



The NWMB is of the opinion that this division of the allocation is fair as it provides quota to the two applicants that have expressed interest in the allocation, and that currently have the necessary catching capacity. The third applicant, Cumberland Sound Fisheries Limited / Pangnirtung Fisheries Limited (CSFL/PFL), has never fished its 750mt allocation in SFA 2 E of 63°W and currently does not have the catching capacity for the 2011 harvesting season.

In arriving at the Board's decision, the NWMB carefully considered the arguments, evidence and advice found in the following documents, attached as appendices to this letter:

- (1) the Fisheries Advisory Committee's (FAC) Report #5 (April 12, 2011);
- (2) the Qikiqtaaluk Corporation's response letter to the FAC Report #5 (May 6<sup>th</sup>, 2011);
- (3) the FAC Report #6 (May 25<sup>th</sup>, 2011);
- (4) the Baffin Fisheries Coalition's response letter to the FAC Report #6 (June 3<sup>rd</sup>, 2011); and
- (5) email correspondence from QC in response to the FAC Report #6 (June 6<sup>th</sup>, 2011)

Should you or your staff have any questions or concerns with respect to this letter, please do not hesitate to contact the Board.

Yours sincerely,



Mikidjuk Akavak  
Chairperson of the  
Nunavut Wildlife Management Board

c.c. Eric Kan, Eastern Arctic Area Director, Fisheries and Oceans Canada

Enclosures (5)

# FISHERIES ADVISORY COMMITTEE (FAC)

## NUNAVUT WILDLIFE MANAGEMENT BOARD (NWMB)

REPORT # 5, April 12, 2011

1. **BACKGROUND:** In 2010, of the available Nunavut shrimp quotas, 1,000 tonnes (t) of *Pandalus borealis* from Shrimp Fishing Area (SFA) 2, East of 63 degrees West for exploratory fishing remained available for allocation. Based on a request to the NWMB, this shrimp was allocated to the Baffin Fisheries Coalition (BFC) on a temporary basis and they harvested approximately 300 t of the two shrimp species found in this SFA. NWMB has called for applications for this 1,000 again in 2011 for fishing on an exploratory basis.

2. **APPLICATIONS:** Three were received from agencies that already had shrimp allocations in the waters adjacent to Nunavut, namely:

Baffin Fisheries Coalition (BFC)  
Qikaqtaaluk Corporation (QC)  
Cumberland Sound-Pangnirtung Fisheries (CSPF)

The three applications were basically letters of request since all Company plans/ records were available from earlier submissions requesting shrimp or Greenland halibut. However, the BFC did provide considerable information on their overall shrimp fishing efforts in 2010 and specifically on the exploratory fishing in question.

3. **SHRIMP FISHERY BACKGROUND, 2010:** Allocations of the two shrimp species, *Pandalus borealis* and *Pandalus montanui* in waters adjacent to Nunavut in 2010 (SFAs 0 to 3) was 10,681 t, with a harvest by all companies of 3,281 t. In addition to this QC has shrimp quota available in southern waters (SFA's 4-7) as being part of the 17 offshore license holders and their allocations via the Northern Coalition, which made the total shrimp available to Nunavut enterprises 14,776 t. Generally speaking, catches in Nunavut waters have been relatively low in recent years for a variety of reasons including: unavailability of suitable vessels, low catch rates and overall marginal economics. The estimated value of all available Nunavut shrimp if harvested was approximately 27 million dollars.

SFA 2, E of 63 W had a total of 4,367 tons available which included the 1,000 tons of exploratory *Pandalus borealis* allocated to BFC for 2010. All 3 applicants noted above had allocations in this SFA, however the only enterprise to harvest any shrimp was BFC, which using a foreign vessel on lease caught slightly over 300 t. CSPF had no shrimp harvesting capacity and QC dedicated its fishing efforts to southern waters (SFA's 4-7)

4. **APPLICATION REVIEW PROCESS:** Letters of application were forwarded to all members of FAC in late March and individual members undertook a detailed review of each. Later a

detailed Briefing Note was provided to the FAC by member Brian Burke which undertook an analysis of each Companies shrimp fishing activities. On April 7 the chair convened a teleconference attended by all members and following this discussion provided a recommendation for NWMB as noted below.

