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Chair

Mr. Gerald Keddy

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•(1110)

[English]

The Chair (Mr. Gerald Keddy (South Shore—St. Margaret's, CPC)): I call the meeting to order.

We have a reduced quorum. Everybody knows what time the meeting starts, and it's important to follow our agenda.

Pursuant to Standing Order 108(2), this is our study on the implementation of integrated fisheries management plans in the Pacific region and the Fraser salmon fishery.

We have a couple of items of business before we get started with our chief witness.

I'd like to welcome our new clerk, Miriam Burke, who will be working with the fisheries committee. Welcome. When the rest of our committee members get here, I'll welcome you again.

I would ask the members to turn off your BlackBerry's. This has been an ongoing issue with translation. It's very difficult to hear when the BlackBerry's are going off or being used, so I'm going to ask everybody, whether you're at the table or here as staff, to turn off your BlackBerry's. It would be appreciated.

Mr. Sprout, are you ready?

Mr. Paul Sprout (Regional Director General, Pacific Region, Department of Fisheries and Oceans): I am.

I appreciate the opportunity to appear at the standing committee. Today I'm going to make two presentations.

I'm going to start with the integrated commercial groundfish proposal. You should have a small deck in front of you, and I'm going to go through that. I'd like to start with the purpose.

I'd like to do three things this morning. I want to provide you with some background on the commercial integrated groundfish pilot project. More specifically, I want to describe why and how the pilot came about and its key elements. The pilot project is in progress, so today I'm going to provide an update on what we have seen so far in terms of the results. Then I'm going to speak very briefly to next steps, what we intend to do in terms of evaluating it.

I'm going to turn to the first slide, entitled "Background: fishery status and history prior to the pilot". One thing I'm going to say several times in this presentation is that management of Pacific groundfish is complex. This deck is the distillation of a very complex fishery.

There are six major fishery categories in the British Columbia groundfish fishery. There's a groundfish trawl fishery, a halibut fishery, and sablefish, rockfish, ling cod, and dogfish fisheries. Each of these fisheries is separate; each of them has different licence types. There are over 50 species that we actually harvest in the six fishery categories I just mentioned. They use different gear types to catch those different species.

There are also multiple management strategies. For example, an individual quota is a management strategy. This is where a vessel has a quota to harvest a certain allocation of fish. We also have monthly catch limits. Vessels have a monthly limit under which they can catch fish, and they must stay within that monthly limit. We have trip limits. In other words, every time a vessel goes out, they have to have a certain catch. They can't go beyond that. We also have variations of what I've just described.

The significant concern in the groundfish fishery in British Columbia is the bycatch issue. These are fisheries that target certain species, and in the process they catch other species. It's unintended, but they're caught nevertheless. Previously, they were required to discard these species. A very high proportion of them die. They either die in the process of being caught or they die after being released. Further, they were not well documented. We did not have a good handle on how many fish were being caught as bycatch, as opposed to the target species—we have a pretty good handle on those.

This problem manifests itself from a conservation perspective. We have significant bycatch of various species that is not well documented. The fish are discarded, and a high proportion of them die. If we didn't bring this under control, our evidence was that we would be compromising the conservation of many of these species. In fact, COSEWIC is looking at potentially 21 species for listing in the long term. Once listed, they require rigorous constraints in terms of management. In examining this, we were very concerned about the conservation of the groundfish fishery in B.C. related to the bycatch problem.

The final point I want to make is that, historically, each of the fisheries I have spoken about were developed independently of each other fishery. There were reasons for that. We had a halibut fishery. There were halibut challenges. We developed a halibut reform. It was the same for groundfish trawl, ling cod, and for all the fisheries. Today that's not a sustainable concept. In many cases, in fact in most cases, a ling cod fishery catches fish that are caught in a halibut fishery. A halibut fishery catches fish that are caught in a ling cod fishery. A groundfish trawl fishery catches fish that are caught in a halibut fishery, and on it goes. We have to take a more integrated approach. We must address the conservation problems that are represented by rockfish and other bycatch.

• (1115)

This led us to a conclusion: either we reform the fishery or we close it down early. In other words, when we achieve the bycatch limitation, as best as we can determine it, we close the fishery. We know if we do that, it means closing our fisheries early and forgoing target species. Those are the two choices: we either reform the fishery and figure out a new way of doing business that addresses the conservation concerns, or we continue with the status quo, close the fisheries earlier, and forgo target fish to conserve bycatch.

I'm on the second slide, entitled "Background: setting the stage for change". In 2003 the Department of Fisheries and Oceans outlined a series of principles to address the concerns I just noted. We said rockfish or bycatch must be accounted for, that we require new monitoring requirements to ensure that we document all harvesting, and that the catch limits for the species of concern must be respected.

So we outlined a series of guidelines and principles in 2003. We then turned to the industry itself and other participants. We said that we need to operate within these guidelines, but we're looking for advice on what we should do to address these guidelines in a way that makes sense to you and to us. Based on that, a decision was made to form a commercial groundfish integrated advisory committee. This is the committee comprised of the commercial industry—and I'll come to that in a moment—NGOs, community, the province, first nations, and recreational fishermen. This committee worked for over two years to look at potential reform in the commercial groundfish fishery. In addition, a subcommittee called the commercial industry committee, CIC, was set up. It was comprised of the industry representatives from the categories I referred to earlier—ling cod, rockfish, halibut, trawl and so forth. The members of the individual organizations chose who would be on that committee.

Those two groups had discussions over a two-year period. Ultimately, the commercial industry committee proposed an approach that came to be called the commercial integrated groundfish pilot. This was discussed in the integrated group, and it came to the minister's attention.

I'm on the slide entitled "The proposal". The integration proposal is comprehensive, and it includes a number of elements. It is also complex—and that's the second time I've used this word. These are the highlights of this proposal:

First of all, it establishes individual quotas for all the commercial groundfish fisheries. Previously, we had quotas for the trawl fishery and the halibut fishery, but not for ling cod, not for rockfish, and not

for dogfish. All groundfish fisheries in B.C. have quotas. The industry itself went through a process to determine those quotas. That's not described here; there's a separate analysis and separate information on that. But their view was that they needed to go to a quota fishery, that it needed to apply across all fisheries, and that they themselves should arrive at those quotas.

The second element is quota reallocations. We determined that we would allow quota reallocations between all groundfish fisheries. What this meant is that between the different fishery categories, quota could be exchanged within limits. The CIC said we can agree to exchanging quota, but within limits.

• (1120)

Third, there's 100% at-sea and dockside monitoring for all groundfish fisheries to address the catch reporting and documentation challenges I noted at the beginning of my remarks.

Fourth, all catch, including bycatch, is accounted for and has to stay within established total allowable catches. Under this regime, a TAC is identified for all rockfish and other bycatch and each fisherman has to stay within those total allowable harvests.

Finally, individual vessels have to account through quota for all the fish they catch. Let's pretend for a moment you're a halibut fisherman, so your target is halibut, but when you go out to catch halibut, you don't just catch halibut; you catch yelloweye, you catch other rockfish species. So under this regime proposed by the commercial fishermen, they said not only do I have to have a TAC for halibut, I also have to have an allocation for rockfish or yelloweye, and they all have to add up. I have to be able to account for every fish I catch. So you have to acquire the quota if you don't have it.

So in the end, you can account for every fish you catch. Every fish that's accounted for is within the TAC. The TAC represents a conservation limit. That is the proposal. Now, this was brought to the attention of the minister—

The Chair: I want to give you a bit of warning on your time. We're about at the 12-minute mark, and if we could have about 15 minutes for your presentation, it would give lots of time for questions.

Mr. Paul Sprout: I think I can wrap up with no problem. This is the most complicated part of it.

So the minister then had a chance to look at the proposal and he approved the proposal with conditions. He said: First of all, I won't approve it on a permanent basis, but I will approve it on a pilot basis, a three-year pilot; further, I want the pilot to be evaluated each year; and further, I want the pilot to be evaluated within the year, and if unintended effects occur—for example, we see distortions or problems we hadn't anticipated when the pilot was set up—we would take measures to try to correct that within the season; and regardless, we would evaluate it at the end of the year to make any changes required for the next year, and at the end of the three years we'd do a final evaluation.

That's what the minister said. The minister also made it clear this pilot would not affect first nations obligations, nor was it designed to deal with intersectoral allocations, issues between sport and commercial and so forth.

The pilot has been in place since May of this year. What are the results to date? We know one thing: the fishing season has been extended beyond what would have happened if we had not made the changes. We're still fishing today, and based on information we had going into the season, if we had not made the changes and we had continued with the status quo, we believe we would have closed in August or September.

