

Senate



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CANADA

NUNAVUT MARINE FISHERIES: QUOTAS AND HARBOURS

Report of the

**Standing Senate Committee on
Fisheries and Oceans**

The Honourable William Rompkey, P.C.
Chair

The Honourable Ethel M. Cochrane
Deputy Chair

June 2009

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(Committee Business — Senate — Reports)
40th Parliament — 2nd Session

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ORDER OF REFERENCE

Extract from the *Journals of the Senate*, Thursday, March 12, 2009:

With leave of the Senate,

The Honourable Senator Comeau moved, seconded by the Honourable Senator Cowan:

That the Standing Senate Committee on Fisheries and Oceans be authorized to examine and to report on issues relating to the federal government's current and evolving policy framework for managing Canada's fisheries and oceans;

That the papers and evidence received and taken and work accomplished by the committee on this subject since the beginning of the First Session of the Thirty-ninth Parliament be referred to the committee;

That the committee report from time to time to the Senate but no later than June 30, 2010, and that the Committee retain all powers necessary to publicize its findings until December 31, 2010.

The question being put on the motion, it was adopted.

Paul C. Bélisle

Clerk of the Senate

NUNAVUT MARINE FISHERIES: QUOTAS AND HARBOURS

**THE STANDING SENATE COMMITTEE
ON FISHERIES AND OCEANS**

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ACRONYMS

ASEP – Aboriginal Skills and Employment Partnership

BFC – Baffin Fisheries Coalition

CCG – Canadian Coast Guard

CEAA – Canadian Environmental Assessment Agency

DFO – Department of Fisheries and Oceans

EFF – Exploratory Fisheries Fund

FAC – Fisheries Advisory Committee

HTA – Hunters and Trappers Association

HTO – Hunters and Trappers Organization

ITK – Inuit Tapiriit Kanatami

MOU – Memorandum of Understanding

NAFO – Northwest Atlantic Fisheries Organization

NLCA – Nunavut Land Claims Agreement

NSA – Nunavut Settlement Area

NTI – Nunavut Tunngavik Incorporated

NTK – Nunavuummi Tasiujarjuamiuguqatigiit Katutjiqatigiingit

NWMB – Nunavut Wildlife Management Board

QC – Qikiqtaaluk Corporation

RWO – Regional Wildlife Organization

SFA – Shrimp Fishing Area

TAC – Total Allowable Catch

PREFACE

On 21 November 2007, the Senate of Canada authorized the Standing Senate Committee on Fisheries and Oceans (the Committee) to examine and report on issues relating to the federal government's current and evolving policy framework for managing Canada's fisheries and oceans. The Senate also passed a motion that allowed the papers and evidence gathered at hearings held during the previous session of Parliament to be referred to the Committee.

In May and June 2007, the Committee had previously heard in Ottawa from:

- the Nunavut Department of Economic Development and Transportation (the territorial agency then responsible for fisheries and economic development);*
- the Nunavut Wildlife Management Board (the main instrument of wildlife management, including the fishery);
- Nunavut Tunngavik Incorporated (the Inuit organization that represents the Inuit for all purposes relating to the Nunavut Land Claims Agreement); and
- the Department of Fisheries and Oceans (the federal government agency responsible for managing marine resources).

Beginning on 6 December 2007, and in keeping with its order of reference, the Committee held public hearings in Ottawa to better understand the issues at hand. An interim report *The Coast Guard in Canada's Arctic* – work in progress based on evidence gathered in Ottawa from 5 February 2008 to 15 May 2008 – was tabled on 23 June 2008. The northern perspective on issues still needed to be fully heard and considered, however.

During the first week of June 2008, the Committee travelled to Nunavut where turbot and northern shrimp support commercial marine fisheries in Canada's northern waters. Public hearings were conducted in Iqaluit on 2 June, and in Pangnirtung on 5 June 2008. Both these meetings concluded with an open-mike session to hear from members of the public.

Committee members were also briefed as part of fact-finding work by staff at the Canadian Coast Guard and Marine Communications and Traffic Services facility in Iqaluit. In addition, they met with representatives of the communities of Resolute Bay, Arctic Bay, Pond Inlet and Qikiqtarjuaq, and visited the port facility at Nanisivik where construction of a new Canadian Forces naval docking and refuelling facility is to begin in 2010.

* The Nunavut Department of the Environment is the territorial department currently responsible for fisheries.

Through skilled interpreters, the Committee was able to work in English, French, and Inuktitut throughout its stay in Nunavut. Topics of particular interest to Committee members were the role of the Canadian Coast Guard, the Nunavut marine commercial fisheries, sovereignty, and climate change.

