

Research Challenge: how could BC fisheries transition to owner- operator/fleet separation?

Evelyn Pinkerton

School of Resource & Environmental Management

Simon Fraser University

Challenge and opportunity

- announcement February 2018 by Dominic LeBlanc, Minister of Fisheries and Oceans
- proposed amendments to the *Fisheries Act* that would affect all Canadian fishermen
- entrench owner-operator/fleet separation on inshore east coast
- licensing policy review on the west coast?

Dominic LeBlanc, Minister of DFO, but since July 18, [Minister of Intergovernmental Affairs, Northern Affairs and Internal Trade](#)



The problem

- What do active BC fishermen want?
- How could we transition to owner-operator/fleet separation when we have gone in a different direction for so long?
- What would happen to ITQs which some owner-operators hold?

UFAWU response

- May-July 2018 online survey of 107 active fishermen + 7 recently retired fishermen in all major BC fisheries (many in several fisheries in different roles) + 3 interested parties (117 total).
- Current analysis of survey identifies major findings/dilemmas
- Findings and dilemmas suggest important research needs.
- Research could encourage & inform, suggest best foci, for possible upcoming west coast licensing policy review

16 points of greatest agreement among survey respondents

- *Do you think west coast licensing policy should benefit working active fishermen?* YES from 95 out of 101 responses = **94%**. NO from 2.
- *Would you support an owner-operator policy created to meet the needs of BC fishermen?* YES from 100 out of 114 responses = **88%**. YES, IN SOME FISHERIES from 4 (i.e., **91%** favoured owner-operator in at least some fisheries). NO from 9 = 9%.
- *Would you support a fleet separation policy that prevented processors/buyers from controlling licenses/quotas?* YES from 99 out of 113 responses = **88%**. YES, IN SOME FISHERIES from 4 = **91%** favoured fleet separation in at least some fisheries. NO from 9 = 8%.

...16 points of greatest agreement among respondents

- *Do you think west coast licensing policies should only allow license/quota ownership by active fishermen (except for NNFC and FN communal licenses)?* YES from 83 out of 99 responses = **84%**. NO from 15 = 15%.
- *Should DFO hold an inquiry to change west coast licensing policy to benefit active fishermen and rural coastal communities?* YES from 95 out of 117 responses = **81%**; 11 others (9%) wanted change but were skeptical that a DFO inquiry would result in any positive outcome. **Some of these suggested that 3rd party involvement would be crucial. {could that be YOU?}**

...16 points of greatest agreement among respondents

- *Do you think west coast licensing policies should allow people who don't fish to own licensed quota?* NO from 83 out of 103 responses = **81%**. YES from 33 = 32%.
- *Should processors/buyers be able to own licenses/quota?* NO from 80 out of 102 responses = **78%**; IN SOME FISHERIES from 13 others (i.e., 92 out of 102 or **90%** thought there should be some limits on processor/buyer ownership of licenses and quota).
- *Do you think the present DFO licensing system is preventing you from making a good living?* YES from 77 out of 101 responses = **76%**.

...16 points of greatest agreement among respondents

- *Should processor/buyer/quota owner be able to charge crew quota lease costs?* NEVER from 50 out of 94 responses = **53%**. SOMETIMES, if owner had to buy or lease quota (vs get it for free) from 34 others = 36%. (**89%** don't think they should *always* be able to do this). 4 answered ALWAYS (4%).
- *Should crews be protected with a share agreement outlining what can be charged to the crew share?* YES from 53 out of 87 responses = **61%**. NO from 10 = 11%.
- *The consequences of no change to licensing policy would be:* 77 responded that rural coastal communities would continue to decline = **66%**; 35 responded that they would not be able to fish all their present fisheries = 29%; 25 said they would stop fishing entirely = 22%) [overlap in first response and second 2 responses] and 11 responded that "no change is best for me" (although some of these indicated they wanted corporate ownership to be controlled).

...16 points of greatest agreement among respondents

- *Should owner-operator/fleet separation/quota ownership by active fishermen be adopted over a number of years to benefit working fishermen?* YES, RIGHT AWAY from 55 out of 115 = **48%**. YES, OVER TIME from 47 out of 115 = **41%**. (102 YESes out of 115 = **89%**). NO from 13 = **11%**.
- *What would be a reasonable time period to change to owner-operator and fleet separation policies and to allow non-fishermen to divest themselves of quotas and licenses?* 1-4 YEARS from 75 out of 115 = **65%**; 5-8 years from 20 out of 75 = **27%**; i.e., 1-8 years from 94 = **82%**.

...16 points of greatest agreement among respondents

- *Should government help a transition to owner-operator and fleet separation by financially assisting those invested in ITQs?* YES from 51 out of 84 responses = **61%**. NO from 34 = 40%.
- *Would going to owner-operator drop license/quota prices low enough to allow young fishermen to buy in?* YES from 60 out of 77 = **78%**. NO from 17 = 22%.
- *Should government have another buy-back and put licenses/quota up for sale at affordable prices for young fishermen only?* WORTH THINKING ABOUT from 53 out of 115 = 46%. YES from 19 = 17%. (**63%** have a favourable attitude toward). NO from 22 = 19%

Ideas for change

- *License banks.* Responding to the question (39) *Would community/fishermen-owned license banks (similar to NNFC or Communal/PICFI) make it easier for young fishermen to get into the fishery and retiring fishermen to get out*, 28 responded YES and 48 responded “Sounds worth thinking about” = 76 altogether out of 100 (76%). Also mentioned in response to question 30 was “a quota bank where there is equal access among participants.”

...Ideas for change

- *Lease fees.* “A percentage-based leasing system in favour of fishermen and crew would help build equity to buy licenses and transition over a longer period”; “Lease fee should not exceed 40%”; “50-50 would be fair”; “To cover fuel costs, a straight percentage works best”; “If it were only active fishermen, the market would take care of lease costs”; “The crew get manipulated when the boat share is 90%”; “50% for boat and 50% for crew after fuel, bait, lost gear and licensing costs, including validation and monitoring and government fees”; “Up-front leasing puts all the risk on the fisherman lessee. Shared risk and fair share should replace”; “Change quota leasing fees”; “At least change groundfish lease costs if it’s too difficult to change quota in this fishery.”

...Ideas for change

- In response to the question (23) *Should west coast licensing policies allow people who don't fish to own quota*, some comments focused on the need to keep quota in the hands of active fishermen: **“You should lose all or some of your quota if don’t fish it yourself for 5 years”**; **“Owner must fish it or it becomes a “B” quota and expires in 4 years”**. However, respondents were suggesting ways for active fishermen to transition out of quota ownership, similar in some ways to the phased retirement programs of public institutions, allowing time for financial and psychological adjustments.
- HOW TO DO A FAIR TRANSITION is a major research challenge!

...Ideas for change

- **Should quota and licenses be transferable?**
- “Only between active fishermen”
- “Only of transferred via a quota bank equally among participants”
- “Only transferable inside one area” (e.g. Area F troll)
- “Only to cover bycatch quota”
- “Should be independent system to transfer quota to owner-operators”

...Ideas for change

The new Minister since July 18th, Jonathan Wilkinson



Where does Wilkinson stand on these issues?

- Formerly NDP from Saskatchewan
- Worked in green industries, but supports Kinder-Morgan
- Lived in North Vancouver for last 16 years
- Request in to Finn Donneley for insight into W's position: no response. Other possibilities?
- Worth building on survey and opportunity regardless of Wilkinson's position