessel capacity. Previously there had not been recognition of processing organizations, and the weighting of elements according to importance.

The points are based out of 100 with 30 points for governance, 40 points for engaging Inuit, and 30 points for benefits to all Nunavummiut (no change in the basic point breakdown over these main categories). In preparation of this point system there have been several discussions with NTI.

Peter Kanayuk of CSFL posed a question. Does the applicant with the highest score on their application automatically get the largest allocation? What if a company scores high in the points but is a poor steward. Companies scoring the highest in points are not always the best applicants.

Brian Burke said that the points are used by FAC as a primary factor in their recommendations. The point system is accumulated and if one is not a successful enterprise down the road, or a lousy steward, this is taken into consideration. Each scoring opportunity ties back to principles and objectives in the Policy.

Ray Andrews said the bottom line is to present a plan. This plan is looked at closely. Then follow-up reviews on annual basis help the industry move forward.

Peter Keenainak of QC asked a question with respect to section 7.1, governance and business capacity. Part b) speaks to liability and suitable business planning to capacity to fish. His opinion is that there is not enough weight given to that factor.

Jeff Maurice of BFC requested clarification on the points breakdown in the Governance section.

Jerry Ward of BFC shared that overall it is a good concept and less subjective. He agreed with Peter Keenainak on the issue of capacity, if we want an increase in allocation there has to be an increase in vessel capacity.

Brian Burke spoke on over capacity. If this component was kept the way it was, we would have a situation where there is over capacity. Everyone was increasing vessel capacity. Industry expressed that over capacity in the fishing industry was a concern in previous consultations. Having assets is still present because it is still important, but we have decreases emphasis on it.

Harry Earle of AFA commented on the need for viable commercial venture.

David Alexander of BFC spoke on scoring and procedures. His biggest concern was that as an example, in 5 years' time we won't be able to sit around and speak of viable operation, employment, boats, etc. as in years past. The industry is more amicable with competitors, especially with the guidelines and balanced format. Fishing industry members were more assertive in ventures. How much can industry give back to communities and Nunavut? We have to consider whole territory, not just stakeholders, with respect to the benefits.

Brian agreed and went into more depth in describing the scoring sections.

#### 1<sup>st</sup> section: Governance and Business Capacity

Harry Earle of AFA had a comment on viable commercial venture. 12 points for a business plan, but in his opinion profitability is more important than adherence to plan.

David Bollivar of AFA asked how the FAC evaluate some criteria, what is satisfactory? What is expected? With respect to open and transparent, what is an adequate, regular board meeting frequency (once a month, once a quarter)? The Policy puts the industry into a position where information is obtained from quota applicants, and then it says what is adequate.

As an example, AFA has four widely dispersed communities that it represents and there is difficulties in holding regular meetings, cost of bringing together and so on. Is this taken into account? Versus a compact group that represents one community or more closely tied communities? It's not just meetings; it's also about the ability to share information in a timely fashion.

Jerry Ward of BFC had a comment on viable commercial venture, if have a company has a business plan, profitability will come. In his view there is significant value to meet a business plan and the ability to have delivered on a business plan. Vessel purchase is not on the table, so he asked, "where in the scoring does it address existing capacity?"

Brian Burke replied that the Policy has not taken out owning enterprises. We heard at last session that there was too much emphasis on vessel and the purchase of vessels. We need to bring a balance rather than keeping it as the one and only drive that was pushing industry.

Jerry Ward of BFC replied that in his opinion that this is not the right approach, because of an issue of investment in vessels. The question to the NWMB, NTI and FAC, is how is it assured that vessels utilize the capacity we have? If a company has developed capacity, great, but if the company has gone to over capacity, no one is here to fix mistakes to over capacity. In knowing the quotas, and if kept within the quotas, then the company should be OK.

Ben Kovic of BFC asked a question: if that's the case, how do you balance capacity? Does FAC determine how many ships are needed? How many vessels can an industry holder have?

Brian Burke clarified that no one dictates the number of vessels; this is your own respective business decision. It is the company that makes decisions based on the judgment of what you need.

Ray Andrews commented that maybe this scoring item should be left as is.

Ben Kovic of BFC mentioned that the Minister said, once your own vessels, you'll receive allocation. We've done this. Now it seems to be a impeding our business plan.

Harry Earle of AFA had a question to the commentary. If the scoring is not changed from previous time and it talks about capacity to fish, yet in the score there is no specific score for vessel capacity, what happens if you have or don't have vessel - does it make a difference? There is no score for it.

Brian Burke said that he will look into this matter.

2<sup>nd</sup> section: Inuit Involvement

Jerry Ward needed a clarification because it is perceived there is a lot of subjectivity. Is Inuit involvement based on 51% of 100, or 99% of 100, or with 2 boats, 100 Inuit, 50 Inuit owned, or majority owned?

Michael d'Eca replied that when looking at the Policy itself, there are more points awarded for percentage of ownership, so a 100% owned company of an RWO receives the highest scores, and would go down from there.

Peter Keenainak of QC spoke to section 7.2 a) RWO/HTO ownership, and also referred to NLCA section 5.6.31 c) which clearly states how NWMB determine surplus and the in order and priority. Third down list, in policy, HTOs get priority.

Michael D'Eca indicated that although this is correct, the awarding of allocations under the Allocation Policy is not set up in the same priority situation as awarding of surplus as per the NLCA.

