



House of Commons
CANADA

Standing Committee on Fisheries and Oceans

FOPO • NUMBER 043 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, June 21, 2005

—
Chair

Mr. Tom Wappel

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

Standing Committee on Fisheries and Oceans

Tuesday, June 21, 2005

• (1140)

[English]

The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)): I'd like to call the meeting to order. We have quorum for the purposes of hearing witnesses.

Pursuant to Standing Order 108(2), we're continuing our study on the turbot quota of the Baffin Fisheries Coalition in the Davis Strait. I'd like to apologize to our witnesses in advance of their presentations for our being delayed through no fault of our own. There was a vote in the House of Commons.

Just before we get to you, I want to let you know I was able to steer through the Liaison Committee the request for travel to Newfoundland at the end of September. We were about \$20,000 short, but the Liaison Committee was able to find the money. So the trip is funded; it just has not yet been approved by the House. My understanding is that it is on the agenda for the House leaders either at their meeting today, if they have one, or tomorrow. In particular, since I've spoken to my office, if the opposition members could speak to their respective House leaders on this issue, maybe we could get something passed before the House adjourns, whenever that may be. Then the clerk can proceed with booking things.

We have here today with us Joe Tigullaraq from the Nunavut Wildlife Management Board.

Have I said that more or less correctly?

Mr. Joe Tigullaraq (Chief Executive Officer, Nunavut Wildlife Management Board): Yes, precisely.

The Chair: He's the chief executive officer. With him are Jim Noble, chief operating officer; and Michael d'Eça, legal counsel.

From the Nunavut Tunngavik Incorporated, we have Jeffrey Maurice, fisheries adviser; and John Merritt, legislative counsel.

My understanding is that they have coordinated this among themselves, and we'll have the Tunngavik Incorporated begin the presentations. You may or may not be aware you have up to 15 minutes, although you don't have to take 15 minutes. Then we'll go to the other group for 15 minutes, and then we'll go to questions.

Mr. Maurice, go ahead.

Mr. Jeffrey Maurice (Fisheries Adviser, Nunavut Tunngavik Incorporated): Thank you, Mr. Chairman and committee members, for inviting us to speak with you today.

My name is Jeff Maurice. I live and work in Iqaluit as a fishery adviser for Nunavut Tunngavik Incorporated. With me is my colleague, John Merritt, our legislative counsel.

NTI represents the Inuit of Nunavut for the purpose of the Nunavut Land Claims Agreement. There are roughly 26,000 Inuit in Nunavut, which translates to roughly 85% of Nunavut's population. In 1993 the Crown, on behalf of the Government of Canada, signed with us the Nunavut Land Claims Agreement, and Parliament ratified it. The agreement provides the mechanisms for creating the new territory that came into place in April 1999.

Our agreement also creates new institutes of public government such as the Nunavut Wildlife Management Board, which you'll hear from today. Such bodies enable Inuit to participate more meaningfully in the decision-making process for the management of resources and wildlife in Nunavut.

NTI's mission statement is the economic, social, and cultural well-being of Inuit through the implementation of the Nunavut Land Claims Agreement. We work to ensure the agreement is respected and properly implemented by government.

I would like to tell you a little about our involvement with Nunavut fisheries. Although Inuit have strong ties and dependence on Nunavut's marine resources, major Nunavut involvement in adjacent commercial fisheries is relatively recent. Nunavut did not gain access to core licences to species such as shrimp until 1986. In 1991, the Department of Fisheries and Oceans introduced the groundfish development program to encourage the development of underutilized groundfish species by providing access to existing licence-holders. As a result, Nunavut did not benefit from this program. To this day, Nunavut still does not have access to a core licence for the turbot fishery in our adjacent offshore waters.

Nunavut's involvement in the NAFO sub-area 0B turbot fisheries is through an individual quota system, which is suballocated by the Nunavut Wildlife Management Board. This accounts for roughly 27% of the available commercial quotas in 0B, our adjacent waters. About half a dozen Nunavut communities and companies involved in this fishery are not entitled to fish the competitive quota available to southern fishers. Access to this competitive fishery would greatly enhance the economic viability of our fishery.

All other provinces and territories enjoy relative access to about 80% to 100% of their adjacent fishing resources. No other province or territory would stand for getting only 20% to 30% of their adjacent fisheries. It is NNT's goal to see the end of this discrimination against Nunavut fisheries, and we seek the help of this committee in achieving this goal. A positive resolution adopted by this committee on this point would be greatly appreciated.

Prior to the development of exploratory turbot fishery in NAFO sub-area 0A and the creation of the Baffin Fisheries Coalition, Nunavut's turbot offshore fishery was extremely fragmented. Investment in our offshore turbot fisheries was almost non-existent, as Nunavut's turbot allocations were considered too small to justify major expenditures. Lack of allocations and investment have combined to form a vicious cycle.

Nunavut has limited infrastructure in the form of fishing vessels, small craft harbours, and ports. Nunavut's limited processing capabilities have worked against efficiencies of scale, compounding problems arising from high transportation costs to our isolated region of Canada. Nunavut, not presented with the same opportunities as southern fishers, was limited to a royalty-based charter fishery, with token jobs on factory freezer trawlers. Sadly, this is still the case today. Many of the southern provinces are still benefiting from the sub-area 0B fishery, and many of the profits go south.

• (1145)

In 2001 the Minister of Fisheries and Oceans made a positive move, a positive step forward, by allocating the entire 3,500-metric-tonne exploratory quota in NAFO subarea 0A exclusively for Nunavut. This new exploratory quota was based on positive results of the scientific surveys conducted jointly by the Nunavut Wildlife Management Board and the Department of Fisheries and Oceans central and Arctic region.

In April 2001 the Nunavut Wildlife Management Board met with relevant Nunavut organizations, Nunavut 0B...quota holders, and 11 hunters and trappers organizations. These hunters and trappers organizations from communities along the Baffin coast were involved in this meeting as well as a few Inuit-owned private companies. It was decided at this meeting to keep this new exploratory quota as a whole instead of dividing it up amongst the stakeholders. A memorandum of understanding with stakeholders was signed, and the Baffin Fisheries Coalition was formed.

The main intention of forming the Baffin Fisheries Coalition was to improve Nunavut's involvement in its adjacent offshore fisheries by pursuing some key initiatives: creating additional capacity required for developing the turbot fishery, mandating a sector champion to push for improved access to our adjacent fishing resources, and maximizing the benefit that would be realized for these members.

Nunavut fishers have accomplished many things in our fishery, and we have gone a long way since 1994, when we only had 3.5% of our adjacent turbot quota in NAFO 0B. Those of us involved in the coalition have no doubt made some mistakes, but we are proud of what we have accomplished and we are determined to accomplish more.

One recent accomplishment is the development of the Nunavut fishery strategy, which was released just about a month ago. In 2004 the Government of Nunavut released the strategic framework of Nunavut fisheries. Development of this fishery strategy began shortly after NNT—Nunavut Tunngavik Incorporated—and the Government of Nunavut signed a protocol called *Iqqanaijaqatigiit*, which means “working together”. This protocol reflects and guides the growing cooperation between the two organizations.

The Nunavut fisheries strategy involved extensive consultations through the winter of 2004 with Nunavut stakeholders, the Nunavut public, and particularly those Nunavut organizations and individuals with specific interests in the commercial fishery. I would encourage the committee members to look closely at this strategy.

Nunavut's Inuit know that NNT is working diligently on fisheries issues, but the Government of Canada and the Department of Fisheries and Oceans in particular have to be more cooperative and constructively support our determination to create thriving and sustainable commercial fisheries in adjacent waters. At a minimum, this requires two things: first, negotiating a concrete and reliable schedule with us for increasing Nunavut's share of available fish in waters adjacent to Nunavut to the level enjoyed by all other provinces and territories in Canada, and second, making federal contributions to the needed investment in basic infrastructure. These are the things we are asking of the Government of Canada.

That's all I have for now. I'd like to thank you for letting me speak today, and I will ask Mr. Merritt to make any additional comments. If you have some questions, please feel free to ask.

Thank you.

• (1150)

The Chair: Thank you, Mr. Maurice.

Mr. Merritt.

Mr. John Merritt (Legislative Counsel, Nunavut Tunngavik Incorporated): Thank you, Chair.

I just have three points to supplement what my colleague has said.

The first point is just to reinforce that an unacceptable proportion of the allocation goes to Nunavut in comparison with what's given to other provinces and territories. Different numbers have been used and one can evaluate the disparity according to different tests, but Nunavut is essentially getting about 40% of the commercial turbot and shrimp fishery. Other provinces and territories get 85% to 100%. It's true that this number has floated up in recent years, but it's still only about half of what the rest of the country is getting.

