

Reference is made to the revised vessel quota proposal e-mail of Jan. 19, attached.

<<Cullen Untitled.htm>>

<http://www.mmadfish.com/prawnvoice/pdf/proquotadraft19jan05.pdf>

To summarize, we understand that the revisions suggest 3 openings instead of 1, to occur consecutively from May 1 to Dec. 15. Forty percent of an allocation would be authorized in each of the first 2 openings, May 1 to July 15 and then July 16 to Sept. 30. This 80% has been referred to as an assured quota. It has been suggested that the third opening Oct. 1 to Dec. 15 would have a 30% allocation. There are additional suggestions for increased quota allocations for vessels fishing outside of the Gulf, or based on past Area history, or for fishing in offshore areas. There is a suggestion that the quota would be amended for future years based on spawner index values found in the most recent season. Finally, there is a suggestion that the number of on-ground monitors could be reduced due to decreased intensity of commercial fishing effort.

Please be advised as follows:

The Department recommended a 4 month season in the first year of either pilot program, as a step towards restoring a longer fishing season. Our concern is that DFO internal resources may be insufficient to manage a fishery longer than 4 months. We are in favour of limiting the time during which the fishery is exposed to problems or deficiencies that may only become apparent when a pilot project is tested. We note that it took 10 years for the length of the fishery to reduce from 8 months to 2 months, it may take time to restore the fishery to an opening greater than 4 months, and that this will likely require additional resources to accomplish.

The Department appreciates that incentives to length the commercial fishing season, reduce the effort early in the year and potential benefits that may be important to the success of any pilot program depend on the potential access to fall markets. Accordingly, please be advised that for either pilot program, we are willing to consider a split season of combined length no greater than 4 months. In such a case, any coastal area that closed for conservation purposes in the first opening, would not re-open in the second portion of the fishery. Further, any coastal area that was considered to have marginal stock strength at the close of the first opening, would also not re-open in the second portion of the fishery. The relationship between openings and observer coverage is discussed further in this note, below.

The revised vessel quota proposal refers to 80% of the past 3 year's landings as an assured quota. The Department is not prepared to make any such assurance as the spawner index sampling program is the safety net for either of the pilot program and areas need to close as the index is reached.

The Department has suggested a 1700t target for a pilot quota proposal. The first vessel quota proposal tabled last fall was 1678t. The revised vessel quota proposal references 110% of recent average landings. Consider if this

had been adopted as a pilot in 2004. Based on landings for 2001-2003, the quota for 2004 would have been set at 2307t. This is significantly higher than the 1864t landed in 2004. It is also significantly higher than the landings of 2105t in 2001 and 1866t in 2002. The use of a quota based on 110% of recent landings would lead to unrealistic expectations of fishing opportunity. With the introduction of the bait efficiency correction factor in 2005, future catch is more likely to approximate long term averages than recent record high landings. Accordingly, it is recommended that a target of 1700t be used for development of the vessel quota pilot program proposal.

The vessel quota proposal of using increased quota allocations as incentives to fish other waters are intriguing. However, they contribute to the pilot program complexity and manageability. We recommend that they be considered as possible future elements of a vessel quota management system, if that type of management is adopted in this fishery following a pilot program.

On the matter of quota adjustment, setting future quotas based on spawner index results found in a completed fishing season is not possible. As stated at the last caucus meeting on the IQ proposal, no relationship is known to exist between one season's spawner index values and the harvestable prawn abundance in the subsequent year. Even within a period of months, mortality rates are high and exceedingly variable.

The revised vessel quota proposal suggests a reduction to 5 or 6 on-ground monitors due to decreased intensity of commercial fishing effort. The number of on-grounds monitors required to collect information is as much a function of the geography of the fishery as its intensity. The proposal refers to an anticipated race to fish at the start of the last opening. We agree that is likely to continue during the pilot project, as the majority of fishers will maintain their traditional fishing patterns. As the maintenance of the spawner index sampling program is the safety net for either of the pilot program proposals, we advise that the level of on-grounds monitoring effort presently employed in the fishery in May and June, will need to be continued for the pilot projects.