The Committee's work was considerably delayed with the dissolution of the Thirty-Ninth Parliament in September 2008 and the federal election on 14 October, and with the dissolution of the Fortieth Parliament in December 2008.

LIST OF RECOMMENDATIONS

Recommendation 1:

The Committee recommends that the Government of Canada move forward to develop and implement, in collaboration with the Government of Nunavut, the harbour development plan recommended by the DFO–Nunavut Harbours Working Committee in its 2005 *Nunavut Small Craft Harbours Report*. (See pages 18-26 and 37-38.)

Recommendation 2:

The Committee recommends that the Department of Fisheries and Oceans continue to assign 100% of the NAFO Division 0A turbot allocation to Nunavut. (See pages 4 and 38.)

Recommendation 3:

The Committee recommends that, in NAFO Division 0B, the Department of Fisheries and Oceans continue its policy that no new access to 0B turbot be given to non-Nunavut interests until Nunavut has achieved a level of access to adjacent marine resources comparable to levels of access enjoyed by other coastal jurisdictions in their adjacent fisheries. (See pages 26-31 and 38.)

Recommendation 4:

The Committee recommends that the Minister of Fisheries and Oceans put in place a policy giving Nunavut stakeholders the right of first refusal to purchase, at a competitive rate, all fishery quotas in Nunavut's adjacent waters that are transferred or sold. (See pages 27-29 and 39.)

Recommendation 5:

The Committee recommends, as a general principle, that Inuit Qaujimajatuqangit, as an indispensable complement to scientific knowledge, always be given full consideration in fisheries decision-making. (See pages 33, 37 and 39.)

Recommendation 6:

The Committee recommends that, with respect to the Eastmain-1-A and Rupert Diversion Project, the Minister of Fisheries and Oceans indicate when and how the research and monitoring program outlined by the 2006 Federal Review Panel in Recommendation 34 will be implemented. (See pages 34-35 and 39.)

Recommendation 7:

The Committee recommends that the Department of Fisheries and Oceans substantially increase its funding for exploratory research in Nunavut's adjacent waters, and that it commit to a multi-year, multi-species research program. (See pages 31-33, 36-37 and 39.)

Recommendation 8:

The Committee recommends that the Department of Fisheries and Oceans assess the impact of all vessel activity on whales and in concert with the Nunavut Wildlife Management Board, develop protective management measures, such as vessel exclusion zones at certain times of the year. (See pages 33 and 39.)

FOREWORD

In Nunavut, small-boat, community-based fishing shows great potential. Nunavummiut are keenly interested in exploratory work to develop commercial fisheries for as yet undiscovered stocks near their communities. The goal of expanding sustainable fisheries in the North should be further pursued not only to take advantage of emerging opportunities and to generate much-needed economic and social benefits, but also as a means to demonstrate Canada's exercise of sovereignty and jurisdiction. Ongoing fisheries research is therefore essential to identify and develop new fishing opportunities and to manage and sustain marine resources in the long term.

Significantly, the Nunavut Wildlife Management Board has revised its framework for allocating commercial fish quotas in Nunavut to make it more objective, fair, transparent and accountable, and to achieve a balance between inshore (small-boat) and offshore sectors. Nunavummiut appear to have moved forward on matters over which Nunavut has control, but the same cannot be said for the Department of Fisheries and Oceans (DFO).

Nunavummiut are a maritime people dependent on the sea and its resources. But despite their connection to the sea, Nunavut is the only jurisdiction in Canada with no small craft harbours, typical in other regions to support of commercial fisheries and other marine activities. Public investments in port-related infrastructure are urgently needed to enable the territory to catch up with the rest of Canada and to strengthen the foundation of its fishing industry, particularly the small-boat sector.

Across Canada, DFO maintains nearly 1,000 fishing harbours, but in Nunavut there are none. The exception is a small craft harbour promised in the February 2008 federal budget for the community of Pangnirtung in three years' time, which falls short of a report produced by a joint Department of Fisheries and Oceans–Nunavut Harbours Working Committee in November 2005 which determined that harbours were warranted in seven communities to facilitate commercial fisheries and to support other regional interests.

In Nunavut, the Committee heard a great deal of dissatisfaction and frustration with the territory's share of adjacent marine fishery resources. The term "adjacency" is generally understood to mean that priority of access should be given to those interests closest to the resource. Nunavut's share of 0B turbot – 27.3% – remains unchanged since the late 1990s, and the territory's access to shrimp is 31.45%. Nunavummiut view their allotment as disproportionately small and unfair compared with other regions in Canada, and the Committee

agrees: Nunavut's share of adjacent fish stocks should be comparable to levels of access enjoyed by provinces in the Atlantic fishery, which means having access to 80–95% of fish in adjacent waters.