NTI believes not only that this proportion is contrary to elements of the Nunavut Land Claims Agreement—and there's been a history of litigation about that—but it may well be contrary to the Charter of Rights section 15, the equality provisions. Policies are vulnerable to charter analysis. The fact that the department is sustaining this policy and not negotiating a closing of the gap to the levels seen in the rest of the country suggests to us there is a problem with section 15 of the charter. That's the first point I'd flag.

The second is that the fisheries department has not amended its fishing zones since 1993. In 1993 the Nunavut Land Claims Agreement created a settlement area and established that settlement area in a considerable portion of marine areas east of Baffin Island. Fisheries continues to administer fishing zones that go down to the low-water mark. There is a disconnection between the fishing zones regime being administered by the Department of Fisheries, which is in effect the pre-agreement world, and the settlement area, where Inuit have enhanced rights within the core area. We think Fisheries should amend its fisheries regime to bring it into line with the geographic regions established in the land claims agreement. It's been 12 years.

The third and final point I'll make is, as with the disconnection between fishing zones and the provisions of the land claims agreement, the fisheries department has not amended its fishing regulations to bring them in line with the Nunavut Land Claims Agreement. This probably means in practice that a lot of prosecutions would fail if launched against Inuit in Nunavut. People have been, I think, fairly cautious about avoiding legal issues associated with the fact that the fisheries regulations are now 12 years out of date.

NTI, the Wildlife Management Board, and the Government of Nunavut have offered to work with Fisheries to come up with new fisheries regulations. There was a working group instituted. Fisheries broke off those discussions approximately a year ago; I believe there are coordination problems with the Departments of Justice and Fisheries. When NTI met with the minister several months ago, he committed to try to finish off the new fisheries regulations for Nunavut by the end of the year. From our perspective that's a very optimistic timeline, although it's certainly a welcome project if Fisheries is prepared to move on it.

Thank you, Chair.

The Chair: Thank you very much.

We'll now go to the Nunavut Wildlife Management Board. Mr. Tigullaraq will be giving the presentation, I presume.

Mr. Joe Tigullaraq: Thank you.

[Witness speaks in Inuktitut]

Thank you for the opportunity to appear before you today. My name is Joe Tigullaraq. I'm the CEO and chairperson nominee of the Nunavut Wildlife Management Board since March 18, 2005. With me are my colleagues, Jim Noble, chief operating officer of the NWMB, and Michael d'Eça, Nunavut Wildlife Management Board legal counsel.

I would like to briefly discuss two matters in my opening comments: first, to explain the NWMB decision-making advisory

role under the Nunavut Land Claims Agreement, which I will refer to as the agreement; and second, to briefly set out the policies developed and followed by the Nunavut Wildlife Management Board in allocating commercial marine fishing quotas. Following my remarks, the NWMB's legal adviser, Michael d'Eça, will provide you with a brief review of the development of Nunavut's adjacent offshore turbot fishery to date.

I will begin with the roles of the NWMB. The NWMB is composed of nine members, four appointed by Inuit, three by the federal government, and one by the territorial government, with the chairperson nominated by the other eight members and appointed by the federal government. Under the terms of the agreement, the NWMB acts as an independent tribunal that makes most of the decisions dealing with wildlife management within the Nunavut settlement area, known as NSA. The NSA covers all of Nunavut's land territory, except for a few small inlands in Hudson Bay, in Hudson Strait, all of its inland waters, and all marine areas up to the outer limit of Nunavut's adjacent territorial sea.

Within the NSA, it is the NWMB that makes decisions related to establishing, modifying, or removing limitations on harvesting. With respect to commercial fishing, for instance, the NWMB sets total allowable harvests, gear restrictions, and seasons. And if a total allowable harvest, gear restriction, or season needs to be changed, the proposal must come to the NWMB for a decision. The NWMB is also responsible for commercial allocations within the NSA. All of the NWMB harvest limitation decisions are subject to review by the appropriate minister under the terms of the agreement. Although it rarely happens, the minister can eventually reject a NWMB decision, as long as the minister meets certain conditions set out in the agreement.

Outside the NSA, it is the minister who makes all wildlife management decisions, including setting commercial quotas, gear restrictions, and seasons, and deciding on allocations. However, the agreement does provide an important wildlife advisory role for the NWMB outside the NSA, and the minister is explicitly required by the agreement to seek and consider that advice. The NWMB's advisory jurisdiction extends to the east of the NSA throughout the waters of Davis Strait and Baffin Bay, subject to Canada's jurisdiction, that are not part of another land claim settlement area, and to the south of NSA throughout those waters of James Bay, Hudson Bay, and Hudson Strait that are not part of another land claim settlement area.

In Nunavut's adjacent offshore waters, the Minister of Fisheries and Oceans determines the territory's regional allocations in particular fisheries— for example, Nunavut's 4,000 tonnes in division 0A. Although not required to do so by the agreement, the minister has delegated to the NWMB the responsibility for suballocating those regional allocations to individual fishers. To date, the board's allocation decisions in the offshore have not been subject to formal review by the minister, although the NWMB does inform the minister of them prior to any public announcements.

• (1155)

My second topic is the NWMB's allocation policies. The board's main allocation policy for commercial marine fisheries, established in January 2001, is firmly based on a number of principles, objectives, and other directions set out in the agreement. These are used as guidelines by the NWMB to establish criteria to evaluate applications for allocations in offshore fisheries with established commercial quotas, as well as for allocations in new, emerging fisheries.

Both the turbot and shrimp fisheries in waters adjacent to Nunavut have established commercial quotas. There are always more applicants for these fisheries than available allocations; therefore, it is extremely important for the Nunavut Wildlife Management Board to evaluate applications impartially, using fair and objective criteria.

There are eight criteria used by the Nunavut Wildlife Management Board to evaluate applications for allocations within its adjacent turbot and shrimp fisheries.

First, communities closest to the fishing areas will have priority over those farther from the fishing area.

Second, ownership by regional wildlife organizations, hunters and trappers organizations, or residents of Nunavut will have priority.

Third, applicants providing employment to Nunavut residents, especially Inuit, in harvesting and/or processing will have priority.

Fourth, applicants providing training to Nunavut residents, especially Inuit, in harvesting and/or processing will have priority.

Fifth, applicants providing other economic benefits to Nunavut residents, especially Inuit, will have priority.

Sixth, applicants and communities with an existing dependence on a fishery and a demonstrated ability to successfully harvest their allocations will have priority over new applicants.

Seventh, applicants using harvesting methods that best uphold the principles of conservation will have priority.

Eighth, applicants demonstrating compliance with management, conservation, or harvesting plans approved by the NWMB will have priority.

In a professional, independent, and impartial manner, the NWMB takes the combination of the above eight factors into account in reviewing all applications.

Complementing the NWMB's main allocation policy is a second policy, established in 2002, which states that individual allocations in the offshore turbot and shrimp fisheries are renewable for up to

three years, subject to three conditions: one, a satisfactory effort to harvest the allocation each year; two, the provision of a comprehensive report at the close of the fishery each year; and three, the continuation of the fisheries by DFO at the same quota level each year.

In conclusion, I should also mention two other things. The first is that all of the three-year renewals end as of December 31, 2005. Accordingly, all allocations in all of Nunavut's fisheries are to be formally reconsidered prior to the 2006 harvesting season.

Secondly, the board has scheduled a comprehensive review of its allocation policies for later this year. The results of that review will be subject to public consultations, and the NWMB is planning to have a revised policy in place for its consideration of all the 2006 commercial fisheries applications in the Davis Strait and Baffin Bay.

Thank you.

I will turn it over to Mr. d'Eça now.

• (1200)

The Chair: Before you do, sir, I'm just wondering if you could help me out here concerning your remarks on page four. You're talking about the "principles, objectives and other directions" set out in the Nunavut Land Claims Agreement. Could you tell me what sections you're referring to?

Mr. Joe Tigullaraq: Thank you, Mr. Chairman.

I will turn that over to Mr. d'Eça for response.

The Chair: Maybe before you begin your response, Mr. d'Eça, you could refer me to the sections of the agreement that are referred to in that remark.

Mr. Michael d'Eça (Legal Counsel, Nunavut Wildlife Management Board): Thank you, Mr. Chairman.

Actually, what you would want to do is get a copy of our full policy, because there are a number of sections... What we do in our policies is set up principles that are governing the decisions. I can read out the articles and sections if you want.

The Chair: I just need to know the section numbers that are referred to for "principles, objectives, and other directions".