5. **ANALYSIS:** During 2010 only BFC harvested any shrimp in Nunavut adjacent waters, which included a combined total for SFA 2, E of 63 West of just a little over 300 t of the total of 4367 t available for harvest. In light of the fact that SFA 2 and other SFA's in Nunavut adjacent waters had large amounts of unharvested shrimp FAC sees no reason to make any change in the 1,000 t exploratory allocation for 2011. There was no compelling reason to remove any of the shrimp from the only Company (BFC), which made any effort to harvest. Current allocations for 2011 in SFA 2, maintaining the "status quo" and including the 1,000 t exploratory allocation would be as follows:

QC	617 t (as a holder of 1.5 offshore shrimp licenses)
CSPF	750 t (allocated by the NWMB)
BFC	3000 t (allocated by the NWMB)
Total	4,367 t

This should provide ample resource for all three applicants to further explore the resource availability and further assess the economics of harvesting.

6. **RECOMMENDATION:** Reallocate the 1,000 t to BFC, with no commitment to a permanent allocation of this exploratory amount.

In summation we hope that our efforts and recommendation on this issue meets with the Board's approval. As always, we are available to respond to any concerns the Board may have in making its final decision on this matter.

Ray Andrews, Chair  
Jeff Maurice, Vice Chair  
Travis Cooper, Member  
Wayne Lynch, Member  
Brian Burke, Member



May 6, 2011

Mikidjuk Akavak  
Chairperson of the  
Nunavut Wildlife Management Board  
Box 1379  
Iqaluit, NU  
X0A 0H0

Dear Mr. Chairperson

**Fisheries Advisory Committee's Recommendation on the Allocation of 1,000t of Shrimp Fishing Area 2  
Exploratory *Pandalus borealis* for the 2011 Harvesting Season**

Firstly, in response to the Nunavut Wildlife Management Board (NWMB) Call for Application, Qikiqtaaluk Corporation (QC) submitted its Application for Commercial Quota from the Shrimp Fishing Area (SFA) 2 Exploratory 1,750t quota of *P. borealis* East of 63West. We understood that from the 1,750mt allocation, 750mt has already been allocated and that the NWMB would be reviewing applications for the remaining 1000mt. Up to now, QC does have access to shrimp quotas specifically allocated to Nunavut and managed in part by the NWMB.

In this particular fishing area (East of 63West), QC had direct access to 50t of shrimp quota through the Northern Shrimp Allocation Program plus an additional 309mt in West of 63West for a total direct access of 359t for SFA 2 compared to 750mt for Cumberland Sound Fisheries/Pangnirtung Fisheries consortium and 1,000t for the Baffin Fisheries Coalition. QC's total access to the Northern Shrimp fishery in 2010 was 3,397mt for all the shrimp fishing areas (SFA 0-7).

In reference to your letter of April 27, 2011 addressed to the respondents of the Nunavut Wildlife Management Boards' (NWMB) Call for Applications letter of February 15, 2011, we must express our strong disagreement with the Fisheries Advisory Committee (FAC) recommendations insofar as to observe how any member, let alone the chair of the FAC would allow such recommendations to the Nunavut Wildlife Management Board. It appears the FAC members based their recommendations to the Nunavut Wildlife Management Board on speculations and not on facts.

Specifically, the FAC recommendation is to re-allocate this quota to BFC based on the three stated opinions of the FAC:

1. *"All three of the applicants noted above had allocations for SFA 2 shrimp in 2010, however the only enterprise to harvest was BFC (approximately 300t of *P. borealis* and *P. montagui* in SFA 2 in*

2010). *CS/PFL did not have shrimp harvesting capacity, and QC dedicated its fishing efforts to southern waters (SFA 4-7);*

2. *Since Nunavut's adjacent waters had large amounts of unharvested shrimp in 2010, the FAC did not find compelling reason to make any changes in the 1,000t exploratory allocation to BFC, the only enterprise which made an effort to harvest in 2010;*
3. *Maintaining the 'status quo' for 2011 in SFA 2 (3000t to BFC, 617t to QC as a holder of 1.5 offshore shrimp licences, and 750t to CS/PFL) should provide ample resources for all three applicants to further explore the resources availability and further assess the economics of harvesting."*

On the first point above, the FAC is making misleading suggestions to say that "the only enterprise to harvest was BFC" and that "QC dedicated its fishing efforts to southern waters (SFA 4-7)". Between January 7, 2010 and March 23, 2011, QC fished in Shrimp Fishing Areas 1, 2, 4, 5, 6 & 7 and turbot fishing areas 0A and 0B. QC fished all of its shrimp allocation in SFA 2.

