

Commercial Industry Caucus

Pilot Integration Proposal

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Commercial Industry Caucus

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Acknowledgements



THE ROAD TO ACHIEVING an integrated fishing strategy for members of the Commercial Industry Caucus (CIC) has been fraught with potholes and unexpected bumps. Its twists and turns have been numerous, with some portions that felt more like a roller coaster ride than a highway! Notwithstanding, arrival at the development of an integration pilot proposal has been deeply satisfying.

The journey included many key drivers and passengers, and this report offers an excellent opportunity to acknowledge their significant contributions. Not only did each of these people work constructively within the constraints and challenges inherent in any conflict-ridden environment, but they did so by using consensus approaches that were initially foreign, even counter-intuitive, to some.

First and foremost, all of the groundfish sector representatives, who showed up time and time again to seemingly endless meetings, are to be thanked for their persistence, integrity, and efforts to be mutually respectful even in the midst of their differences. This was hard work, and the CIC members proved, once again, that when the going gets tough, the tough get going. They also provided notable fiduciary support to this process, both in financial contributions from each sector as well in donated time that could have been spent more lucratively. Without naming all of the individuals involved, we want to recognize and appreciate the representatives who hailed from these sectors:

- ◆ Dogfish
- ◆ Halibut
- ◆ Inside ZN
- ◆ Lingcod
- ◆ Outside ZN
- ◆ Processors
- ◆ Trawl
- ◆ Sablefish

The Department of Fisheries and Oceans Canada provided the original incentive for the creation of an integrated fishing strategy, and also contributed financially to its success. Department representatives continued to provide motivation for this initiative by attending meetings, commenting on the many documents set before them for review, and providing “reality checks” along the way. Special thanks are due to Diana Trager, Regional Resource Manager, Groundfish, Al MacDonald, former Regional Resource Manager, Groundfish, and Don Radford, Director, Fisheries Management.

The Ministry of Agriculture, Food and Fisheries, Province of British Columbia also played a pivotal role in supporting this effort with advice and fiscal assistance. In particular, Dennis Chalmers and Sandy Argue were very helpful.

Susan Belford deserves special kudos for her outstanding ability to track and organize information especially during the meetings, when she took notes, hour after hour, on topics that would make anyone's head spin. Her graceful, unassuming "can do" attitude made the apparently impossible, possible.

Diamond Management Consulting Inc., the facilitator of this integration process and author of this report, works with people to reconcile differences and strengthen relationships. We are proud to have supported this worthy initiative, and very pleased with its outcomes to date. The outstanding effort put forth by representatives from all sectors and organizations, is an exemplary testament to collaborative problem solving, and we thank you for this opportunity to serve.

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Commercial Industry Caucus

Our Vision Statement

THE COMMERCIAL INDUSTRY CAUCUS (CIC) is a multi-sectoral industry group fully committed to a unified, sustainable groundfish industry on the west coast of Canada that exists for the benefit of all Canadians, now and for the future. It advocates practices that are ecologically and economically sound and supports the basic principles articulated in Canada's Oceans Act and international agreements.

CIC is committed to implementing exemplary conservation measures while ensuring economic viability for all of its members. These will provide full accountability and monitoring of all groundfish species including allowable catches according to established groundfish management areas.

Fair distribution of access to groundfish stocks, in concert with monitoring standards that promote individual accountability, sustainable harvesting of stocks and conservation measures supported by scientific research are critical to CIC's success. CIC takes pride in its responsiveness to shifting concerns regarding all groundfish species.

Cooperative relations amongst all CIC members strengthen its ability to make sound, durable decisions. Similarly, collaborative interactions with affected parties external to CIC ensure that the long-term interests of CIC will be by recognizing the interdependent aspects of this vital industry.



Introduction

IN MANY WAYS, the Commercial Groundfish Industry *Pilot Integration Proposal* can be seen as a logical extension of countless discussions and communications between representatives of the Department of Fisheries and Oceans Canada (DFO) and the commercial groundfish industry. Here is a brief chronology of some of the highlights of the interactions, and their outcomes, that have taken place during this time.

For many years DFO has been under pressure to resolve by-catch issues for all commercial groundfish fleets. These pressures have come from the Canadian public, the Species at Risk Act, and from the international community that has made commitments to reduce by-catch worldwide.

In May 1999, in a discussion paper entitled “Selective Fishing in Canada's Pacific Fisheries”; DFO indicated that, “target dates for meeting the selective fishing objective will be... the year 2005 for groundfish and shellfish fisheries.” In 2001, “A Policy for Selective Fishing in Canada's Pacific Fisheries” was released, following consultations with stakeholders. This policy paper advised, “Selective fisheries standards, timelines and action plans will be established for all fisheries by January 2003.”

In addition to by-catch, DFO also has concerns regarding rockfish species and in 2002, an Inshore Rockfish Conservation Strategy was established with initial measures introduced for both commercial and recreational fisheries. This strategy identifies four main concerns:

- ◆ The protection of inshore rockfish populations through the use of rockfish conservation areas,
- ◆ Need for improved catch monitoring programs,
- ◆ Need to reduce harvests,
- ◆ Need for improved ability to assess population status and monitor changes in levels of abundance.

While the Commercial Industry Caucus has a different perspective on these four points, it felt that action was needed to address rockfish conservation concerns.

Also in 2002, fishermen within the groundfish fishery began to meet to find ways to address the by-catch issue. While many ideas were discussed, it seemed that integration of the groundfish fisheries held the most promise.

During the first half of 2003, DFO hosted meetings of industry, environmental and provincial representatives from the British Columbia Ministry of Agriculture, Food and Fisheries (MAFF) to discuss the future management of the BC groundfish industry. These meetings generated a discussion paper titled, “Future Directions of the Commercial Groundfish Fisheries in British Columbia”. This paper prepared participants for the next series of meetings known as “The Commercial Groundfish Initiative”. Under this initiative, in October 2003, two committees were created to establish a strategic approach for the future direction of the commercial groundfish industry.

First, the Commercial Groundfish Integrated Advisory Committee (CGIAC) is an overarching committee dealing with cross-sector policy matters. Its membership includes representatives from the commercial fishery and processors as well as other stakeholders such as DFO, MAFF, Coastal Communities, Marine Conservation Caucus, Sports Fish Advisory Board and the BC Aboriginal Fisheries Commission.

Although they were invited to sit at the CGIAC table, after an initial planning session, the Marine Conservation Caucus chose not to continue to participate at the table.

Second, the Commercial Industry Caucus (CIC) is a working group of the CGIAC comprised of commercial license holder representatives or processors. Each commercial groundfish sector is represented on the CIC by two representatives and one alternate, chosen either by the elected industry advisors or by the legally constituted organizations that represent their particular sector. Both CIC and CGIAC are guided by the five initial criteria that were established by DFO:

1. All rockfish catch must be accounted for,
2. Rockfish catches will be managed according to established rockfish management areas,
3. Fishermen will be individually accountable for their catch,
4. New monitoring standards will be established and implemented to meet the above 3 objectives, and,
5. Species of concern will be closely examined and actions such as reduction of total allowable catch (TAC's) and other catch limits will be considered and implemented to be consistent with the precautionary approach for management.

Meeting monthly, the CIC was mandated to provide recommendations to the CGIAC on the future management of the groundfish fisheries in British Columbia, long term direction and suggested policies affecting commercial groundfish fisheries in the Pacific Region. This work required the development of limited entry and individual transferable quotas (ITQ's) as well as new allocation formulas for the Lingcod, Dogfish and ZN Rockfish sectors of the commercial groundfish industry. The CIC also explored and recommended actions on rockfish by-catch, progressive fisheries management, security of access, at-sea monitoring, and other issues facing the commercial groundfish industry during its transition toward an integrated model.

The resulting CIC recommendations address three important aspects: to advance the inshore rockfish conservation strategy, to support catch monitoring standards under the Pacific fishery monitoring and reporting framework, and to address concerns arising from the new Species at Risk Act. In order to do this, all CIC recommendations are framed to meet the following objectives:

- ◆ Conservation measures are supported by accepted scientific research and assessment methodologies,
- ◆ Sustainable harvesting and monitoring of all rockfish and groundfish species occurs routinely,
- ◆ The economic viability of the groundfish fisheries is maintained so that the industry can continue to provide economic benefits to Canada and generate jobs and incomes in B.C.'s coastal communities,
- ◆ Allowable catches exist according to established species-by-area-specific management,
- ◆ Fair access to rockfish and groundfish stocks is ensured,
- ◆ Accountability mechanisms exist for all rockfish and groundfish caught,
- ◆ Monitoring standards promote individual accountability and protection of groundfish stocks in a cost efficient manner, and,
- ◆ Responsiveness to shifting concerns regarding all groundfish species is key to our success.

Overview of an Integrated Groundfish Fishery

IN ITS INITIAL TWELVE-MONTH TENURE, the Commercial Industry Caucus has generated an overall vision of, and guiding principles for, an integrated groundfish fishery on the west coast of Canada. In addition, it has encouraged its individual sectors to create management regimes designed to ensure the conservation of all groundfish stocks. Most importantly, with this document the Commercial Industry Caucus proposes a strategy to integrate and manage the commercial groundfish fishery into a future that will be both economically viable and ecologically sound.

In exploring how best to attain the goal of an integrated groundfish fishery, the Commercial Industry Caucus examined many possibilities. Ultimately, it became clear that the Individual Transferable Quota Management System presents the best approach for providing a clear method of accounting for temporary transfers between individual vessels and staying within, the total allowable catch (TAC) of each species. Representatives from all sectors recommended that individual transferable quota (ITQ) systems be adopted, and both ZN sectors returned a positive vote to adopt a quota management system. Schedule II fisheries Lingcod and Dogfish will also be moving to a quota system. Allocation processes will be determined on a sector-by-sector basis.

In grappling with the issue of by-catch, members of the CIC table have come to realize that the amount of by-catch likely in the prosecution of any directed fishery can usually be predicted by examining catch history and experience. While variables such as gear-types, and the times and locations of fishing trips will affect the amount of non-target species intercepted, it is possible for a fisherman to plan his fishery in such a way as to be able to expect and account for a specified amount of non-target species.

Commonly defined as “unintended or incidental catch of non-target species”, the term “by-catch” carries overtones that devalue the fish caught. Vessels encountering such non-target species are often forced to discard them because their fishing licenses prohibit retention. Thus, “by-catch” has become synonymous with waste.

Because of this, CIC redefined “by-catch” as “non-directed catch”, and then began to explore mechanisms by which fishermen could temporarily obtain quota to account for the “non-directed” species they intercept during their directed fishery. Many mechanisms were examined before the CIC adopted the following model.

At the beginning of each fishing season, each sector will make two calculations.

- ◆ What percentage of the TAC of their directed species are they able to temporarily re-allocate to other sectors?
- ◆ What amount of non-directed species, according to monitored catch history, do fishermen in their sector require to prosecute their fisheries?

When these calculations have been made, the sectors will negotiate at the CIC table to determine what percentages of the TAC of each species will be temporarily allocated to each sector. Negotiations will be conducted using a decision making model that emphasizes the use of consensus.

Once the CIC members have concurred on these percentages, it will be up to each sector to determine how its license holders will utilize it. Non-directed species will be transferable from one license to another, both within and across sectors, through trade or lease between willing buyers and willing sellers.

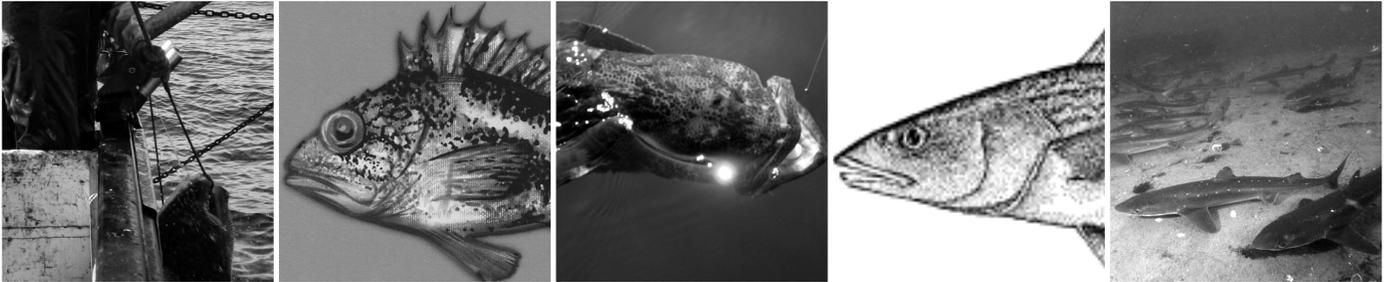
All temporary transfers of quota will return to their sector of origin at season's end.

Directed fisheries will target only their primary, or “directed” species; it will not be permissible to target non-directed species. Options such as relinquishment will be explored to ensure targeting does not occur.

Steps in support of the integration process of the groundfish fishery have already begun with the ZN option D in the Halibut fishery and the transfer of sablefish quota from the K fleet to the T fleet. Halibut, Trawl and Sablefish sectors have already adopted quota management programs, and have fishing rules in place. The ZN fisheries, Dogfish and Lingcod are preparing to adopt quota management programs and have developed allocation processes.

The fishery of the future will be a responsible, integrated fishery, whereby all fishing trips are carefully planned and all catch is monitored and accounted for. This, in combination with 100% monitoring will generate accurate data to be used for the protection and conservation of stocks.

Rationale for an Integrated Groundfish Industry



THERE ARE ABUNDANT RENEWABLE STOCKS of groundfish on Canada's West Coast that have been harvested for thousands of years. A large proportion of the economy of the Coast has been, and will continue to be, dependent upon these fisheries. Advances in science and changes in societal values regarding biodiversity necessitate changes to the management systems used to regulate BC groundfish fisheries. This proposed integration strategy represents an outstanding opportunity to combine the appropriate use of modern technologies with the drive to meet demands brought on by an increasingly sophisticated understanding of ecological requirements for the long-term sustenance of life on our planet.

The benefits of integration are many, including:

- ◆ **Accountability:** Within the trading rules, each sector will develop its own rules to ensure accountability for selective fishing and individual license responsibility. A monitoring system will determine total removals.
- ◆ **Conservation:** Sectors working together under common rules will foster sustainability, offering the collective fisheries an opportunity to improve and increase stewardship of the resource.
- ◆ **Diversity:** The principles and trading rule governing integration support the flexible development of diverse, accountable and autonomous directed groundfish sectors using a variety of gear types and vessels.
- ◆ **Integrated research:** Currently the ground fish industry spends in excess of five million dollars on research annually. With integration of research required for each fishery, sectors will be able to work together to develop a powerful body of shared knowledge. In the future, data resulting from such integrated research will benefit all sectors and Canada as a whole.
- ◆ **Integrated management system:** The CIC has devised an integrated management system that combines sector responsibility with individual accountability. The system will facilitate the trading of species between sectors and protect against the targeting of non-directed fish.
- ◆ **Improved stock management:** Rules applying to management of species-by-area will allow more flexibility and precision within fisheries.
- ◆ **Maintenance of the Privilege to Fish and Access to TAC:** CIC is committed to remaining inclusive and allowing the large number of schedule II fishermen to retain the privilege to access the fishery even if they don't receive an allocation. A license holder with access but no allocation can buy or lease transferable quota from a willing seller or leasor.
- ◆ **Sector Autonomy:** Multi sector negotiations will preserve sector autonomy while allowing flexibility for individually accountable fishermen.
- ◆ **Monitoring:** At the direction of DFO, the CIC is developing a cost effective, fishery wide pilot monitoring system in order to meet or achieve the 2006 DFO requirement for 100% at sea monitoring.
- ◆ **Economics:** Integration supports improved economic efficiency, innovation, viability, specialization and business planning and enables commercial groundfish participants to make informed investment decisions.

