



June 8, 2021

Hello committee members and once again the Prince Edward Island Fishermen's Association (PEIFA) appreciates the opportunity to submit a written submission to the Standing Committee on Fisheries and Oceans.

In this submission we have summarized our concerns in Schedule A for quick reference by the committee.

As a representative organization for over 1260 Captains, our harvesters have experienced many changes in the past few years related to on board equipment, regulations and export markets, but the fact our members participate in a profession that contributes directly to their local economy does not.

Fishing has been a cornerstone of local coastal economies for many years and if we play our cards right, it will be for many more.

But there are storm clouds on the horizon that are cause for concern.

We should all be concerned about the risk of moving from having independent owner operators supporting our local communities to a consolidation of the industry around big corporations that have too much control over the fishery and who may export significant profits.

The concept of independent owner - operators managing their own businesses has been a key concept for the survival of coastal communities since the start of the commercial fishery. Captains and crews that live in these communities buy their food, pick-up trucks and supplies locally so that local businesses can continue to survive.

On PEI, most lobster fleets employ 3 to 4 crew members within the 1260 core license fleets. This represents wages for between 3700 to 5000 individuals and their families on the harvester side alone.

This example is how our independent small businesses contribute to, and impact local economies. Our sector was one of the few industries that started last spring and generated much needed jobs and business revenue for Canada when most of the country and world was shutting down due to the COVID 19 virus.

But much of what I have outlined is at risk if we allow corporate interests to gain control and have power over the fishery. The recent sale of Clearwater Seafood of Nova Scotia to Premium Brands of Vancouver and FNC Holdings Limited Partnership is of great concern. The issue is about the consolidation of power and corporate interests in the fishery – regardless of who owns the corporation.

There are many unanswered questions surrounding this deal that need to be answered by the Federal government.

The largest corporate sale in Canadian seafood history was announced in November 9th 2020 and approved less than 60 days later on January 6th 2021 with much of the review time taking place over the traditional holiday season.

A December 23rd letter expressing concerns and questions by the PEIFA to Minister Freeland was not replied to until May 7th 2021.

Please see Schedule A for a listing of the key questions and concerns we have:

The issuing of licenses to mid-shore and off shore fleets has always been contentious as the focus is first and foremost shareholder return.

Our ocean resources are collectively owned for the benefit of all Canadians. Our concern is that there may be unintended consequences to all harvesters and their communities if the requested license transfers proceed without full disclosure, transparency and preferential corporate access to a Canadian resource is permitted.

At the very least all potential negative impacts need to be assessed.

Food security for all Canadians is of primary importance. Transactions of this magnitude must be scrutinized in their entirety and all impacts positive or negative assessed.

We believe independent local owner-operators, whether they be Indigenous or non-Indigenous fishers, not big corporations, is the best way to keep the fishery and our communities strong, and our resource sustainable.

Schedule A

As the new ownership group has requested the transfer of the licenses to only one half of the partnership the following questions are of concern.

1. it is unclear why the transfer of the exiting grandfathered mid and offshore licenses to FNC Holdings Limited Partnership is required.
Under Section 21 of the Fishery (General) Regulations it does not appear that a license transfer is required.
2. If the either the new entity or one of the shareholder groups becomes insolvent or bankrupt, will Section 15 of DFO Licensing policy, Licenses Held by a Corporation in Receivership still apply?
3. Will the existing mid shore and offshore licenses be granted any additional provisions?
We are still awaiting a reply from the Department of Finance Canada on what tax changes may occur under the new ownership group.
4. Will any of the corporate tax regimes change for the new ownership group?
5. Will funds, dividends, profits, loan proceeds or other corporate instruments backed by corporate assets, be a legitimate source of funds to purchase existing inshore licenses and fleets?
6. Will the mid and off-shore fleets be allowed to fish any new inshore fishery quotas?
7. Will off-shore boats be crewed by First Nations crew members should the licenses be transferred to FNC Holdings Limited Partnership?
8. What percentage of company profits will be subject to corporate taxes?
9. How does this ownership arrangement support Owner Operator and inshore fishing policy and the protection of coastal communities?
10. Can the mid and off shore license categories be changed to communal licenses?