Jerry Ward of BFC suggested taking BFC and QC as examples of two companies that invested in the fishery early. Would we be penalized because no one wanted a partnership? Would we be penalized more than those that came into the fishery later? This is a proven industry that is successful and industry viable, and it is not easier to enter into because of our early efforts. BFC has long term contracts and commitments. This should be taken into consideration. Is there some consideration to get vessels?

Adamee Veevee of PFL added that in addition to having Inuit employment and involvement in the plan, in terms of points what about the people who do the fishing and processing part of fishing? Is processing taken into consideration in the scoring system?

Brian Burke confirmed that processing is taken into account.

Harry Earle of AFA spoke to number 2, 4<sup>th</sup> item, when you measure economic dependency from community, you might get different score. As an example, AFA just started, and because of this, the community hasn't become dependent on the fishery. It would be a different situation than if the company was more mature.

Brian Burke confirmed that this needs to be factored in.

Ray Andrews commented that everyone cannot detract from process where 5 people who comprise the FAC try their best to do undergo an objective scoring process. He indicated that there was lots of healthy discussion within the FAC regarding objective scoring and what should be taken into consideration.

Ben Kovic of BFC spoke to the adjacency to a community. Would FAC differentiate inshore from offshore or Cumberland Sound to management area 0B?

Brian Burke confirmed that for 0A and 0B, allocations are different than Cumberland Sound inshore quota which goes to Pangnirtung.

Michael d'Eca spoke to the principles, in particular number 6, which addresses this issue and highlights the necessity for discretion. As an example, Pangnirtung is adjacent to Cumberland Sound. The Policy contemplates what Ben Kovic asks, and sets out adjacency and that it counts more when it is within the NSA.

Peter Keenainak of QC referenced NLCA article 5.6.31 and the Policy's section 7.2a) guidelines, where its sentence refers to 5.6.31c). The Policy seems to ignore the first 2 sections (a) and b)). He indicated that commercial allocations should come before HTA allocations under surplus in the NLCA>

Michael d'Eca spoke of surplus in the NLCA, within NSA. The NWMB is main regulator to access. The TAH in Cumberland Sound Turbot Management Area is 500 tonnes, and NWMB must strike a Basic Needs Level (BNL). For example, a portion would go to Inuit as a right and 300 tonnes are put into BNL. This translates into a 200 tonne surplus and NWMB must take into account non-Inuit consumption up to 14%. Then the NWMB determines 50 tonnes went to residents, which leaves 250 tonnes left. If there is any tonnage left over, this could go to someone just starting out. Then the priority would make it go to RWO and / or HTO enterprises. A public call for new applicants would be realized but it will be pretty tough club to enter. Outside the NSA, the NWMB wanted to use a similar model; the NWMB wanted to draw upon the land claim but it did not exactly align the requirements in the offshore.

Sandra Courchesne of DFO mentioned that the NWMB has not provided the Minister with a decision on the allocation of the TAH surplus for the Cumberland Sound Turbot Management Area and has not established a TAH for any other commercial (turbot/shrimp) fishery in the NSA.

Harry Earle of AFA shared that he relates to what Michael d'Eca and Peter Keenainak said. The AFA is owned by 50% HTOs and 50% by the whole community, so the score reflects that there is community ownership. He said that birthright organizations are not owned by HTOs. What is the objective? Ownership by Inuit or by HTOs?

Michael d'Eca said that Inuit ownership comprises 13 points, and this includes RWO/HTO sponsorship for another potential 8 points.

### 3<sup>rd</sup> section: Benefits to Nunavummiut

Harry Earle made comments that there is a difference between mature and newer company.

It is very difficult for newer organization to have higher level of employment as a mature company would employ and this is worth 10 points.

As an example if one looks at the Inuksuk vessel, there are 25 or 26 workers. The workers are not all paid the same. Some have per share arrangements, and as an example, the Captain gets 5 shares and so on. Twelve of the 26 people get close to 65 to 75% of earnings because of their certifications. But on that vessel there are about 12 or 13 Inuit out of 26 total.

If you score based on percentage of take, 30%, 38%, 35% of people are taking 75% share (engineers, mates, etc.) and this should be considered, as well as total dollars. There is also the issue that Nunavut does not have port facilities.

Jerry Ward of BFC commented on the percentage of salary and asked cannot or do not is the issue. If there are 6,7,12 people at a time, the industry cannot do anything about percentage at this time. The number of workers as well as needs be taken into account.

Ray Andrews indicated that the FAC had a good initial discussion on this topic.

Brian Burke indicated that employee numbers is another factor that could be added into the Evaluation Form.

Harry Earle of AFA said that it will take several years before these situation changes, so why not simply change expense and go by the number of people for now.

Kendra Ulrich of PFL commented that to follow what is written in section 7.3, level of position and record of retaining employees might solve this problem.

Brian Burke said that the FAC need to take into account realities the industry currently faces 1) retention is an issue and it is a very challenging time for Nunavut Fisheries Training Consortium. There is a study on retention of trained Inuit fishers, and a whole host of recommendations, and also 2) every industry participant should look to commit to maximize Inuit employment, ensure an adequate number are trained and available. Numbers would be higher if adequately trained people were available.

## **5. Multi-year Allocations**

Anna Magera presented this section. In 2007, a major revision to the Policy was to only go with annual allocations. The NLCA section 5.6.47 states commercial licensee shall not exceed 3 years in length.

In the new revision of the Allocation Policy, an annual allocation on a 3 year term is being proposed. Applicant would submit an application and a Governance, Business, Benefits and Stewardship Plan. DFO and TC would also submit Verification Reports in non-application years, applicants would submit an Annual Report, and DFO and TC would submit Verification Reports.