Guiding Principles

For a West Coast Integrated Commercial Groundfish Fishery

PRINCIPLES ARE COLLECTIVE EXPRESSIONS of values that are commonly shared by a specified group. They are general truths or collective standards about an area of human activity. Principles embody collective wisdom about what we believe works best.

We create principles together to guide our every-day actions and behaviours. Principles are signposts that help us know when we are on the right track. This is especially important when we make decisions that affect others even though they may not be present at the time that we make a decision, and then act on it.

CIC members articulated the following principles to guide them in their efforts to produce an integrated commercial fishery. The consensus-building process that led to these ten principles was a notable achievement in its own right!

1. Fishery participation
2. Respectful involvement
3. Inclusive and constructive process
4. Individual accountability
5. Fair treatment
6. Equitable treatment
7. Voluntary reallocation
8. Allocations restoration
9. Non-directed catch
10. Existing allocations

Principle One - *Fishery participation*

In order to increase catch accountability while targeting specific species, participation in an integrated groundfish fishery should be limited to the L, K, ZN, T and Schedule II groundfish licenses. These license categories may have access to purchase, lease or trade groundfish species included in the groundfish fishery under new rules to be developed.

Principle Two - *Respectful involvement*

Participation in the CIC process will be constructive, proactive, responsible, and respectful of the needs of others.

Principle Three - *Inclusive and constructive process*

Each commercial groundfish sector represents participants who have invested considerable human and financial resources in the groundfish fishery. Each sector member has a legitimate stake in the CIC process, which will not be used to discredit or



negatively affect another CIC sector, or any other commercial fishing user group.

Principle Four - *Individual accountability*

Fishermen will be individually accountable for their catch.

Principle Five - *Fair treatment*

The transition to an integrated groundfish fishery must respect the existing licensing regime.

Principle Six - *Equitable treatment*

An integrated commercial groundfish fishery will not favour one group over another. Appropriate standards for the management of groundfish stocks should apply to all harvesters. This includes, but is not limited to, setting applicable standards for at-sea monitoring, dockside monitoring, logbooks, data collection, scientific research, biological sampling, stock assessment, accountability and participation in fisheries management and enforcement activities. Fish should not be transferred from a fishery with individual accountability to a fishery with anything less than the appropriate requirements and standards.

Principle Seven - *Voluntary reallocation*

This process will not be used to reallocate fish from one commercial sector to another or from one license holder to another unless the reallocation is the result of market transactions between willing buyers and willing sellers. Without impeding the foregoing sentence, it is recognized within this principle that the rationalization of Schedule II groundfish, limited entry or quota will be able to proceed.

DFO must not reallocate fish from the commercial sector to other user groups without first compensating commercial



license holders or causing compensation to be paid at prevailing market rates and amounts agreed to by industry for the amount of fish transferred. Before fish can be transferred and harvesting conducted, the same standards that apply to commercial sectors must be in place.

Principle Eight - *Allocations restoration*

Where the total allowable catch of a stock has been reduced due to conservation concerns and the catch increases, DFO must restore the increased TAC to the commercial sector that originally held it and not re-allocate the increased available harvest to another user group

Any initiation of a fishery or increase in any amount of harvest of any species must first extend to the commercial users of that species, unless a sharing agreement is agreed to.

Principle Nine - *Non-directed catch*

An integrated groundfish fishery should address catch

mortalities. To preserve and protect the autonomy of each sector's directed fishery, an integrated groundfish fishery will allow fishermen to address fish mortality associated with directed and non-directed species.

Principle Ten - *Existing allocations*

Commercial hook and line, trap and trawl groundfish sectors should start from initial fleet allocations of species they have been permitted to retain. All sectors involved in directed commercial fisheries with selective gear may maximize their ability to catch their directed species by developing mechanisms for sharing non-directed species.

Allocation arrangements under an integrated groundfish fishery must not alter existing inter-fishery and intra-fishery allocation arrangements. Initial allocations between fleets and within a fleet must not be altered by the introduction of an integrated fishery.

Governance

Introduction

GOVERNANCE IS THE STUDY OF INTERACTIONS between structures, processes and traditions that determine how power is exercised, how decisions are made, and how, in this case, the commercial industry leaders and members can influence the management of marine resources. When we understand governance in this context, we understand how power, relationships, and accountability can work in concert to support the management of the marine resources on the west coast of Canada.

Governance is the art of steering societies and organizations. It addresses questions such as: “*Who has influence?*” or, “*Who makes decisions?*” or, “*How are decision-makers held accountable?*” Governance principles become apparent and are operationalized through institutional structures and processes.

However, understanding governance principles is a broader and deeper process than investigating institutional models. Each aspect is critical to the success of the others. Good institutional design is the accurate articulation of its community's voice, and a true reflection of its many voices.

The CIC seeks to develop healthy and participatory marine resource governance processes. The *Pilot Groundfish Integration Proposal* is an example of how DFO and all sectors of the commercial groundfish fleet can work together to more effectively manage the Pacific coast commercial groundfish. This co-management approach seeks to strengthen the relationship between the commercial groundfish industry and Canada. The CIC believes that co-management is more than just cost sharing; it is legitimate participation in decision processes relevant to the management of the Pacific coast groundfish industry.

The increased responsibility for sharing costs must be balanced with secure and long term access to the fisheries resources upon which the CIC depends. Longer planning horizons will improve economic performance through maximizing the value of harvests.

The CIC also acknowledges that First Nations, Coastal Communities, environmental organizations, and members of the recreational fishing sector are important contributors to a broad based decision-making process, and look forward to their continuing involvement in this process.

The following section outlines the current governance structure for making decisions regarding the development of the *Pilot Groundfish Integration Proposal* and lays the groundwork for future development of the governance relationship between the CIC and the CGIAC.

Current Governance Structure

OCTOBER 2003 marked the beginning of a new era for the West Coast commercial groundfish fisheries. That was when the discussion paper, “Future direction of the commercial groundfish fisheries in British Columbia” was released for use by the BC Ministry of Agriculture, Food and Fisheries, the Department of Oceans and Fisheries Canada, and representatives of the commercial groundfish industry.

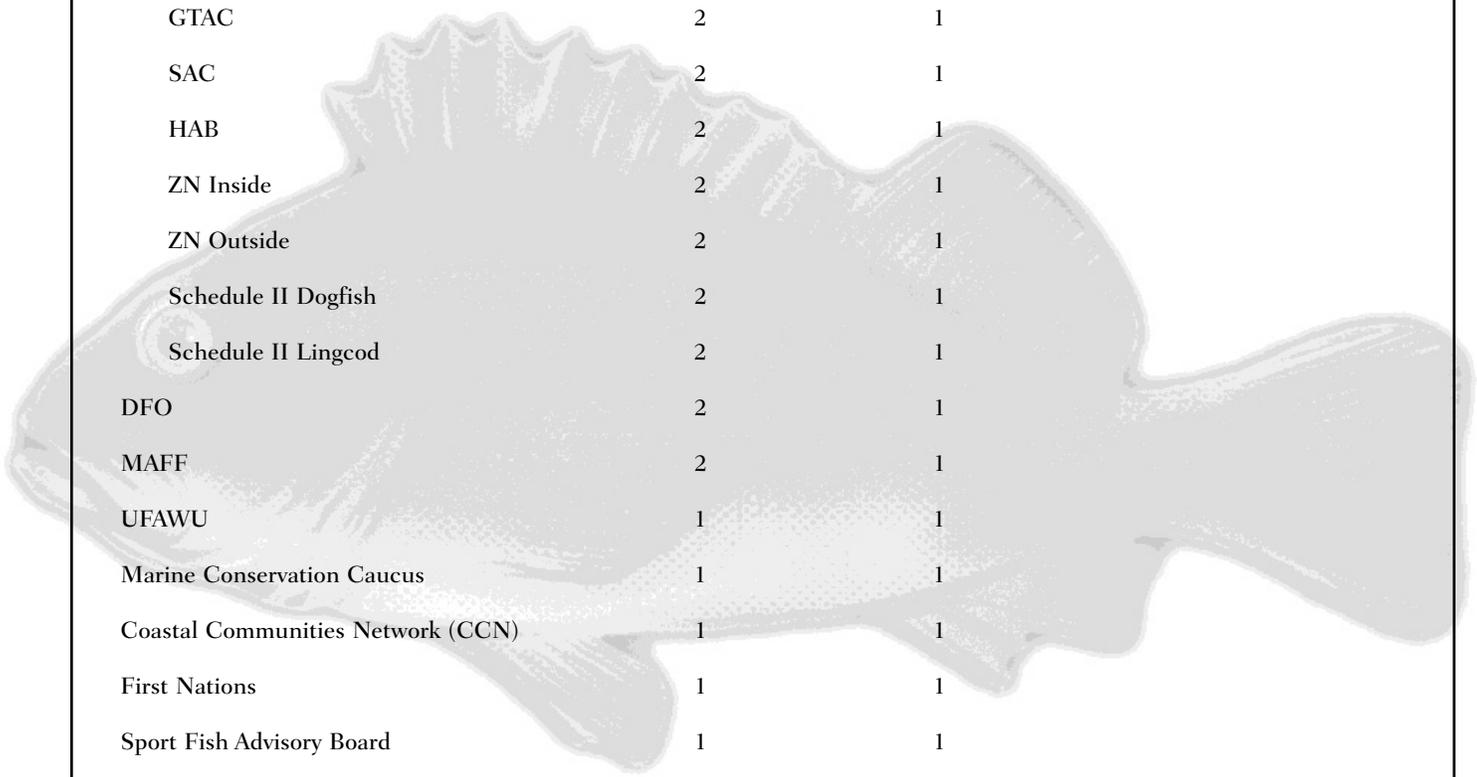
The governance structure described in that paper was subsequently adopted and used to steer the interactions and decision making processes that were necessary to complete the mandate to create the proposed *Pilot Integrated Groundfish Strategy* on the Pacific Coast of Canada. This section describes that governance approach and structure.

The Commercial Groundfish Integrated Advisory Committee (CGIAC) was the overarching committee established by Fisheries and Oceans Canada (DFO) that dealt with cross-sector policy matters related to future management of the commercial groundfish fisheries and conservation of groundfish resources. The CGIAC provided advice to DFO and direction to the Commercial Industry Caucus (CIC) and subcommittees regarding priorities and initiatives.

The CGIAC was designed and intended to address overall issues and policy matters affecting industry participants and groundfish fisheries. It identified some specific matters that were later addressed by individual fisheries. Advice and recommendations on items of particular concern to selected groundfish fisheries remained within the purview of the existing advisory committees.

The CGIAC was comprised of a cross-section of commercial fishery participants as well as other sectors including First Nations, recreational, coastal communities, and environmentalists. Representation and composition of CGIAC is listed below in figure I.

Figure I



Member	No. Members	No. Alternates
Commercial Industry Caucus		
Processors (1 trawl / 1 H&L)	2	2
GTAC	2	1
SAC	2	1
HAB	2	1
ZN Inside	2	1
ZN Outside	2	1
Schedule II Dogfish	2	1
Schedule II Lingcod	2	1
DFO	2	1
MAFF	2	1
UFAWU	1	1
Marine Conservation Caucus	1	1
Coastal Communities Network (CCN)	1	1
First Nations	1	1
Sport Fish Advisory Board	1	1
Total:	25	16

Respective advisory committees and or legally constituted non-profits representing their license holder and processor constituents, were responsible for selecting the CIC licence holder representatives to CGIAC, and their alternates. The two processing members and an alternate were identified jointly by DFO and MAFF. The UFAWU, CCN, Marine Conservation Caucus, First Nations and SFAB were each invited to identify their representatives and alternates. All CGIAC members and alternates were expected to understand the mandate and objectives of the table, be knowledgeable about groundfish fisheries, and be prepared to work together to develop advice and recommendations to DFO.

Only members of the committee and government representatives sat at the CGIAC table and participated in its discussions. Alternates and observers were welcome to attend meetings but did not sit at the committee table, nor participate in the discussion under normal circumstances.

The CGIAC is co-chaired by a DFO representative and an independent consultant from Diamond Management Consulting, Inc. The consultant co-chair also facilitates CIC meetings.

The co-chairs have the following responsibilities:

- ◆ Chair or participate on committees and subcommittees,
- ◆ Facilitate discussions at meetings and promote consensus-based decisions regarding recommendations to DFO,
- ◆ Assist in the communication of relevant information to and from advisors, industry participants and government officials,
- ◆ Provide project management services to ensure:
 1. The development of a document to provide direction to the BC commercial groundfish fisheries
 2. Identification, progress, and completion of projects, priorities, timelines, assignments, and deliverables,
 3. Provision of regular progress reports from committees and subcommittees, including recommendations and action items, and,
 4. Organizational support to the committees and subcommittees, including notices, agendas, resource materials and coordination of meeting room facilities.

Commercial Industry Caucus

THE LICENSE HOLDER AND PROCESSOR MEMBERS on CGIAC comprised a separate working group called the Commercial Industry Caucus (CIC). The CIC took direction from the CGIAC and in turn, provided advice and recommendations to CGIAC. CIC members were all directly involved in the commercial groundfish fisheries and met regularly every month, which was considerably more frequently than the CGIAC. Meetings usually alternated between two locations, one on the

lower mainland and one on Vancouver Island.

The CIC used a consensus decision-making model, which, although challenging at times, was key to its ultimate success. Occasionally DFO representatives participated in CIC meetings to provide guidance or technical support.

This document, the *Pilot Groundfish Integration Proposal*, has now been referred to the CGIAC for consultation.

Future Governance Directions

The CIC asserts that each sector of the commercial groundfish fishery must develop a framework that follows democratic rules of process. This will allow representatives to make decisions on behalf of their constituents within an integrated commercial groundfish fishery. It will also encourage them to operate together in a manner that is both transparent and authoritative.

The CIC table will follow democratic rules of process in order to allow sector representatives to make decisions on behalf of their constituents under the integration process which, will include the authority to change the rules of integration (subject to consultation with the CGIAC) in order to be responsive to conservation concerns.

In consultation with the CGIAC, the CIC proposes to continue the evolution of a governance structure that allows for the legitimate participation of the CIC in all aspects of management of the Pacific coast groundfish industry. The CIC wishes to develop a model of participation and decision making that is consistent with its operating principles, promotes the continuing development of a thriving commercial groundfish industry, and ensures the sustainability of all groundfish stocks.