On the second point above, again, similar to point 1, if BFC harvested 300mt from the SFA 2 Exp quota East of 63W as suggested by the FAC, BFC caught 30% of its 1,000mt allocation while QC harvested 100% of its' quota from this fishing area.

On the third point, the FAC recommended maintaining status quo for 2011: *SFA 2 (3,000 to BFC 617 to QC and 750 t to CS/PFL)*. The FAC is making total allocation recommendations of 3,750t in SFA 2 which has a Nunavut allocation of 1,750t. The FAC is clearly confused on what it is recommending and which management areas it is making recommendations on. We understand that BFC has access to Nunavut Settlement Area P. montagu quotas in SFA 2 and or 3 totaling 3,000t. The fact that QC has access to other quotas through the Enterprise Allocation Program is beyond the scope of the Access and Allocation Policy and should not be factored in the FAC recommendations – if it is, we would like to know which section of the Access and Allocation Policy the FAC considered when making its recommendations.

We understand the Call for Applications relates to the offshore Exploratory *P. borealis* quota of 1,750t in SFA East of 63W. Of the 1,750t, 750t is already committed to the Pangnirtung Fisheries/Cumberland Sound Fisheries leaving 1,000t for consideration. It is our understanding that the NWMB tasked the FAC to make allocation recommendations on the remaining 1,000t.

In our application, we stated that QFC is the only Nunavut Fishing company that has additional capacity to fish for both shrimp and turbot. This is a fact – we fished all our shrimp and turbot quotas last year including Baffin Fisheries and Cumberland Sound turbot quotas which we bought at great expense through a royalty-charter arrangement. On a related matter, we would like to know what NWMB position is on royalty-charter arrangements – is it acceptable because it is extremely low risk for the

quota recipient for organizations that do not have access to capital or is it not acceptable because investment in capital is too risky for organizations like the hunters and trappers organizations?

The FAC suggested that in making its recommendations, that Cumberland Sound Fisheries/Pangnirtung Fisheries although allocated 750t does not have harvesting capacity and that BFC harvested 300t. It is our understanding that the BFC through a foreign charter arrangement harvested some shrimp quotas allocated to BFC. Considering that both companies do not have internal harvesting capacity, it only makes sense to allocate the entire 1,000t quota to QC. We believe this decision will be keeping with the spirit of NWMB's own Inuit Qaujimajatuqangit principle of Piliriatigiingniq principles and guidelines.

Sincerely

A handwritten signature in dark ink, appearing to read 'G. Qulaut', written over a horizontal line.

George Qulaut  
Chairman  
Qikiqtaaluk Corporation

c.c. Jim Noble, CEO, Nunavut Wildlife Management Board  
Ray Andrew, Chair, Fisheries Advisory Committee  
Harry Flaherty, President, Qikiqtaaluk Corporation  
Peter Keenainak, Director of Fisheries, Qikiqtaaluk Corporation  
Eric Kan, DFO Area Director – Eastern Arctic