All fisheries have been able to secure catch to allow their fisheries to continue, so they've been able to find bycatch to allow them to continue to their target fishing. Catch accounting has improved substantially. Bycatch levels have been reduced and the conservation targets for the stock of concern have been respected.

Further, fishermen can now sell their bycatch, because they account for it. They're getting money for fish they previously had to throw away; now they can keep and sell it, so that's boosted their profit or their revenue. Finally, the value for some species has actually increased. Ling cod has doubled with the integrated groundfish pilot.

There are some important issues. One is the cost of monitoring. There are new costs to the industry. For example, you either have an observer on board or you have a camera that observes your fishing and looks at the fish you bring over your ship. That's a new cost. And we have issues around how we can minimize those costs.

It's complex. This is a comprehensive, complex arrangement, and the reality is that even for the fishermen themselves, this requires adjustments. This raises the issue of resistance to change. It is new, it is different, it does require a learning period, and therefore transition issues and flexibility are important during this time.

There is a recreational concern by the recreational interests that the groundfish pilot may make it difficult for them to increase their share of groundfish species. That's a concern they've raised. And first nations are concerned that their interests not be compromised by the groundfish pilot.

In terms of next steps, as I've noted, we will be doing a review of the season. The season will be wrapping up in the next couple of weeks for some of the fisheries. We intend to construct a process and identify participants for a review of the first year to get ready for the second year of the pilot. Based on that review, we expect to make

appropriate adjustments as we take into consideration other points people may raise about how the pilot has unfolded so far.

Thank you.

• (1125)

The Chair: Thank you very much, Mr. Sprout.

Our first questioner will be Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much.

Welcome, Mr. Sprout. I apologize for being a bit late.

What factors led to the decision to implement an integrated approach to the groundfishery management this year? Based on the experience so far, has the integrated approach improved previous management plans, or has it led to any more problems?

Mr. Paul Sprout: We believe the approach we've adopted has led to improvements. As I noted in the presentation earlier, we believe that had we not made the changes to the fishery that we made, we would very likely have closed the fishery earlier, we would have forgone target species, and as a result, we would have disrupted communities and others who depend on this fishery for economic well-being.

It's our view that there have been significant positive changes as a consequence of this pilot. That said, we recognize that refinements and improvements are still possible, and we look forward to that in the review I spoke of.

Hon. Lawrence MacAulay: Thank you very much.

How did the department monitor the implementation of the pilot management plan? From this year's experience, do you believe the integrated plan will go ahead next year? Does the department have data on the acceptance and the compliance with the integrated plan by the fishermen?

Mr. Paul Sprout: We do.

Based on the minister's direction, we implemented an in-season monitoring committee. This is a committee comprised of commercial representatives working with the department. Our job and their job was to look at the progress in implementing the pilot, identify any challenges, and to the extent we could, make adjustments in season. So that actually happened.

Secondly, it was to determine what was the compliance with the pilot. Were we getting better catch records? Were we getting good compliance? Again, the answer is that generally the compliance is very good, catch reporting has improved substantially, and we think we're well positioned to evaluate now, over the course of the next few months, and position ourselves for the second year of the pilot.

Hon. Lawrence MacAulay: Thank you very much.

Can you explain briefly how you calculate the TAC? How do you accommodate uncertainty in the data, or unexpected variations in the weather, or other factors that affect the fish stocks?

Mr. Paul Sprout: The TAC is determined by our science department. They will work in some cases with commercial fishing groups and independent scientists to establish the size of the population, its productivity, and how many fish can be removed of that population. That is done across a range of species, and that's how we primarily determine the allowable harvest.

Those harvests are set for a particular year, or in some cases, for a period of time. We do not adjust them based on weather conditions, and so forth. So if at the end of the year fish is left unharvested, that will be considered in future allocations and adjustments for future seasons.

Hon. Lawrence MacAulay: That's how the TAC is evaluated. You work with the DFO in order to establish whether the TAC has been taken this year, and if it has then obviously the TAC won't go up next year. If it is not taken, then you have a discussion with DFO on what the TAC will be.

• (1130)

Mr. Paul Sprout: That's correct. If it's unharvested, we'll go back and do an assessment, and then allowance will be made for the fact that the population is likely larger than what it would have been if the population had been reduced. Adjustments will be made to the allowable harvest to reflect that.

Hon. Lawrence MacAulay: It makes sense.

How much success have you had in integrating the first nations people into the plan?

Mr. Paul Sprout: That was a concern of the first nations fishery at the beginning of the pilot. They were worried about their role. They were worried that they would not be able to harvest their target species. To date, they have been able to participate. The initial fears of that particular concern were not realized, so we're looking forward to continuing our discussions with first nations to address other issues they might have. But initially, it's certainly our impression that they have been able to pursue their target species and have not been constrained by bycatch.

Hon. Lawrence MacAulay: Have there been any conflicts, or has it produced much in the line of conflicts between the first nations and the commercial fishermen?

Mr. Paul Sprout: With respect to the commercial groundfish fishery, I would say that's not so much the case there. There are issues between first nations and commercial fishermen in other areas, but with respect to the pilot itself, the first nations concern was primarily being able to accommodate their interests. We think we've done that, and so far we think the results speak to that, but we will be reviewing it and we will be talking with first nations once more.

Hon. Lawrence MacAulay: What about the cost for monitoring for ground and hook-and-line fishery? Do you have any comment on the cost or the expected cost?

Mr. Paul Sprout: There is a cost that comes with implementing this program, to be sure. As noted earlier, in some fisheries where there was very little monitoring, this is the new incremental cost. But over the course of the season, adjustments were made to try to minimize that cost.

If I could give you an example, we require either an observer or a camera on board the groundfish boats. You have a choice. For some of the smaller vessels, what was eventually decided was that one camera could be distributed among three vessels, as long as the vessels obviously weren't going out at the same time. A vessel would come in and would trade the camera off to the next vessel, and that second vessel would take it out. It would come back in and the camera would go onto a third vessel.

From our perspective that's fine. We still get the information that we require for documentation. From the vessels' perspective, they've been able to amortize the cost of the camera over three vessels rather than one. So that's an example of what we did to reduce costs.

The second point I would make is that because the value of some of the species actually went up in 2006 as a result of the pilot, and because some of the fishermen now are selling their bycatch, whereas before they had to discard it, we're being advised that in some instances the cost of netting out is very close to neutral. In other words, even with the costs of monitoring being present, they have been offset by the value of the species going up and by being able to sell bycatch.

Hon. Lawrence MacAulay: On the point about the cost being neutral, I have a little difficulty. Do you mean the cost is neutral because the fish price went up?

Mr. Paul Sprout: Yes.

Hon. Lawrence MacAulay: How do fishermen accept that? I think they'd rather put it in their pocket than give it to paying for cameras to solve a problem.

Mr. Paul Sprout: They obviously would like to put it in their pocket. We would like to put it in their pocket too. Unfortunately, the alternative is that we close the fisheries early or something like that, and no one puts any money in their pocket.

What they have is something that allows them to put more in their pocket than they would if we hadn't changed. It may not be as much as everyone would want, but that being said, we think we still have room to make refinements to further reduce costs.

• (1135)

Hon. Lawrence MacAulay: Is there much resistance to that? Have the fishermen agreed, or would they rather that this wasn't in place at all?

Mr. Paul Sprout: There is resistance in some areas, yes. Overall, though, this initiative is an initiative that has come forward through the commercial industry committee itself. The groups that I've mentioned have brought this initiative forward.

Yes, there are small groups of fishermen within those groups that I've just spoken of who have concerns. To the extent possible, we have tried to manage this and adjust the pilot to take into consideration those concerns.

It's our view that most of the participants who are involved in the groundfish fishery believe that change was required; that the alternative of closing early and for going target species was much worse than the reform; that the reform has flexibility to adjust to the issues that have been raised; and that over time we'll get increased buy-in even though we believe at this point in time that there has been a strong endorsement by most of the participants in this fishery.

Hon. Lawrence MacAulay: As a point of interest on this monitoring and the cameras, in general would you feel it came as something imposed by DFO, or was it something that came up through fisheries organizations so that they could extend the fishery?

Mr. Paul Sprout: Frankly, I think it was both, sir. The Department of Fisheries and Oceans made it clear that we had to account for all catch. We had to. We cannot have fisheries in which people go out and catch fish and discard fish and we don't know what's happening. That is not sustainable. It won't represent conservation.

The department set a principle. We said we had to account for all catch. We then asked the industry to advise us on how they might best achieve that objective.

Further, when they did come forward with ideas, we tried to be flexible to try to minimize the cost to them. That's how we arrived at what we arrived at.

Hon. Lawrence MacAulay: Thank you very much. It's obvious on both sides that you have to have the DFO officers and monitoring, or possibly the stocks could be in trouble. You're telling me the fishermen might take a few more than they should.