Mr. Michael d'Eça: There are sections 5.1.2 and 5.1.3 of the agreement, which set out the principles and objectives of article 5; section 5.1.5, which sets out the principles of conservation the NWMB must follow in establishing, modifying, or removing limitations on harvesting; section 5.6.38 and 5.6.39, which set out how the NWMB allocates commercial portions of what we refer to as the surplus in the agreement. If you move to article 15, the committee may be familiar with section 15.3.7. That's the one that requires the Government of Canada to take into account the principles of adjacency and the economic dependency of communities in the Nunavut settlement area on fish resources.

I'm looking at a couple of others. Subsection 5.6.45(a) says that in allocating commercial licences, preference must be given to those who have resided in the Nunavut settlement area for at least 18 months prior to their application; also there's subsection 5.6.45(b).

Those generally are the sections. There may be more to it. As I said, the policy is a good six or seven pages long. We have a copy here only in English, but we can certainly get copies to you. They may have been translated, because they went to the Senate committee last year, and I suspect there are translated copies of those.

• (1205)

The Chair: Yes, we would like that. Thank you.

My question and your answer will not come off your time.

Mr. Michael d'Eça: How much time do I have, Mr. Chairman?

The Chair: Let's say five minutes.

Mr. Michael d'Eça: Five minutes. In that case I won't go to my prepared comments, because I think that would take maybe eight or nine minutes.

Let me state what the NWMB is hoping from some of the recommendations that would come from this committee in its review of the situation in zone 0A. We take it as a given that the committee is undertaking this study to assist Nunavut in the development of its fisheries. We have appeared before this committee on several occasions. Your Nunavut report, which I think came out in 1998, was very helpful in the struggle to achieve control of Nunavut's fisheries.

In this particular case, we know you're interested in exploring various aspects of the quota allocated to the BFC. That's fine, and we can talk about that today, but we're hoping you would be interested in what recommendations the NWMB would like to see come from the committee. We have three of them.

First of all, the committee would call upon the federal government to continue to support the NWMB, NTI, and the GN in their ongoing efforts to responsibly direct the development of Nunavut's fisheries for Nunavummiut.

Secondly, and NTI already spoke to this, the federal government should increase its efforts to expand access and allocations for Nunavut fishers in their adjacent waters, with the goal of achieving equity with all of the other Atlantic jurisdictions, and that is allocations of around 80% to 90% of adjacent fish resources. We're halfway there. Well, at the low end, we're halfway there.

Finally, and very importantly, the committee recommends that the federal government develop and implement, in full collaboration with Nunavut, two things: a plan to build a fishery infrastructure within Nunavut comparable to that in the southern Atlantic fisheries—that's key to inshore development and key to development of the fishery—and secondly, a licensing regime that reflects and supports the interests of Nunavut's emerging fishery and takes account of the terms of the Nunavut Land Claims Agreement.

I'll leave my comments at that, Mr. Chairman.

The Chair: Okay, thank you.

We'll go to questions, then, and we'll start with Mr. Hearn for 10 minutes.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Thank you very much, Mr. Chair, and let me thank the witnesses for being here.

Today it's a very important issue, perhaps more important today than ever, because as each day goes by we all become fully conscious of the resource, which everyone seems to be chasing. Just today, we're reading in the news that major concerns have been expressed about the crab stocks in Atlantic Canada in particular. That, right now, is the only thing that's sustaining the fishery in Atlantic Canada. If the crab stocks are depleted, I'm not sure exactly where we're going to end up. It was bad enough when we lost the groundfish, but it will be a lot worse if the crab goes, because the investment is much heavier by everyone.

Having said that, you mention that right now you have about 40%, I think, of the total of the resources within your jurisdiction. Do we have any idea of the total value of the resources, particularly turbot and shrimp?

Mr. Jeffrey Maurice: Thank you for your question.

It's estimated to be roughly about \$90 million, just under \$100 million, which includes the value of turbot and shrimp in our offshore resources. That includes labour, jobs, and royalties.

• (1210)

Mr. Loyola Hearn: Who catches the resource presently? How is the harvesting spread?

Mr. Jeffrey Maurice: Do you mean for both turbot and shrimp?

Mr. Loyola Hearn: Yes.

Mr. Jeffrey Maurice: For shrimp, it's quite complicated. As you know, there are 17 licence holders in the Atlantic or northern shrimp fishery. Nunavut holds one and a half of those licences.

In terms of our adjacent shrimp resources, the Nunavut Wildlife Management Board suballocates to mostly Baffin coastal communities, of which there are about half a dozen. In terms of turbot, it's the same. As I said in my presentation earlier, Nunavut does not have a core licence or enterprise allocation for turbot; we have an individual quota. Again, those licence holders are made up of communities along the Baffin coast.

Mr. Loyola Hearn: I think Mr. d'Eça wanted to speak.

Mr. Michael d'Eça: Mr. Hearn, I wanted to mention that my understanding is that of that \$90 million, Nunavut keeps or has about \$9 million to \$10 million, so a lot of it is going in royalty charters and elsewhere. That's the challenge, to try to capture as much of that as possible for the Nunavut economy and Nunavut people.

Mr. Loyola Hearn: That's exactly what I'm trying to get at here when I'm looking at the total resource. Maybe I'll summarize my questions and then you can have comments generally. I was asking how much do we have, who catches it, how many locals are involved in the actual harvesting, how much processing is done in your own region, and who really benefits. You basically answered who benefits.

I'm a firm believer in the fact that we should be getting every ounce, every inch, every cent out of our resources for the benefit of the people closest to that resource, where at all possible. And when we talk about looking for more and more of the resource, if we're not going to benefit ourselves, and instead of benefiting our neighbours we're really benefiting somebody who is much further distant than that, this, to me, doesn't make any sense whatsoever. An increase in quota is one thing if it's going to benefit us, but if it's not benefiting us and, as I say, we're taking it away from our next-door neighbour to give it to some distant relative, then I have real concerns with that.

Maybe you have some comments on those points.

The Chair: Mr. Maurice, go ahead please.

Mr. Jeffrey Maurice: I agree. I think that's one of the things we tried to address in terms of our Nunavut fisheries strategy—that is, to maximize on the benefits of our existing fisheries.

As Michael d'Eça pointed out, we're only seeing about 10% of what we could actually see in our local economy. I encourage committee members to look at the Nunavut fisheries strategy—and take a close look at it. That's what we'd like to see in the future, finding ways of maximizing the benefits that come from our adjacent fisheries.

Mr. Loyola Hearn: Is it simply because you don't have the infrastructure, from a harvesting point of view, to on-land processing plants and wharves, of course, and the trained workforce, and a combination of that? Can we be doing better? Should more of our own people be directly involved in this? Are we giving it away because we have no choice, or are others benefiting because they're taking rather than us giving—"us" being you, of course?

The Chair: Mr. Maurice.

Mr. Jeffrey Maurice: I think you pointed to a key issue right there.

Nunavut has an extreme challenge in terms of infrastructure issues. We currently don't have ownership to an offshore vessel. The Baffin Fisheries Coalition is moving towards ownership of an offshore vessel, so capacity in infrastructure is one of our greatest challenges in developing the offshore. Nunavut does not have one small craft harbour, but we're slowly moving towards that. And one of the things we wanted to address in the fisheries strategy was to lobby the Department of Fisheries and Oceans to bring us a small craft harbour. I think they've been working with the Government of Nunavut quite diligently in terms of developing a working group to address the issue, but it's really not coming soon enough.

• (1215)

The Chair: Mr. d'Eça.

Mr. Michael d'Eça: I would add to that. There's also the matter of the access and the allocations. In Nunavut, only recently with receiving the 0A allocations in 2001 had there been the critical mass

to really look at anything beyond royalty charters. We still see in 0B that's the way it's going, that's the way it has to go. It's a fragmented quota; it's not a very large quota, 1,500 tonnes, which is 400 tonnes less than Seafreeze, one company, has in that whole fishery.

So now we have at least a critical mass to start looking at and to start moving towards vessel acquisition and taking control of Nunavut's fisheries. But we're at a real minimum. We need a much larger allocation of our adjacent resource.

Again, what Nunavut is looking for one word could sum up, and that's equity. It wants the same kind of access to its resource as all of the other Atlantic jurisdictions.

Mr. Loyola Hearn: I have one last question. You mentioned that some of the resource is allocated to the different communities. Are any of these communities themselves harvesting and processing this resource, or do they just share in the royalties from the overall sale of the quota?

The Chair: Mr. Maurice.

Mr. Jeffrey Maurice: In terms of the inshore, the community of Pangnirtung is benefiting probably the most out of any of the Baffin communities as they have a processing plant and fishermen who have the capacity and training to take advantage of that.

In terms of the offshore, we're not quite there yet. It's still a royalty-based charter and the HTOs, or the hunter and trapper organizations, are seeing royalty money and maybe some token jobs here and there on these offshore vessels. But in terms of maximizing the benefits, we're not there yet.

The Chair: There's little time left, so I'm going to take it.