The Policy suggests that the license be renewable for 3 years, subject to Annual Report and Verification Report requirements being met.

To give an example, one submits an application and Verification Report in 2012, and then in year 2 (2013) with the quotas based on year 1 (2012), one provides an Annual Report and Verification Reports. In year 3 (2014) one submits an Annual Report and Verification Reports again. The year 2015 marks a new cycle where one makes an application, with Verification Report accompanying it.

If there is NWMB approval on the Policy, it would come into effect in the spring of 2012, with applications for the 2013 fishing season.

In Annex 2 provides flowcharts for the application timelines. Allocations would happen every 3 years. The Call for Applications would be no later than June 15.

Then no later than July 27, Verification Reports to DFO and TC would be submitted.

The NWMB would forward to the FAC by August 1. FAC may hold a public forum or an in-camera session with applicants.

The FAC provides a final evaluation and recommends an initial percentage to the NWMB no later than September 15.

Applicants would review FAC recommendations and Verification Reports in a 30-day period. In mid-October FAC reviews final comments and provides final recommendations to the NWMB no later than November 1.

At the NWMB December Meeting, the Board makes a decision. A letter is then sent to the DFO Minister in late December/early January. The Minister has 60 days to respond and can accept, reject or vary NWMB's decision.

Brian Burke added that quota increases or decreases to Nunavut do not affect the cycle. Calls for applications would go out for increases in quota. The next 3 year call would combine original quota and increases. If there is a decrease however, there are two potential situations: (1) proportional decreases to all allocation holders in the case of minor Nunavut TAC decreases, or (2) if the decrease is substantial and would impact the economic viability of allocation holders, the NWMB would issue a call for applications and the whole process of a full application.

Sandra Courchesne of DFO commented on the timelines set out in Annex 2. It would give the Minister a letter with Board's recommendations in December. This is not a lot of time. Some fisheries officially open on January 1<sup>st</sup>. The industry would be anxious to hear the results. On a potential increase/decrease, the process needs to afford time for a Ministerial decision.

Jerry Ward of BFC commented to the timeline and reminded that there would be a condition to rollover a portion of the total allocations until the final decisions were made. This is a condition industry would have to live with.

The timeframe itself should be longer than 3 years to take into consideration the level of investments from industry allocation holders. He would prefer NWMB to set the multi-year timeframe somewhere from 5 to 10 years, even 7 years for a multi-year allocation. Lengthening the multi-year term would definitely help with financing. The notion of "first in, last out" or LIFO was raised.

There should be some recognition on who is more or most established.

Ray Andrews stated that there was no simple protocol for dealing with TAC decreases. Participants are looking at a person who has lived through and implemented the single largest

TAC reduction in 1992 with Atlantic cod in Newfoundland. In the space of 2 years, the fishery went from 266,000 tonnes to zero.

Brian Burke commented that on decreases the FAC will try to separate the minor compared to major issues as a reassessment trigger. What constitutes a “substantive decrease” was up for discussion.

Jerry Ward of BFC the current wording was very subjective. He will come back tomorrow with suggestions.

Jeff Maurice of BFC has the same view as Jerry Ward, in that the multi-year allocations would be better suited to go from the proposed 3 year allocations to a longer period of 5 to 7 years. He also raised the Nunavut licensing policy, and the concept of LIFO.

Peter Keenainak of QC asked what is NWMB’s position on LIFO? It should be made clear: the NWMB and co-management partners will not entertain LIFO in an IFMP.

Dave Bollivar of AFA commented that is good to see the addition of multiyear allocations, but like some other comments, 3 years in business cycle is too short a timeframe. Banking and financing arrangements better dealt if the multiyear was a longer term.

Also, there is a serious flaw in what proposed, how to deal with increases and decreases in quotas. It specifically provides the results of increases, but the Policy fails to address the downside, i.e. decreases.

If the allocations provides for the possibility of new entrants with increases, the Policy needs to address this same issue with decreases. Also, because of the annual review process and possibility for adjustments to be made in allocations, the allocation holders essentially still have only have 1 year allocation. Annual review is rigorous and the standards could lead to adjustments. He suggested a way around concern is for the FAC to go through annual review process, to identify issues that they consider serious, and then sit down and work with the allocation holder, and provide certain timeframe to correct deficiencies. If the allocation holder fails at that then adjust the allocation accordingly.

Dave Bollivar of AFA commented that LIFO deliberately avoids new entrants in an increase or decrease.

Anna Magera spoke to the comments made with respect to potential decreases, in that they would be made proportionally across the board and would also apply to new entrants and veterans alike.

Dave Bollivar of AFA provided a supplemental and suggested to look at the language in section 5.2 with respect to the annual performance review and suggested to soften the language to indicate that the FAC will provide warnings, etc.

Jerry Ward of BFC agreed with Dave’s comments and said that everyone can take it for fact that there are currently 4 allocation holders in Nunavut. The holders have to stop fighting and



solidify business as a better possibility to getting a Nunavut TAC increase rather than decrease. If in 2 or 3 years there is a decrease there is a good sense that the total allocation would kick out ones who enter into the industry after today. The second point is that a 5 year term is preferred over a 3 year multiyear allocation.

Peter Keenainak of QC is in favour of the multi-year allocation, and a 5-year term would be most agreeable to QC's business plan.

Peter Kanayuk of CSFL is in total favour and prefers 5 years to 3 years because there is more opportunity to plan.

### ***END OF THURSDAY SESSION***

## **6. Prayer, Welcome, Introductions (Friday session)**

Adamee Veevee provided the Opening Prayer.

