

**STANDING COMMITTEE ON
FISHERIES AND OCEANS**



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

**COMITÉ PERMANENT DES
PÊCHES ET DES OCÉANS**

August 16, 2023

The Honourable Diane Lebouthillier, P.C., M.P.
Minister of Fisheries, Oceans and the Canadian Coast Guard
Confederation Building, Suite 207
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Lebouthillier:

I am writing to you in my capacity as the Chair of the House of Commons Standing Committee on Fisheries and Oceans (the Committee) to convey concerns related to the progress made by Fisheries and Oceans Canada (DFO) in implementing the 20 recommendations presented in this Committee's 2019 report, *West Coast Fisheries: Sharing Risks and Benefits*. Although it has been four years since the report's tabling and almost three years since the government's response, the Committee is concerned that DFO has made little progress in addressing its recommendations.

As you may be aware, the Committee has conducted a study on foreign ownership and corporate concentration of fishing licences and quota. Within the context of this study, between 8 May 2023 and 1 June 2023, the Committee heard testimony from harvesters and fisheries experts who stated that the challenges raised in the Committee's 2019 report have since gotten worse – food security, harvester livelihoods, and the economic security of coastal communities have been further eroded.

To attain a degree of accountability, the Committee invited departmental officials on 5 June 2023 to provide a progress update on its 2019 recommendations. Neil Davis, Regional Director of the Fisheries Management Branch in the Pacific Region of DFO, informed the Committee that the department has:

- conducted a comparative analysis of the fisheries policies and regulations on the West and East coasts;

- taken steps towards the development of a public licence and quota ownership registry;
- sent out the Beneficial Ownership Survey to identify the domestic and foreign entities benefitting directly or indirectly from commercial fishing licences and quotas and is finalizing the analysis of the responses received;
- sent out surveys to collect socio-economic data on commercial and recreational fisheries and is developing public dashboards to display these data;
- drafted changes to the policy and terms of reference for commercial fishery advisory boards for consultation; and
- engaged with stakeholders on the 2019 report and on work done so far by DFO to address the recommendations.

While the Committee recognizes the importance of consultations, it is concerned with the pace of concrete progress. At minimum, DFO should be listening to the fishing community. At the Fisheries for Communities Gathering in Victoria in March 2023, fishers identified recommendations #2, #4, #6, #8, #13, #15 and #19 as priorities for action. Mr. Neil Davis, however, informed the Committee that DFO's response to the 2019 recommendations has focused on existing opportunities and the availability of resources. Moreover, the Committee was informed that only one full-time DFO employee has been working on implementing the government's response to the 2019 report's recommendations.

While the Committee recognizes that some of the recommended policy changes are complex, it is adamant that they must be addressed in a timely manner. Complexity should not be a barrier to concrete action. The Committee is also concerned that a lack of capacity or resources may be slowing down progress. Adequate staffing and timely access to other relevant DFO staff in the various fisheries management groups must be ensured immediately and as further work gets underway once reasonable engagement processes are complete.

With respect to West Coast fisheries, the Committee notes that there is still work to be done to understand the true impacts of the leasing of quotas. Witnesses told the Committee that the Beneficial Ownership Survey does not assess the true scope of this issue as it was ineffective and poorly constructed, asking licence holders (the active harvesters who gain access to quotas by leasing licences from licence owners) to answer the survey instead of licence owners. Mark Waddell, Director General of Fisheries Policy at DFO, explained that, to avoid creating a survey with a heavy administrative burden for respondents, the issue of the leasing of quotas was set aside for the time being. As such, the Beneficial Ownership Survey does not assess the nature of lease agreements and can only provide a count of leasing agreements in the Pacific Region.

Furthermore, Mr. Neil Davis told the Committee that DFO Pacific Region focuses more on conservation and economic viability than on progress towards social and cultural outcomes for the entirety of the B.C. commercial fishery. However, social and cultural impacts are being felt since, for example, commercial fishing licences in B.C. can be owned by outside investors as opposed to active harvesters and costs can be driven up by the buying and selling of licences and quotas as investment tools. When the local ownership of licences, quotas, or supply chains or skills and capacity leave coastal communities because of the current regulatory system and high prices, there are social and cultural impacts on these communities. Impacts on coastal communities are also felt when the next generation of fishers is pushed out of the fishery by high licence prices, or multigenerational fishing becomes less and less viable.

While the Committee agrees that fulsome engagement and consultations with impacted stakeholders are necessary, DFO must take action with respect to licensing on the West Coast. The 2019 recommendations should inform DFO's priorities and sufficient resources to implement the changes should be prioritized. The Committee urges you to look beyond economics and to make the social, cultural and community-building impacts of commercial fisheries a priority. The Committee also urges you to hear the community's call for a transition towards "made-in-B.C." owner-operator and fleet separation policies. These policies would require licence owners to actively participate in fishing operations and prevent processors from obtaining or leasing quotas, licences or vessels.

The Committee will continue to follow progress on the 2019 recommendations and looks forward to the upcoming elements described by DFO officials during the 5 June briefing:

- the publication of the results of the Beneficial Ownership Survey for both coasts;
- the publication of dashboards with commercial and recreational fishery socio-economic data in fall 2023;
- the launch of the public licence and quota ownership registry; and
- the efficient engagement on implementing certain East Coast policies on the West Coast.

On behalf of the Committee, I would like to thank you for taking our concerns under advisement. The Committee looks forward to your response.

Yours sincerely,

A handwritten signature in black ink that reads "Ken McDonald". The signature is written in a cursive, flowing style.

Ken McDonald, Member of Parliament

Chair, House of Commons Standing Committee on Fisheries and Oceans