Mr. Paul Sprout: I know that's hard to believe.

Hon. Lawrence MacAulay: Thank you very much, sir.

The Chair: Thank you, Mr. MacAulay.

Mr. Ouellet.

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you, Mr. Chairman. You stated that we must supervise fishermen with video cameras in order to prevent them from throwing fish overboard. However, given that they are now getting a fair price for all of the fish they catch, is it your belief that we will soon no longer need to supervise them because they will no longer be throwing fish back?

[*English*]

Mr. Paul Sprout: We're trying to avoid that possibility. We think that by putting into place the catch monitoring system we have now and by having the fishermen participate in the catch monitoring, we will be able to document the catch and we may be able to re-examine what is required from a catch monitoring perspective, but over time. Initially, we think the standards have to be clear and unequivocal and they have to be complied with, because we believe that if we don't do that, we put at risk the ability of the stocks to survive, particularly the bycatch. As a consequence, we put into place clear catch monitoring rules. The fishermen are required to respect that. Again, it's an issue, I think, of coming back and re-evaluating that and determining whether further adjustments are necessary.

So that flexibility is there over time.

[*Translation*]

Mr. Christian Ouellet: What are the sports fishermen afraid of? In your brief, you state somewhere that the recreational fishermen are somewhat worried about these new rules. If I understood correctly, the new guidelines are not removing more fish. Simply, instead of throwing the fish back, they are kept. So what is the fear of the sports fishermen?

[*English*]

Mr. Paul Sprout: That's a good question. The sports fishermen are concerned because from their perspective they have an important fishery that harvests some species of groundfish. For example, there's a halibut fishery on the west coast and there are other groundfish fisheries on the west coast where recreational fishermen harvest groundfish species. What they're concerned about is the fact that they want to allow their fishery to grow, to increase. They're worried that a commercial integrated groundfish fishery will make it more difficult for their fishery to grow. Their fear is that over time the commercial integrated groundfish fishery will affect the ability of the recreational fishery to increase its participation and to increase its catch. So that's an issue they have and one we're discussing with them.

As the minister noted in his decision, he said this is a reform of the commercial fishery; it is not designed to deal with intersectoral allocation issues. So that has been our response to the recreational fishermen. But their fear or their concern is, as I've noted, that they want to grow their fishery, they want to increase their catch, and they're worried that the integrated commercial fishery will make it more difficult for that to happen.

[*Translation*]

Mr. Christian Ouellet: Economically speaking, amateur sports fishermen who go to the area to fish make an important contribution. Have you taken a position in favour of protecting fishing-related tourism, which, to my mind, is of great importance to the West Coast?

• (1140)

[*English*]

Mr. Paul Sprout: You're right, the fishery is very important from a tourism perspective. It provides great value to the British Columbia economy and we're very mindful of the value of this fishery. So we do want to protect and conserve both the recreational fishery and the commercial fishery, and we think it's possible to do both. The argument the department is making is that the reform to the commercial fishery is a reform for conservation reasons. It's designed to try to make the fishery sustainable over time. To deal with the recreational fishermen, we're saying "We understand your issues, we understand your desire to grow, and we need to sit down with you and talk about how that might be done in a reasonable and fair way to the other participants." And the other participants include the commercial fishery and first nations.

So those discussions will have to occur, and we intend for those to occur, but we will take into consideration the point you have raised, which is that the tourist value is very high for the recreational fishery.

[Translation]

Mr. Christian Ouellet: Personally, as a proponent of management through sustainable development, I obviously find your plan very interesting and very worthwhile. I hope that this pilot project will deliver results.

Do you also verify first nations' catches? Or are you simply letting them go about their fishing without any monitoring, as has been the case in the past?

[English]

Mr. Paul Sprout: No. It's important for us to document their catches as well, and the first nations that are fishing commercially have to achieve the same standards as non-natives, so they have to report their catch; it has to be accounted for. They have to have cameras or observers on board like everyone else. It's the same standard for all participants when it comes to the commercial groundfish fishery.

[Translation]

Mr. Christian Ouellet: Do you wish to ask another question?

Mr. Roger Gaudet (Montcalm, BQ): My question is a very simple one: how is it that we have reached this stage in the enforcement of this measure? In 2004, there were problems. In 2005-2006, you established... And here we have a proposal for yet another three years. Did the Department in fact fall asleep at the wheel?

[English]

Mr. Paul Sprout: No, I don't think so. First of all, it took three years, that's correct. But it took three years because, first of all, it's complicated. Second, it's controversial, and third, we really wanted to work with all the participants to bring them along in the journey from where we were to where we needed to go in the future, and that took time.

We also wanted, to the extent it was possible, to have as many participants as possible outside the usual commercial fishing interests. That included the communities, for example, on the west coast of Vancouver Island. It included NGOs, recreational fishermen, and first nations.

So the process did take time. Yes, that's true. But we think it was time well spent, because we think the result is comprehensive. It is admittedly complicated, but it has the potential to really address the problems that were present prior to 2003 and to be durable. In other words, this could be a sustainable approach that would allow the groundfish fishery to go forward for the long term, we hope.

The Chair: Merci, Monsieur Gaudet.

We'll go to Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, Mr. Sprout, for coming in and for a good presentation.

You make a convincing case that the status quo wasn't acceptable. So you talk about having to find a new way. Can you tell us if other new ways, besides this one, were considered?

Mr. Paul Sprout: Yes, they were. We looked at a number of options in considering the approach that was eventually adopted. Those were debated and discussed over the course of the three years,

from 2003 to 2006, and the current approach was eventually adopted.

One of the things we looked at, for example, was just continuing the status quo, which was having monthly limits, trip limits, and so forth. But when we looked at that, we determined that if we continued that, we'd be stopping fishing early and that we'd actually be leaving target species in the water. So if you were a halibut fisherman, you'd be stopping your fishery when you still had catch left to catch but had exhausted your bycatch, so you couldn't fish any more. That wasn't very palatable to most commercial fishing interests.

We also looked at variations on that. We looked at whether we could, for example, extend monthly limits or trip limits to somehow get around the problem that I just described with the status quo. But in all cases, what we found was that nothing seemed to produce the results that the current approach seems to be able to produce. Every time we found a potential solution, we found potential problems.

That's why gradually, and over time, the industry moved to this comprehensive approach, saying, "We cannot not fix this piece by piece; we will have to do it comprehensively." It was at that point that they then turned to look at the bigger, broader changes that eventually came to be called the groundfish pilot.

Initially, you can appreciate, the commercial interests preferred to look at other measures, and did. But because of the rationale I've just provided, they decided in the end that the reform that was necessary was the one that the minister adopted.

• (1145)

Mr. Randy Kamp: Is it safe to say that the principle of monitoring, particularly with either onboard or cameras, was non-negotiable?

Mr. Paul Sprout: It's safe to say that the principle of catch monitoring was non-negotiable, yes. That's safe to say. That was a principle or a guideline that we adopted in 2003, and it said, specifically, that all bycatch had to be accounted for. That's true. We did say that.

We did not say that meant that they had to introduce this particular measure. That was negotiated, that was discussed, and so forth. But we were clear that it had to be accounted for.

Mr. Randy Kamp: Is it true that in previous years you didn't really know the number of rockfish that were caught? Do you know this year, and do you have any idea how it compares? If conservation of rockfish was sort of a key problem here, did we make some headway, do you think, in terms of catching fewer?

Mr. Paul Sprout: We think we made headway. Previously we had proxies for the rockfish harvest. In some cases, we guessed. In some cases, we had observers on board so we could count the fish that were kept and the fish that were discarded. We extrapolated for the rest of the industry and hoped we were right. In other cases, we did stock assessment surveys, and then by deduction we tried to determine how many fish could have been harvested. So we had a variety of methods—with uncertainty.

We think that in 2006 we have a good handle—maybe a very good handle—on catches, particularly bycatches. This is going to allow us to compare what we think was being caught in the past.

Our view today is that we are catching less rockfish in 2006 than before. We think that's happening because groundfish fishermen are changing how they fish. They're avoiding areas of high rockfish concentration, because now they're accountable for it.

We think the bycatches are down. We know the accounting has improved, and we believe that TACs are being respected. We have much more confidence that this is the case than we did in the past.

Mr. Randy Kamp: If I'm a fisherman with a ling cod quota or something like that, and I don't have much money to buy additional rockfish quota, I'm probably going to work pretty hard at going where there are no rockfish. Is there the danger of small-boat fishermen maybe going where they can't go safely in order to avoid the bycatch issue because they can't afford to buy quota for that?

Mr. Paul Sprout: I think that's a good question. I have two responses to that.