Anna provided the participants with an overview for the day's agenda items. The first agenda item is about transfers, and Ray Andrews will provide an in-depth discussion. Then the workshop is continued on Anna Magera presenting on quota reconciliation and then some other changes implemented in the Policy, like inshore fisheries development, small boat fisheries, and the addition of glossary, and then Michael d'Eca will present on FAC related issues and questions. The last component to the workshop was a discussion of next steps, a revision timeline, and discussion of any other remaining topics participants would like to discuss.

## **7. Transfers**

Ray Andrews presented on transfers.

Transfers were not a part of first round of the Policy and it was decided to introduce the topic in an earlier workshop and when it was introduced it was noted that there was always room for improvement. Industry made number of recommendations and queries, so what is being presented is a refinement and upgrade.

Transfers part of modern day fishery, and DFO's process has been in place a long time. Factors around transfers have become more important for the Nunavut fishery because of its resource base and percentage of resource has grown. In 2010 and 2011 consultations were done and so hopefully the comments from industry are incorporated here in the latest Policy.

DFO system is based on the Atlantic fishery.

The Policy provides for an additional or complimentary approach to transfers. What is proposed for Nunavut is a process with a local focus.

Nunavut rationale takes into account the Groundfish Enterprise Allocation Council (GEAC) and Canadian Association Prawn Producers (CAPP) guidelines, and the DFO Atlantic Canada Groundfish draft transfer guidelines. One focus of our actions is to do our best to keep the resource we have within Nunavut as much as possible. Maximizing benefits is the key if there is a willingness to work together. Testament to this is the fact that we just heard that the entire industry collectively agreed to ask, “why not go to five years for the multiyear allocations?”

Jerry Ward of BFC spoke to Nunavummiut employment and whether we use weeks worked or the numbers of crew, or dollars earned. Which are the major priority issues as much employment benefits in Nunavummiut? Temporary transfers have been done to this end.

Nunavut system has 3 parts or 3 factors to the accommodation of transfers:

- 1) Permanent transfers: not a strong desire to suggest that we would take Nunavut resource and transfer it out permanently. No permanent transfers would be permitted.
- 2) Temporary external, which is done annually. This has to do with temporary opportunities and at times it is desirable to have temporary transfers trade Nunavut fish for southern fish. The Nunavut industry had initial discussions in 2010 with 2011 consultation follow-up.
- 3) Temporary internal, or mid-season. With annual activity and multi-year plans, extenuating circumstances (e.g. a boat issue) may require alternate arrangements for replacement of boats, or transferring to another enterprise. Right of refusal would go to Nunavut enterprises, which seems right given the principles of the Policy.

If there are regulations already then the notion is not to upheaval.

With temporary external, annual planning is conducted and all the Policy instructs the allocation holder to have well documented and well prepared proposal, all the while still having local Nunavut benefits.

Jeff Maurice of BFC expressed initial concern with respect to temporary internal transfers.

Currently the industry enjoys having flexibility with DFO. How would this new process work with NWMB?

Ray Andrews responded that the process would require the allocation holder to state that there is a problem and report this to the Board and would like to make some arrangement. The Board also wants to be flexible.

Jerry Ward of BFC summarized concern from BFC's perspective on temporary external. He is fully supportive on optimizing allocations. Temporary external would be brought to FAC and the NWMB's attention. That in itself poses no issue, but he would prefer not to leave it open, because everyone is landing fish at southern ports.

The discussion turned to the issue of timeframes and loopholes.

Jerry Ward indicated that timeframes are needed. FAC has not met obligations in the past time wise. Also, in there is a typo in this section and “Southern ports” should read “Nunavut ports.” Keeping transfers within Nunavut is fine, but they need to happen at competitive rates. This is

reasonable. Temporary internal transfers have not happened in the past and the NWMB has not enforced this issues. With a major investment in vessels, Nunavut fishery participants should be given the right of first refusal. This section needs timeframes to close some loopholes, and percentages of overall allocations, but overall a pretty good job was done on this section.

Eric Kan of DFO spoke from conceptual perspective and is supportive of that process. There are a couple points with respect to the way allocation transfers are conducted in the future, especially in terms of efficiency and effectiveness.

A web-based system will be used in the future for licenses (and maybe transfers). License holders will apply using web based system. We will need to consider this. Also, for any changes within system, if they require NWMB approval, the Board is obligated to forward to Minister and this will take time (60 days). If we have to engage in that type of process we would experience significant delays. We need to finds ways to not require the need to go to the Minister.

Harry Earle of AFA spoke on the issue of transfers and how it is the vessel that holds the license and the quota is tied to the license. So, essentially with temporary external transfer, the quota does not actually “go South” (technicality).

The second comment has to do with part c) where there is an attempt to harvest 70 tonnes in 0A and the scenario of having a short quota. For instance, the Nattivik HTO thought that the Suvak [vessel] could harvest the 70 tonnes, but that ship was already fishing so it engaged another vessel that agreed to harvest. The commitment was that if it could not find the 70 tonnes within the in shore that they could harvest offshore, so they went offshore. Temporary transfers were not anticipated in a business plan, and there were no other vessels to do it. It had to have a fixed gear vessel, because no trawlers are allowed. The notion of right of first refusal could not be met. The comment has to do with fishing by fixed gear rather than mobile gear, and the option to choose fixed gear vessels. Perhaps gear restrictions were an issue for a transfer in this case.