If magically the minister gave you the quota you wanted tomorrow, who would fish it?

Mr. Michael d'Eça: I'll try to field that. What would happen is that the minister would give the quota; he would inform the NWMB that we have another 5,000 tonnes. The NWMB would seek applications, receive them, evaluate them according to its criteria, and then.... There's some discretion when you look at everything. You're balancing various aspects, those eight or nine criteria that Joe mentioned. Then the board would allocate it to the fishers.

But as to who would get it, look at the criteria.

The Chair: I'm sorry, you have no small craft harbours, you have no vessels. Clearly you would have to continue with your royalty policy, and it would continue to be foreign fishing vessels, reflagged under Canadian flags, with hardly any Inuit on board, paying you a royalty and taking the fish away.

Mr. Merritt.

Mr. John Merritt: Our board hasn't asked the minister to be a magician. We don't expect that to happen. What we want is a schedule, an orderly schedule that will establish some predictability and some economic rationality to it. If you're asking the people of Nunavut to make investments in things as insecure as boats, if you're asking the Government of Nunavut to help partner with the Government of Canada and put money in things like small harbours, there has to be some kind of commitment that this is going to make sense. It's not going to make sense if at the end of the day Inuit are engaged in an open-ended scramble, a highly politicized scramble, for access to a share of the resources that falls woefully below what people in the rest of the country who live adjacent to offshore areas are entitled to.

We're not asking for magic. If the minister rolled out of bed tomorrow and said we could have it all, that would be very nice, but people would still then have to make calculated decisions as to how to go about setting up an efficient fishery. So we're not looking for magic. What we want is a set of political commitments that establishes a schedule that is transparent and reliable.

• (1220)

The Chair: Have you done that?

Mr. John Merritt: We have. We've asked repeatedly and we've been denied repeatedly.

The Chair: No, but have you actually set up a schedule that's on paper, that we could take a look at?

Mr. John Merritt: We'd be more than happy to do that, but to ask Inuit to negotiate a schedule in the absence of a negotiating partner is one hand clapping. We've invited the department repeatedly—not only NTI, I might add, but the Government of Nunavut and, for that matter, Makivik Corporation, which represents the Inuit in northern Quebec. We put a joint proposal together to the department, and we asked for the appointment of a negotiator. We did that two years ago, we have yet to see a negotiator. There's a lot of frustration.

The Chair: You have a proposal, though.

Mr. John Merritt: We have a proposal.

The Chair: And it's in writing.

Mr. John Merritt: We have a proposal in writing. We have no federal negotiator, and no commitment to negotiate.

The Chair: I hear that. Can you give us a copy of the proposal?

Mr. John Merritt: We would be more than happy to do that.

The Chair: All right. Thank you.

We'll go to Monsieur Roy.

[*Translation*]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): I think the questions asked by Mr. Hearn and by the chairman, Mr. Wappel, sum up the situation pretty well.

I understand that you have access to a fishery but that you don't harvest it yourself and that you have no means of harvesting it at the present time. This is a rough summary of your situation.

On the other side, you talk about buying a ship—I think Mr. d'Eça said that—and you are saying that your quota is not sufficient to

proceed with the purchase of such a processing ship or factory-ship, if you like. You are saying that it would thus be risky to buy such a ship at this time. With you present quota, you think it would not be profitable, considering that you don't have sufficient access to the resource to be able to refund your loan.

Is this a good understanding of your situation?

[*English*]

Mr. Jeffrey Maurice: That's correct.

Mr. Michael d'Eça: Actually, even with the allocations that Nunavut is receiving now, the BFC is moving forward. They're in a two-year arrangement to see if it works out with the *Inuksuk*. So they're looking to purchase. As I understand it, Nattivak HTO is in the process of purchasing a vessel. So we have reached a critical mass, and we can start moving down that road. Both BFC and Nattivak HTO are moving along those lines. But to have full diversification and development, we need more of the resource. Of course, our position is that we're entitled to more of the resource. We seek equity, the same as all the other jurisdictions.

[*Translation*]

Mr. Jean-Yves Roy: The ship you want to buy would not be to operate offshore but to fish outside, in the NAFO area.

I have a problem with the scale of your map. What is the distance between the dividing line and the Nunavut Territory? Here, in the East, we talk about a 200 miles distance but what is the distance between the territory and the dividing line which was negotiated?

[*English*]

Mr. Jim Noble (Chief Operating Officer, Nunavut Wildlife Management Board): It's 200 miles where it's applicable, but otherwise it's the halfway point.

Mr. Michael d'Eça: That dividing line is between Greenland and Canada. So it depends. The further north you go, the more it narrows. So you don't have your 200 miles; you have a lot less. I think they just have an equidistant number. Around that line of 0A, 0B, I suspect we have the full 200 miles. Of course, there's a line missing there, and that's the Nunavut settlement area, the 12-mile territorial sea. As Mr. Merritt mentioned, there's a different regime there because of the land claims agreement. So you have a regime up to the 12-mile point, and then a regime out to the line equidistant between the two countries. Down near Pangnirtung and Iqaluit, it is the full 200 miles.

[Translation]

Mr. Jean-Yves Roy: I misunderstood. In the area situated outside, in NAFO area 0A and 0B, what is the percentage of the resource you have access to at the present time? Is it the 40% you are talking about? You are saying that the access to the major part of the resource is allocated to the southern provinces, namely Newfoundland and Labrador, and to all the provinces...O.K. I begin to understand.

I have another question to ask you. If you had ships and a port, or at the very least a small craft harbour, would you want to harvest other species than shrimp and turbot and did you make an assessment?

• (1225)

[English]

Mr. Jeffrey Maurice: Well, that is one of the things we'd be interested in looking at, what species are there. Are there other species, or are there underutilized species that we could take advantage of, things like grayling or redfish or what have you? Of course, we would definitely be interested, but as I said, I don't think we're there yet, and there's very little known in terms of the species size and stock in divisions 0A and 0B for those types of other groundfish.

[Translation]

Mr. Jean-Yves Roy: Are these species harvested by others in that area at the present time?

[English]

The Chair: Mr. d'Éca.

Mr. Michael d'Éca: I don't believe so, and this again raises the need for a lot more science, a lot more research, to be done. We feel that our waters in the Davis Strait and Baffin Bay may have commercial quantities of various species, including...Mr. Hearn's not here, but I know we looked for crab a few years back, and we still think we may have the underwater architecture and landscape that would support them, but the research hasn't been there.

The only two species that are known to occur in commercial quantities are turbot and shrimp. But there is the potential for a number of other species, and again, in the fisheries strategy that has been talked about, that's one of the priorities, getting research done and a schedule done and trying to methodically work our way through the surveys and the research that has to be done to see what's there and to start on that road.

[Translation]

Mr. Jean-Yves Roy: Fine. Thank you.

The Chair: Thank you, Mr. Roy.

[English]

Mr. Stoffer, please.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you very much, Mr. Chairman.

Like others on this committee, we would sure like to see the Nunavut fishery expand and grow so that you can all have economic activities in Nunavut that apply by the adjacency principle, which

means those who live near the shore should be able to profit from the shore.

But before we can go into the future, we have to look into your past, and I have some grave concerns over a particular individual who was with your board but who's no longer there, and that is Mr. Ben Kovic. My first question is, when he was on the Nunavut Wildlife Management Board, was he a full-time or a part-time person on that board?

The Chair: Mr. Tigullaraq, can you help us there?

Mr. Joe Tigullaraq: My understanding is that Mr. Ben Kovic was working full-time as the chair of the Nunavut Wildlife Management Board.

Mr. Peter Stoffer: That is a correct answer, actually, because that's what our documents indicate.

Now, on the conflict of interest, it says that prior to a person leaving one organization for another, there has to be a grace period of a year. At the time Mr. Kovic was part of the Nunavut Wildlife Management Board, he oversaw a decision to give to BFC a certain allocation of fish, and the same Mr. Kovic became part of the BFC in February. On February 4, he became the new president of the BFC, and on July 29 he requested in a letter to various people that the BFC get an allocation of fish. Then less than a year later, he was part of the organization that received this quota.

According to the guidelines, for a full-time person to have done this creates a perception of a conflict of interest. Do you see, in your view, that this may be a perception of a conflict of interest?

Mr. Joe Tigullaraq: Mr. Chairman, I'll turn it over to Mr. d'Éca for a response on that.

The Chair: Thank you.

Mr. Michael d'Éca: No, actually, we don't see it as a conflict of interest. The last decision the NWMB made with respect to the BFC was for a one-year extension of the BFC's turbot allocation in division 0A. That would bring them up to December 31 of this year. They made that unanimous decision in April 2004. Mr. Kovic, I assume—I don't recall—was present during that process. We could easily look it up. He didn't vote. He would only vote to break a tie.