# FISHERIES ADVISORY COMMITTEE (FAC)

## NUNAVUT WILDLIFE MANAGEMENT BOARD (NWMB)

### Report # 6, May 25, 2011

1. **BACKGROUND:** On April 12, 2011 FAC submitted a preliminary recommendation on the allocation of 1,000 tons of shrimp in Shrimp Fishing Area SFA-2, East of 63 degrees West for an exploratory fishery. In making the recommendation FAC used preliminary statistics on landings for 2010. When the Board (NWMB) advised the three applicants of the recommendation by FAC, one of them noted some inaccuracy in the statistics used in making the determination.
2. **FURTHER ANALYSIS:** When FAC was advised of this concern it contacted the Department of Fisheries and Oceans (DFO) and requested official landings data for the three applicants for 2010, with specific reference to Nunavut waters—SFA's 1, 2 and 3. The information provided by DFO confirmed that the revised statistics were in line with those indicated by the applicant. This resulted in FAC undertaking a further review of the matter. As a result of the further review FAC offers its final recommendation.
3. **RECOMMENDATION:** Since two of the applicants had catches in SFA-2, East of 63 degrees West in 2010 we offer the following recommendation:
  - (d) Allocate 150 tons each to Baffin Fisheries Coalition (BFC) and Qikiqtaaluk Corporation (QC).
  - (e) Designate the remaining 700 tons to be fished by the two applicants named in (a) on the following basis: once an applicant(s) has harvested its initial allocation, it can request an additional allocation from the remaining reserve, in 50 t increments (in line with DFO's access fee structure for this fishery) until the full reserve is utilized.
  - (f) This allocation decision should be for 2011 only as it is an exploratory effort.
4. **RATIONALE / SUMMARY:** We would like to see both parties continue their efforts to further explore this resource since both made an effort in 2010. By giving a small quota to each applicant up front and making the rest available based on performance, we are hopeful that this will provide an incentive to fully harvest the total of 1,000 tons. The effort by the two applicants should further help to determine the status of the shrimp resource in the area and further assess the economics of harvesting.

Ray Andrews, Chair  
Brian Burke, Member  
Brad Hickey, Member  
Wayne Lynch, Member

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June 03, 2011

Mr. Mikijuk Akavak  
Chairman & Chief Executive Officer  
Nunavut Wildlife Management Board (NWMB)  
Parnivik Building  
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Iqaluit, Nunavut  
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Sent by email  
makavak@nwmb.com  
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The Honorable Keith Ashfiled  
House of Commons  
Minister, Fisheries and Oceans Canada  
Parliament Building, Wellington Street  
Ottawa, Ontario  
Canada  
K1A 0A6

Sent via Fax: 613 990 7292  
613 947 7081

RE: Fisheries Advisory Committee Report # 6, May 25, 2011

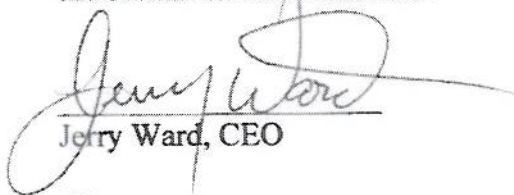
Dear Sirs:

We are requesting the Minister to make an interim decision as per section 5.3.24 under the NLCA that would allow BFCs vessel the Taurus to start fishing immediately in SFA 2 East of 63 degrees west as per the recommendation of the Fisheries Advisory Committee (FAC) report #6, May 25, 2011 to the Nunavut Wildlife Management Board.

We are under extreme pressure to start fishing in SFA2 East of 63 degrees west for the following reasons:

- 1) We have entered into an harvesting agreement with a foreign vessel owner to fish for us in SFA 1, 2, and 3 for the allocations which we assumed we had. Based on the earlier recommendation received from the FAC we understood that we had received the 1,000t borealis in this area and naturally informed the vessel owner that this was the case.
- 2) Both BFC and the vessel owner has spent significant dollars on getting the vessel ready for the fishery:
  - Preparation of Quality Management Program.
  - Crewing costs.
  - Meeting Canadian Food Inspection Agency (CFIA) requirements. We have had to make 2 trips to Iceland with CFIA officials to do the inspections.
  - The vessel owner had to make upgrades to the factory to meet Product of Canada requirements and CFIA requirements.
- 3) The vessel will be leaving Iceland this weekend and sailing to Nunavut adjacent waters.
- 4) The ice conditions in SFA1 is still heavy, and if there are not any improvements in the next few days then it may be 3-3 weeks before we can fish in SFA1, therefore it is essential that we be allowed to start harvesting our allocation for borealis in SFA 2, East of 63 degrees west.
- 5) We have signed an agreement with the vessel owner, and should we not have the allocations for him to fish then we are potentially facing a claim for non delivery of allocations.

Gentlemen, we made a major effort in 2010 to create interest for fishing of shrimp in SFA 1, 2 and 3 and in 2011 and we have the opportunity to improve on our harvests to the benefit of Nunavummiut.