General Trading Rule

THE HEART of the *Pilot Integration Proposal* is in the flexibility to make non-directed quota available for different sectors to prosecute their directed fishery. Scarce species made this a particularly challenging problem, especially when attempting to make this trading process as fair as possible. After months of work the CIC reached consensus on the following *General Trading Rule*, which is contextualized by the ten *guiding principles* found on pages 10 to 11.

1. At the CIC table, on an annual basis, each sector will negotiate a percentage of its permanent TAC(s) that will be accessible to license holders from other sectors. The amount of access that each sector receives will be referred to as the sector cap and will also be negotiated annually at the CIC table. A decision making process that includes consensus, mediation and arbitration will ensure that decisions are made in a timely way.
2. While this is a fluid system, open to change with agreement within CIC, negotiations for access will only involve up to 100% of the overall species TAC.
3. License holders (through individuals or their Sector organizations) will access the non-directed species during the season through temporary transfers between willing buyers and willing sellers.
4. Once the percentage of access is agreed, it is up to each sector to decide on how this access will be utilized by license holders within the sector.
5. Temporary transfers can be accessed from all sectors up to the sector cap.
6. Exceptions to the sector caps will be conducted through the CIC.

To ensure that decisions of the CIC table regarding these annual negotiations are made in a timely manner, an integrated decision making model, as outlined on the following pages, has been developed.



Decision Making Structure for Sectoral Negotiations

Introduction

THE MEMBERS OF THE COMMERCIAL INDUSTRY CAUCUS (CIC) are committed to maintaining relationships that allow its members to work in a shared atmosphere of tolerance, civility, and mutual respect for the rights and responsibilities of each sector and all individuals involved.

At the CIC table, on an annual basis each sector will negotiate the percentage of its permanent TAC(s) that will be accessible to license holders from other sectors.

This process will normally take place in Victoria or as otherwise determined and will be initiated and facilitated by the Chair of the CIC table who will provide non-partisan support and guidance for this mechanism.

Decisions regarding these negotiations will be made using a three-tier model consisting of:

- ◆ Tier One: Consensus
- ◆ Tier Two: Mediation
- ◆ Tier Three: Arbitration

Tier One

Consensus

CIC members will make every effort to use a consensus process. That process includes the following steps:

1. **Define the issue**
 - ◆ Present information, clarify issue
2. **Generate options**
 - ◆ Brainstorm and list options
3. **Create proposal**
 - ◆ Combine options and ideas generated to form a proposal
4. **Quick check**
 - ◆ Is agreement possible?
 - ◆ If yes, consensus has been reached
 - ◆ If no, return to 2 or 3. Generate additional options then discuss proposals one at a time. Note amendments or new proposals that may be emerging.
5. **Check for agreement** on new proposals that look promising. (See stages of agreement.) Level of agreement can also be registered through a straw poll, or a signal such as thumbs up/down.



Stages of Agreement

Consensus

Everyone is prepared to live with the decision

Amendment

There is general agreement; some minor objection to wording that is adjusted, or slight a shift in emphasis, but no significant change is made to the intent of the agreement.

Reservation

Individual is not happy with the proposal but willing to let it go through. The objection can be recorded in meeting minutes or notes.

Strong objection or Block

This is the strongest form of disagreement, and occurs when the group member stands in the way of a decision being attained. When this occurs, consensus is not reached.

Tier Two

Mediation

When consensus is not possible at the CIC table regarding the percentage of permanent TAC that will be accessible to license holders from other sectors, the parties who are unable to resolve their differences will meet together with a mediator appointed by the Chair of the CIC process.

The mediation will take place as soon as possible after it has been determined to be necessary, and not less than 3 business days later.

The parties will act in good faith and will attempt to reach agreement using this collaborative method of assisted negotiation.

When agreement has been reached, the mediator will report the results to Chair of the CIC Table.

Costs of the mediation will be borne by the affected parties

Tier Three

Arbitration

If agreement is not attainable within one business day, then the parties will agree to submit their dispute to binding arbitration for settlement.

An arbitrator will be selected from the BC International Commercial Arbitration Centre's roster (Website <http://www.bcicac.com>). The arbitration will be conducted as soon as possible in a location that is mutually agreeable to both parties.

The rules of the procedure to be used in the arbitration shall be the rules of the B.C. International Commercial Arbitration Centre as may be amended from time to time - the Centre will not administer the arbitration unless agreed to by all of the affected parties.

The results of the arbitration will be reported to the Chair of the CIC table and will be binding upon parties involved in the arbitration. Costs of the arbitration will be borne by the affected parties.

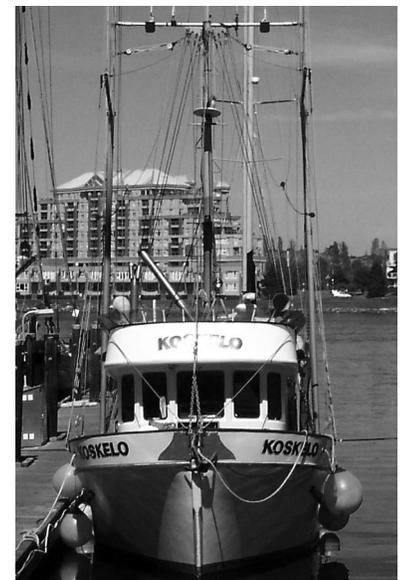
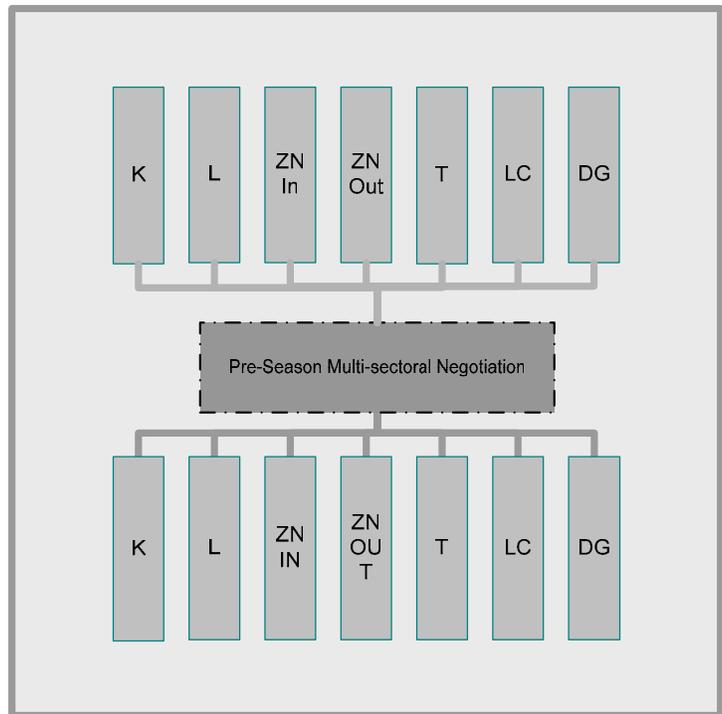
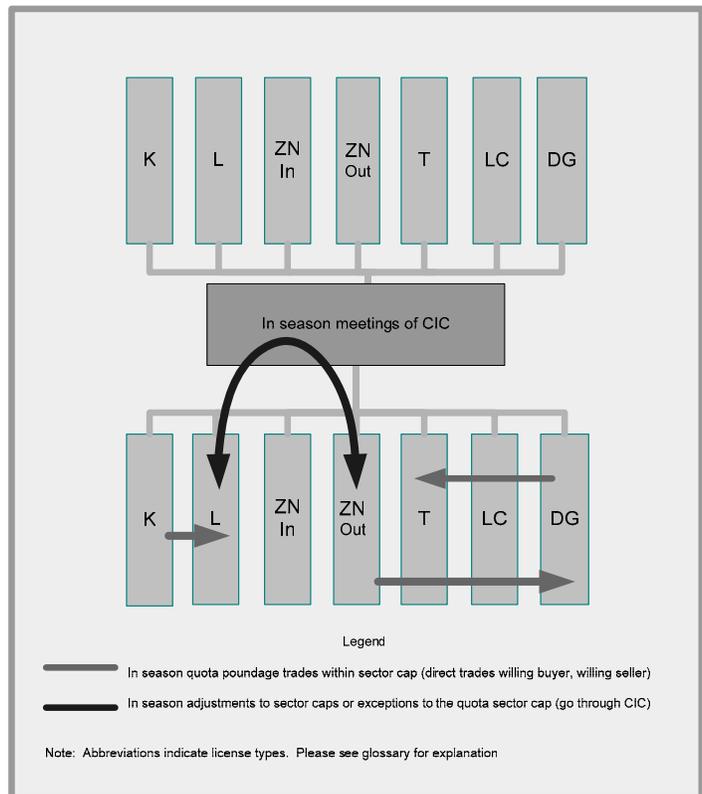


Figure III Pre-Season Negotiations



In Season Negotiations

Note: The chart below illustrates a few possibilities for in season trading.



Additional General Rules

Sector Rules

FISH ALLOCATION temporarily transferred will be automatically returned at the end of the season to its sector of origin.

Rules associated with overage and underage in a directed fishery shall remain the responsibility of each directed fishing sector.

Individual Rules

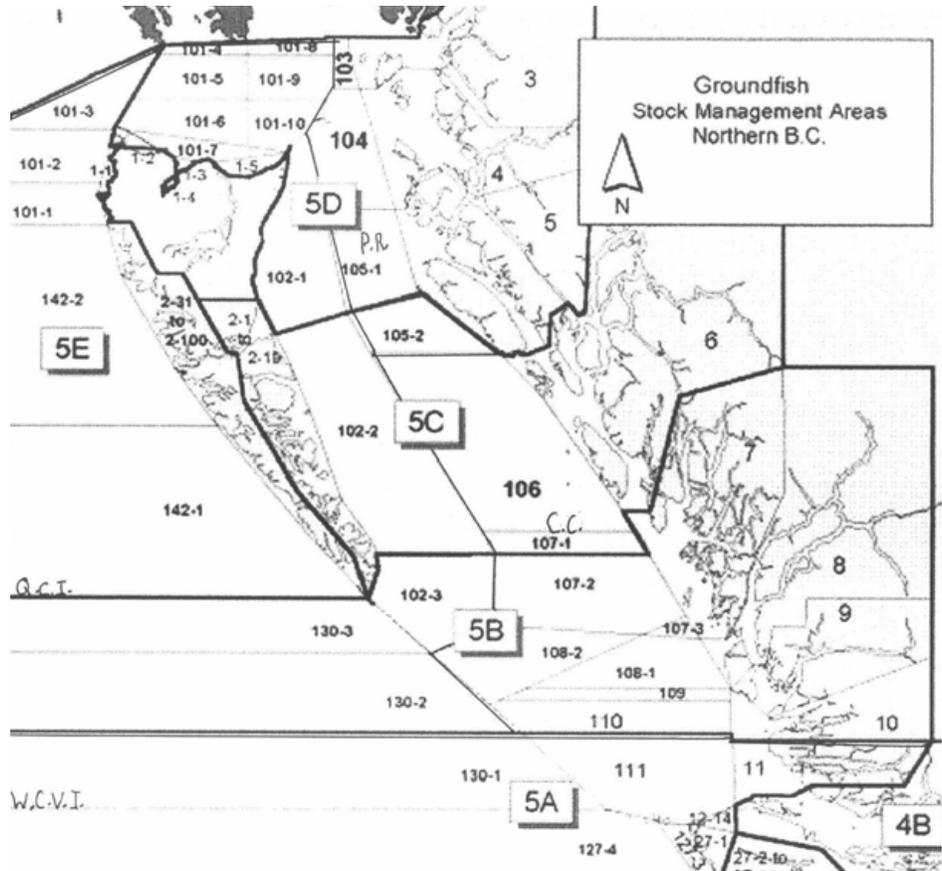
1. Prior to the end of the season of the sector from which they came, any amount of unused temporarily re-allocated non-directed quota can be re-transferred to its source or on to another license holder, respecting sector caps.
2. Overages must be reconciled at the end of the season. Overages are of concern to the individual sector first. If many license holders in a sector have overages at the end of a season, then this becomes a concern of the CIC table as a whole.
3. Certain sectors permissible overages and underages will be decided on a species by species basis within that sector.
4. A license cannot hail out without quota for a directed species attached to the license.



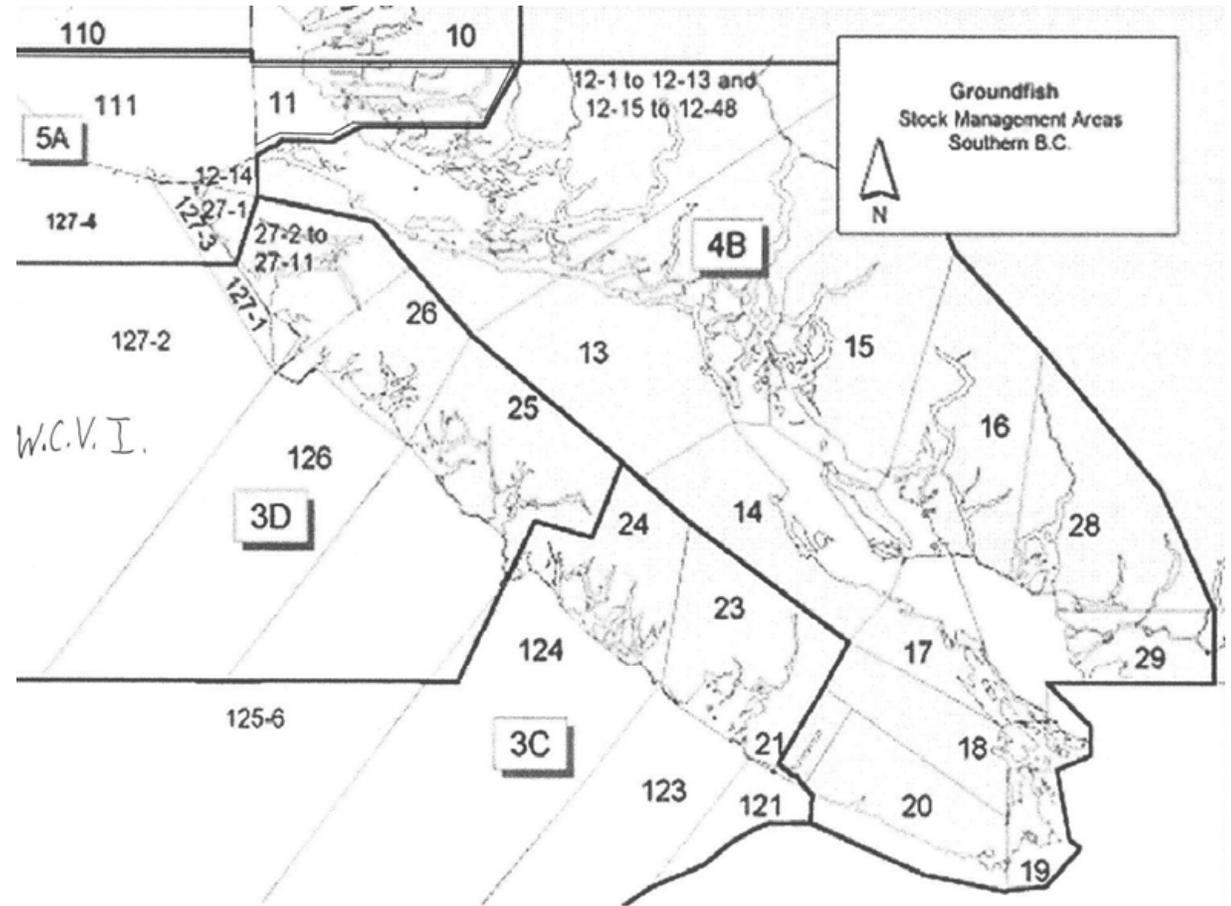
Management Area Boundaries

GROUNDFISH MANAGEMENT AREAS and rockfish management areas have different boundaries. In support of the Pilot Integration Proposal, it is suggested that rockfish management areas be changed to reflect a consistent management area boundaries located below.