So the NWMB made the decision in April 2004. About three and a half months later the BFC decided, gee, we would like a new position of president. So they set out a job description and advertised for it around the beginning of August 2004. They had several applications. They offered the position to Mr. Kovic at the end of October or so, and he resigned from the NWMB in November.

Just to add to that, Nunavut is a small place in terms of the number of people, so the NWMB's wildlife director is now the area director for DFO. Before he took the position with BFC—I think in January of that year—Mr. Kovic ran for the presidency of NTI. He didn't get it, but he could have. When he ran for the presidency, following the rules of the NWMB, he asked for a leave of absence without pay, and he proceeded.

It would be, I think, inappropriate to place severe restrictions on someone like Mr. Kovic under those circumstances. I know you referred to it as a shell game and so on—

• (1230)

Mr. Peter Stoffer: Well, sir, if I may say so, this comes right out of the order in council post-employment compliance measures. I didn't make these rules up. It doesn't matter whether Nunavut is a small place or a large place; rules are rules when it comes to an order in council.

It says very clearly, on page 23 of that, that no person shall accept service contracts or "accept appointment to a board of directors of, or employment with, entities with which they personally, or through their subordinates, had significant official dealings during the period of one year immediately prior to the termination of their service".

That's the rule. I didn't make those rules up. Mr. Kovic was part of a board that allocated quota to BFC. In less than a year—this says there has to be a one-year cooling-off period—he was part of the BFC. And you don't see that there's a problem with that?

Mr. Michael d'Éca: No, I don't.

Mr. Peter Stoffer: That's fine. Thank you.

The Chair: Thank you, Mr. Stoffer.

Mr. Murphy, go ahead, please.

Hon. Shawn Murphy (Charlottetown, Lib.): Thank you very much, Mr. Chairman, and I thank the witnesses for appearing here.

I have a general question. I believe everyone on the fisheries committee wants the fishing industry in Nunavut to be established and to succeed. We want the fishing industry to be controlled by the people of Nunavut and the people working in the industry to be the Inuit.

There is a certain amount of frustration on this committee. This is about the fourth group, I think, we've had from Nunavut over the last four or five months. There was a land claims agreement signed back in 1993. Certain discretionary powers that are normally vested in the Minister of Fisheries and Oceans were, in the case of Nunavut, devolved to the Government of Nunavut and of course the Nunavut Wildlife Management Board. And that went down to the Baffin Fisheries Coalition.

There are groups coming here wanting the minister to go to Nunavut to make allocation decisions, which I don't think he has the power to do, and to get involved with the 11 groups that comprise the Baffin Fisheries Coalition. Again, we have a situation in which the fishery that's being harvested in the Davis Strait is basically being done, except for this new vessel, by either southern interests on their own quarter or by southern interests under royalty agreements with Nunavut groups. I guess what I see—and I'm not an expert, but I did visit the place for a week and I talked to a lot of people about it, and the Government of Canada is to blame for a lot of this—is that we have to start at the bottom, and the bottom, to me, has to be infrastructure.

We cannot have a fishery when we don't have small craft harbours. We cannot have a fishery when we don't have boats. We cannot have a fishery when we don't have trained workers to

prosecute the fishery. Until we get that, we're talking about allocations and we're talking about this and that.

I fundamentally agree with you that the fish caught out there should be for the benefit of the people who live there. I agree with that, fundamentally. But just to go out and have somebody else catch it and give the Nunavut people a 50% royalty...if that's what we're doing in ten years' time, then we have failed and you people have failed.

My point is that we have to start with the infrastructure. I think there is fish there. I agree with you that there has to be a lot more science done. We've talked about this and we've talked about this. When are we going to see some infrastructure put in Nunavut? I guess we're talking more about Baffin Island right now.

Who wants to answer the question?

• (1235)

Mr. Jeffrey Maurice: I can answer that.

The Government of Nunavut right now, as you may know, is working with the Department of Fisheries and Oceans on small craft harbours in the central and Arctic region. They have a working group struck. They have done a feasibility study on small craft harbour implementation in Nunavut. They're projecting the cost of implementing small craft harbours in Nunavut to be about \$40 million.

One of the issues right now, besides implementing small craft harbours in Nunavut, is funding. The Department of Fisheries and Oceans is saying they don't have any money, so I think one of the things they're looking at is northern economic development funds—the new northern strategy that was announced by the Prime Minister this year.

Those are some of the things they're looking at, but there is currently no designated funding for small craft harbours for Nunavut.

Mr. John Merritt: I'll just expand a little bit. I'll go back to the discussion with the chair about the proposal that was put forward a number of years ago jointly by the Government of Nunavut, NTI, and Makivik Corporation. That proposal to the federal government that went jointly to the Department of Fisheries and Oceans and the Department of Indian Affairs and Northern Development did have a significant infrastructure dimension, because there was a realization from our end that you couldn't negotiate this kind of schedule unless you connected allocations with capacity.

I think there has been a realization of the central importance of the point you're making. I think what Nunavut has been seeking is a set of commitments that work together to build up the fishery, but on a predictable basis. There is a certain element of catch-22 here. If you don't have secure allocations, it's hard to make private sector investments against whatever the minister decides by way of where he wants to go in the future. There's a perception that this is heavily politicized, and it's very difficult for Nunavut, a minor player, to predict where some of those politics will go.

Having made that point, clearly there are other people in other parts of Canada who have been similarly concerned. We're aware that in Prince Edward Island similar objections have been raised in a lawsuit that was initiated there about the rule of law and how far one can live in a world where a minister seems to have so much unfettered discretion.

The proposal we put together did very much build on a twin track: allocation and infrastructure.

Hon. Shawn Murphy: Let's stick to the infrastructure. The northern strategy was in the last budget. Do you feel confident that you were able to get into that? And I agree with you, I didn't see it anywhere when we did the estimates, any funding in DFO for this sort of work. But \$40 million should be accessible. Do you think it's going to be available under the northern strategy or under some other sources?

Mr. Jeffrey Maurice: At this point, the Department of Fisheries and Oceans is just putting out ideas in terms of where they can get additional funding, as that is their crucial issue. In a perfect world, I'm hoping the Department of Fisheries and Oceans will foot the bill, plain and simple.

Hon. Shawn Murphy: Well, they do in other places, I agree with you, but that won't be for here.

Mr. Jeffrey Maurice: That's right.

Hon. Shawn Murphy: If it's not from the fisheries and oceans department, it would have to come from the centre.

The comment I'd like to make is this. If this goes on, I'm going to be very frustrated. We have other groups coming here and they want the minister to get involved in the internal allocations of the Baffin Fisheries Coalition. Do you expect him to do that?

•(1240)

Mr. Jeffrey Maurice: NTI is a non-profit organization that speaks to the rights of Inuit under the agreement. As an organization, we tried very carefully to encourage people to work collectively in Nunavut to get the best results. That's a result of our taking a positive approach to the creation of the Baffin Fisheries Coalition, because it seemed like an occasion on which communities could pull together. We've been very mindful that the allocation regime as it exists between Nunavut and the rest of the country means there is intense pressure in Nunavut to compete for what we think is an inadequate share of the resource. So if you create a situation—and I think it's not overstating it to say it's a situation of at least partly artificial scarcity—where you tell communities you're living with 40% of the resource, and you're not going to commit to expanding that, there is intense competition among communities to get the best portion of that.

So one of the consequences of the federal Department of Fisheries and Oceans' unwillingness to negotiate an expansion, according to some schedule, is an increase in tensions and pressures, rivalries and conflict among communities, and that's not a happy outcome. At NTI we are very mindful of that, and that's why we're pushing for a solution that allows some space for all communities to see a common future in what amounts to a reliably expanding Nunavut fishery.

I have one other comment. We're also mindful in terms of promoting a schedule. We're mindful that there are other Canadians who have made investments against the expectation that they will have access to that fishery adjacent to Nunavut. So we think there are elements of fairness and equity. Nunavut is not trying to tell everybody to go home tomorrow morning. We know people have made good-faith commitments and they're entitled to notice, too, if there's going to be some shifting over time. So we're not unmindful that other people's interests have to be taken into account.

Hon. Shawn Murphy: I don't know who the best person is to answer the question, but can you give us an update on the operations and workings of the *Inuksuk*, the vessel that's owned by the Baffin Fisheries Coalition? How is it working? How is the catch history? And is the plan for the workers coming from Nunavut working out?

Mr. Jeffrey Maurice: Mr. Jerry Ward or Ben Kovic would be the person to answer that. I don't know about the day-to-day operations of the *Inuksuk*. I know for a while, when they had the vessel up and running last year, they had issues with keeping their Inuit staff, but I think they're improving and they're moving forward. One of the initiatives that the BFC is championing is the Nunavut Fisheries Training Consortium, which we do get involved in and we're very pleased about, but on the day-to-day operations, I wouldn't be able to answer that question. I'm sorry.