AFA was undertaking its first year of fishing and Inuit employment. AFA had made commitment to purchase vessel early buildup its capacity. We're new at this and may want some flexibility. There were 1400 tonnes and the Suvak vessel did catch 900 tonnes and there was a trade arrangement turbot for halibut down south. Part c) is more restrictive than b) and this could cause problems.

Dave Bollivar of AFA is worried about the process in terms of the scenario where one is under annual temporary external, do licensees have to apply in advance, and receive NWMB approval for any of these arrangements? Some things may change within a 5-year plan.

Brian Burke confirmed that this was to be laid out in the business plan.

Dave Bollivar asked what would happen if annual temporary external transfer happened part way through the 3 or 5 year allocation cycle?

Brian Burke answered then the company would need to indicate this in their Annual Report.

Dave Bollivar expressed concern that mid-year is typically when this happens and this would be too late after the fact.

Dave posed another question to the same scenario with mid-season temporary internal, before effect transfer, prior approval from NWMB? Does DFO have authority to deny transfer if it does not have NWMB approval? OA fishery has a 100 days window and fishing in OA cannot afford any delays. What will the business costs of this be? We do not want an encumbering process that will hold up fishing.

Brian Burke indicated that the NWMB would need to work this out with DFO, and there likely would be notification.

Michael d'Eca responded and pointed to subsection c). He stated that NWMB is aware more details have to be worked out. Industry can come with proposal to the NWMB on the issue of right of first refusal, and state how the industry knows practical realities.

Sandra Courchesne of DFO commented that once the Minister approves allocations to industry, industry is responsible to manage their quota. Since industry needs timely in season transfer decisions, the transfer process may or may not include a role for the NWMB. Nunavut has a short fishing season, and currently transfer decisions are made quite quickly (approximately one day). There will need to be very clear Nunavut transfer guidelines so DFO can cross reference easily and fast. Adding another procedural step may create delays.

Jerry Ward of BFC, Harry Earle and Dave Bollivar of AFA all confirmed that Nunavut has an extremely short season and they do not want to change existing system. They recommend status quo and how allocation holders obtain their license. Right of first refusal is there, but the reality is not conducive and the Policy has to close the loop hole. Description of a clear process is needed.

Ray Andrews recognized that with the short season it is the hope not to have bureaucratic nightmare. There is a process for boats to follow. Industry allocation holders should not have to go to Minister, and secondly, things could be simple if industry agrees on right of first refusal. Make it simple, with cooperation from the 4 players.

Harry Earle shared that the Skivut vessel would have cut 20ft off of the boat to have been allowed to assist in fishing the quota shortage. A smaller boat was necessary. The idea is that as industry, we do not want to interject NWMB or DFO with operational decisions. We could reach an Agreement in Principle (AIP) on how to implement in fair fashion.

Dave Bollivar of AFA spoke to in-season temporary internal transfers, and asked if they need prior approval from NWMB or notification? Clearly, he prefers notification, because that is the least likely way to create delays.

Charlotte Sharkey of DFO said that she notices as the Policy is drafted and under part c), there is nothing that says NWMB is involved. So if NWMB is involved, this should be included.

Ray Andrews closed this portion of the workshop by stating it is incumbent on the industry to keep transfers simple.

## **8. Allocation Reconciliation**

Anna Magera presented this agenda item. Quota reconciliation is a new addition to the Policy. It makes recommendations to DFO with respect to quota or allocation reconciliation.

NWMB was asked by the DFO to include a section on allocation reconciliation to help streamline the process between DFO and the NWMB.

This section is based on NWMB past decisions as well as DFO's current guidelines for quota reconciliation. Allocation holders have 30 days to reconcile overruns. Otherwise, allocation holders would have 1 to 1 adjustments in allocations. This adjustment would first be taken from unfished quota within the management area at the end of the season. If none remained, the quota would be taken off the license holder's allocation for the following year.

It was asked if there are any other ideas from industry or others, on allocation reconciliation.

Jerry Ward of BFC asked if there are any problems with current process. If fish are held then it is deducted from the next year.

Anna Magera commented that the extra provision (and reconciling with unused quota within a management area first) is based on a previous NWMB recommendation to DFO, and the NWMB was looking to get feedback. Some of the reasoning behind including this extra provision was to maximize the use of Nunavut allocations in each year to allow Nunavut the best chance at getting more allocations.

Jerry Ward of BFC shared an example. If in any particular year one did not fish quota because of sea ice, or boat, would this be addressed in the plan?

Brian Burke mentioned that at end of a year, if Nunavut has not harvested the full quota, the plan has to be fair.

Harry Earle of AFA said that the system right now is working. Meetings have been had with DFO earlier in the same week to reconcile quotas, to season. So instead, we should talk about the quota year itself. The references to seasons should be changed to "quota year." DFO reconciles quotas not seasons.

The issue with reconciliation has to do with fact that there are no Canadian ports to land vessels, so one has to currently land in Nuuk, Greenland. As an example with turbot, one takes weight landed, and multiplies by factor 1.49 to get to quota weight. If not at the prescribed quota weight then some fish are offloaded. When not accurately weighed [in Greenland] one has to go to Denmark to get an accurate weight. On a related issue, sometimes water is treated as fish. Once you pack fish, 3 to 5% of the weight is actually water and normally that is deducted. Often we estimate that we are under quota, when in fact, we are slightly over, and we now issue of demonstrating how much drip loss is present in a box.

Sandra Courchesne of DFO asked for clarification on whether the proposed wording would imply that in OA for example, if there is one Nunavut interest that has quota underage, and another Nunavut interest has overage, is the underage used to reconcile the overage?