Queen Charlotte Islands



Vancouver Island



Rules for Calling Special and Emergency Meetings

FROM TIME TO TIME, especially in the first year of implementation, members of the CIC, or the Department of Fisheries and Oceans, may require that an emergency or special meeting of the CIC table be convened. The following are guidelines to convene this meeting:

1. A sector representative may call the Chair of the CIC to request an emergency meeting of the CIC which, normally, will be convened within 10 days unless agreed to by all sectors.
2. The sector requesting a special or emergency meeting must notify, in writing, the Chair of the CIC table outlining the reason(s) for the meeting.
3. The Department of Fisheries and Oceans may request a special or emergency meeting of the CIC by notifying in writing the Chair of the CIC outlining the reasons for the meeting.

Rules for Multi-license Hail-outs

MANY VESSELS HAVE MORE than one license. The following rules guide multi-license hail-outs.

1. Rockfish are defined as non-directed species at all times unless hailing out under ZN or T.
2. Vessels will be allowed to fish under multiple hail-outs except with respect to ZN and T. You may not hail-out under multiple licenses using ZN or T.
3. Rules will be developed for each combination of licenses possible under a multiple hail-out.
4. Each sector will devise its own rules for how it's directed fleet accesses sector non-directed catch in single and multiple hail-out situations.
5. Possible (there may be other combinations) combinations of licenses under which a vessel may hail out are:

L-DG	K-DG
L-K	L-K-DG
L-LC	

6. Multiple Hail out rules for all combinations will be prepared by each sector as required.
7. Multiple Hail out rules for all LC combinations.
8. The directed Lingcod fishery is limited to jig or troll only. In a directed LC-L combination, the vessel must abide by the license conditions for Lingcod.

Consultation

THE CIC RECOGNIZES that there are diverse interests, needs, visions and priorities regarding the management of the Pacific groundfish industry. The CIC believes that a strong and inclusive consultation process is essential for the success of the Pilot Integration Proposal. Through an ongoing consultation process, the CIC's collective commitment to the effective management of the Pacific commercial groundfish industry is assured.

Participants in an effective consultation process work together to ensure that differences are addressed, understood, and resolved within the context of the best technical and scientific information available. The CIC is committed to:

- ◆ Providing readily accessible information regarding the *Pilot Integration Proposal*,
- ◆ Organizing and participating in sectoral consultation sessions,
- ◆ Participating in public information sessions,
- ◆ Working with the media to educate the public regarding the *Pilot Integration Proposal*, and,
- ◆ Through the CGIAC, ensuring continuous feedback regarding the ongoing development and implementation of the *Pilot Integration Proposal*.

Implementation: Next Steps

WHILE THE DEVELOPMENT of the *Pilot Integration Proposal* is a major milestone in moving toward integration, there are still many tasks to complete. The following list identifies some of the steps that have to be taken:

- ◆ Consultation process
- ◆ Information meetings
- ◆ Outside ZN vote
- ◆ Inside ZN vote
- ◆ Dogfish ITQ process
- ◆ Lingcod ITQ process
- ◆ Sector rules integration
- ◆ Develop common season starting date
- ◆ Sector Negotiations
- ◆ Governance design
- ◆ Finance
- ◆ Research
- ◆ Security of Access
- ◆ Strategic planning

Although this list is incomplete, the CIC looks forward to working with the Department of Fisheries and Oceans to collaboratively design an integration implementation strategy.

Conclusion

AS ALBERT EINSTEIN OBSERVED more than fifty years ago:

The world we have created today as a result of our thinking thus far has created problems that cannot be solved by thinking the way we thought when we created them.

The CIC table has taken note of Einstein's wisdom. The Pacific coast groundfish resources are a complex web of overlapping species and stocks susceptible to different gear types. The sustainable management of the groundfish resource required the development of a similarly complex and interdependent, integration management model.

Working within a consensus based process, the CIC believes that it has balanced and managed the diverse interests, needs, visions and priorities of the commercial groundfish industry in arriving at the Pilot Integration Proposal. The CIC table welcomes the opportunity to discuss the Pilot Integration Proposal with First Nations, the CGIAC and other groups, as we believe that we have chosen a pathway that leads to supporting a sustainable marine environment and a thriving commercial groundfish economy.

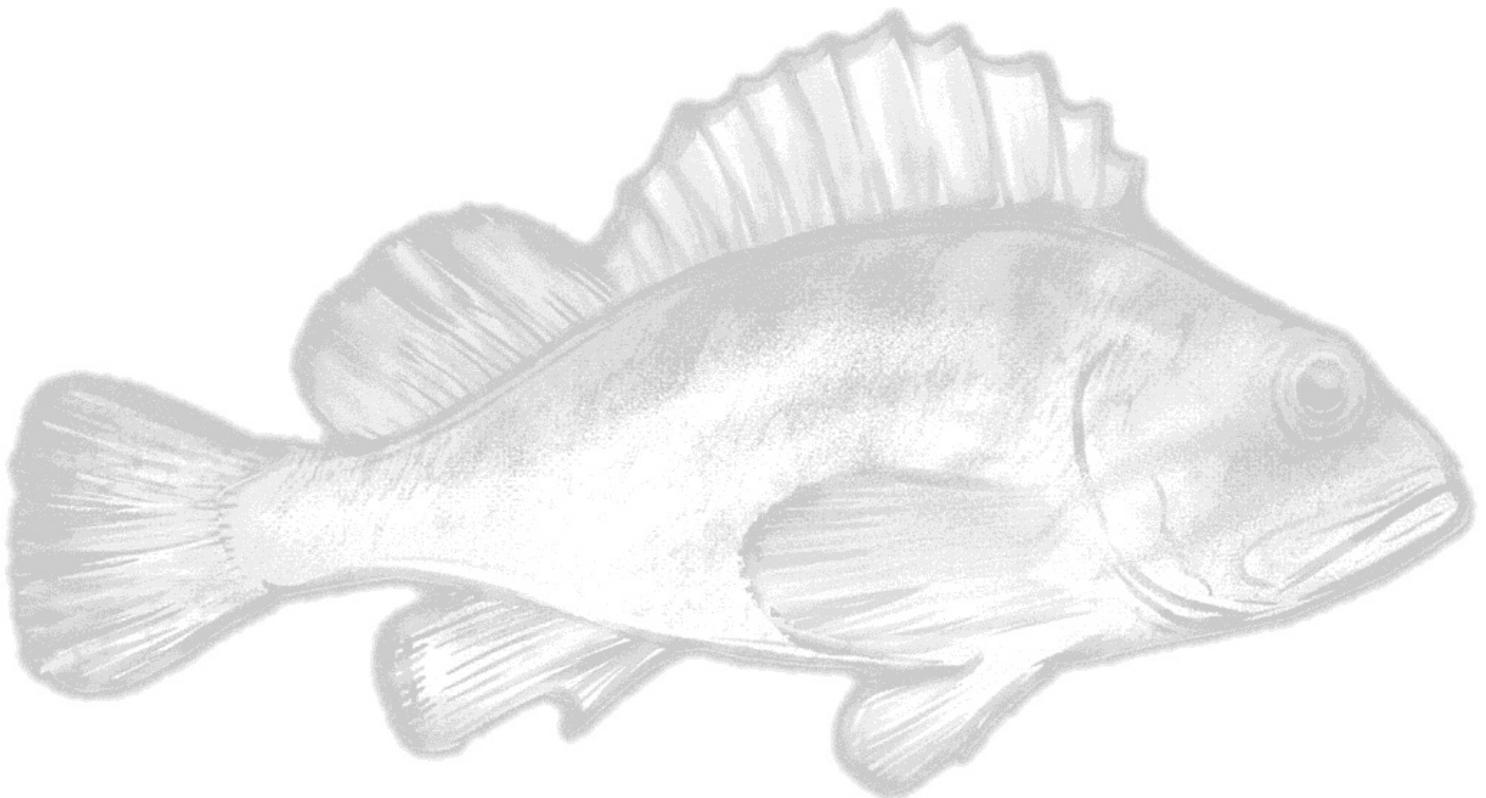
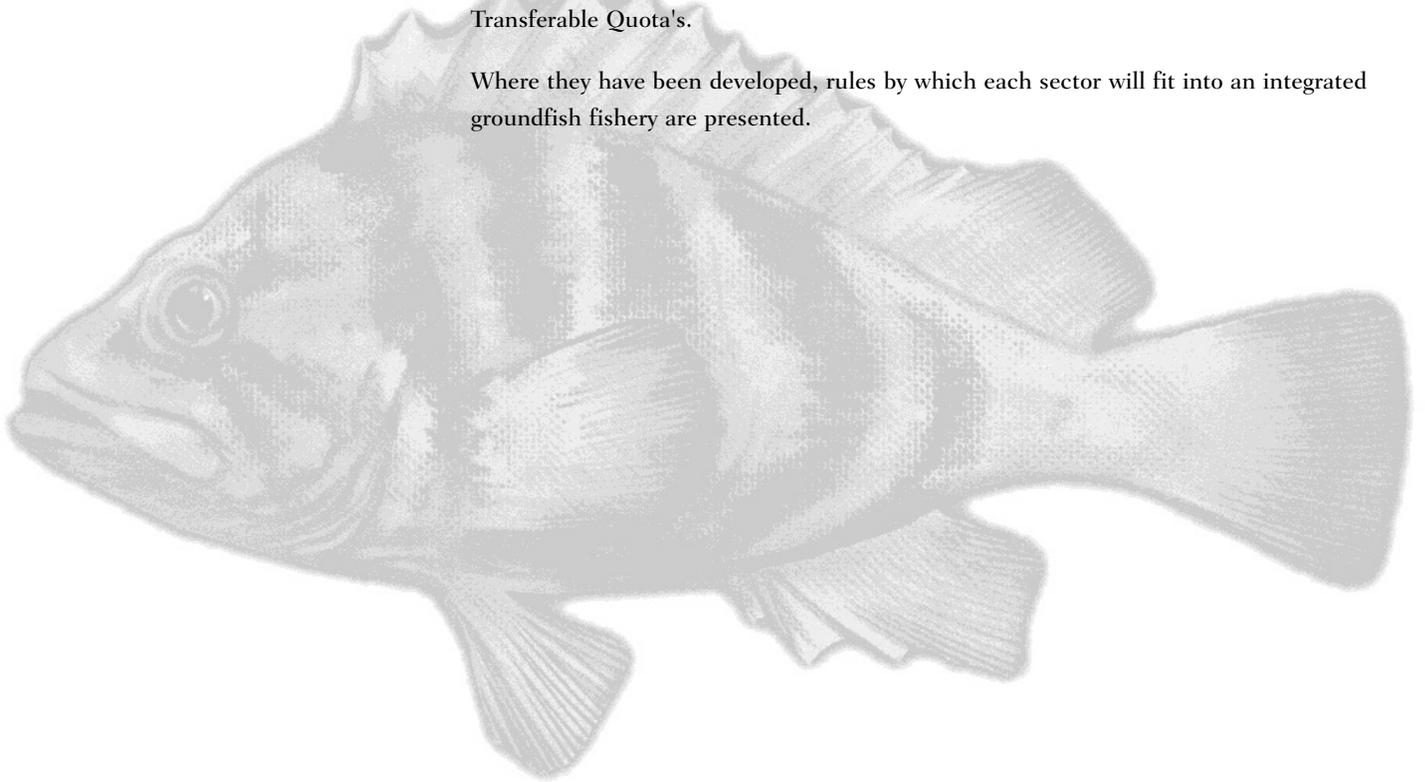
The management of the groundfish industry has undergone major changes in the last fifteen years. The Pilot Integration Proposal is another step in the evolution of a sustainable, integrated commercial groundfish industry that helps to protect Canada's marine resources, while providing employment and economic growth for British Columbia.

The CIC has taken up the challenge of working together to design the Pilot Integration Proposal, an innovative integration management model. While there is still much to do, the CIC requests that any discussions with respect to implementation or changes to the Pilot Integration Proposal include the CIC as a full participant. We believe that this approach will maintain the integrity of the consensus process by which the CIC developed the Pilot Integration Proposal while continuing to support the development of a sustainable and respectful relationship with the DFO. Simply, its design requires the acceptance of all its elements.

Sector Proposals and Rules

THE FOLLOWING PAGES OUTLINE the proposals brought forward by those sectors moving to Individual Transferable Quota and comments from sectors already having Individual Transferable Quota's.

Where they have been developed, rules by which each sector will fit into an integrated groundfish fishery are presented.



Halibut Sector

History of multiple licenses

ORIGINALLY, WHILE FISHING under a Category “A” License, commercial fishermen could retain any species of fish. In 1979 the limited Category “L” license was created with vessels from the general fishery granted a Category “L” license if they had landed a specific amount of halibut during the qualifying years. Initially a commercial fisherman was permitted to retain any groundfish species under the Category “L” license.

In the mid 1980s a special license was required to land rockfish caught incidentally in the halibut fishery. There was no limit on the amount of rockfish that could be landed, although a logbook was required to be submitted. At that time, halibut were abundant and the fishing was good, however, over time, due to short openings and poor prices for rockfish, there was increased fishing pressure on halibut by halibut vessels. As a result, the actual amount of rockfish landed was far less than the numbers encountered in the fishery. In the late 1980s the right to land incidentally caught blackcod was taken away from the halibut fleet.

In 1991 individual vessel quota (IVQ) management was introduced into the halibut fishery. This changed the fishery from a two opening, eight or nine day season to an eight month season. Under the new IVQ regime, commercial halibut fishermen were permitted to retain incidentally caught rockfish, although inshore rockfish (yelloweye, quillback, copper, china, tiger) had a trip limit of 20% of the weight of halibut retained. This 20% trip limit was based on what was thought to be the average amount of rockfish incidentally encountered in the halibut fishery.

In 1993 the rules changed and the incidental catch permitted for all rockfish species was limited to 20% of the weight of halibut retained. At this time the limited “ZN” rockfish license was created which reduced the number of vessels that could participate in that fishery. A number of category “L” licensed vessels qualified for the new limited “ZN” license based on their landings of rockfish from the halibut fishery.