The Chair: Thank you, Mr. Murphy.

We have Mr. Hearn, and then I'm going to take the slot that the Bloc has left open, and then we'll go to Mr. Stoffer.

Mr. Hearn.

Mr. Loyola Hearn: Thank you, Mr. Chair.

I'd like to follow up on the last question that Mr. Murphy raised about the vessel. I understand that negotiations are under way for a second vessel. Is that correct? Are you aware of that?

Mr. Jeffrey Maurice: As we understand it, yes.

Mr. Loyola Hearn: Who is really benefiting from that resource? Are the people of Nunavut or Iqaluit, the Iqaluit area in particular, benefiting from the resource, or is the only thing you see the small share of royalties? How many Inuit are actually working because we have a vessel and maybe two coming on stream?

Mr. Jeffrey Maurice: I don't know exactly how many Inuit are working on the *Inuksuk*. With the lack of infrastructure, the lack of opportunities that southern fishers have had in order to access vessels, our benefit to the fishery right now is through royalty and reinvestment. That's our benefit at the moment.

• (1245)

Mr. Loyola Hearn: The question is, how great is that royalty in relation to the size and the value of the resource?

Mr. Jeffrey Maurice: That's one of the key issues we need to address. With the new fisheries strategy, we are looking to maximize those benefits. But to do so, we need to have access to things like vessels, infrastructure.

The Chair: Mr. Hearn is asking what the royalty is in comparison with the commercial value of the fishery. It's not a theoretical question.

Mr. Jeffrey Maurice: I don't know what the royalty agreement is with the Baffin Fisheries Coalition.

The Chair: Shouldn't you know?

Mr. Jeffrey Maurice: I'm not on the Baffin Fisheries Coalition. I work for Nunavut Tunngavik Incorporated. We represent Inuit of the Nunavut Land Claims Agreement. We're not going to get into the day-to-day operations of the Baffin Fisheries Coalition. They're their own group; they make their own decisions, and we respect that.

The Chair: I'm sorry, Mr. Hearn, it's your turn.

Mr. Loyola Hearn: Actually, we're probably on the same line.

Who sees the value? What do you see in your communities? How are your communities better off today because of the vessel we have catching shrimp and turbot?

The Chair: Mr. Noble, welcome.

Mr. Jim Noble: Thank you, Mr. Chairman.

The *Inuksuk One* spent the winter fishing shrimp in the Labrador and Newfoundland area for the QC quota. They are now up in SFA 2 area fishing shrimp. They are getting extremely good catches. They can't even keep their freezers going to keep up with the shrimp they're getting. There are 8 to 10 Inuit on the boat continually, on a 30-day trip rotation.

In revenue, the BFC has built up a \$2-million bank account to help make a downpayment for a boat, if they decide to buy one. They've put aside \$500,000 for inshore test fishery work or offshore test fishery work. They've recently put about \$100,000 into another test fishery that was carried on up in 0A. The NWMB also contributed to that test fishery. It's probably going to bring another 1,500-metric-tonne quota to our area. BFC is landing close to 400 metric tonnes of free turbot at the Pangnirtung fish plant, which turns into employment for all of our 150 people during the wintertime. That's just dropped there free of charge.

What else? You've got the boat fund, the research fund.

Mr. Michael d'Èça: Training.

Mr. Jim Noble: Training. They've just put \$1 million in a joint venture with HRDC to do a \$3-million training plan in Iqaluit in conjunction with Nova Scotia School of Fisheries and Aquaculture. All this money is coming back to the Inuit here. I don't have a figure

for what percentage of that royalty is going south, but it's also going into the purchase of the vessel.

Maybe that helps a little.

Mr. Loyola Hearn: I have a couple of points to make on that before you get off it.

The free turbot is certainly not free turbot; it's your turbot. You should be getting it anyway.

Three million dollars for training seems like an awful lot of money. I know we'll have some people trained, but somebody is making a lot of money on a training program costing that much.

You mentioned they have money put aside should they purchase a vessel. We were told here that the intention was to purchase the vessel. They allowed the questions about how the vessel was secured in the first place, and we were told, well, we had to make this arrangement while we were going through the procedure of purchase. Have they decided not to purchase the vessel? Are they just looking at it now? What is the story?

Mr. Jim Noble: It was a two-year lease-to-purchase arrangement. I imagine they've moved along in that process, but I'm sure they're looking for some long-term commitment on behalf of the Nunavut Wildlife Management Board and the Minister of Fisheries and Oceans to ensure that they can go to the banks to get the balance of \$15 million or \$20 million for a boat that size. I don't believe they've made that final commitment, because the NWMB has made it very clear, as did we in our presentation also, that we would review our allocation policy this fall. We have not committed past December 2005 to make any decision on how we're going to allocate the whole thing in the future.

• (1250)

Mr. Loyola Hearn: But you've mentioned that the boat has been extremely busy and doing very well and making a tremendous amount of money. I would suggest that there are not a lot of boats out there doing that, so if it's not a lucrative business and not enough to entice them into buying the boat, then I'm not sure.... You know, you can only catch what you can do in x number of days. It doesn't matter how big your quota is; you can only catch a certain amount, so if the boat is as busy as it is right now, I don't know how a larger quota could factor in here.

Mr. Jim Noble: May I mention one factor that hasn't been brought up? It is the fact that you cannot afford to purchase a boat of this size and dollar value unless the boat can fish twelve months a year. There's no downtime for that kind of vessel. It has to work the full time, and that's why, unless we amalgamate and work as a coalition or a group, so that we can share our.... The only group that has a southern quota right now is the Qikitaaluk Corporation; they have the 1.5 shrimp licence. Unless we make deals with Makivik or someone in Newfoundland and make a cross-deal to keep the boat fishing the full year, it's not going to be viable. They were lucky this year, but they're going to want to have a long-term, five- or ten-year commitment to go into a bank loan of this magnitude.

Mr. Loyola Hearn: Thank you, Mr. Chair.

The Chair: I have a few questions.

I'm a little confused about the role of the NTI. In your presentation, Mr. Maurice, you said your mission statement is the "economic, social, and cultural well-being" of Inuit through the implementation of the agreement. Now, how can you have a mission statement like that, and determine whether or not you are successful at it, if you don't have basic information on the economic benefits of the fishery at your fingertips?

Mr. Merritt.

Mr. John Merritt: We're not running a fish company.

The Chair: No, you're looking after the interests of the Inuit, so I would think that you would have the information available from those who are running the fishery.

Mr. John Merritt: I believe there was information supplied here. If there are further details that you would like us to find for you, we would be more than happy to try to undertake to do that. But let me make the point—

The Chair: Mr. Merritt, I'm sorry. No, no. Let me make the point. Mr. Hearn asked what the value of the fishery is and what the value of the royalty is. That's a pretty simple, basic question, and you couldn't answer it.

Mr. John Merritt: No. That question was answered—

The Chair: What is it?

Mr. John Merritt: —when we started off the questions. It was \$90 million. That was the front end of it.

The Chair: And what's the royalty?

Mr. John Merritt: I don't know what the royalty is.

The Chair: Well, why not? Surely that has to be a determination of—

Mr. John Merritt: We don't collect the royalty. We don't claim to have all the facts and figures in relation to all the distributions of economic rent throughout the entire industry. But I'm not sure why you'd expect us to have that.

The Chair: Because you're looking after the interests of the Inuit, and you have to have that information to determine whether the interests of the Inuit are in fact being looked at by these allocations.

Mr. John Merritt: We made a presentation that says—quite apart from the management in detail of particular subsections of this industry—we believe there is a fundamental gross inequality in how Nunavut is treated compared to the rest of the country. The rest of the

country gets 85% to 100% of the fish adjacent. We don't see a pattern whereby the Government of Canada then says to Prince Edward Island or Newfoundland that they're only getting 40% unless we're convinced at a committee that you know how to deal with the rest of it. You don't subject those parts of the country to that level of analysis. Why is this fundamental issue of regional discrimination being reduced to whether or not NTI has fingertip statistics on the breakout of what we believe is a minor and unsatisfactory level of royalty?

The Chair: From my perspective, one has nothing to do with the other. I'm trying to figure out how you accomplish your mission statement in the absence of facts to demonstrate that the Inuit are benefiting from the allocations and how they are benefiting from the allocations.

Mr. John Merritt: Sir, you're the one who earlier referred to magic. We're not interested in magic; we're interested in facts and realities. We've offered to negotiate on the strength of positions developed according to schedules that would take into account problems of infrastructure deficit, problems of other users, problems of how we build up the capital necessary to make sound investments.