Anna Magera confirmed that this is also her interpretation from the Board's decision.

Jerry Ward of BFC agreed and saw Harry Earle's point as a good point because there is a 3 to 5 % drip loss and this should not be a part of quota. The Policy might want to make or identify a percentage on drip loss.

Charlotte Sharkey of DFO commented on Anna's comment on the idea of maximizing use of Nunavut's allocations. DFO records catch data for individual allocation holders, as well as for Nunavut's entire allocation. In some cases, DFO doesn't report individual catches, it reports Nunavut catches. Generally, catches are reported in a fishery under Nunavut allocations.

Peter Keenainak of QC said for the record, this is what QC is already practising anyway, especially in shrimp fishery and turbot. QC does not have problem, but the Policy could be tweaked concerning drip loss.

Sandra Courchesne of DFO mentioned that the intent of the DFO Quota Reconciliation Guidelines to hold individual allocation holders as being accountable. It is not the intention to create cushion for ones always going over quota. She also suggested that the wording be consistent with that of DFO's Quota reconciliation policy. It was also noted that the proposed Nunavut transfer rules which specify a requirement to transfer to Nunavut interests first would achieve the same objective.

Dave Bollivar of AFA wondered why is it included in the Policy? As Peter Keenainak has said, this is already something that industry practises. But then throw out something else to consider, and this would require some policy change.

It is in the context of multi-year allocations, exists in some fisheries in southern waters, in event there is a problem with fishery (e.g. ice, boat) that makes it difficult for every quota holder and we would like to see provision that there be carryover permitted into following year. Carry-overs exist in at least 2 fisheries in south and were agreed to by DFO. We would like to see the possibility of carry-over in the future.

Sandra Courchesne of DFO indicated that the concept of carry forwards in the groundfish fishery has been raised within the Department but no decision has been made yet. Types of carry over provisions currently exist in the shrimp fishery but not groundfish.

## **9. Other Changes: Inshore Fisheries Development, Small Boat Fisheries, Glossary**

Anna Magera spoke to these agenda items. Inshore fisheries are included in section 8. The Glossary is in Appendix E, and section 8 of the Policy emphasizes interest for communities and co-management partners. There are 2 main allocations within the NSA that we focus on that are non-transferable to offshore: 100 tonnes (to QWB in 0A), and 500 tonnes in TAH within the Cumberland Sound Turbot Management Area.

We had previous comments on transferability, and should there be consideration to allow transfer of the inshore quota to the offshore at times? In this revision, it will remain non-transferable. The Policy principles in s.4, with specific reference to #3, states a need to maintain a balance inshore and offshore.

With respect to small boat fishery, the short answer is that it has been removed.

The initiative was suggested in previous versions and subsequently implemented in 2010. This is different than inshore for small boats. There were 400 tonnes for small boats under 100 feet outside NSA in 0A. It was the intention to promote access for community-owned vessels to offshore allocations.

After some review, the working group saw that it doesn't seem to be working because processing facilities in Nunavut are lacking. The initiative was not used effectively, so it has been removed. The quota allocations previously set aside for small-boat fisheries development will be added to the general 0A allocations.

The Glossary is a new addition that was asked for in the last round of consultations. It has not been finished and was not included in the Allocation Policy draft you received, but it will be contained in Appendix E.

Peter Kanayuk of CSFL asked about the waters in Cumberland Sound and how there 3 different boundaries depending on what map is looked at, but yet it is the same waters of Cumberland Sound.

He asked which boundary to stick to, for inshore and offshore in 0B. Cumberland Sound has an allocation and has policies relating to it. CSFL needs consistency to the boundary given to identify for Cumberland Sound. This is especially for the management area 0B because it goes along way inland.

Ray Andrews said that it might be useful for us to answer questions. Eric Kan will get a map and present a map that confirms the current boundaries and present it in the afternoon.

Jacopie Maniapik had the same concern over the boundaries as Peter Kanayuk.

Adamee Veevee spoke to the quota for within the Cumberland Sound. He does not think a transfer to offshore fishery is acceptable because the TAH is for Pangnirtung residents. This coming spring, as an example, people from Greenland came over to teach Pangnirtungmiut to fish turbot in the winter months.

The need to settle the boundary issue is important. We are a good example of a fishery and the solution is for communities to be able to fish.

Don Cunningham of PFL sought clarification on slide 93 of the workshop slides. Is the regional exploratory allocation for the 500 tonnes in that sentence or the 100 tonnes in other areas?

Anna relayed it is only intended for 100 tonnes.

Michael d'Eca spoke to specific rules in a community TAH.

## **10. Fisheries Allocation Committee (FAC) Related Issues**

Michael d'Eca presented on this issue.

Everyone is familiar with commercial marine fisheries, and the process that NWMB and DFO follow. The FAC is helpful in assisting them with recommending individual allocations. Demand always exceeds supply, so the work the FAC is a tough one. NWMB and FAC have to work within the constraints.

NWMB considers FAC as a big success in its first 4 years of existence especially. FAC has provided consistently sound advice.

FAC expertise is found in Appendix A which also outlines its ToR. This includes procedures that are essential to become familiar with, confidentiality issues which are a new addition. The FAC is which is comprised 5 members with each a five-year term. Membership can be renewed by their respective agencies, and can only be terminated by just cause. FAC members act independent of their respective nominating agencies while working on FAC matters.

FAC makes recommendations on allocations, with reference to 3 things in particular: Governance, Benefits, Business and Steward plans, Annual Reports, and Verification Reports.