As the 1990s progressed, the amount of rockfish permitted to be retained by the Category “L” licensed fleet gradually diminished as DFO reduced the amount of incidental rockfish that could be retained on a halibut trip. In the late 1990s a formal allocation of rockfish was established between the trawl and ZN rockfish and halibut fleets (this was later refined in 2001). In 2000 the formal allocation for the TAC rockfish species was developed between the halibut and ZN rockfish fleets.

Other events during the 1990s affected the halibut fishery. A market for dogfish was established and the schedule II dogfish fishery grew. Additionally, reduced catches, poor prices and new restrictions in the salmon fishery put a greater number of boats into the schedule II lingcod fishery which increased the pressure on lingcod stocks.

In 1999, as a result of increasing concern for specific rockfish stocks, the Department of Fisheries and Oceans began introducing new initiatives to reduce rockfish catch levels. The Total Allowable Catch (TAC) for many rockfish stocks were reduced, the halibut fleet (and the other commercial groundfish fisheries) was introduced to new management measures such as at-sea observers to monitor the incidental catch of rockfish and the introduction of Rockfish Protection Areas (RPAs).



In an effort to minimize the waste of rockfish in the halibut fishery, halibut-rockfish combination fishing was introduced for the 2000 halibut season. The ZN Option D came into existence that allowed the combining of an "L" and a "ZN" License. This allowed "L" vessels to trade rockfish allocations and retain more rockfish, thereby bringing the amount of rockfish allowed to be landed by the halibut fleet closer to the amount encountered in the fishery. At the same time, increasing fishing pressure from the lingcod fishery was causing TACs for lingcod to be reached earlier in the year. As DFO would close management areas once TACs were reached, many halibut fishermen who had traditionally retained lingcod when fishing halibut now found themselves having to release lingcod because of area closures.

For some time commercial groundfish fishermen have been talking of ways to reduce the wastage of incidentally caught fish that cannot be retained because of licensing restrictions that have been added over the years. The Commercial Groundfish Integrated Advisory Committee (CGIAC) and the Commercial Industry Caucus (CIC) process has allowed representatives of the halibut fleet to work collaboratively with those from the other fleets to try and make this a reality. The halibut fleet will be able to access other species, such as rockfish, lingcod and blackcod in the amounts as they are encountered in the halibut fishery. Additionally, it will give access to halibut for non-directed catch purposes, to those hook and line fisheries that currently cannot land halibut because of licensing restrictions, thereby reducing the wastage of halibut.

When the Pilot Integration Proposal is implemented, the wheel will have turned full circle; the new fishery will be more robust because the reporting of all catch, both retained and released, and individual accountability for the mortality of fish will make the fishery environmentally sustainable well into the future. The Commercial Industry Caucus of the Commercial Groundfish Integrated Advisory Committee has worked diligently to ensure that the commercial groundfish fleets will meet and exceed the tough new fishing restrictions proposed by Fisheries and Oceans for 2006. Their eye is firmly focused on the future.

Halibut Rules

THE ROCKFISH QUOTA that is attached to Halibut quota will be considered directed catch. It will be subject to Halibut sector rules.

Rockfish quota temporarily transferred to a Halibut license will be considered non-directed catch and Halibut sector rules for non-directed species will apply.

1. Non-directed Rockfish will be deemed the first quota fished on a Halibut license that receives such quota.



Canadian Sablefish Association Perspective on ITQ's

THE CANADIAN SABLEFISH ASSOCIATION believes that moving to an ITQ management model was a significant event in the development of the sablefish fishery.

In past days the Sablefish sector operated as a derby fishery, harvesting large volumes of fish in a short, intense time period, often resulting in a glut of poor quality fish moving to the market, which, had to be stored in order to be sold throughout the year. The change to a quota management model has allowed fishermen to reflexively respond to the marketplace; when the market needs fish, the fishermen go fishing.

Perhaps more importantly, a derby fishery often pushed fishermen to compromise their safety by going out in severe weather conditions and overloading their boats; vessels sank, lives were lost and injuries were common.

Operating within an individual transferable quota model, fishermen are able to produce a high quality product that receives a premium price in the marketplace. This increased value recognizes the consumer as the driving energy behind the fishery.

The positive effects of moving to an ITQ management model are, also, apparent in other fisheries that have moved to an ITO management model. The Canadian Sablefish Association believes that the other groundfish sectors currently planning to move to ITQ will, also, similarly benefit as the sablefish sector has.

Sablefish are non-directed catch in the trawl fishery, halibut fishery and others, and as such, large numbers have been discarded. The survival rate of these discarded fish is unclear and, therefore, the potential damage to the sablefish stock is unknown. Within an integrated groundfish framework, all non non-directed fish must be accounted for, which will, likely, reduce discards.



Inside ZN Proposal

HISTORICALLY, THE INSIDE ROCKFISH FISHERY (ZN) has been a vibrant, healthy fishery. It was the Inside fishermen who, years ago, set the pattern that still reflects the lucrative “Live Fish Fishery” that is being executed by others on different parts of our coast. Those same fishermen initiated a plan to curb the massive over-fishing that depleted the stocks of rockfish in the Georgia Strait and elsewhere on the coast.

In 1990 DFO limited entry to fish the Strait, and consequently the number of license holders decreased dramatically from more than 1600 to 78. Since 1990, there have been additional reductions in the TAC's for Inside ZN species. The current commercial TAC for ZN Inside species is now comparable to that of the sports sector. Reductions in TAC have also been followed by reductions in the numbers of license holders.

The commercial Inside ZN fishery now has a TAC of 25 Tons shared by 70 boats. Fishing with stacked licenses and using fewer than 15 hooks per boat, license holders of all 70 vessels require additional sources of revenue to supplement their fishing income. While Inside ZN license holders recognize the need to protect the welfare of targeted species, it has become a significant challenge to conduct an Inside ZN fishery that meets costs associated with basic human needs.

The commercial Inside ZN sector is concerned that the rising costs of monitoring and scientific research for the Inside Rockfish fishery is currently borne solely by the commercial sector. Inside ZN fishers hope that as integration progresses and electronic monitoring becomes the norm, all users of the resource may begin to contribute more fully to its conservation and management.

Of particular concern to the commercial Inside ZN sector is the impact of the sport sector on rockfish. With a permitted daily catch of one rockfish, the catch potential of one sport fisherman parallels the size of a commercial Inside ZN fisherman who is allocated 780 pounds, which is approximately 370 rockfish. While the sport sector does have a TAC, ineffective monitoring impacts the accuracy of catch information used in determining the TAC.

During the fall of 2004, the commercial ZN Inside sector polled license holders to determine whether there was support for moving the fishery to a quota management system. The results of the ballot were 35 “yes” votes and 5 “no” votes. There are several potential advantages to an ITQ system for the ZN Inside fishery. An ITQ system will create a means for all Inside ZN commercial license holders to acquire necessary non-target species. This will assist them to execute their fisheries without discarding marketable fish, thus promoting conservation and selective fishing, as well as providing economic benefits. It will also permit the transfer of fish throughout the entire season as the need arises, thereby maximizing manoeuvrability within a very restricted fishery.

The inside ZN sector will vote on an allocation formula in the Spring of 2005. Two allocation formula options will be presented on the ballot. They are:

1. One third boat length, one third history and one third equal split.
2. 70% history 30% boat-length

Once the allocation formula is decided, the following shall apply:

1. Yellow Eye will be allocated using the same formula.
2. Non-directed catch of non Quill Back, Copper and Yellow Eye rockfish will be 100% of Rockfish quota, or a quantity deemed valid by DFO management.
3. Kelp Greenlings, as a non-directed catch will be allotted using the same formula, 100% of Rockfish quota, or a quantity deemed valid by DFO management.

Please see Appendix Two for further details regarding the allocation process and vote.



Inside ZN Rules: In Progress

INSIDE ZN HAS AGGREGATES (as in 100% of Ag.1) instead of species specific TACs. Some pages will be added to include specific species intercepted by Inside ZN.

1. No ZN license may hold more than 8% of aggregate 1 & 2 of the TAC.
2. Only ZN license holders can permanently attach rockfish quota to their licenses; other licenses may temporarily transfer rockfish.
3. No inside ZN licensed vessel, while fishing for rockfish, shall have more than 15 hooks in the water at any time.
4. A vessel hailing out for Inside ZN cannot hail out on another license.
5. A 35% overage and underage will be permitted. An underage will be added to the following year's quota, and overages will be deducted from the following year's quota. Overages beyond 35% will be relinquished and cleared the following year. Underages beyond 35% will be forgotten.
6. Inside ZN quota holders must be able to access and add other species to their license to cover potential by-catch within the boundaries set by that other species license.
7. Quota must be easily transferable between inside ZN license holders.
8. Quota (Inside Rockfish) can only be held and traded by valid Inside ZN license holders.
9. Any overages incurred by a fisherman, will be the responsibility of that fisherman.

Outside ZN Proposal

THE OUTSIDE ROCKFISH FISHERY is a diverse fishery with various kinds of vessels and gear types. Species fished, quantities of fish landed and intended markets are relevant to the four fishing options that are available for selection:

- ◆ Option A harvests primarily on inside rockfish species and supplies the live rockfish market,
- ◆ Option B is primarily directed on yelloweye rockfish and supplies the fresh fish market,
- ◆ Option C is primarily directed on rougheye, shortraker and red banded rockfish and catch is usually delivered on ice or frozen at sea and,
- ◆ Option D is a halibut/rockfish combination fishing option (introduced in 2000).

The outside ZN rockfish fishery went to limited entry licensing in 1992, when 191 Category "ZN" licences were issued for the outside area. The fishery has evolved over time. Some of the most significant changes for the Outside ZN rockfish fishery started in the late 1990s, when DFO began introducing new management measures as the Department felt there were conservation concerns with some rockfish species.

Fisheries and Oceans Canada began introducing rockfish protection areas (RPAs), closing a number of traditional fishing areas to the rockfish fleet. DFO also required an industry-funded at-sea observer program on randomly selected rockfish vessels to monitor catches and releases by the fleet. In 2002, the Department of Fisheries and Oceans reduced the outside rockfish fleet's inshore rockfish TAC by 50% to address a conservation concern for this species group. Comprehensive at-sea monitoring programs were enhanced, and a greater portion of the fleet began taking at-sea observers.

For integration to occur, the Outside ZN rockfish fishery must move to individual transferable quota (ITQ) management. The Outside ZN rockfish fishery is one of four commercial groundfish fisheries currently not under an individual quota management regime. A significant majority of the Outside ZN licence holders (125 voted 'yes' & 37 voted 'no') have voted in favour of moving to an individual quota regime; two options are under consideration for an initial allocation formula. They are as follows:

Option A: Equal Allocation

This proposal for initial allocation divides quota equally between all ZN licences.

- ◆ Rockfish quota would be a percentage of TAC (1/191 or 0.52% of TAC) but amounts could vary with changes in TAC or Research Allocation
- ◆ After initial allocation all species would be transferable

Option B: Inshore/Offshore Option

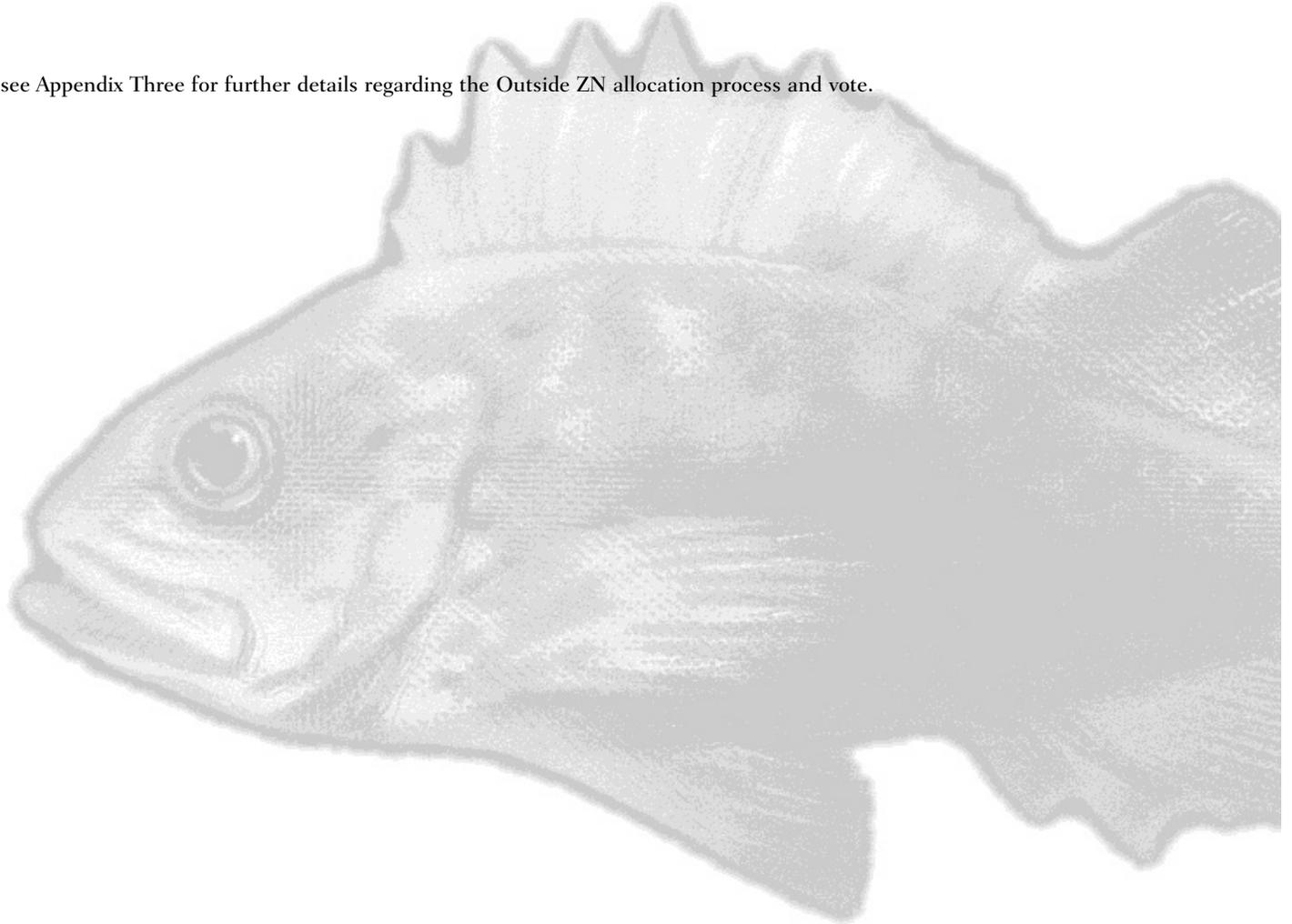
This proposal for initial allocation divides quota between inshore and offshore options.

- ◆ Each licence will have one opportunity to select either inshore or offshore option. Quota would be divided equally based on the number of licences that choose each option.
- ◆ Rockfish quotas would be a percentage of TAC but amounts could vary with changes in TAC or research allocation

- ◆ After initial allocation all species would be transferable. Black and Vermillion Rockfish, when assessed a TAC, will be allocated 98% to Agg 1 & 2 and 2% to other Quota Rockfish.
- ◆ Non Quota Rockfish, when assessed a TAC, will be allocated 98% to other Quota Rockfish and 2 % to Agg 1 & 2.