NTI sits on capital transfers that were part of the land claims agreement in 1993. We have had a parade of people trying to sell investments in snake oil companies, strip malls in Florida, you name it. NTI takes the view that we invest in publicly traded shares in companies to preserve a capital base for future generations. That's a very sound and prudent approach to the management of people's money.

If we say to you offhand that we're not sure the economics of the industry at the moment as it's structured by the Government of Canada, with a very partial minority share of that fishery, with a seasonal fishery only, warrants people running off and buying a lot of boats, that is a point of prudence. I'm not an economist; I'm not a banker, and my colleague isn't, and we don't make those financial calls. I think it would be irresponsible if our organization put itself out as an organization that can manage a fishery in detail on a day-to-day basis.

The Chair: No one is suggesting that. I simply asked if you had any way of judging whether or not whatever is happening in the fishery is in the best interests of the Inuit. That was my only question.

Mr. John Merritt: The answer to that is it's not being managed by the Department of Fisheries and Oceans in the best interests of the Inuit.

• (1255)

The Chair: The Department of Fisheries and Oceans isn't managing it.

Mr. John Merritt: It's presiding over a situation where the Inuit appear to be a permanent minority shareholder in their own fishery, and we think that is something this committee should be concerned about and should react against.

The Chair: Mr. Merritt, we know that within the 12-mile limit the resource is managed by the NWMB, not by the Minister of Fisheries and Oceans. He accepts the recommendations that are given.

Let me turn my attention, then, to the NWMB. You said in your opening remarks, Mr. Tigullaraq, that you have a second policy that was established in 2002. I'm wondering, is the Baffin Fisheries Coalition subject to that second policy?

Mr. Joe Tigullaraq: Thank you, Mr. Chairman.

I'll turn it over to Mr. d'Eça for a response on that.

The Chair: Thank you.

Mr. Michael d'Eça: All of the fishers in the shrimp and turbot fisheries are subject to that policy.

The Chair: You've received a comprehensive report at the close of the fishery each year from the Baffin Fisheries Coalition, is that correct?

Mr. Michael d'Eça: Yes, from all fishers. I was actually going to raise that in your discussion with Mr. Merritt.

The NWMB, of course, has its criteria, because it has to choose; demand exceeds supply, so it has to have some way of objectively looking at this thing. We've run through with you what the various criteria are. Then at the end of the season the fishers report, because we have to be able to decide for the next year. We don't get the specific information you're asking for in terms of how much you pay for royalties. We get employment statistics and so on.

The Chair: Don't you think, Mr. d'Eça, that it would be relevant?

Let's pick the one boat. I have no idea what the numbers are, but let's say that it fishes commercially \$30 million, and the royalty is \$1 million. Don't you think that's relevant? Perhaps the royalty is \$15 million, as opposed to \$30 million. In other words, 10% comes back to the community and 90% goes to the owners, or 50-50, or 60-40. Don't you think that's a relevant fact that you should have in front of you before you make a decision as to the next allocation?

Mr. Michael d'Eça: Mr. Chairman, I'm not exactly sure what it is precisely that you're seeking. Taking the Baffin Fisheries Coalition as an example, it's in a charter arrangement with the *Inuksuk* and appears to be buying it. What the NWMB wants to know is are they investing in the Nunavut fishery, are they employing Inuit, those kinds of statistics.

Are you asking how much the BFC is paying for the use of the *Inuksuk*?

The Chair: No. I'm asking, as I think Mr. Hearn was asking, how much of the actual commercial value of the fishery is coming to Nunavut.

• (1300)

Mr. Loyola Hearn: Are you getting a fair share?

The Chair: That's what we're asking.

I'm throwing out a figure. Suppose the commercial value of the fishery is \$30 million. And I have no idea whether that's a correct figure or not. How much of that is flowing back to Nunavut?

Mr. Michael d'Eça: I think that is fair, and we do want to know that. Although I don't have that here today, and it isn't part of the criteria that the NWMB uses, the NWMB not being—

The Chair: But wouldn't it be part of a comprehensive report to know how much of the fishery that is from the territory is flowing back to the territory ?

Mr. Michael d'Eça: I believe that is reported. For instance, we gave you the figure of approximately \$90 million, and we get approximately 10%. That likely applies to the BFC situation as well, but it may not; I don't know the exact figures by any means.

I mean, Nunavut as a whole is aware of that. It's taken into account as part of the overall process.

Now, I don't want to sidestep your question by saying this, but the NWMB is the wildlife management agency. The Government of Nunavut very much does the economic development, and NTI has its role. Working together, they try to move the fishery forward.

The Chair: But the NWMB's responsibility is to set total allowable harvests, gear restrictions, seasons, and commercial allocations. That's their responsibility.

Mr. Michael d'Eça: In the Nunavut settlement area.

The Chair: Yes. That's their responsibility.

Mr. Michael d'Eça: But we're talking about outside the Nunavut settlement area.

The Chair: That's not the Government of Nunavut's responsibility, that's NWMB's responsibility.

Mr. Michael d'Eça: Yes, but what we're talking about is the offshore.

The Chair: I'm talking about inshore now—

Mr. Michael d'Eça: Oh, okay.

The Chair: —and then also offshore.

Mr. Michael d'Eça: Okay.

Inshore, it's actually what I would describe as a co-jurisdictional arrangement. It's unfair and incorrect to say that just the NWMB manages, or to say that somehow the minister manages. It's a co-jurisdictional arrangement under the land claims agreement. Matters come to the NWMB first, and the NWMB makes a decision pursuant to directions under the land claims agreement.

Once it has made a decision, it sends that decision to the minister. He reviews it, and if he doesn't like any aspect of it, he says, "I'm sorry, I have to reject it, and here are my reasons". It goes back to the board. The board gets to reconsider in light of the minister's reasons, and it makes a final decision. In the end, the minister—again, he has to follow the rules under the land claims agreement—can accept, reject, or vary the NWMB's decision.

As you can see, it's very much co-jurisdictional. Both of them have to work together, and a decision is produced.

The Chair: Mr. d'Eça, about the recommendations made by the NWMB, are the discussions around them public discussions? And are the recommendations that are given to the minister made public? We heard that no one could release the recommendations, that the minister couldn't release them and we couldn't get them.

So I'm asking, is it a public process or is it a secret process?

Mr. Michael d'Eça: Yes, I read that in your transcripts, from the Nattivak HTO.

It's public. All of NWMB's decisions, so its resolutions, and all of its minutes are public. I mean, sometimes it goes in camera—there are some sensitive issues and so on—but it's a public board. Go to our website at www.NWMB.com; it's all there.

I can go into more detail with respect to—

The Chair: No, but are the recommendations you send to the minister, for the 12 miles and in, public at the time they're sent to the minister?

Mr. Michael d'Eça: Those are decisions, first of all, not recommendations. Outside the NSA, it's recommendations. Inside, those are actual decisions, but there's a back-and-forth. The land claim requires that within the Nunavut settlement area, they not be made public when the NWMB first makes a decision. So the NWMB makes it and sends it to the minister, and it's confidential.

The Chair: And that's in the agreement?

Mr. Michael d'Eça: It's in the agreement.

The Chair: What section is that? Or you can get it for me later...

Mr. Michael d'Eça: No, I can find it in two seconds.

Here it is, section 5.3.17: "When the NWMB makes a decision, it shall forward that decision to the Minister. The NWMB shall not make that decision public".

If the minister accepts it, great; the decision may be made public at that point. If he doesn't, it goes back and forth. When it gets to the point where the NWMB says, "Okay, we're making a final decision", they may make that decision public. And it is the practice of the NWMB to make those decisions public.

The Chair: Okay. If you read our transcripts, you know that Mr. David Bevan told us that inside the 12 miles the minister is required to review the recommendations. He can accept, reject, or vary them, but he can only reject or vary them on conservation, public safety, and public health grounds, not on an absolute basis.

• (1305)

Mr. Michael d'Eça: Yes.

The Chair: He effectively told us that for all intents and purposes, within 12 miles, it's your decision. Do you agree with that?

Mr. Michael d'Eça: First of all, he was wrong about saying "recommendations", but generally speaking, he has been fairly accurate. When he talks about conservation, public safety, and so on, those are the criteria under the land claims agreement.

I would love to agree and say that yes, it's your decision. That is basically how it turns out in practice. There have been very few

occasions when any minister has, in the end, rejected an NWMB decision. It doesn't happen very often. If the minister rejects it, there is a lot of discussion around it and maybe public opinion against the minister. He has to take all that into account, so it doesn't happen very often. The minister has full authority to reject a decision, as long as he follows the land claims agreement, but the practice has been that it hasn't happened very often.

The Chair: Thank you.