Confidentiality is a fundamentally important issue for the FAC. Before a member assumes his/her duties, s/he is required to enter into confidentiality agreement with appointing agency and sign a solemn confidentiality agreement with NWMB. GN, NTI, and NWMB materials are secured at all times from a departing member.

Ray Andrews mentioned that he and Brian Burke are FAC members and also commented that Eric Kan now has the maps that identify the proper boundaries for Cumberland Sound.

The Chair called for a vote and it was decided by all to proceed with the map issue, and come back to the FAC once the map issue is finished.

Eric Kan presented the proper map for Cumberland Sound. A brief overview on the history of how there came to be different lines was explained. The correct lines were shown and how it is these lines that stand.

Charlotte Sharkey from DFO provided some background. The boundary might be moved, and there are 2 things being done about this currently:

- The current line (yellow) is between two deep holes, and there was initial discussion with the Pangnirtung HTA on where to draw the line. Pangnirtung HTA wrote to the NWMB on where they thought the line should be. DFO indicated that tagging work was used to decide on the line, and this tagging data was mainly collected where the ice fishery occurred (i.e. it was restricted by the location of the ice platform). There was also some data from the mouth of Cumberland Sound. Fish within the inner Sound did not seem to move to the offshore, but there was movement of the outer Sound fish to the offshore.
- The 2004 proposal for the CSTMA was seen as desirable because of the additional TAH. In 2005 the NWMB made a decision on the line (where it currently is). NWMB also made a decision on the blue line near the outer mouth of the Sound which is a vessel size restriction.
- A scientist from Winnipeg (Hedges) has a research program in Cumberland Sound that started in 2010 and 2011, and this study has done a lot of tagging. One objective is to



look at how the fish are moving and provide more information on where the Cumberland Sound Turbot Management Area line should be. It will be a few years before data is available. [Charlotte Sharkey clarified after the fact that the first year of data will be available after the summer of 2012, and DFO will continue to collect data in 2013 and 2014.]

- An email [Charlotte Sharkey indicated after the fact that this was sent on February 3, 2012] was sent to the HTO in Pangnirtung and the fish plant and explained DFO's rationale on why this line is located where it is. DFO also informed the HTO and fish plant also said if they want it moved, the HTO can request to modify it [Charlotte Sharkey clarified after that fact that this this occurred at a face-to-face meeting held in Pangnirtung on January 19, 2012].

DFO doesn't have new information since 2004. If people think it's in wrong place, and have information for the Board know about and possibly change it, this can be brought to the Board's attention.

Adamee Veevee from CSFL indicated that the original HTA line was outside the exploratory line, but the map has been lost. The intention was to keep out larger boats, and then conservation issues came into play. Will we overharvest?

Sandra Courchense of DFO indicated that another exploratory line was included for one year and the quota in this line was taken from 0B. Rationale for the placing of this line was unclear, but it may have been because they wanted to allow some fishing around the second hole, but decided that they did not want too much fishing in this area.

Jerry Ward of BFC commented that his understanding is that the 500 tonnes zone in Cumberland Sound came into effect because it was believed the turbot were dead-end stocks (i.e. the turbot went into Sound and stayed in Sound).

Brian Burke stated that if evidence comes back and it is determined that the turbot in the Sound are not dead-end stocks, then the NWMB has decision to make.

It was noted that a submission to Board will be able to move this issue forward.

Eric Kan provided thoughts before needing to leave the workshop a little early due to another commitment at 2pm. He believes the workshop was very successful, and it is a great for industry and co-management partners to come together to discuss important issues on the fishing industry and more importantly for the territory. Our fishing industry is a successful venture, and we have to do more to ensure the fishing industry brings more benefits to Inuit and Nunavummiut.

The Nunavut industry is like a family business and not everyone agrees, but he sees benefits for all. Certainly have concern of cost and conservation and everyone is aware of it. Without conservation and being concerned with simply short-term profit gain will cause long term pain.

In looking forward to future, quota is pretty well like a pie, so we can grow size of pie, or we can look to how you can maximize, given size of pie. To grow the pie, there is only one way to do it, and that is to work as a single voice coming out of industry.

In 2010, Nunavut was successful in securing a 1350 tonne increase. Only thing I can do is observe and provide explanation, and to lobby and advocate the department and politicians. We recognize your strong voice, and encourage you to work with us. We need to allow this to happen. There has been new NAFO 0A scientific data which may permit for an increase. This could be a stable allocation down the road. If we don't have single voice, we won't be as successful.

DFO wants to see maximum return to communities and to Inuit and Nunavummiut. We encourage allocation holders to think above private profit and consider how can we work closer together to bring maximum profitability, and returns to Nunavut?

Michael d'Eca has heard background information and it rests in groups in Pangnirtung to take some action to get a letter to the NWMB who will then deal with the issue.

Dave Bollivar of AFA spoke on issue of FAC and confidentiality. How is confidentiality assured once a Member has left? What is a reasonable way to enforce confidentiality? He suggested a limitation for 2 years, similar to other regulatory industries before one can be hired by industry.

Michael d'Eca provided a legal perspective and it would be too tough of a restriction on an employee or contractor. The most prudent way to proceed is through a confidentiality agreement for practical and legal reasons. He encouraged that if Dave or AFA would like, to have BFC's counsel contact him to discuss and provide examples

Appendix A, Schedule 1, is tied to employment agreement and then Schedule 2, has to do with a member making an oath.

Don Cunningham of PFL suggested that in order for industry allocation holders to have a sense that everyone knows the same level of information, one potential solution is to have one representative from each of the allocation holder to be allowed to sit in on FAC deliberations.