The evidence we have is that because we've moved into a quota system, and because people can trade for quota, there isn't the need to rush out and catch fish as they had to, for example, under a competitive fishery. A small-boat operator can actually make better choices now about when to go fishing. You can decide not to go fishing under certain conditions. Before, that might have been more difficult, because you may have been forgoing opportunity. We thought from the beginning that this arrangement allowed small vessels particularly to choose their time to fish more appropriately.

The second point I would raise is that so far no safety issues have come to our attention in season. This is an issue we will want to talk about post-season to satisfy ourselves that this is the case. So far, we're not getting any indication that this has been a significant issue.

• (1150)

Mr. Randy Kamp: What kind of mechanism was set up to facilitate the buying and selling and trading of quota? Was DFO really involved in that, or did they leave it to somebody else?

Mr. Paul Sprout: The industry itself proposed a mechanism for the buying and selling and trading of groundfish, to ensure that everybody could acquire their bycatch. They modelled that on what was done earlier in the trawl fishery, which they had established. They expanded it considerably, because the new arrangements for the trawl fishery are much more complex than the previous ones. They then engaged private parties to design the actual program to trade groundfish.

We provided arm's-length support, and certainly we provided comments where we could. But this was largely an industry-driven initiative. We participated as appropriate, using knowledge from

previous groundfish arrangements, particularly in the trawl fishery, to build what eventually became the program for allowing the trading among the six different fishery categories.

Mr. Randy Kamp: We've heard in this committee that perhaps the majority of groundfish fishermen don't like the integration plan, and we've been told specifically that small-boat operators have been hurt by this. I would like your comments on that.

Let me just read a couple of comments from letters. One is from the president of the North Pacific Halibut Fishermen's Association—only 15 members, as you know, of that small-boat group. He says:

The reduction of rockfish bycatch in DFO's forced integration has put almost all of my members out of their fishing livelihood. I haven't been able to contact all my members, but I believe there is only one that still fishes.

Another letter is from a captain—I won't give you his name unless you need it. He says:

There doesn't seem to be any place left for a mom and pop operation any more. I have 7,500 pounds of halibut quota on a 36-foot gillnetter. Until the new regulations, I used to make a pleasant trip to Rupert to fish salmon and catch my halibut on the way. It was very convenient. Even though I fish an area where the bycatch is minimal, the costs of cameras or observers are so onerous and the technical requirements so cumbersome, I need a lawyer for a deckhand instead of my kids. What a disgrace. My licence has devalued by 30% and my license now has no value compared to two years ago.

I'll skip a bit here.

Many of the licences went on to some small boats in native communities. Talking to some of them this summer, none of these people can fish any more under the present regulations. Tremendous hardships have been created in the small boat fleet, but especially in northern native communities.

It is a sad ending to a recently vibrant fishery. My father and grandfather would roll over in their respective graves.

How much of that are you hearing?

On my other question, earlier in the summer a survey was conducted by one of the associations that concluded, after polling their members, both halibut and sablefish fishermen, that 73% of the respondents oppose this groundfish integration plan. Do you agree with these comments? How do we take these?

Mr. Paul Sprout: I think we take them in a couple of ways. To put it into context, the commercial industry advisory committee, which is comprised of all the six fishery groupings I spoke of earlier—halibut, ling cod, groundfish trawl, rockfish, and dogfish—is involved in the commercial industry committee, which ultimately made the recommendation that the minister approved with conditions. Those organizations supported this. Are we saying there aren't individual members within those organizations that have other views? No. Are we saying there's 100% consensus on the integrated groundfish? No.

We're saying we think that most of the commercial industry is supportive of this change. We're saying that if we did not make this change, the alternative was much worse. We're saying there is still flexibility and will continue to be flexibility to make adjustments to try to make this pilot work even better than it does today. But this pilot holds the promise of allowing the groundfish fishery in B.C. to continue. The alternative was to put at risk the ability of the groundfish fishery to continue in the form it was.

Yes, there are challenges. Yes, there's resistance in some locations. And yes, we need to continue to make refinements to improve the groundfish pilot. But we have a basis now of looking out the front-view mirror rather than looking in the rear-view mirror for a change. That's what this pilot's about.

• (1155)

The Chair: Thank you, Mr. Sprout.

We have a second issue that we want to deal with, and members still have some questions. There are five minutes left, so if members have very quick questions they want to ask, we can finish this up and move on to the next.

Mr. Cuzner.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): I'd like to welcome our new clerk and wish her all the best going forward. The chairman's hard on clerks, but you look like you're made from good stuff.

Mr. Sprout, sorry we weren't here for your presentation. We had to speak in the House.

Could you make a comment on compliance? Are there some comparative numbers on it? I don't know if you addressed that in your presentation. Are we seeing an increase in illegal activity because of better measures taken, or are we seeing a decrease because fishermen are now recognizing the importance of the compliance?

Mr. Paul Sprout: I could make a comment on that.

First, on the issue of catch monitoring and compliance, it's our view that catch monitoring, documentation, and accounting have significantly improved relative to the previous arrangements. The reason is clear: you have either an observer or a camera on board. Either of those two mechanisms allows us to determine what you've caught or validate what you've said you've caught, and the compliance is very good.

We are using some flexibility here because we know this is a complicated program. We know we're in year one and we know that even the people who want to embrace this are still trying to

understand it. So we're using some flexibility as we move through this system.

I think my short response to your question is that the compliance so far on the accounting side, the catch documentation, is quite good.

Mr. Rodger Cuzner: Okay, thank you.

Are there controls on the back end? Does DFO have a relationship with Revenue Canada on the back end?

We hear the stories about catches that go unreported or incomplete catches being reported. If a processor buys \$10 million worth of a resource and sells \$40 million worth, the yield isn't that great. So obviously they're having access to unreported catch or unreported resources.

Are there controls on the back end?

Mr. Paul Sprout: That gets into issues of auditing and so forth. We do have—

Mr. Rodger Cuzner: Mr. Chairman, please.

The Chair: Would you like a little order in the room?

Excuse me, gentlemen.

Monsieur Gaudet.

Mr. Roger Gaudet: Okay.

The Chair: Thank you.

Mr. Paul Sprout: That gets into the issue of auditing, and we work with fishery officers. First, we're monitoring the fish on the vessels, and we're also monitoring the fish when they come into the dock and into the plants. So obviously we're looking for continuity. We're looking for the same amount here being the same amount there and the same amount there. If we see discrepancies, then those get flagged for reviews or investigations.

Now we are putting most of our effort into the front end. We're saying the front end is where we should put it for now, because we should try to make sure we minimize the number of fish that shouldn't be caught in the first place. So let's try to make sure we do that, because once they're caught, it's too late. We're putting most of the effort into that in terms of catch monitoring, documentation, and accountability.

We are also mindful of the fact that we have to have a full circle, which means that we have to trace the fish from the fishermen, through to the plant, then through to the buyer to ensure there's continuity all the way through that chain, which I think is the point you're raising.

So we are putting most of our effort in the front end at this point in time. We have work underway on the other areas, but over time we may want to make an adjustment based on our experience. At this point, we are putting it mostly in the area I described.

•(1200)

Mr. Rodger Cuzner: I think sometimes the processors fear Revenue Canada more than the DFO. So on the back end there may be merit in some kind of mechanism or coordination with DFO for that. It seems we continue to put the onus on the fishermen, but some of the major players here are the processors and buyers. I think this shouldn't escape scrutiny on the back end.

The Chair: You have 30 seconds left, Mr. Cuzner.

Mr. Rodger Cuzner: Okay.

I want a quick comment on the situation with our officers with habitat management. We understand that over the last number of years, the number of officers is down from the 2002 level, when we had 120, to about 90.

We know that there's attrition and what have you, but I understand there's a plan to go down to 75 officers over the next two years. Could you please address this? The Auditor General has been reminding us on a regular basis that the mandate has to be habitat protection and preservation. Could you please comment on that as well?

Mr. Paul Sprout: I would like to separate two things. In British Columbia, we have habitat biologists and technicians, and we have fishery officers. They're two different groups.

With respect to the fishery officers in B.C., there will be no reduction in their numbers. The minister announced at the beginning of the summer that the reductions that had been planned would not take place, and that there would actually be an augmentation. So we're going from about 149 fishery officers in 2005-06 to about 173. It will take a short while to do this, because we have to recruit them. But that's where we're going with the fishery officers.

With respect to the habitat biologists, we are going to be reducing staff. They will go down from the numbers you talked about. In part, this is offset by the increase in the number of fishery officers. Fishery officers in B.C. will continue to have, certainly in the transition, habitat responsibilities at a certain level. The second thing is that we adopted environmental process modernization. We have changed our approach to managing habitat, putting more emphasis on higher-risk activity. But there will be an adjustment in the numbers of habitat staff. We expect to arrive at somewhere around the amount you indicated.

