



SPORT FISHING INSTITUTE  
OF BRITISH COLUMBIA

February 20, 2019

Standing Committee on Fisheries and Oceans  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6

**Re: Appearance before the Standing Committee on Fisheries and Oceans - February 4, 2019**

**The Sport Fishing Institute of BC comments regarding the study of Western Fisheries Regulations and the XRQ Halibut Licence**

In 2003, under pressure from the commercial halibut fleet to limit the public harvest of halibut, then Minister Thibault announced his intention to create and assign quota to the public fishery as well as the commercial fleet. Despite considerable debate and contrary to advice offered by the Sport Fishing Advisory Board, the Minister settled on an 88\12 allocation split, gifting access to 88% of Canada's halibut resource to roughly 400 individuals while limiting the rest of Canadians to 12%.

After nearly a decade of debate and several failed attempts to implement the policy, the recreational sector reached the conclusion that the only remaining option to achieve a resolution that recognized the value and importance of the public halibut fishery to Canada was increasing public awareness of the inherent lack of fairness in the 88\12 allocation formula. In 2010 and 2011 several organizations that support the public fishery formed a coalition that embarked on a significant public education and lobby effort in order to inform the public of the lack of fairness in the policy, and to illustrate how it had the potential to turn a common property resource, intended to benefit all Canadians, into private property enriching only a few select individuals.

In 2011 DFO announced that it would reallocate 3% of the total allowable catch back to the public, thereby creating the allocation split of 85\15. While this was an improvement, the persistence of the imbalance remains, and the allocation split continues to impede the recreational fishery from realizing its social and economic potential.

Coincidentally with the reallocation decision, Minister Ashfield also decreed that a market-based transfer mechanism must be created to allow for trade of quota between the sectors. The mechanism proved difficult to arrange but bound by the Minister's decision, in 2011 DFO announced a "pilot experimental fishery program or XRQ license" whereby interested individuals or businesses in the public fishery could lease quota from commercial quota holders to allow them to fish "outside" of the BC Sport Fishing Regulations. This meant that fishing seasons, bag limits and size limits that apply to all other anglers would not apply to those who could afford or know how to lease quota. This experimental licence did not provide opportunity for either sector to acquire or sell quota but only to lease it.

Rather than provide “additional fishing opportunities for the recreational sector”, the XRQ has created a two-tiered recreational fishery where the BC sport fishing regulations don’t apply. And, presumably due to the cost and limited DFO resources, XRQ licences are not properly monitored or enforced.

It is our understanding that the minimum amount of quota required to obtain an XRQ license is 20 lbs. Participants in the XRQ license scheme are required to maintain log books, but are not required to hail in and hail out on any given fishing day to indicate their status within either the public or commercial fishery, and are not required to reconcile their use of commercial quota until January of the following year. An XRQ participant has easy entry into the scheme but is trusted to account for the actual amount of fish caught under the XRQ license. This creates potential for abuse of this license by individuals or businesses who would choose to do so. Unless their catch is inspected by an enforcement office on the day they are fishing, there is no clear means by which there is a guarantee that fish caught will be accounted for under the XRQ license.

In 2012, the Minister of Fisheries and Oceans Canada confirmed that the experimental licence would continue to be available and announced the Department was moving forward with a regulatory proposal. That proposal is still under the formal review process, the RIAS has not progressed and therefore final approval has not been granted. The XRQ is in regulatory limbo. Unfortunately, while the XRQ remains under review it continues to be available to the public and administered by DFO.

**We urge this Committee to reject this regulation review and end this unfair and unregulated license scheme as soon as possible.**

Given the general opposition to this program by the majority of participants in the public fishery, participation in the XRQ is insignificant. Based on the most recent information available, as of the end of October 2018, a total of 243 licenses were issued and a total of 31,868 pounds of halibut quota was transferred from the commercial sector to experimental licence holders. This represents 1.9% of the total public fishery TAC and the number of licenses issued represents approximately 1/10<sup>th</sup> of 1% of the participants in the public fishery. Given the degree of public fishery opposition to this policy, and the undisclosed and disproportionate costs of administering the program, it is apparent to us that the XRQ is an inadequate tool to satisfy a policy request of a previous Minister and government.

One of the fundamental principles that underlies the continued access of the public to fishery resources in BC is the concept of common property. In this context, fishery resources are owned by the people of Canada, and are managed by the federal government for the benefit of all Canadians.

The commercial halibut sector has made significant legal and political challenges to common property management of fisheries in Canada. A segment of the sector expressed their desire to outright own what they perceive to be their share of halibut (as defined by their ITQ) for eternity regardless of how they acquired their quota. Many current quota holders were gifted their quota by the government of Canada, no longer actively fish, and generate a healthy annual income from this gift by leasing their quota out to active commercial fishermen. Remember, the management cost of maintaining the resource and ensuring sustainable fisheries are borne largely by Canadian tax payers.

Fortunately, in 2014 the Supreme Court of Canada rejected this notion in the Malcolm Case thereby confirming the legal right of the Minister of Fisheries and Oceans Canada to reallocate, without compensation, and manage fishery resources in an unfettered manner on behalf of all Canadians.

We agree that while quota-based fisheries may indeed be the best way to effectively manage commercial fisheries, based on our experience with halibut, it's easy to see that quota-based management is not an effective or fair way to manage a public access fishery with over 250,000 participants. Quota allocation processes thus far have not adequately considered the economic and social value of the recreational fishery and as a result, assigned quota has been significantly less than required to allow the fishery to achieve its potential.

It is in all our best interests that the Government of Canada respects the concept of common property management of fishery resources in Canada and therefore we urge the SCOFO to support this principle by recommending a fair allocation of Canada's halibut resource to the public, and to end the unfair and divisive XRQ license scheme.

We appreciate your support, please contact us at your convenience with any further questions or concerns.

Sincerely,

**SPORT FISHING INSTITUTE OF BC**



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Executive Director



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