## **11. Recap and Proposed Timelines**

Anna Magera provided a re-cap on the workshop. Everyone has participated for just over one day and a half, and the discussions will add to the final revision of the Policy.

### **Summary points from the workshop:**

- Greenland shark, where does this come from?
- Follow-up with DFO TC on Verification Reporting, which everyone is generally agreeable
- Multi-year allocations: 5 years was preferred to 3.
- Scoring system, there were comments on minor revisions.
- Transfers, looking for industry to provide feedback
- Quota reconciliation. The industry says the status quo is working well
- Workshop participants have a chance for written submissions, by March 2<sup>nd</sup>
- A revised Policy will be re-distributed based on comments coming from this workshop and will be distributed by the end of March 2012.

- Co-management and industry partners will then have another two weeks to review.
- An emergency conference call of the Board will take place late April and a decision to approve the Policy
- Policy to be used for 2013 application process.

## 12. Closing Remarks

Closing Remarks were asked of all participants.

Adamee Veevee of PFL was happy the workshop opportunity to discuss issues. There used to be infighting, and there is now healthy growth in industry with a common goal.

Ron Brown of GN was pleased to see industry participants.

Harry Earle of AFA thought it was an excellent workshop.

Dave Bollivar of AFA said it was disappointing NTI was not present today or yesterday, but generally a well done workshop.

Peter Kanayuk of CSFL was happy to participate.

Don Cunningham of PFL was thankful to NWMB and FAC members.

Kendra Ulrich of PFL commented that the workshop was really well organized and chaired.

Elisabeth Cayen of NFTC said it was an educational day on what happens with industry, and the industry affects at NFTC, in terms of training.

Ben Kovic of BFC commented that in fast forwarding to 2012, there are checks and balances. It is interesting to see NWMB and industry have matured to hands off issues that can be done by others, gears, equipment, careful what we say, about others, better procedures, better direction, administration marine fisheries, objective, conservation of resources, marine areas, don't speak a whole lot, and new directions.

Jerry Ward of BFC commented that we are a maturing industry.

Jacopie Maniapik of BFC, like Ben Kovic, was happy to have participated and looking forward to ascertaining lines in Cumberland Sound.

Charlotte Sharkey of DFO echoed comments that it was a good workshop.

Jeff Maurice of BFC thought well of the workshop.

David Alexander of BFC thanked the Chair, and sees lots of improvements for the future.

Ray Andrews thanked everyone and said it was a collective effort of the working group to get us as productive and smooth flowing as it turned out to be.

Brian Burke spoke of meeting that took place in St. John's the day before, on northern shrimp review and how no one from Nunavut could participate because of a conflict in schedule. NWMB will send another letter requesting we are consulted.

Michael d'Eca spoke of a steep learning curve, and how the commercial marine fisheries remain the most interesting dynamic frustrating satisfying file. He has a strong sense when history of fishery reported, people around this room, regarded as ground breaking initiative. Nunavut takes its place in the world; congratulate all and more exciting future.

Jim Noble expressed gratitude for participating, and in just a short period of time, we will be a multi-year fishery.

Anna Magera thanked everyone for constructive comments, and said there will be an Inuktitut version of Policy. She thanked the interpreters and translators.

Anna Magera wanted clarification on industry's view on the Annual Reporting process in Annex 2 and 3. There are two timelines proposed instead of just one: the first deals with full application years, the second deals with years that are *not* full application years.

As per Annex 2 & 3, call for applications would have to happen in mid-June, which should accommodate previous industry concerns about the current April 30<sup>th</sup> deadline for Annual Reports being too difficult to meet. However, with this timeline the Board decision would be in December. A decision would go to the Minister in December or early January, and the Minister would then have 60 days to respond. Moving the application deadline up to accommodate a Board decisions at the September Board meeting would not accommodate these industry concerns. Is this timeline acceptable?

Ray Andrews spoke to interim quotas do help in the meantime.

Jerry Ward of BFC spoke to the function and timeframe. BFC's fiscal year ends in March. It would be difficult to have audited statements by June. Process is delayed because they have 5 companies to reconcile.

Peter Keenainak from QC said to their fiscal year end that they have 22 different companies to consolidate financial statements. This usually means that QC is not ready for current financial statements until September or October where there is approval by QC, and then it goes to the QIA board, at their October AGM for final ratification.

Harry Earle of AFA said that they are not fishing in trawlers, and he is fine with the schedule.

Don Cunningham of PFL confirmed that they have no real problem of June 15 and that they only deal with one company.

Jerry Ward spoke to the state of play of science and OA. The last survey was done in 2010, and it was successfully completed.

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At the 2012 sessional meeting, NAFO scientific council meeting in June, if recall, what would be effect of biomass of 15% to 20% increase in allocations? Once issue receives blessing of the NAFO scientific, then Canada and Greenland can settle in meeting.

GN, NTI, and NWMB wrote letters of support for increase. The Minister has to stand up and give good reason why we are not seeing increase. In division 0A there are 3 major players, harvesting in Greenland. All 3 support us to go to scientific council and for Canada to take the lead. Senior bureaucrats are being lobbied in the south, and Jerry spoke of a precautionary approach.

Ray Andrews commented about NAFO recommendations in 0A. Thinking about stock divisions in the current science has changed.

Ray Andrews closed the workshop and shared that since coming to Nunavut in 1997 as fisheries advisor to the Board and the last 2 sessions, he sees a collectively productive group of information and commentary coming forward and an attitude that we are all in it together.