Mr. Rodger Cuzner: In every aspect of the fishery over the last number of years, all our recommendations have been science-based. Reinvestment has to take place in science. Are you the least bit concerned about a loss of scientific capability?

The Chair: Excuse me, Mr. Cuzner, but you're totally out of time, and have been for some while now.

Mr. Rodger Cuzner: Mr. Chairman, you were involved in yet another meeting. As I did my questioning here, there were half a dozen meetings going on in the room.

The Chair: Mr. Cuzner, with respect, there was one brief meeting, which was brought under control. It was not half a dozen. If you have a question of the chair, you're welcome to bring that up to the committee. If there is something in the process that you're uncomfortable with or that you consider inadequate, just bring it up.

Mr. Rodger Cuzner: No, Mr. Chairman. We owe it to our witness.

The Chair: But in the meantime, we'll go to the next questioner.

Monsieur Gaudet.

[*Translation*]

Mr. Roger Gaudet: I just have a short question. There are no penalties in your plan for those who do not comply with your new reform. I cannot understand this. It does not contemplate any penalty or fine. It is beyond me!

•(1205)

[*English*]

Mr. Paul Sprout: I have a couple of responses to that. With respect to the penalty, at this point we're putting a lot of the emphasis on the fact that it's a new program. It's complicated. There's a transition period, and the fishermen have to adjust to it. The consequence of not living within the rules would be that we would not authorize the fishermen to go out and fish.

If it became clear to us that a fisherman was not abiding by the rules—for example, did not have a camera or an observer onboard—then the fisherman would be in violation of the arrangements, and we would be in a position to charge that individual. Similarly, if he misreported catch—and we were able to determine this by investigating, talking with the observer, or looking at the camera results—we could charge that fisherman with violating the conditions of the integrated pilot. So we do have a consequence for misbehaviour. That's how we would propose to manage it under the current circumstances.

Were you thinking of additional penalties beyond that over the long term, in addition to the Fisheries Act violations?

[*Translation*]

Mr. Roger Gaudet: If we consider a small trawler operator, such as the example Mr. Kamp mentioned earlier, I understand how you will be able to sanction. However, the operator of a large trawler will be able to get away with it. This is what I do not understand when you say that there is nothing in there but that you will investigate. It is not enough to investigate. If your legislation has no teeth and if you do nothing, they will behave like they did in the past: they will empty the rivers, they will do anything they want. That is my opinion.

[*English*]

Mr. Paul Sprout: I agree. We have to have consequences for bad behaviour. Right now the consequence is that we can charge individuals who don't abide by the rules. The point you make is that fishermen need to have a consequence. To make sure that they're compliant, they need to know that the consequence is worse than their behaviour. That point, we agree with. Right now, our consequence is the Fisheries Act and a charge if we see a violation.

[*Translation*]

Mr. Roger Gaudet: There is nothing in this regard in your pilot project.

[*English*]

Mr. Paul Sprout: I think that's a good point.

The Chair: You have time for a quick question, Mr. Blais.

[*Translation*]

Mr. Reynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Thank you, Mr. Chairman.

Excuse me for being late, but we were delayed by another debate on a very important subject for the community north of the 60th parallel. It is possible my question has already been asked and I just want to check.

Am I right in thinking that we will deal with the Fraser River salmon later on?

M. Paul Sprout: It will be the next subject.

Mr. Reynald Blais: Okay. So right now we are talking about the pilot project and next we will deal with the Fraser River salmon. I will come back later. Thank you.

[*English*]

The Chair: Mr. Stoffer, go ahead, please.

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

I apologize to our witness today for not being here on time. We were in the House having a debate.

Sir, I notice the proposal page you presented to us talks about allowing quota reallocations and establishing individual quotas for commercial groundfish fisheries. Are any of those quotas transferable, like ITQ or IBQs?

Mr. Paul Sprout: Yes, they are.

Mr. Peter Stoffer: They are transferable?

Mr. Paul Sprout: Yes.

Mr. Peter Stoffer: Is there not a fear, then, that the transferability down the road may lead to further enhanced concentration of a public resource?

• (1210)

Mr. Paul Sprout: That was a concern by the fishermen, so they put in stipulations around the amount that could be transferred between fleets. So there are constraints on how much fish can be transferred from one fleet to the other to avoid a concentration of allocation among certain fleets, for example.

The second thing is that it's a three-year pilot, so there's no longevity here. Part of the review will be to look at exactly those questions. That being said, in the process itself, the fishermen looked at this question and put constraints on how those allocation transfers could occur, under what conditions, and also put constraints on the levels at which they could occur.

Mr. Peter Stoffer: I believe you were around when the so-called Mifflin plan was initiated in 1996-97. There has been a fair amount of reallocation of the resource and a reduction of the actual number of fishermen.

I remember quite well, Mr. Chair, when we had our first west coast report in 1998-99. We were talking to fishermen individually on whose lives the so-called Mifflin plan had really had a devastating effect. My concern has always been the enhanced concentration of a public resource. We know that Jimmy Pattison's

companies have a fair concentration of it now. My concern, of course—and this is just a comment—is that the transferability of those quotas will enhance the concentration even more, meaning small rural coastal communities having access to fish will have their decisions made by somebody else elsewhere. I just express that as a concern.

Mr. Paul Sprout: I understand that concern, and I think that is certainly shared by others as well. There are obviously different perspectives on that, as you appreciate, and I think in part, as I've noted, the constraints governing the allocation of transfers would help address the point you've just raised. The other point is that many of the small-boat operators and the community individuals who are involved in this supported this pilot because they saw it as a way to maintain economic value in their communities, because individual fishermen can now choose to land their fish in various locations, in various ways, at various times, providing them flexibility, which they didn't have previously. I think that's part of the rationale for others' support of this initiative.

That being said, I appreciate the point you've raised on the concentration issue.

Mr. Peter Stoffer: You had talked about the increase of fisheries officers on the west coast, and actually I think that's a good thing. The concern we have, of course, is whether there has been a reduction in the number of fisheries officers in the central and Arctic region. If I'm not mistaken, I believe there was a reduction in the number of fisheries officers in the central and Arctic region. I'm wondering if you have any information indicating whether, in the country overall, numbers of fisheries officers have increased, more or less stayed the same, or decreased. The last point on that is whether you have had a chance to look at the planning and priorities, the estimates done by DFO in that regard.

The Chair: I'm sorry, there's a very short period of time to answer that, Mr. Sprout, and I appreciate Mr. Stoffer's being interested in the subject, but it's not really part of the discussion here. However, if you'd like to give him a quick answer, go ahead.

Mr. Paul Sprout: I can answer it quickly. I can say that I'm really not the right person to address the central and Arctic. That's not my region. I think the report and planning committee needs to be addressed. If it's fisheries management, it needs to be addressed by Mr. Bevan. I think that would be my response.

The Chair: Thank you, Mr. Sprout.

Mr. Lunney.

Mr. James Lunney (Nanaimo—Alberni, CPC): Thank you, Mr. Chair.

One of the challenges of going later in the rounds is that a lot of the questions and concerns have been raised. But I want to pick up on a few concerns, because we are talking about a Pacific region integrated groundfish management plan, and I'm the one who represents the west coast and has constituents on the ground there, so I appreciate getting in on the discussion here.

I want to just ask first if there is still a targeted rockfish fishery.

Mr. Paul Sprout: There is.

Mr. James Lunney: That surprises me, considering that we have concerns about rockfish in particular for conservation, and considering that we're having all this trading because they do get caught inadvertently.

Having established that, I want to reflect concerns that I've heard from a number of my colleagues here about participation in the commercial fishery this year. Was there a change in the number of fishermen participating?

Mr. Paul Sprout: No. As I indicated in my opening remarks, one of the fears was that this integrated proposal would result in fishermen not being able to acquire bycatch and that they would not be able to fish as a consequence. The information that we have to date indicates that bycatch was available and that all those who wanted to fish could have fished. So far, then, the fear that was raised as a significant concern by some has not been realized, at least at this point in time.

Mr. James Lunney: Thank you.

It has been mentioned by a couple of people here, but I have a particular concern that my colleague Mr. Kamp also raised, and that's about a fisherman saying his licence value has decreased by 30% and that family operations that have gone on for years are suddenly becoming complex. I wonder about the consequences of these changes. Just as Mr. Stoffer mentioned, I'm concerned that we'll end up with concentration, with the big guys basically muscling out the little guys, resulting in very minimal participation. I know we have a three-year pilot here, but we're very concerned about this kind of concentration.