Note: An assessment of Red Banded Rockfish is currently underway and will be completed in May 2005. Following the assessment the allowable catch of Red Banded Rockfish will change from a monthly limit to a license quota based on 0.523% of the TAC.

Please see Appendix Three for further details regarding the Outside ZN allocation process and vote.



Dogfish Sector Proposal

Preamble

THE DOGFISH ASSOCIATION, (BC Dogfish Hook & Line Industry Association), a legally constituted non-profit society with a mandate to negotiate on behalf of its fishermen and processor membership, has spent fourteen months working with other sector representatives of the commercial groundfish industry to find a way to integrate all sectors' fisheries.

As the dogfish fishery has, over the years lost its ability to land its incidental rockfish catch, it was important to negotiate a fair trading mechanism to allow access to needed rockfish species and to allow this fleet to continue fishing by the 2006 deadline for full accountability on all rockfish catches.

It is important to note that the Dogfish Hook & Line fleet has not caught all of the dogfish TAC in recent years; the fishery has been year-round, providing secure jobs for fishermen, shore-workers and service providers, and market stability for its products to export markets. There has been no 'race for the fish'.

The Dogfish sector had to meet the challenge of identifying itself as a distinct sector for the purposes of integration since it is under the umbrella of the Schedule II fishing privilege and does not have a limited licence. The privilege to fish for dogfish is open to over three thousand vessels.

The Dogfish Association initially proposed to the Commercial Industry Caucus that a limited license would give strict parameters concerning the number of boats needing to access rockfish as well as deal with potential increased fishing pressure. Although this option was pursued for several months within the framework of the CIC, it became clear that movement forward with integration required acceptance of an Individual Transferable Quota management system in order to develop a trading mechanism consistently workable across all sectors.

The Dogfish Association then put forward a quota plan which has been accepted by its membership and the CIC. We feel confident this plan will satisfy the requirements of sector responsibility as well as individual accountability; both strong principles agreed to by industry.

Sector accountability is ensured by the preseason requirement of identifying vessels that plan to actively participate in the dogfish fishery for the coming year. This gives the parameters needed to determine how many vessels are going to need to share non-directed species within the active fishery. This determines the fleet each year that will be overseen by the Dogfish Association in whatever co-management agreements need to be made with government, either as part of the CIC or separately.

The second part of the proposal is the establishment of a formula for allocating an ITQ to those vessels with catch history in the fishery between 1996 and 2003. The formula is based on the principle that if ITQ were to be granted, benefits would accrue in proportion to the amount of energy invested in the fishery during the qualifying years. A provision for processors, based on a similar principle, gives processor's access to 10 percent of the quota. This provision has support of Dogfish Association Directors and members.

The general trading rule developed by industry requires that all sectors negotiate preseason for sector allowances to non-directed species to be accessed in the market place through the mechanism of temporary transfers of divisible amounts of transferable quotas. It is the adoption of an Individual Transferable Quota framework that allows this process to work for the dogfish sector.

The Dogfish Association recognizes that there was another option available for integration but it would have required the entire dismantling of the existing license regime. Although this was proposed as an option within the CIC, there was no political will to do this. What we have proposed for the dogfish fleet represents the best option available in the present climate.

The Dogfish Association supports the entire integration package moving forward for review by the CGIAC and for ultimate approval and implementation by DFO. The Dogfish Association will continue to build sector specific rules to ensure that its fleet remains economically viable while adhering to appropriate standards of monitoring and conservation. The Dogfish Association requests that any discussions on changes to the final package include the CIC table as a full participant to maintain the integrity of the consensus process by which the CIC developed the integration proposal. Its design requires acceptance of all elements.



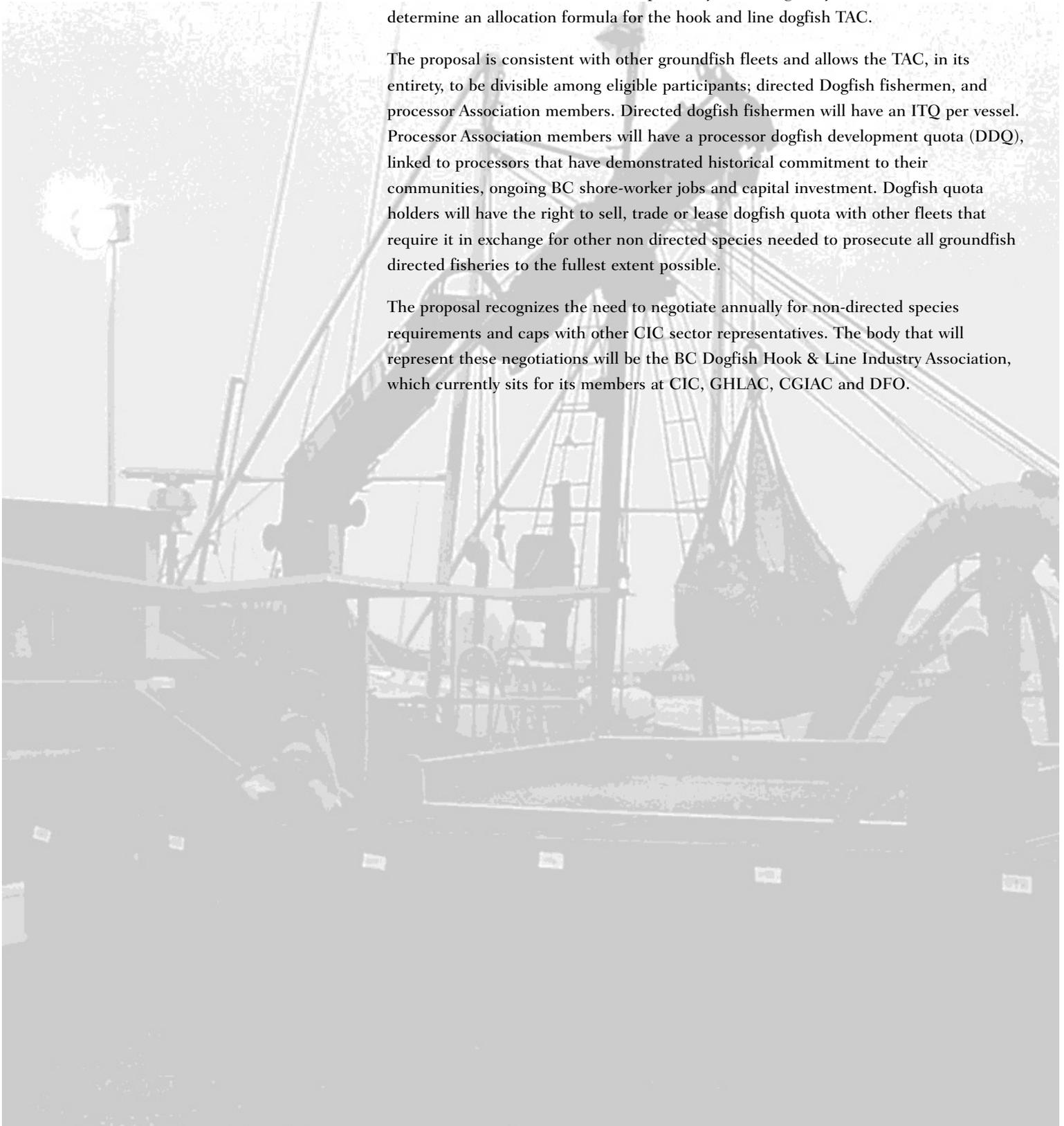
Introduction

THIS PLAN RECOGNIZES THE NEED to be as inclusive as possible and that supports fleet limitation for rockfish conservation concerns and an ongoing economically viable directed dogfish fishery.

Control dates of 1996-2003 are the period by which eligibility has been used to determine an allocation formula for the hook and line dogfish TAC.

The proposal is consistent with other groundfish fleets and allows the TAC, in its entirety, to be divisible among eligible participants; directed Dogfish fishermen, and processor Association members. Directed dogfish fishermen will have an ITQ per vessel. Processor Association members will have a processor dogfish development quota (DDQ), linked to processors that have demonstrated historical commitment to their communities, ongoing BC shore-worker jobs and capital investment. Dogfish quota holders will have the right to sell, trade or lease dogfish quota with other fleets that require it in exchange for other non directed species needed to prosecute all groundfish directed fisheries to the fullest extent possible.

The proposal recognizes the need to negotiate annually for non-directed species requirements and caps with other CIC sector representatives. The body that will represent these negotiations will be the BC Dogfish Hook & Line Industry Association, which currently sits for its members at CIC, GHLC, CGIAC and DFO.



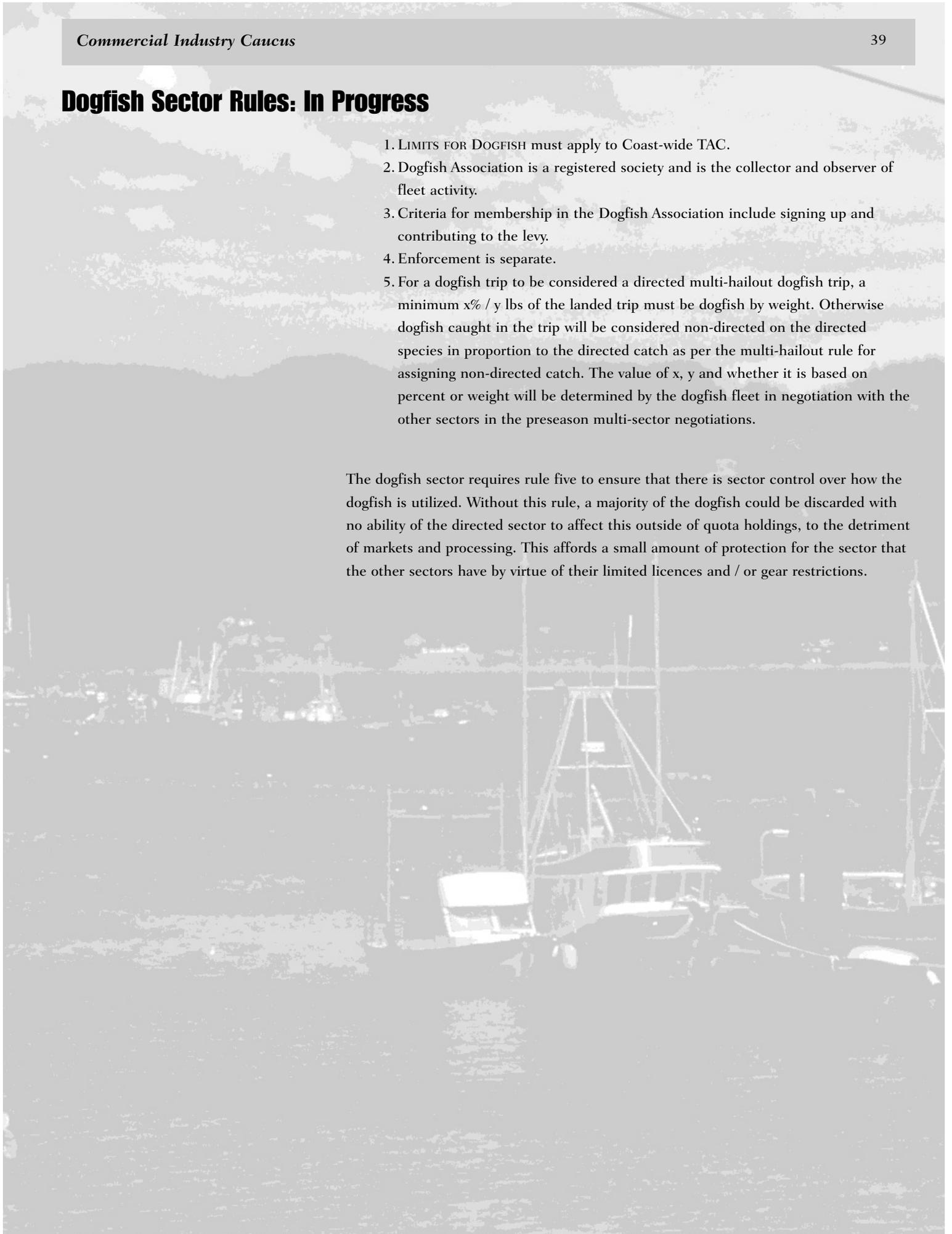
Schedule II Dogfish Sector Proposal

1. THE BC DOGFISH HOOK & LINE INDUSTRY ASSOCIATION will represent its members' interests in negotiating an annual and a multi-year fishing plan with the Commercial Industry Caucus (CIC) and DFO.
2. The Dogfish Association has reached agreement to include the 8 years 1996-2003 as the basis for allotting quota for those vessels with a 100 lb cut-off. The following formula has been agreed to:
 - ◆ For each license, the total landed pounds of dogfish for the license from January 1 1996 to December 31, 2003 was divided by the total landed pounds of dogfish caught in the BC hook and line fishery for the same period. This yielded the percent that each license landed for the eight year period which will be granted to license.
 - ◆ Once the percentage is initially allocated, it can then be traded, sold or leased in whole or in part. For each year, the percentage holdings on a license will be applied to 90% of the TAC for that year to determine the poundage available to be caught by that license. The other 10% will be available to fishermen through Association member processors (the Dogfish Development Quota) with rules to be developed from within the sector.
3. The annual fishing plan will include a cut-off date for each directed fishermen to elect to fish or not for that year, in order to establish effort and projected catch of dogfish and non-directed species.
4. The hook and line dogfish quota will be accessible by way of lease, trade or purchase and be inclusive to all eligible Schedule II license holders.
5. If dogfish quota is held and not fished, it may be leased, sold or traded during a fishing year.
6. Holdings caps will be developed to limit speculation and/or concentration of quota by both directed and non-directed quota owners, similar to most other ITQ fisheries.
7. The directed dogfish fleet will be monitored and have dockside validation within the same standards as other groundfish fisheries to be developed by the CIC table.
8. The Association will negotiate overall fleet non-directed species caps with other groundfish sectors at the CIC table.
9. After initial allocations are made, appeals will be considered in a timely manner by an appeal board.

Dogfish Sector Rules: In Progress

1. LIMITS FOR DOGFISH must apply to Coast-wide TAC.
2. Dogfish Association is a registered society and is the collector and observer of fleet activity.
3. Criteria for membership in the Dogfish Association include signing up and contributing to the levy.
4. Enforcement is separate.
5. For a dogfish trip to be considered a directed multi-hailout dogfish trip, a minimum $x\%$ / y lbs of the landed trip must be dogfish by weight. Otherwise dogfish caught in the trip will be considered non-directed on the directed species in proportion to the directed catch as per the multi-hailout rule for assigning non-directed catch. The value of x , y and whether it is based on percent or weight will be determined by the dogfish fleet in negotiation with the other sectors in the preseason multi-sector negotiations.