The level of fishing effort is likely to be diminished for the remaining two months of any pilot project. As well, the availability of on-grounds monitors is also likely to be diminished. Once again, the geography of the fishery will play a role in considering how many on-grounds monitors will need to be deployed. The present distribution of on-grounds monitors provides guidance on the numbers of on-grounds monitors that will be required to sustain fishery opening extensions in any pilot program. For example, continuation of a fishery in the Queen Charlotte Islands will require an observer in that area. Similarly, the west coast of Vancouver Island is presently supported by an on-grounds monitor, and that will continue to be necessary if those areas continue to be fished in the extended season. If there were open areas scattered from Prince Rupert to Cape Caution, a single observer could not provide coverage for all of the geography. One strategy that industry may consider will be to limit the geographical extent of the extended season openings, to reduce observer

coverage requirements, thereby limiting costs.

We thank the industry representatives for their patience in waiting on advice from the Department which we provide at this time, for both of the pilot program proposals.

The string haul limit proposal depends on the use of electronic monitoring equipment. The Department has received advice on authorities regarding the use of this type of equipment. In summary:

- * the Department appears to have sufficient authority to establish electronic monitoring including the use of on-board cameras, by means of the conditions of licence
- * the use of on-board camera monitoring can be required for all fishing authorized by that licence
- * electronic monitoring equipment does not have to be activated while the vessel is not fishing
- * electronic monitoring equipment does not have to be activated while the vessel is fishing another licence, unless that licence also requires the use of electronic monitoring equipment
- * electronic monitoring equipment does not have to be activated when a vessel is being used for recreational or charter fishing if that fishing occurs during a different time than the commercial fishing

On the matter of the Privacy Act and the proposed vessel quota allocation formula which would require sharing of landing information, we have been advised that landing information is either personal information or third party confidential information, protected under the Acts and only released to the individual to whom the information belongs. It appears that this advice may apply both to the landings recorded by a vessel fishing 500 traps, and may also apply when a vessel has been sold from one party to another during the qualifying period. The Department may not be able to share landings information among parties as suggested by the allocation formula. Based on the advice received to date, we can not advise fishers of the anticipated allocation if that depends on knowledge of landings registered with another vessel.

The extension of the current commercial fishery season to a longer season for a pilot project implies that an increase in enforcement activities funding may be necessary. The nine week fishery in 2004 expended \$47,800 of \$59,185 enforcement funds provided. Although vessel effort in the latter half of an extended pilot program season may be reduced, the geographic extent of the fishery also plays a role. A string haul pilot project will require increased at-sea attention and vessel boardings to confirm that electronic gear is in use. The string haul pilot implies increased time for court proceedings resulting from vessel record audits. The individual vessel catch limit pilot project implies increased time at sea to monitor for illegal product transfers, monitoring registered landing stations at times when dockside monitors are not usually present, and monitoring other potential landing sites outside of designated ports. Increased enforcement

funding proportional to season length may be required. That is, \$85,000 of enforcement mobilization funds may be required for a 4 month season compared to the 2004 season.

Halibut funding arrangements were reviewed to determine if the \$85,000 appears reasonable. The halibut industry provided the Department with \$332,000 in 2004/2005, for enforcement funding including salaries, overtime and goods and service expenditures. Halibut is a more valuable fishery, and has a longer fishing season. 2003 is the most recent year of complete records. The halibut fishery had a landed value of \$49.2M Halibut funding for enforcement was 0.7% of landed value. The prawn fishery had a landed value of \$29.9M in 2003. A comparable level of enforcement funding in the prawn fishery would be \$201,800. Comparing season lengths, the halibut fishery has an opening of 8 months. The proposed prawn pilot project opening is 4 months. On a time basis, comparable enforcement funding in the prawn fishery would be \$166,000. The halibut industry also provides additional funds for stock assessment and fish management support.

Regarding designated landing ports for a vessel quota pilot program, we note that every "W" licence vessel has Schedule II fishing privileges that have designated landing ports listed in Part 2 of the conditions of licence (section 9 in 2004). This may assist quota proponents who are reminded that the Department has requested a more comprehensive description of the dockside monitoring program. A more comprehensive description of an enforcement plan has been requested for both pilot project proposals.

The next Prawn Sectoral Committee meeting is Friday April 15, at the Coast Bastion hotel in downtown Nanaimo, commencing at 10:30. The proposed pilot programs are a topic of broad interest. I request that each of the groups working on the pilot program proposals be prepared to describe the proposals to the Committee at large, that date.

Industry is requested to advise the Department when they think that the pilot program proposals will be well enough developed that a ballot may be prepared and sent to licence holders.

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