Jerry Ward, CEO

CC:


Johnny Mike, Chairman  
Niqitaq Fisheries Ltd

Jacopie Manipaik, Chairman  
Baffin Fisheries Coalition

Cathy Towtongie, President  
Nunavut Tunngavik Inc

Tel: 867 979 3066 Fax: 867 979 3068

Gentlemen, we made a major effort in 2010 to create interest for fishing of shrimp in SFA 1, 2 and 3 and in 2011 and we have the opportunity to improve on our harvests to the benefit of Nunavummiut.

  
Jerry Ward, CEO

CC:

Johnny Mike, Chairman  
Niqitaq Fisheries Ltd

Jacopie Manipaik, Chairman  
Baffin Fisheries Coalition

Cathy Towtongie, President  
Nunavut Tunngavik Inc

From: Peter Keenainak <pkeenainak@qcorp.ca>  
To: Jim Noble  
Cc: Lesley Farrow  
Subject: FW: FAC's revised recommendation on the allocation of 1,000 mt of SFA 2 exploratory *Pandalus borealis* for the 2011 harvesting season

Message 110525 Fisheries Advisory Committee Report # 6.doc

Jim

As discussed on this matter, in the spirit of cooperation, QC would prefer that 500mt each be committed to QC and BFC.

Keeping in line with the FAC recommendation, initial allocation of 150 to each applicant is reasonable. Incremental allocations of 50mt is reasonable.

Under this scenario:

Initial allocation	150
Incremental allocations	350
Total	500

Peter Keenainak  
Qikiqtaaluk Corporation

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**From:** Lesley Farrow [mailto:lfarrow@nwmb.com]  
**Sent:** May 27, 2011 3:07 PM  
**To:** jward@bfcoalition.ca; Peter Keenainak; pangfish@qiniq.com  
**Cc:** raymondandrews@me.com; bconsult@nl.rogers.com; tcooper@tunngavik.com; wlynch@gov.nu.ca; bhickes@tunngavik.com  
**Subject:** FAC's revised recommendation on the allocation of 1,000 mt of SFA 2 exploratory *Pandalus borealis* for the 2011 harvesting season

Good afternoon gentleman,

Thank you again for your application for allocation of 1,000 mt of SFA 2 exploratory *P. borealis* shrimp (E of 63°W) for the 2011 harvesting season. The Fisheries Advisory Committee has considered the responses provided by applicants to their initial recommendation on the allocation of this quota and have provided the attached revised recommendation, taking additional information into consideration. I am requesting that any response to the revised recommendation be provided to the NWMB ([lfarrow@nwmb.com](mailto:lfarrow@nwmb.com)) by no later than June 6<sup>th</sup>, 2011 so that we may take this allocation to the NWMB for decision at their June Regular Meeting (June 13<sup>th</sup> – 15<sup>th</sup>). If you have any concerns with this request, or questions regarding the process, please do not hesitate to contact me (975-7308).



Ottawa, Canada K1A 0E6

SEP 01 2011

Mr. Mikidjuk Akavak  
Chairperson  
Nunavut Wildlife Management Board  
P.O. Box 1379  
Iqaluit, NU  
X0A 0H0

Dear Mr. Akavak,

Thank you for your letter dated June 28, 2011 conveying the Nunavut Wildlife Management Board's recommendation on individual sub-allocations of the 1000t of *Pandalus borealis* shrimp quota in Shrimp Fishing Area 2 East of 63° West.

This is to confirm that I accept the Board's recommendation to allocate the 1000t of *P. borealis* shrimp in Shrimp Fishing Area 2 East of 63° West equally between the Baffin Fisheries Coalition (500t) and the Qikiqtaaluk Corporation (500t) for the 2011 season.

I understand that in light of the circumstances encountered by the Baffin Fisheries Coalition earlier in the year, that the Coalition has already been provided with an allocation of 500t in this fishery to allow its foreign vessel to conduct fishing operations. Since 500t is the total amount of allocation for the Baffin Fisheries Coalition for 2011, I will ask officials in the Iqaluit Area office to notify the Baffin Fisheries Coalition that no further allocations will be given to them for this season and to advise the Qikiqtaaluk Corporation of their 500t allocation in this fishery.

I look forward to continuing the productive relationship that Fisheries and Oceans Canada has with the Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Keith Ashfield'.

Keith Ashfield

Canada