The dogfish sector requires rule five to ensure that there is sector control over how the dogfish is utilized. Without this rule, a majority of the dogfish could be discarded with no ability of the directed sector to affect this outside of quota holdings, to the detriment of markets and processing. This affords a small amount of protection for the sector that the other sectors have by virtue of their limited licences and / or gear restrictions.



Schedule II Lingcod Sector Proposal

Introduction

THE COMMERCIAL HOOK AND LINE LINGCOD sector recognized the need to be inclusive in order to conform to an Integrated Management Model. The Lingcod sector plans to become an ITQ fishery comprised of a directed catch within its sector and a non-directed catch in other sectors.

ITQ allocations for Lingcod will be based on catch history during the control dates from 1996 to 2003 inclusive. Primarily, these years were agreed to because they coincided with the commencement of the Dockside Monitoring Program for Hook and Line Lingcod which provided validated landing records. To allow for a large number of Schedule II license holders to receive an initial allocation of Hook and Line Lingcod ITQ, the minimum validated landings for the control period will be 100 pounds.

To minimize Rockfish encounters, the directed Lingcod fishery will continue to be limited to jig or troll gear only with no long lining permitted.

1. The Commercial Hook and Line Lingcod fishery should move to an individual quota fishery, such quota to be allocated on the basis of catch history in the control period 1996-2003.

Those Schedule II license holders that have validated lingcod landings of more than 100 pounds in the control period shall qualify to receive initial allocations in the ITQ system. The total landed pounds of Lingcod for the license during the period January 1, 1996 to December 31, 2003 is to be divided by the total landed pounds of lingcod caught in the Hook and Line fishery for the same period. Multiplying by 100 yields a percentage of Lingcod that each license landed during the eight year period and this percentage is to be the initial allocation granted to each license. Each year, this percentage is to be applied to the total Hook and Line Lingcod TAC to determine the poundage available to be caught by that license.

3. Lingcod catch history should be calculated on a coast-wide basis. Quota is to be allocated on a coast-wide basis excluding area 4B.
4. All Schedule II license holders should have access to lingcod, such access to be obtained from the original quota allocation or by purchase, lease or trade of lingcod following the original allocation.
5. Lingcod quota holders should have access to purchase, lease or trade ground fish species, in order to address by-catch concerns in an integrated ground fish fishery within the new rules.
6. All lingcod to be validated and a level of observer coverage to be developed in order to ensure accountability for all rockfish and ground fish caught.
7. After initial allocations are made appeals will be considered in a timely manner by an appeal board.



Trawl Sector

THE TRAWL SECTOR BECAME A QUOTA FISHERY some years ago and, as such, has many rules governing its execution. Part of the current Trawl management plan has a rule whereby a portion of a licence's quota cannot be traded or transferred from the license. This clause was created before the current integration discussions, and was intended to prevent licenses from being “put on the shelf”. While it has accomplished this, it gives companies with multiple licenses an advantage, and as a result, many fishermen do not favour this rule.

The “lock-on” is listed in section 11.3 “ITQ Reallocation Rules” in Appendix One of the Trawl Management Plan and consists of a plan to restrict the percentage of permanent ITQ holdings eligible for temporary reallocation. From April 2005 to March 2008, 25% of holdings will be ineligible for temporary reallocation, and for a four-year period from April 2008, fully 40 percent of the permanent ITQ holdings in GFE's will be ineligible for temporary reallocation. This means that, in addition to CBA and CCQ holdbacks, the Trawl sector will be left with very little fish to trade or re-allocate.

As this “lock on” is unique to Trawl, and is not part of any management plan of any other fishery, it could jeopardize the trade of quota between sectors and fishermen in an integrated system. It is serious enough that it could influence this sector's incentive to take part in integration as it is presently conceived.

Recognizing this, DFO has postponed implementation of the new Trawl rules (including lock-on) until an analysis has been done to assess its impact on integration. This analysis will be carried out in September 2005, by DFO and GSIC.



Appendices

Appendix One

Glossary of Definitions

Access	The privilege or potential to fish for non-directed species.
Aggregate	Group of populations and/or species for management purposes
Allocation	Maximum limit of poundage (as a % of the TAC) of fish that may be caught on a license.
By-catch	A term meaning fish unintentionally intercepted during the execution of a directed fishery. Means the same as “non- directed”.
Carry Over Credit	Pounds of a directed species that was un-harvested in one year and carried over into the next year.
Carry Over Debit	Pounds of a directed species that was over-harvested in one year and carried over into the next year.
Catch	Removal of fish from the sea or mortalities associated with fishing.
Catch Cap	The maximum allowable amount of species management unit(s) that can be allocated to a license. Equivalent to 'Species Cap'.
Catch Mortality	The rate of death of fish (mortality) associated with catch.
Catch Status Fail	Any amount of removal (catch) that exceeds the allowable overage. A vessel with a “fail” may not hail out. Carry Over Credit Pounds of a directed species that was un-harvested in one year and carried over into the next year.
CCQ	Code of Conduct Quota: Allocated as individual vessel quota to licensed groundfish trawl vessels based on vessel owner's adherence to criteria of the Groundfish Development Authority designed to ensure fair treatment of crew and safe vessel operation.
CGIAC	Commercial Groundfish Integrated Advisory Committee
CIC	Commercial Industry Caucus s-a working group of the CGIAC
Consensus	A process in which all of those show have a stake in the outcome aim to reach agreement on actions and outcomes that resolve or advance issues that are held in common. Although participants may not agree with all aspects of an agreement, consensus is reached if all participants are willing to live with the total package or agreement.
DG	Abbreviation to mean Schedule II fishermen fishing for dogfish
Directed Fishery	Fishery that is directed at a certain species or group of species.
Directed Species	The main species toward which a fishery is directed.
Directed Quota	The allowable amount of a species (as a % of the TAC) allocated to a license.
Directed Catch Cap	The maximum allowable amount of a species allocated to a license
Discard	To release or return fish to the sea, dead or alive, whether or not such fish are brought fully on board a fishing vessel.

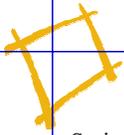
DMP	Dockside Monitoring Program. A program designed to validate landed fish from commercial vessels by a company that has been designated by Fisheries and Oceans Canada.
EM	Electronic Monitoring. The use of cameras, and electronic log books to validate landings at sea.
Fishing Trip	The period when the vessel departs from a dock to engage in fishing until fishing ceases and catch is offloaded.
Fleet	All vessels and license holders that fish for groundfish.
GDA	Groundfish Development Authority: An advisory board established in 1997 to provide advice to the Department on the allocation of 20 percent (as GDA and CCQ) of the annual available Trawl quota. The GDA is comprised of seven representatives of industry stakeholders representing the Coastal Community Network, Crewmembers, non-licence holding fishers, the Provincial Government and the Department.
GDQ	Groundfish Development Quota: Allocated as IVQ to licensed trawl vessels on the basis of the advice of the GDA.
GFE	A Groundfish equivalent is the term used to reflect the conversion of all species of groundfish IVQ to a common factor. GFEs are used to measure total IVQ holdings of a licence against its holdings cap, and for quota swapping purposes. GFEs are based on price relative to Pacific ocean perch (Pacific ocean perch = 1.00).
GHLAC	Groundfish Hook and Line Advisory Committee
GSIC	Groundfish Special Industry Committee: A subcommittee of Groundfish Trawl Advisory Committee (GTAC) appointed by the Department comprised of selected GTAC members and other stakeholders in the industry. GSIC provides specific advice to the Department and GTAC on possible refinements or changes to the IVQ program and trawl fishery.
HAB	Halibut Advisory Board
Hail-out	That report required by license condition as notification prior to leaving port at the beginning of a fishing trip.
Holdings	Sum of directed and non-directed quota associated with a license.
Holdings Cap	A cap of total holdings on a license, capping how much permanent quota can be attached to a license. (In Trawl there are 26 species allocated as a percentage of permanent quota)
Holding Status Fail	When Holdings exceed the Holdings Cap. A vessel with a "fail" may not hail out.
K	Abbreviation signifying fishermen with an "K" license, fishing for sablefish
L	Abbreviation signifying fishermen with an "L" license, fishing for halibut
Landed or Landing	The transfer of catch from a licensed vessel to land (including docks and wharves).
LC	Abbreviation signifying Schedule II fishermen fishing for lingcod
Individual Responsibility	Fishermen shall be individually responsible for ensuring that their allocations are fished within the rules. Individual fishermen will be held accountable for infractions that occur.
Integration	The process of bringing together separate components as a functional whole that involves coordination.

I.T.Q.	Individual Transferable Quota. A Quota Management Program that allows quota to be temporarily transferred from one sector or license holder to another. A type of quota (a part of a Total Allowable Catch) allocated to individual fishermen or vessel owners and which can be sold, traded or leased to others
Non-Directed Catch	Fish, including non-quota species, formerly referred to as “by-catch” intercepted during the execution of a directed fishery. These species can be temporarily transferred to a license.
Non-Directed Species	Species unintentionally caught in fisheries directed at another species. Equivalent to 'Bycatch', 'Non-Directed Catch' and 'Non-Target Species'.
Non-Directed Catch Mortality	The fishing related mortality ascribed to a species, by gear, for the purpose of accounting for catch.
Non-target species	The same as Non-directed species.
Observer	An individual who has been designated as an observer by the Regional Director General for Pacific Region pursuant to section 39 of the Fishery (General) Regulations.
Offloading	The landing or removal of catch from a licensed vessel.
Overage	A percentage in excess of the amount of a species holding (directed or non-directed) associated with a license.
Population	A group of fish of one species which shares common ecological and genetic features.
Quota	A share of the Total Allowable Catch (TAC) allocated to an operating unit such as a country, a vessel, a company or an individual fisherman depending on the system of allocation. Quotas may or may not be transferable, inheritable, and tradable.
Quota Management Program	A system for managing the allocation and temporary allocation, of fish
RCA	Rockfish Conservation Area. An area that is closed for the protection of various inshore rockfish species to fishing activities that negatively impact rockfish.
Reconciliation Period	The period during which a vessel may resolve failed status.
RPA	Rockfish Protection Area. An area that is closed to commercial hook and line fishing for the protection of various inshore rockfish species.
SAC	Sablefish Advisory Committee
Sector	Individual License categories and directed fisheries within the Groundfish Fleet, including; Dogfish, Lingcod, Inside ZN, Outside ZN, Sablefish, Halibut and Trawl.
Sector Cap	The amount of access to non-directed species that each sector receives from other sectors
Sector Responsibility	Developing a legal framework that follows democratic rules of process in order to allow representatives to transparently and authoritatively make decisions on behalf of their constituents under the integration process.
Selective Fishing	The ability to avoid known, non-directed species and stocks or, if encountered, to release them alive and unharmed; directed fishing that is successful is catching the targeted species only.
Species	A class of fish having similar characteristics
Species Cap	Designed to prevent concentration of species-any one license could hold up to x % of the TAC of a species.

Species Group	Group of species considered together, often because they are difficult to differentiate without detailed examination (very similar species) or because data for the separate species are not available.
Stocks	A biologically discrete population: The part of a fish population which is under consideration from the point of view of actual or potential utilization.
TAC	Total Allowable Catch; The catch allowed by a management authority to be taken from a stock of a species or group of species, by a fishery during a specified time period.
Target Species	The same as Directed species.
Temporary re-allocation	The transfer of fish from one license to another that will be automatically returned at the end of the season to its original license.
Underage	The amount of uncaught quota
ZN Inside	Abbreviation signifying fishermen with a "ZN" license, fishing for rockfish in the Georgia and Johnson Straits (Groundfish Stock Management Areas 13 to 19, and 28 and 29, and Sub areas 12-1 to 12-13, 12-15 to 12-48 and Sub areas 20-4 to 20 -7)
ZN Outside	Abbreviation signifying fishermen with an "ZN" license, fishing for rockfish off the West Coast of Vancouver Island and around the Queen Charlotte Islands (Groundfish Stock Management Areas 1 to 11, 21, 23 to 27, 101 to 111, 121, 123 to 127, 130 and 142 and Sub areas 12-14, and 20-1 to 20-3)

Appendix Two

Inside ZN Voting Package



Diamond

MANAGEMENT CONSULTING INC.

Spring 2005

To all Inside ZN Rockfish license eligibility holders

Subject: Individual Quota management (IQ) for the Commercial Inside ZN fishery.

Movement towards the integration of the groundfish fisheries is proceeding through the efforts of Commercial Groundfish Integrated Advisory Committee (CGIAC), which is made up of industry, UFAWU, Coastal Communities Network, First Nations, the SFAB, the Marine Conservation Caucus, the province of BC and DFO. The Commercial Industry Caucus (CIC) is made up of industry representatives from all the groundfish fisheries and has worked to move this initiative forward through monthly meetings since the spring of 2003, exploring many issues including management measures, species transferability, and monitoring. It was decided that in order to integrate with other fisheries, all licenses must go to quota.

In November 2004 an initial ballot was sent out to fishermen in the Inside ZN sector to determine their level of support for moving to an IQ management system. In December, the results of first ballot were reported as: 35 in favour and 5 against. Following this positive result, Inside ZN sector reps have created a second ballot to determine the initial allocation.

Your sector representatives, Ernie Wouters and Valentyn Deleeuw, ask you to choose between two allocation formulas. The first, referred to as the "1/3,1/3,1/3 option" would be calculated as follows:

- | | | |
|--|---|--|
| <ol style="list-style-type: none"> 1. 1/3 History – 1987 through 1990 2. 1/3 Boat Length 3. 1/3 Equal Split | } | As per existing D.F.O. license
calculated percentages |
|--|---|--|

The second, referred to as "70-30" option would calculate allocation based on 70% history and 30% boat length.

A pre-addressed envelope has been enclosed for your convenience. Please take the time to fill out the ballot. It is important for the future management of the Inside ZN fishery that your voice is heard. Please return the enclosed ballot by Spring 2005 to the following address.

Mr. Barry H. Obara, CA
Obara Lee & Co.
Chartered Accountants
216-911 Yates Street,
Victoria BC V8V 4 X3

Sincerely yours,

Richard McGuigan, M.A., PhD (Cand.)
Chair CIC and CGIAC tables
Enclosure

BALLOT

As an Inside ZN licence eligibility holder, I support the following option for allocation quota in the commercial Inside ZN fishery.

	1/3 history, 1/3 boat length 1/3 equal split
--	--

	70% history 30% boat length
--	---------------------------------------

ZN Licence Tab #: _____

Licence Eligibility Holder Name: _____
(Please Print)

Licence Eligibility Holder Signature: _____

Licence Eligibility Holder Address: _____

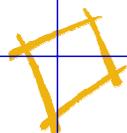
Date: _____

***Please return form by no later than
Spring, 2005 to:***

***Mr. Barry H. Obara, CA
Obara Lee & Co.
Chartered Accountants
216-911 Yates Street,
Victoria BC V8V 4 X3
Tel: (250) 388-7879 OR
Fax: (250) 381-0808***

Appendix Three

Outside ZN Voting Package



Diamond

MANAGEMENT CONSULTING INC

Spring , 2005

To all Outside ZN Rockfish license eligibility holders

Subject: Individual Quota management (IQ) for the Commercial Outside ZN Fishery.