Mr. Paul Sprout: As Mr. Stoffer indicated and as I responded, the point here is that the commercial industry itself recognizes that as a concern. It is a strongly held view in some camps more so than in others; nevertheless, it is a strongly held view. To try to address that in part, the constraints around the trading of allocation put limits on how much can be exchanged between different groups.

The second thing, as you have noted, is that it is a three-year pilot, not a long-term commitment. It is designed to be evaluated and to determine whether we get unintended effects, such as concentrations that are unreasonable, inappropriate, and not agreeable, such that adjustments need to be made.

The final point I would make on this is that the comparison with this pilot can't be with the past, because the past is not relevant any more for groundfish. The reality is that we had to take measures to address the bycatch problems. If we hadn't taken those measures, that would have put at risk the commercial groundfish fishery in B. C., at least in terms of how long that fishery would have been able to go in any particular year. If we hadn't made those adjustments, we would have had significant economic dislocation.

• (1215)

Mr. James Lunney: Thank you. I appreciate that perspective.

We're going to quotas. As we've seen many of the fisheries go to quotas, there is a cynicism about windfalls happening in certain quarters and insiders who benefit.

In response to Mr. Kamp's questions about setting up a system for managing trading, there was a comment about using the trawl system as a model that the industry itself used. But I have a concern that has

been raised by someone who was on one of the committees you mentioned—one of the committees involved in developing this plan—who makes this remark:

The radical new fisheries management plan has reduced the trading value of quotas for halibut and sablefish by more than \$100 million. Other quotas, like rockfish, have increased substantially. Some members of the committee were conducting insider trading throughout the process, with knowledge that was not available to the general fishing public.

He goes on to say this:

With this inside information they were able to develop a quota trading program and bring it on stream the day the new groundfish integration plan was announced. No other trading business was allowed access to this information, so they had a quantum leap on all their competitors. They projected business would be in the tens of millions of dollars.

When DFO was involved and the industry came up with a plan, was there concern that information was actually being channelled to people on the inside to create a trading system that is going to create a windfall for certain elements at the expense of others who might be competitors?

The Chair: Could you answer that very briefly?

Mr. Paul Sprout: Well, again, so far in the in-season process, which has both small boats and big boats, a cross-section of commercial interests, insider trading has not come forward as a prominent issue. In fact, I'm not aware of it as a prominent issue.

On the issue of halibut, the value of halibut actually went up this year. The price to the fishermen went up. So I would conclude by this that the points you've just raised, plus others, need to be investigated and should be investigated in the review that will take place after this year, before we get going on the second year of the pilot. These questions should be posed to the industry. They should grapple with them and provide their thoughts and views on how the pilot can be improved as appropriate.

Mr. James Lunney: Mr. Chair, I have a couple more questions. They're important, and I can make them short.

The Chair: I appreciate that, Mr. Lunney, but we are out of time. It's an issue that everyone sees as an important one. I understand that, but we also have one more issue to discuss. I realize that all the members weren't here when we started; therefore, we started ten minutes late. If you have one more question, the last question will be yours.

Mr. James Lunney: Thank you. How about two halves of one question?

The recreational fisheries got about 9%, I think, of the total allowable catch. Is there room for that fishery? Are their concerns being addressed? I think you mentioned that there would be consultations.

And finally, the NTC, the Nuuchah-nulth Tribal Council, is one of the groups of first nations that I represent. Are their concerns being addressed as to their part of the fishery?

Mr. Paul Sprout: Just to clarify, the recreational fishery is 12% of the halibut harvest, and there are some concerns that they may be approaching that level. Although there is doubt about that, there are concerns.

Their concern is that regardless of whether they're at that level or not, they want to have the potential to go past that level if their fishery increases. Well, there's only one way to make that happen, and that's to take away allocation from someone else. So that's going to be a challenge, and we're saying the integrated groundfish commercial pilot is not the mechanism in which to have that discussion. That discussion has to occur in a different forum with potentially a different mix of people.

With respect to first nations, we continue to work with them. Their views are that we didn't consult adequately prior to the integrated groundfish pilot being put into place. We continue to discuss with them. We believe that we made changes to accommodate their interests and that what we have now is reasonable for first nations. That said, that is also an ongoing discussion.

• (1220)

Mr. James Lunney: All right, thank you.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Lunney and Mr. Sprout.

I know there has been a fair amount of discussion here for the members and the witness. We've gone over time partially because we started late, so it's important to be here on time, gentlemen. But certainly if there are other questions that members have, there's no reason they can't put those questions in writing and we can send that on behalf of the committee or directly to Mr. Sprout and get those answers.

I have one very quick, very brief question for the benefit of the committee, Mr. Sprout, on the cost of the camera. It's not really understood what the actual cost is to a small-boat fisherman to put the camera on board.

Mr. Paul Sprout: The camera itself is several thousand dollars, and as I indicated, for some vessels that cost was bearable in terms of a one-time purchase. For others, individuals have come together and bought a camera, and then distributed it among several vessels. Others have rented to try to keep those costs down. So we have different arrangements, depending on the fishermen, to try to minimize those costs. That's how we've addressed the issue of the cameras.

The Chair: Thank you very much.

Before we move on, maybe we will just break long enough for members to get a cup of tea and we'll come back to the issue of the Fraser sockeye salmon fishery in 2006. I know this is an issue we've dealt with a number of times, so I'm hoping we'll have time for one round of questions and that will handle the majority of them, because I think everyone was interested in the other ones.

We'll just suspend for a few minutes.

• (1222)

_____ (Pause) _____

• (1227)

The Chair: I call our meeting back to order.

Thank you, gentlemen.

We've dealt with this issue a number of times at committee, gentlemen and ladies. I will ask our presenter to be as brief as possible to give committee members more time to ask questions.

Mr. Sprout.

Mr. Paul Sprout: Thank you, Mr. Chair.

I will be brief. It's a short deck called "Update on the Fraser River Sockeye Fishery for 2006". I'm on page 2.

The committee is aware that in designing our fishing plan we work with various stakeholders and interests, the fishing plan sets objectives, and so forth. Finally, the fishing plan is approved by the minister. Essentially, those are the points on slide 2.

Slide 3 talks briefly about the 2006 season. I'm going to cover the highlights. The pre-season prediction was for 17 million Fraser River sockeye to return. In reality, about nine million fish came back.

In season, adjustments were made because we weren't getting as many fish back as predicted, and in some cases the run sizes were reduced after the fisheries were concluded. I can speak in detail to that, if you ask questions later.

Then, the final point I wanted to make is on the spawning ground surveys. The spawning ground surveys are in progress now. They are not complete, so I cannot give you final figures for what the escapements or spawning look like for 2006, but at this point we're not aware of any conservation concerns or major problems.

That being said, our harvest of Cultus Lake sockeye, which was an objective before the season, is higher than the pre-season target.

Slide 4 outlines the catches. I'll go through those quickly. In 2006, the Canadian commercial catch was roughly 3.3 million fish, or about 71% of the commercial harvest. The Canadian recreational catch was around 182,000, about 4%. The first nations FSC—or food, social, and ceremonial harvest—was about 675,000, or roughly 15%. The first nations economic opportunities on the lower Fraser were about 450,000, or about 10%.

Slide 5 divides the catch between Canada and the United States. Members are aware that a Canada-U.S. agreement accords allocations between the two parties for Fraser River fish. In 2006 Canada harvested about 4.6 million Fraser River sockeye in total, the United States about 700,000.

In terms of next steps, we're in the process of reviewing what we call the escapement numbers; those are the number of Fraser River adult sockeye salmon on the spawning grounds. We're in the process of counting those fish and determining how many came back to spawn.

We will be reviewing the 2006 season, both within Canada and between Canada and the United States. Then we'll be starting to get ready for next year's fishery and starting to get groups together in the late fall and early next year to plan for 2007.

Thank you.

• (1230)

The Chair: Thank you.

With that, we'll go quickly to our first questioner, Mr. Cuzner.

Mr. Rodger Cuzner: I'll be fairly short here, Mr. Chairman.

Were any or all of the recommendations provided by the committee in their report of 2005 acted upon? Give us your comments on how they turned out.

Mr. Paul Sprout: These are the recommendations of the standing committee?

Mr. Rodger Cuzner: Yes.

Mr. Paul Sprout: The standing committee made a number of recommendations in several different areas—catch monitoring, enforcement, and improved stock assessment.

In the case of catch monitoring, we did augment the number of fishery officers. The minister made a decision at the beginning of the year to increase the number of fishery officers. In response to the standing committee, we indicated we would maintain at least the levels we had in 2006 in comparison with 2005, and we did that.

We also indicated we would augment our catch monitoring programs in 2006, and that took place.

In response to your advice, we also put in place a study of drift gillnets on the Fraser River by first nations. That was in place in 2006.