The Committee appreciates the great hospitality we experienced in Nunavut. We went to Nunavut to listen. The Committee was impressed by the deep passion shown by participants in our study whose voices need to be heard. We hope our report will aid in that effort.

William Rompkey, P.C., Chair

NUNAVUT MARINE FISHERIES: QUOTAS AND HARBOURS

INTRODUCTION

The people who inhabit the North are the human dimension of Canada's sovereignty in the Arctic. Nunavut faces significant challenges in the promotion of economic and social development, one of the Northern Strategy's four priorities. Commercial fisheries are one of the territory's best opportunities for economic growth and independence

Nunavummiut view economic development as a critical aspect of Canada's Arctic sovereignty. The Honourable Olayuk Akesuk, Nunavut's then Environment Minister, for example, argued that more fisheries-related employment needs to be created for northern residents in order for Canada to maintain a sustainable presence in the region.⁽¹⁾ John Amagoalik, who is often called "the Father of Nunavut," likened the situation in many small Nunavut communities to Third World conditions.⁽²⁾

John Merritt, Senior Policy Advisor for Inuit Tapiriit Kanatami (ITK),⁽³⁾ pointed out in his presentation to the Committee that Canada's sovereignty in the Arctic is a function not only of military and diplomatic approaches and activities, but also of the effectiveness of social policies. In a related vein, the three territorial premiers released *A Northern Vision: A Stronger North and a Better Canada* in 2007; this document acknowledged that "the most powerful expression of sovereignty is the existence of strong and healthy northern communities."⁽⁴⁾

Recent census data, however, continue to show significant socio-economic gaps between Inuit and other Canadians.

Inuit experience indicators of well-being that are well below national norms. For example, 31% of Canada's Inuit lived in crowded dwellings in 2006,⁽⁵⁾ compared to 3% of the non-Aboriginal population in Canada. The estimated life expectancy for Inuit in 2001 was 63 years for men and 72 years for women; for the total Canadian population, it was 77 years for

(1) The Hon. Olayuk Akesuk, Nunavut Minister of the Environment, *Committee Proceedings*, 2 June 2008.

(2) John Amagoalik, *Committee Proceedings*, 2 June 2008.

(3) ITK is the national voice of Canada's Inuit and represents Inuit living in Nunatsiavut (Labrador), Nunavik (Northern Quebec), Nunavut, and the Inuvialuit region of the Northwest Territories.

(4) "Territorial Premiers Release Shared Vision for Canada's North," News release, 26 May 2007, <http://www.anorthernvision.ca/>.

(5) In Nunavut, the rate was 39%; in Nunavik it was 49%.

men and 82 years for women.⁽⁶⁾ A particularly striking aspect of the Inuit population (Canada's fastest-growing population) is its youth: in 2006, the median age was 22 years, compared with 40 years for non-Aboriginal people. The cost of living in the North is the highest in North America.⁽⁷⁾ Unemployment and underemployment in turn exacerbate a host of social problems.

In the case of Nunavut, the largest employer is government; the territorial government has no control over resource royalties;⁽⁸⁾ and the economy is heavily dependent on public-sector spending financed by federal government fiscal transfers.⁽⁹⁾ Given the region's remoteness, the small size of its settlements, and its harsh environmental and physical conditions, Nunavut's economic options are limited. Marine transportation is available only on a seasonal basis, and the high cost of shipping adds to the cost of fuel and building materials. The territory encompasses approximately 1.9 million square kilometres, or one-fifth of Canada's land mass. There are no roads connecting communities, which are strung along the coast of the Arctic Ocean, Hudson Bay and the North Atlantic Ocean. Food and most consumables are transported by air, which adds considerably to the cost of living.

In 2003, the *Nunavut Economic Development Strategy* concluded that the territory's economy lagged behind other jurisdictions in Canada. In setting out a broad strategic direction and priorities over a 10-year time frame, the following five principles were accepted and put forward by more than 25 groups of territorial organizations:

- cultural integrity: preserving the primary relationships and values that come from Inuit Qaujimaqatuqangit [traditional Inuit knowledge];
- determination and realism: recognizing [Nunavut's] limits and building on strengths;

⁽⁶⁾ Reported in Statistics Canada, *Aboriginal Peoples in Canada in 2006: Inuit, Métis and First Nations, 2006 Census*, Catalogue No. 97-558-XIE.

⁽⁷⁾ *Northern Connections: A Multi-Modal Transportation Blueprint for the North*, February 2008, p. 12.