Thank you, gentlemen.

We'll finish off with Mr. Stoffer.

Mr. Peter Stoffer: Mr. Chairman, thank you.

Could you please read the mission statement for NTI again, for the record?

The Chair: Did you say the mission statement for NTI?

Mr. Peter Stoffer: Yes, you read it a second ago.

The Chair: Okay.

NTI's mission statement is the economic, social and cultural well being of Inuit through the implementation of the Nunavut Land Claims Agreement. We work to ensure the Agreement is respected and properly implemented by government.

Mr. Peter Stoffer: Thank you, Mr. Chairman.

As you know, Mr. Noble and Mr. Maurice, a letter was sent to Mr. Noble on June 1, from the Nattivak Hunters and Trappers Association, requesting 400 tonnes of additional 0A turbot to be fished in the adjacency of their community on an experimental and development basis. My question for you is this. What is the NWMB's position on supporting or not supporting this request for the additional 400 tonnes?

Mr. Noble.

Mr. Jim Noble: I'll try to answer. Right now, we're very pro that position.

Mr. Peter Stoffer: Okay.

Mr. Jim Noble: I don't know if it's mentioned anywhere else in this report, but the 400 is not part of our quota. It was an allocation that the minister made for one year at a time. If we were getting close to our 4,000 metric tonnes, he would consider giving us an additional 400. It has happened over the last couple of years.

This year we will be presenting to the NWMB the possibility of putting the entire 400 into an inshore allocation.

Mr. Peter Stoffer: Mr. Noble, is it fair to say, for a simplistic answer, that you would be in favour of a request of this nature? Mr. Noble, would that be a yes or a no?

The Chair: Mr. d'Eça put his hand up.

Mr. Peter Stoffer: Okay.

Mr. Michael d'Eça: Yes. First of all, of course, it's an NWMB decision. Mr. Noble is the COO, and he would put that to the NWMB. The NWMB would impartially and independently consider it, and so on, under the terms of the land claims agreement. But I think he has indicated that it seems to be a good idea.

To supplement that, on the 400 tonnes, Canada and Greenland share the stock. I believe that 8,000 is divided between the two of them. There are negotiations between Canada and Greenland on who gets how much. We're taking 50%, which is 4,000, and we're keeping an eye on how much Greenland takes.

In the last few years, I think the minister's practice is such that if Greenland isn't really taking close to their amount, and we're getting close to the end of the season, then the minister will look favourably upon a request for more allocation. But it tends to come toward the end, and sometimes at the very end, of the season. It can be very difficult to actually harvest, especially in the north, if you get an allocation of 400 tonnes in mid-November or the beginning of December.

Mr. Peter Stoffer: Thank you, sir.

Mr. Maurice, what would NTI's position be on that?

Mr. Jeffrey Maurice: Well, in meeting with the Government of Nunavut and the Nunavut Wildlife Management Board, we would be supportive of additional inshore fisheries development.

• (1310)

Mr. Peter Stoffer: Okay. I noticed on our sheet here that your title is fisheries adviser. Is that correct?

Mr. Jeffrey Maurice: Correct.

Mr. Peter Stoffer: So regarding my previous question asked by Mr. Hearn and Mr. Wappel, as a fisheries adviser, can you please tell us what your history of fishing is? Were you a commercial fisherman in a previous life? Have you owned and operated a company in the fisheries? I'm just wondering how a fisheries adviser would not know what should have been a very basic answer, especially the answer to a question that was as simple as the one asked. You don't know what the royalty is.

People I talked to who advise in the fisheries know everything from the size, what it costs to do business, what the return is, all the regulatory aspects of it, and what the return is for that entity or the government. Could you give us a little bit of history on your background, if you don't mind, as a fisheries adviser?

Mr. Jeffrey Maurice: I've been working with NTI for the past year as a fisheries adviser. Prior to that, I worked in the Department of Fisheries and Oceans, in the oceans sector, implementing the Oceans Act for Nunavut. And prior to that I was a licensed—

The Chair: Are you telling us DFO is actually implementing part of the Oceans Act? You don't have to answer that.

Mr. Jeffrey Maurice: I'm not going to answer that.

The Chair: Just a little dig at DFO.

Mr. Peter Stoffer: You don't have to answer.

Mr. Jeffrey Maurice: I have limited experience with fisheries. I mean, my background is with parks, basically, but I've been working for fisheries for about eight years now.

Mr. Peter Stoffer: Okay.

Mr. Jeffrey Maurice: And to try to answer Mr. Hearn's question, I guess I misunderstood the context of your question. I don't know the specific details of the BFC's royalty arrangement. I don't know that. The Baffin Fisheries Coalition is a separate entity from Nunavut Tunngavik. Nunavut Tunngavik has an interest in terms of how the Baffin Fisheries Coalition develops—of course we do. I know in general how they've progressed through their fishery, but I don't know the specific details of their royalty arrangement.

In terms of the context of the value of the Nunavut fisheries, it is my understanding that it's worth about \$90 million. Out of that \$90 million, we only benefit from about 10%. That is how I understand it.

The Chair: This is your last question, Mr. Stoffer.

Mr. Peter Stoffer: On the agreement that was made with the Government of Canada through HRD for funding of millions of dollars, and also from Nunavut for training of Inuit fishermen onboard the *Inuksuk* and whatever other possibilities there are, is it possible to tell us how much of that money has been spent? How many fishermen are now qualified because they've been trained? Also, how many fishermen of Inuit origin have gone onboard and then quit for various reasons?

I guess my answer quite clearly is that's an awful lot of money to train Inuit fishermen, and you said yourself that it's not a very big place. I'm just wondering, for those millions of dollars allocated for the training of Inuit fishermen or the training of Inuit people to become fishermen, how many have been trained and are qualified fishermen as we speak, or is it an ongoing process? How many do you plan to train for the total sum of the money you're receiving? And how many have quit the program either out of frustration or because they decided it wasn't for them or for any other reason?

The Chair: Is it possible to answer those questions specifically today, or would you like to send us the answers?

Mr. Peter Stoffer: He can send them if he likes.

The Chair: Mr. Merritt.

Mr. John Merritt: I'd like to point out that we're not running these programs. I appreciate they're all relevant questions, but perhaps it would be appropriate to ask the people who run these programs, who are accountable for the use of public moneys.

The Chair: Mr. Stoffer.

Mr. Peter Stoffer: Point of order, Mr. Chair.

Mr. John Merritt: If you have answers, I'm not sure why we're being asked these questions.

The Chair: Excuse me, there's a point of order.

Mr. Peter Stoffer: On a point of order, our understanding from the department is that this money goes to the NWMB or NTI. So we'd like to know: who got the money, who's running the program, and how many fishermen are you training?

Mr. Noble, you said yourself that millions of dollars have gone into training and everything else. I'd just like to know who got the money, because our understanding is that it went to NTI and NWMB for training of fishermen. That's what Mr. Kovic and Mr. Ward said when they were before us, that some of this money would go from NWMB to BFC for training of fishermen. Is that a correct statement?

• (1315)

The Chair: Mr. d'Eça, can you help us out?

Mr. Michael d'Eça: That's not a correct statement. I read the transcripts pretty closely. I may be wrong, but maybe you could show me where Mr. Kovic or Mr. Ward said that, because it would have raised alarm bells with me.

No, the money never came to the NWMB. It's not involved in that. It's happy to see it.

One other point I want to make is that you always have to look at this in context. What happened previously when we had OB was that we had nothing, just royalty charters—no training, nothing. You have to look at this as something that is progressing over time, and do comparisons, and see what progress Nunavut is making.

But in terms of the specific question, no, absolutely, it does not come to the NWMB. It doesn't see that money. It has nothing to do with that money.

Mr. Peter Stoffer: Can you help me out? Who gets it, then? Who receives the money?

Mr. Michael d'Eça: It's a government program.

The Chair: I guess we'll have to ask Human Resources Development, Mr. Stoffer, I presume—

Mr. Peter Stoffer: I'll do that.

The Chair: —because neither of these organizations is able to give us that answer.

Mr. Peter Stoffer: That's fair enough.

The Chair: It was clear that the money didn't come to them, so that's fair enough. Then we can ask Human Resources Development.

Mr. Peter Stoffer: Thank you very much.

The Chair: Well, it was a very interesting day. Thank you.

Again, I apologize for the abridged time, but I kind of stretched it a little bit so we would get more questions in.

I also want to thank you, gentlemen. I know this was short notice, because of the schedule of the House and everything, and it's a long trip. We certainly appreciate your coming and trying to help us understand the situation. Certainly, everybody on the committee wishes the Nunavut fishery the best, continued growth and success, for the benefit of the people of Nunavut.

With that, I'll close the meeting. Thank you.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.