Further, we entered into more comprehensive arrangements with the Cheam first nations in terms of an enforcement protocol that improved our enforcement activities in that particular area.

My short response to your question is that overall we tried to respond to the advice and recommendations of the standing committee through stock assessment adjustments, improved catch monitoring, and enhanced enforcement.

Mr. Rodger Cuzner: I have one last question.

In testimony given by DFO, they referred to a number of environmental factors that had an impact on the loss of the fish over the course of that year. There was a recommendation identifying more stringent guidelines on fishery closures with regard to environmental conditions prompting a closure. Have those new guidelines been struck? Has DFO moved on that recommendation?

Mr. Paul Sprout: We have. We've put in what we call a "management adjustment". It takes into consideration the temperature conditions on the Fraser River. Based on the temperature conditions, we can hypothesize or speculate on what proportion of the fish that move into the Fraser River will probably die as a consequence of adverse conditions related to high temperatures.

We had a monitoring system set up in which we evaluated, throughout the Fraser River at various stations, the temperature profile. We used that information, in addition to assessments of samples of various Fraser River sockeye, to determine what we call the "management adjustment".

The management adjustment was a safety margin, to try to take into consideration potential pre-spawning losses as a consequence of environmental circumstances. That was in place for 2006.

Mr. Rodger Cuzner: Thank you.

Mr. Chairman, that's fine.

The Chair: Thank you, Mr. Cuzner.

Monsieur Blais, s'il vous plaît.

[*Translation*]

Mr. Raynald Blais: Thank you very much, Mr. Chairman.

First of all, I would like to know how you feel about the fact that the government is about to launch an inquiry into the whole issue of the Fraser River salmon. It looks like you will be caught between a rock and a hard place or, to use a marine expression, left up the creek without a paddle.

I understand you have a responsibility, as part of your job, to allow for the use of the resource etc., but how do you handle a file such as this where you must act immediately when a pressing issue of resource conservation or law enforcement arises, while being aware at the same time that a judicial inquiry will be looking into your every action? Is this not going to put you ultimately in a difficult position that could lead to a lack of initiative or failure to act that could negatively impact your work or your perception when carrying out your job and your responsibilities?

• (1235)

[*English*]

Mr. Paul Sprout: You were referring to the possibility of a judicial inquiry being called. It's obviously not in place, but assuming that it will be put in place, the department and the Pacific region will have to respond as best we are able to.

We anticipate that when an inquiry is called we would be required to provide information to that inquiry. We anticipate that we'd be in a position to provide testimony to such an inquiry and that we would have to do that as we prepare ourselves for the next year, 2007.

It will be challenging to organize ourselves to be able support the work of a review or of an inquiry and at the same time proceed with arrangements for 2007. But regardless, we will do that. We'll look forward to whatever the results of that inquiry are in terms of providing further ideas or recommendations for addressing the concerns that continue to be of dispute in the case of the Fraser River. From our point of view, regardless of the challenges, we will be ready to provide information and support that review as it unfolds.

[*Translation*]

Mr. Raynald Blais: I was rather thinking about a situation that I could describe as follows. You are sitting at your typewriter or your computer writing a text and your boss is standing there and looking over your shoulder at what you are doing. This makes you uncomfortable, obviously, human nature being what it is, and could lead to mistakes.

I wonder how one handles a file that sometimes requires immediate action because concerns have been piling up for several years, a file that is controversial, while at the same time the boss is hovering over you and watching your every move. My feeling is that this could potentially inhibit action. I would like to get some reassurance from you in terms of enforcement. I understand that you are responsible and devoted people etc., but the situation is nevertheless rather ambiguous.

[English]

Mr. Paul Sprout: I understand. I think we will be challenged; there's no doubt about it. I think we will be challenged to be able to support the inquiry and at the same time continue our regular business, get ready for 2007. I think that's the point you're raising.

We are going to have to organize ourselves to be able to meet the requirements of the ongoing work that's going to be necessary, plus fulfilling any obligation we'll have to the inquiry itself. We think we can be organized to do that. I recognize it will be a significant workload; it will be a capacity issue. But that being said, we believe we can separate ourselves, assign people to support the inquiry once it's launched, and at the same time commit to doing the work that's necessary to get ready for the next season, recognizing that it will be a challenge.

[Translation]

Mr. Raynald Blais: Let us look at the substance of the problem in terms of what happened over the last few years. I want to talk about the ratio between the catch for food, social and ceremonial uses and the so-called commercial and other catches.

Did the ratio increase in 2006 or was it roughly the same as in previous years?

• (1240)

[English]

Mr. Paul Sprout: In 2006, the economic opportunity first nations fishery harvested about 10% of the total commercial catch in 2006, and that's with a run size of nine million. The food, social, and ceremonial ratio was about 15%. The food, social, and ceremonial allocation is of a higher priority than the commercial. So when the run size to the Fraser is low.... This year it returned at nine million. Let's pretend it returns at five million. At five million the percentage of the FSC will be higher. The absolute catch will not be higher—it will still be in the order of about a half million or 600,000 fish—but the percentage is higher. When the run is larger, the absolute catch is still 500,000 or 600,000, but the percentage is lower because the run is greater.

So the food, social, and ceremonial number is more or less an absolute number. Every year we try to get that number—500,000 to 600,000, whatever that ratio is. In 2006, the FSC ratio was 10%. In earlier years, when the run sizes were lower, that ratio could be quite a bit higher. It could be 20%, 30%, or even higher. So it varies with the size of the run.

The economic allocation is a ratio that doesn't vary with the size of the run. It will be roughly 10% and will continue to be, regardless of run size.

The Chair: Monsieur Blais, thank you.

Mr. Stoffer.

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

And thank you once again, sir.

You're probably aware of our 2005 report regarding the 2004 Fraser River run. The committee made 12 recommendations. One of them, of course, was the use of drift nets above Mission. I'm just

wondering, has your department, especially out there, accepted that recommendation?

We have, I believe, over 90 different first nations along the Fraser River, if I'm not mistaken, plus all the commercial activity at the mouth of the Fraser. And obviously, if you want to protect the integrity of the number of spawners going back up, you have to catch them in a way that's the most ecologically responsible. From my understanding, using drift nets is not one of the more ecologically responsible efforts at doing that.

I'm just wondering, is there a prohibition now on drift nets on the Fraser above Mission?

Mr. Paul Sprout: No, there's not. We have a few groups that are using drift nets. But I want to explain something.

Drift-net fishing is what gillnetters do in the Fraser River. A gillnet boat has a net attached to it and it drifts down the river. That's called drift-net fishing. That's exactly what first nations do in a few locations. I don't think you mean to imply that gillnet drift-net fishing shouldn't occur as well on the Fraser below Mission. I think the issue is whether, where drift-net fishing occurs above the Mission bridge, it is properly regulated and enforced, and to what extent it should be allowed to increase. I think that's what the SCOFO committee raised in their 2005 report.

What we've done in 2006—and in 2005, following your report—is we put in a science review or a study. We wanted to ask the question: what is the better method for fishing—set net or drift net? What's interesting is that it's not clear which one is preferable. Drift-net fishing tends to occur more quickly, people tend to catch their catch more quickly, and as a consequence, they're not fishing as often as with set nets. The other thing that's interesting is that the bycatch ratio changes between set nets and drift nets. What we are discovering is that we need to do more science between these two different fishing types before determining what is the best method to fish.

The final point I wanted to make is that drift-net fishing can occur in only certain locations on the Fraser. The majority of first nations above Mission use set nets and will continue to do that because of the nature of the Fraser River itself. You can't actually drift. The river is moving through narrow canyons and other constrictions, and they have to use set nets, not drift nets. Drift-net fishing actually occurs in the lower part of the Fraser. For first nations the area that's of most interest is the area above Mission, and that is where we have the study.

Mr. Peter Stoffer: Thank you.

I'm very pleased to see you've actually said you need more science. This is just a comment, but in the estimates it shows science going down in DFO's budget. So thank you for that.

There one other concern. The Cheam Band came before us last week and they talked about the gravel extraction, which you are probably aware of. What is DFO doing to address the concerns that were expressed before the committee by other people, and of course what the Cheam have done?

•(1245)

Mr. Paul Sprout: We appeared in front of the committee last year to talk about this issue, and subsequent to that appearance the department launched a review of what happened in 2005. That led to a multi-agency assessment—that's work by the federal and provincial governments. We consulted with the various stakeholders—the communities and the various interests that were concerned about the gravel removal. That finally led to a report with a series of recommendations. That report was adopted by the Department of Fisheries and Oceans, and those recommendations lay out how we will approach circumstances in the future. We believe that will get at some of the issues that arose as a result of the 2005 incident.