Movement towards the integration of the groundfish fisheries is proceeding through the efforts of Commercial Groundfish Integrated Advisory Committee (CGIAC), which is made up of industry, UFAWU, Coastal Communities Network, First Nations, the SFAB, the Marine Conservation Caucus, the province of BC and DFO. The Commercial Industry Caucus (CIC), is made up of industry representatives from all the groundfish fisheries and has worked to move this initiative forward through monthly meetings since the spring of 2003, exploring many issues including management measures, species transferability, and monitoring. It was decided that in order to integrate with other fisheries, all licenses must go to Individual Quota (IQ).

In July 2004 an initial ballot was sent out to fishermen in the ZN sector to determine their level of support for moving to an IQ management system. In August, the results of first ballot were reported as: 125 in favour and 37 against. Following this positive result, ZN Outside sector reps have created a second ballot to determine the initial allocation to be recommended to DFO.

This ballot offers two initial allocation options. The equal allocation option divides quota equally between all ZN licenses. The Inshore/Offshore option requires each license holder to select either inshore or offshore; quota will be divided equally based on the number of licenses that have chosen each option. For details of these options, see enclosure.

It should be noted that in order to fit within an integrated fishery, management areas for Yelloweye and Aggregates 1 & 2 require adjustment. A map is attached to illustrate the new areas; they will change from ZN areas to Groundfish Stock Management areas combined into four: (3C, 3D AND 5A); (5B); (5C and 5D); (5E). These areas will apply for both options.

Details on the options and areas are enclosed in this package with a ballot. Please make sure you read the enclosures carefully before you vote.

A pre-addressed envelope has been enclosed for your convenience. Please take the time to fill out the ballot. It is important for the future management of the Outside ZN fishery that your voice is heard. Please return the enclosed ballot by 'Spring' to the following address:

**Mr. Barry H. Obara, CA
Obara Lee & Co.
Chartered Accountants
216-911 Yates Street,
Victoria BC V8V 4X3**

Sincerely yours,

Richard McGuigan, M.A., PhD (Cand.)
Chair CIC and CGIAC tables

Equal Allocation

Proposal for Initial Allocation of Outside ZN Rockfish Licences

This proposal for initial allocation divides commercial TAC equally between all Outside ZN licences.

- Rockfish quota would be a percentage of TAC (1/191 or 0.52% of TAC) but amounts could vary with changes in TAC or Research Allocation
- After the initial allocation all species would be transferable
- Due to small percentage of Pacific Ocean Perch quota available to Outside ZN this species has been combined with Non-Quota Rockfish trip limit

Note: An assessment of Red Banded Rockfish is currently underway and will be completed in May 2005. Following the assessment the allowable catch of Red Banded Rockfish will change from a monthly limit to a license quota based on 0.523% of the TAC.

<u>Outside Zn Equal Division Area Table</u>					
Note: All figures are based on ZN Outside H & L TAC for 2004-2005					
Species	Areas	H & L TAC Tonnes	H & L TAC lbs	Equal Division lbs	Total of Areas lbs
Yelloweye	3C/D,5A	56	123458	646	
	5B	26	57320	300	
	5C/D	33	72752	381	
	5E	32	70547	369	1696
Quillback, Copper, China & Tiger Rockfish Combined	3C/D,5A	58	127867	669	
	5B	30	66138	346	
	5C/D	44	97002	508	
		3	6614	35	1558
Canary	3 C/D	71	156517	819	
	5 A/B	36	78407	411	
	5C/D	14	29883	156	
	5E	20	44677	234	1620
Silver Grey	3 C/D	27	59073	309	
	5 A/B	53	115138	603	
	5 C/D	47	104472	547	
	5E	31	67825	355	1814
Shortraker	Coastwide	88	194393	1018	1018
Rougheye	Coastwide	391	862089	4514	4514

Outside Zn Equal Division Area Table pg.2

Note: All figures are based on ZN Outside H & L TAC for 2004-2005

Species	Areas	H & L TAC tonnes	H & L TAC lbs	Equal Division lbs	Total of Areas lbs
Shortspine Thorn yhead	Coastwide	18	38609	202	202
LongspineThorn yhead	Coastwide	10	21444	112	112
Yellow mouth	3C	6	12423	65	
	3D, 5 A/B	29	64385	337	
	5 C/D	18	38858	203	
	5E	8	18436	97	702
Yellow Tail	3C	11	24173	127	562
	3D, 5A/B,5C/D/E	38	83259	436	
Redstripe	3C	5	10865	57	
	3D, 5A/B	22	48487	2254	500
	5C/D	9	20726	109	
	5E	7	15451	81	
Widow	Coastwide	42	925932	485	485
Non-Quota Rockfish					
Black Rockfish	Coastwide	1000 lbs per month			
All other non quota rockfish	Coastwide	15000 lbs per month			

Proposal for Initial Allocation of Outside ZN Rockfish LicensesInshore/Offshore Option

This proposal for initial allocation divides quota of commercial Outside ZN TAC between inshore and offshore options.

- Each licence will have one opportunity to select either inshore or offshore option. Quota would be divided equally based on the number of licences that choose each option.
- Rockfish quotas would be a percentage of TAC but amounts could vary with changes in TAC or research allocation
- After initial allocation all species would be transferable.
- Black and Vermillion Rockfish, when assessed a commercial TAC, will be allocated 98% to Inshore option and 2% to Offshore option.
- Non Quota Rockfish, when assessed a commercial TAC, will be allocated 98% Offshore option and 2% to Inshore option.
- Due to small percentage of Pacific Ocean Perch quota available to Outside ZN this species has been combined with Non-Quota Rockfish trip limit

Table I:

Is the proposed allocation between inshore and offshore. This shows species by area commercial Outside ZN TAC as well as % and lbs. allocated to inshore and offshore options.

Table II:

Shows inshore quotas per pound per licence by areas with different number of licences choosing this option.

Table III:

Shows offshore quotas per pound per licence by area with different number of licences choosing this options.

Note 1: An assessment on Red banded Rockfish is currently underway for completion in May 2005.

Note 2: All figures are based on the commercial Outside ZN TAC for 2004-2005.

Table I Allocation Between Inshore & Offshore

Note: All figures are based on the Commercial Outside ZN H & L TAC for 2004-2005								
Species	Area	TAC tonnes	Inshore %	Inshore lbs	Inshore Total	Offshore %	Offshore lbs.	Offshore Total
Yelloweye	3 C/D	56	6.8	8395		93.2	115063	
	5 A/B	26	6.8	3898		93.2	53421	
	5 C/D	33	6.8	4947		93.2	67804	
	5 E	32	6.8	4797	22037	93.2	65750	302038
Quillback, Copper, China & Tiger Rockfish Combined	3 C/D	58	93.3	119300		6.7	8568	
	5 A/B	30	93.3	61707		6.7	4431	
	5 C/D	44	93.3	90503		6.7	6499	
	5 E	3	93.3	6171	277681	6.7	443	19941
Canary	3 C/D	71	2.7	4226		97.3	152300	
	5 A/B	36	2.7	2117		97.3	76279	
	5 C/D	14	2.7	807		97.3	29066	
	5 E	20	2.7	1207	8357	97.3	43481	301126
Silver Grey	3 C/D	27	2.7	1595		97.3	57488	
	5 A/B	53	2.7	3168		97.3	114161	
	5 C/D	47	2.7	2821		97.3	101655	
	5 E	31	2.7	1832	9416	97.3	66004	339308
Shortraker	Coastwide	88	0.209	406	406	99.791	193995	193995
Rougheye	Coastwide	391	0.209	1802	1802	99.791	860285	860285

Table I Allocation Between Inshore & Offshore pg.2

Note: All figures are based on the Commercial Outside Z N H & L TAC for 2004-2005								
Species	Area	TAC tonnes	Inshore %	Inshore lbs	Inshore Total	Offshore %	Offshore lbs	Offshore Total
Shortspine Thornyhead	Coastwide	18	0.209	81	81	99.791	38522	38522
Longspine Thornyhead	Coastwide	10	0.209	45	45	99.79	21406	21406
Yellow Mouth	3 C	6	1.6	217		98.36	13011	
	3 D, 5 A/B	29	1.6	1048		98.36	62885	
	5 C/D	18	1.6	650		98.36	39032	
	5 E	8	1.6	289	2204	98.36	17348	132276
Redstripe	3C	5	2.3	254		97.7	10769	
	3 D, 5 A/B	22	2.3	1116		97.7	47386	
	5 C/D	9	2.3	456		97.7	19386	
	5 E	7	2.3	355	2181	97.7	15077	92617

Table I Allocation Between Inshore & Offshore pg.3

Note:All figures are based on the Commercial Outside Z N H & L TAC for 2004-2005								
Species	Area	TAC tonnes	Inshore %	Inshore lbs	Inshore Total	Offshore %	Offshore lbs.	Offshore Total
Yellow Tail	3 C	11	12.2	2958		87.89	21314	
	3 D, 5A/B, 5C/D/E	38	12.2	10221	13179	87.89	73630	94944
Widow	Coastwide	42	1.24	1148	1148	98.76	91445	91445

Table II Inshore Quota per Licence

Note: All figures are based on the Commercial Outside ZN H & L T AC for 2004 -2005

Species	Area	Inshore Allocation	40 Inshore Options	60 Inshore Options	80 Inshore Options	100 Inshore Options
Yellow eye	3 C/D	8395	210	140	105	84
	5 A/B	3898	97	65	49	39
	5 C/D	4947	124	82	62	49
	5E	4797	119	79	59	48
		22036	550	366	275	220
Quillback, Copper, China & Tiger Rockfish Combined	3 C/D	119300	2983	1988	1491	1193
	5 A/B	61707	1543	1028	771	617
	5 C/D	90503	2263	1508	1131	905
	5E	6171	154	103	77	62
		277681	6943	4628	3470	2777
Canary	3 C/D	4226	106	70	53	42
	5 A/B	2117	53	35	26	21
	5 C/D	807	20	13	10	8
	5E	1207	30	20	15	12
		8357	209	138	104	83
Silver	3 C/D	1595	40	27	20	16
Grey	5 A/B	3168	79	53	40	32
	5 C/D	2821	70	47	35	28
	5 E	1832	46	31	23	18
		9416	235	158	118	94

Table II Inshore Quota per Licence pg 2

Note: All figures are based on the Commercial Outside ZN H & L T AC for 2004 -2005

Species	Area	Inshore Allocation	40 Inshore Options	60 Inshore Options	80 Inshore Options	100 Inshore Options
Shortraker	Coastwide	406	10	7	5	4
Roughe ye	Coastwide	1802	45	30	23	18
Shortspine	Coastwide	81	2	1	1	1
Thornyhead						
Longspine	Coastwide	45	1	1	1	1
Thorn yhead						
Yellow mouth	3 C	217	5	4	3	2
	3 D, 5 A/B	1048	26	17	13	10
	5 C/D	650	16	11	8	7
	5 E	289	8	5	4	3
		2204	55	37	28	22

Table III Offshore Quota per Licence

All figures are based on the Commercial Outside ZN H & L TAC for 2004-2005

Species	Area	Offshore TAC	100 Offshore Options	120 Offshore Options	140 Offshore Options
Yellow eye	3C/D,5A	115065	1151	959	822
	5 A/B	53421	534	445	382
	5 C/D	67804	678	565	484
	5 E	65750	658	548	470
		302038	3021	2516	2157
Quillback,Copper, China & Tiger Rockfish Combined	3C/D,5A	8568	86	71	61
	5 A/B	4431	44	37	32
	5 C/D	6499	65	54	46
	5 E	443	4	4	3
		19941	200	166	142
Canary	3C/D,5A	152300	1523	1269	1088
	5 A/B	76279	763	636	545
	5 C/D	29066	291	242	208
	5 E	43481	435	362	311
		301126	3012	2509	2152
Silver Grey	3 C/D	57488	575	479	410
	5 A/B	114161	1142	951	815
	5 C/D	101655	1017	847	726
	5 E	66004	660	550	471
		339308	3394	2827	2422

Table III Offshore Quota per Licence

All figures are based on the Commercial Outside ZN H & L TAC for 2004-2005

Species	Area	Offshore TAC	100 Offshore Options	120 Offshore Options	140 Offshore Options
Yellow eye	3C/D,5A	115065	1151	959	822
	5 A/B	53421	534	445	382
	5 C/D	67804	678	565	484
	5 E	65750	658	548	470
		302038	3021	2516	2157
Quillback, Copper, China & Tiger Rockfish Combined	3C/D,5A	8568	86	71	61
	5 A/B	4431	44	37	32
	5 C/D	6499	65	54	46
	5 E	443	4	4	3
		19941	200	166	142
Canary	3C/D,5A	152300	1523	1269	1088
	5 A/B	76279	763	636	545
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Silver Grey	3 C/D	57488	575	479	410
	5 A/B	114161	1142	951	815
	5 C/D	101655	1017	847	726
	5 E	66004	660	550	471
		339308	3394	2827	2422

Table III Offshore Quota per Licence pg. 2

All figures are based on the Commercial Outside ZN H & L TAC for 2004-2005

Species	Area	Offshore TAC	100 Offshore Options	120 Offshore Options	140 Offshore Options
Shorthead	Coastwide	193995	1940	1617	1386
Rough eye	Coastwide	860285	8603	7169	6145
Shortspine Thorn yhead	Coastwide	38522	385	321	275
Longspine Thorn yhead	Coastwide	214066	214	178	153
Yellow mouth	3 C	13011	130	108	93
	3 D, 5 A/B	62885	629	524	449
	5 C/D	39032	390	325	278
	5 E	17348	173	145	124
		132276	1323	1102	945

Table III Offshore Quota per Licence pg. 3

All figures are based on the Commercial Outside ZN H & L TAC for 2004-2005

Species	Area	Offshore lbs	100 Offshore Options	120 Offshore Options	140 Offshore Options
Red Stripe	3C	10769	108	90	77
	3 D, 5 A/B	47386	474	395	338
	5 C/D	19385	194	162	138
	5 E	15077	151	126	108
		92617	926	772	662
Yellow Tail	3C	21314	213	178	152
	3 D, 5 A/B 5 DC/D/E	7363	736	614	526
Widow	Coastwide	91445	914	762	659
Non Quota Rockfish					
Non Quota Rockfish	Coastwide	LIMIT OF 15000 LBS PER MONTH			
Black Rock Fish	Coastwide	1000 lbs per month			

BALLOT

As an Outside ZN license eligibility holder, I support the following option for initial allocation quota in the commercial Outside ZN H & L fishery.

Equal Share

Inshore/Offshore

ZN Licence Tab #: _____

Licence Eligibility Holder Name: _____

(Please Print)

Licence Eligibility Holder Signature: _____

Licence Eligibility Holder Address: _____

Date: _____

***Please return form by no later than
'Spring', 2005 to:***

***Mr. Barry H. Obara, CA
Obara Lee & Co.
Chartered Accountants
216-911 Yates Street,
Victoria BC V8V 4 X3***

***Tel: (250) 388-7879 OR
Fax: (250) 381-0808***

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