Mr. Peter Stoffer: Mr. Chairman, is it possible to get a copy of that report?

Mr. Paul Sprout: Of course.

Mr. Peter Stoffer: Thank you, sir.

The Chair: Mr. Kamp or Mr. Lunney.

Mr. Randy Kamp: I'll start.

I have two related questions, and I think they'll be brief. They're mostly to give you an opportunity to expand a little on your observation that some of the downsizing of the runs was done after the fishing effort was completed, which obviously raises some questions.

I saw the numbers throughout the summer and I know we started at 17 million plus as an estimate. Early on, it was still around that, then it dropped to 15 million, then to 13 million. Then it went to 11 million, and now it's somewhere between eight million and nine million. The late run, for example, started out at 8.8 million and about halfway through the season it jumped up to 10.5 million, and then there was a lot of pressure from fishermen to increase their allocations and the TAC. Then it dropped back down to around eight million, and now, the last I heard, it was in around five million for the late run. Something somewhat similar happened with the summer run, and it never did materialize, I think.

I'm puzzled by that 10.5 million figure mid-season. I assume it was based on some sort of test fishing and other things that aren't completely the responsibility of DFO. How does that work? Don't we have a problem when we finally realize, after the season is over, that there weren't as many fish? Or were they somewhere and just didn't get past Mission? I guess that's my question.

Related to that, my recollection is that 2002 was a season when a lot of fish made it to the spawning grounds—millions. Could that have impacted at all on the run size in 2006?

Mr. Paul Sprout: You've accurately described the season. I just want to step back a bit so that all the members understand how it's managed, and then try to answer your two questions.

First of all, we forecast how many fish are going to come back. That's the first thing we do. Those fish are out in the far north Pacific and then they migrate and come back into Canadian waters, and eventually into the mouth of the Fraser. In the process of coming back, as they enter into Canadian waters, we start to estimate how many fish are there. That process is controlled by the Pacific Salmon

Commission, which is an international body that is charged with assessing Fraser River sockeye populations in season and then recommending to the two countries fishing arrangements to meet their allocation requirements. As the fish migrate back into Canadian waters and into the mouth of the Fraser, they're assessed. So in any one week that assessment can say, as Mr. Kamp has indicated, okay, we think there are 10 million; no, we think there are 7 million; no, we think there are 5 million; no it's back up to 8 million; it's back up to 11 million. That happens; it's normal management for Pacific salmon. It's dynamic; it changes from week to week or day to day. So that's the normal background work. This is different from groundfish, where you fix a catch or an allocation and you leave it for a year, or in some cases for years. In Pacific salmon, it's entirely the opposite. It's dynamic; it changes.

What happened this year is the Pacific Salmon Commission thought that of the pre-season estimate of late-timing Fraser, which was 17 million, 8 million of that population was late-timing sockeye, and they thought that population was actually 10 million, or even greater. The reason they thought that is because we had extraordinary catches in one of our commercial fisheries in one week. Extraordinary catches are that we caught, in the space of a day and a bit, three quarters of a million sockeye. In a small fishery, in a constrained time period, we caught a lot of animals. The commission thought that this was indicating that the run was not 8 million, but 10 million, or even more.

To top it off, of course, a number of commercial fishermen thought that the run was way greater than 10 million. I received a lot of calls saying "You need to open a fishery because there are millions and millions of fish that are here." In any event, afterward, after the fisheries had been completed, the commission re-evaluated how many fish they thought were there and they downgraded the run from 10 million to five million, where it rests today.

The reason the run was overestimated was probably due to a couple of things, one of which I pointed out, which is that you had very high catches, which normally would have indicated a very strong return. But in this case, it may well have been that the way the fish behaved is they were very vulnerable, for some reason or other, and that this gave an indication, but it was a false indication.

What we have to do, in terms of the post-season review, is go back and look at what happened and ask ourselves how it happened and what we can learn from it for next year and for the years that follow. That was the same argument that we did in 2002, when exactly the reverse happened: a lot more fish got onto the spawning grounds than we anticipated. In that case there was an underestimate of the run. This is a continuing challenge in managing Fraser sockeye. You're always adjusting to make allowances for the behaviour of the fish. It's an argument for why you have to build in buffers and why you have to build in provisions to allow for some margin for error.

The final point I wanted to answer is could the reduction in the number of fish that came back this year be related to how many fish spawned in the brood year, which I think was your second question, Mr. Kamp. For the late-timing population, we think the answer is probably no. For the summer population, that might be the case. Both the summers and the lates came back at less than expected, so it may well be that for the summers it's the number of fish that were on the spawning grounds in the brood year, or the number of spawners in 2002; and for the late timing, it's probably related to the ocean conditions, which were very inhospitable for some parts of the Fraser River sockeye when they went out to sea as young fish. We think it's likely a combination of those two things, and we will be looking at that in the post-season review.

• (1250)

The Chair: Mr. Lunney, four minutes.

Mr. James Lunney: Thank you very much, Mr. Chair.

I'm interested in that particular comment about inhospitable conditions when they went out. Was that in 2002 or 2003?

Mr. Paul Sprout: They went out in 2003.

Mr. James Lunney: Could you expand on that? What do you mean? Was that particularly cold water or warm water, or what was it?

Mr. Paul Sprout: These are Pacific salmon juveniles. The adults have spawned, the eggs have hatched, and the fish spend about one year in a lake. They then migrate down the Fraser River, go into the ocean, where they spend two years, and then they come back as adults.

When the fish hit the ocean in 2003, we know that the ocean surface temperatures were unusually warm—one to three degrees above normal. Even though that may sound modest, across the north Pacific it's hugely significant. Those kinds of temperatures change predator-prey relationships and make conditions different for Pacific salmon. It's possible that those fish hit the waters when the conditions weren't optimal and as a result they suffered unusual mortality. When they came back, we didn't see the numbers. We did not get the survival rate you would have otherwise expected.

Mr. James Lunney: That was surface water temperature I think you were referring to. So are you suggesting that perhaps it was high mortality due to predation, or higher mortality from disease?

Mr. Paul Sprout: It could be a combination of two things: predation, or changes in prey abundance. These young fish are feeding actively. They need to put on weight so they can survive the huge migratory pathway to the north Pacific Ocean. It's possible the prey they normally consume wasn't there in the amounts they required, or alternatively, predators were there in numbers that were different from normal. Probably a combination of those two might explain what happened.

• (1255)

Mr. James Lunney: I would like to follow up on that.

We're dealing with cold-blooded critters. As I understand it—we talked to one of the retired DFO scientists, and this was his specialty—and you can correct me if I'm wrong, they have a

preferred operating temperature when they're migrating. They can feed in any temperature, basically, but when migrating, if I remember right, they prefer about six degrees centigrade. Anyway, they're suggesting that the six-degree temperature that used to be abundant along the Georgia Strait and along the coast of Vancouver Island coming back to the Fraser River has now moved up the coast. So these fish have to potentially migrate through hundreds of kilometres of water that is outside their preferred operating temperature. They arrive fatigued and with a lot of their life force already spent.

Would you agree with that assessment?

Mr. Paul Sprout: That's certainly a consideration. In fact, just to enlarge on that, when Pacific salmon enter marine water, they then migrate thousands of kilometres to the north Pacific Ocean. In that process, they feed and grow, and then they return. If ocean temperatures are increasing, Pacific salmon will try to avoid those warm temperature conditions, so they will migrate farther. They have to be able to consume more to return to fresh water and the mouth of the Fraser River. So that's a problem. They only have so much fat reserves. Once they're exhausted, those fish can't spawn. That's the one issue.

The second issue is that when they move into the Fraser River, they experience extraordinarily high temperatures. We had conditions this year of 21 degrees celsius—23 degrees is lethal. When they enter into 21 degree waters, they're stressed. If they stay any length of time in 21 degrees, they accumulate impacts they cannot recover from.

We have to look in a forward-looking way when we manage the Pacific salmon, particularly these southerly located populations. That really brings into question how we manage, and what kinds of buffers we put in and so forth, because of these environmental circumstances.

Mr. James Lunney: Very interesting.

Can I have one more?

The Chair: You're over time. You can ask him afterwards. I'm sure you will have time to get another question in.

I appreciate your coming, Mr. Sprout.

Thanks to our committee members who stayed until the last gun fired. I appreciate it.

For Thursday's meeting, in this room, we have the Acadian Regional Federation of Professional Fishermen and the Conservation Council of New Brunswick.

For the benefit of members who are still here, I think there was a request to have a room with a camera for the next time the minister comes. I don't know how we've made out on that yet. We have a new clerk, who's trying to figure out the agenda as we go along. I think she's doing a great job, though.

We will plan to have the next meeting in this room again.

Thank you.

The meeting is adjourned.

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