⁽⁸⁾ On 5 September 2008, the Government of Nunavut, NTI and the federal government signed the Nunavut Devolution Negotiation Protocol, which establishes a process for negotiating the transfer of responsibilities over lands and resources from the federal government to the territory. INAC, "Speaking Notes: The Honourable Chuck Strahl, PC, MP Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-status Indians at the Signing of the Nunavut Devolution Negotiation Protocol," 5 September 2008, <http://www.ainc-inac.gc.ca/ai/mr/spch/2008/sept05-eng.asp>.

⁽⁹⁾ The public sector accounts for approximately 30% of territorial wage earners, compared with the Canadian average of 6%. Government of Nunavut, Department of Finance, *Budget 2008: Supplementary Documents*, 20 February 2008, p. 8.

- community control: placing control of economic development in the hands of community members;
- cooperation and coordination: integrating economic development activities with community efforts in the areas of community wellness, community learning and community governance; and
- sustainability: building sustainable economies to benefit future generations.⁽¹⁰⁾

The development strategy, which was frequently mentioned at our meetings, identified the commercial fishery as one of the primary sectors for development and a key growth area in Nunavut's future economy. A number of challenges and obstacles, however, limit the territory's ability to fully develop its potential. In this regard, several studies and consultations have been conducted since the strategy's release in 2003, and since the Committee last examined the Nunavut fishery in 2003–2004.⁽¹¹⁾ These include:

- the March 2005 *Nunavut Fisheries Strategy*, the territory's guide for the successful development of the fishing industry (released in May 2005) by the Government of Nunavut and Nunavut Tunngavik Incorporated (NTI)⁽¹²⁾ following a consultation process initiated in the winter of 2004;⁽¹³⁾
- the November 2005 *Nunavut Small Craft Harbours Report*, developed by an intergovernmental DFO–Nunavut Harbours Working Committee, which supported the Nunavut government's request for fishing harbour infrastructure in seven communities;
- the 2006 *Organizational and Performance Review of Nunavut's Offshore Fishing Industry*, an independent study commissioned by the Government of Nunavut to assist in policy and program development, strategic planning and investment decisions;⁽¹⁴⁾ and

⁽¹⁰⁾ *Nunavut Economic Development Strategy: Building a Foundation for the Future*, June 2003, pp. vi-vii.

⁽¹¹⁾ Standing Senate Committee on Fisheries and Oceans, *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004, <http://www.parl.gc.ca/37/3/parlbus/commbus/senate/com-e/fish-e/rep-e/01apr04-e.pdf>.

⁽¹²⁾ NTI's mission is to foster Inuit economic, social and cultural well-being through the implementation of the Nunavut Land Claims Agreement.

⁽¹³⁾ The strategy outlines six core objectives: science and conservation; organizational capacity and governance; access and allocation; labour and market development and training; infrastructure; and funding and revenue generation.

⁽¹⁴⁾ The review echoed the key elements championed in the Senate Committee's 2004 report on *Nunavut Fisheries*. Michael d'Eça, Legal Advisor, Nunavut Wildlife Management Board, *Committee Proceedings*, 10 May 2007.

- the Nunavut Wildlife Management Board's (NWMB) new *Allocation Policy for Nunavut's Commercial Marine Fisheries*, developed in conjunction with the Nunavut government and industry stakeholders and currently being implemented.

OVERVIEW OF COMMERCIAL MARINE FISHERIES

Marine resources have always had a significant role in the traditional Inuit subsistence diet, but commercial fishing is a relatively new activity. Nunavummiut have nonetheless gained a great deal more experience, and they are serious about being involved in the fishery, which has seen major growth in recent years.

Two species support northern commercial marine fisheries: turbot (also known as Greenland halibut), and northern shrimp (or pink shrimp). The landed value for shrimp in Nunavut was approximately \$2.9 million in 2005; for turbot, the catch was worth \$35.2 million in 2006, an increase of almost 50% over the previous year arising from increased quotas and strong markets.⁽¹⁵⁾

In Division 0A (or "0A") – the northernmost half of the Northwest Atlantic Fisheries Organization (NAFO) Subarea 0 (see Map 1) – turbot quotas expanded rapidly in recent years. From 1996 to 2000, exploratory fishing allowed an annual harvest of up to 300 tonnes. During this period, DFO's fishing plan provided that 50% of any increase in the Subarea 0 turbot Total Allowable Catch (TAC) would go to Nunavut interests. In August 2000, the Minister of Fisheries and Oceans announced that the fishery would be managed as a separate unit in 2001, and that Nunavut would receive the entire 0A quota. A 3,500-tonne annual exploratory quota was set that year; this was increased to 4,000 tonnes in 2002 and to 4,400 tonnes for the years 2003 through 2005.

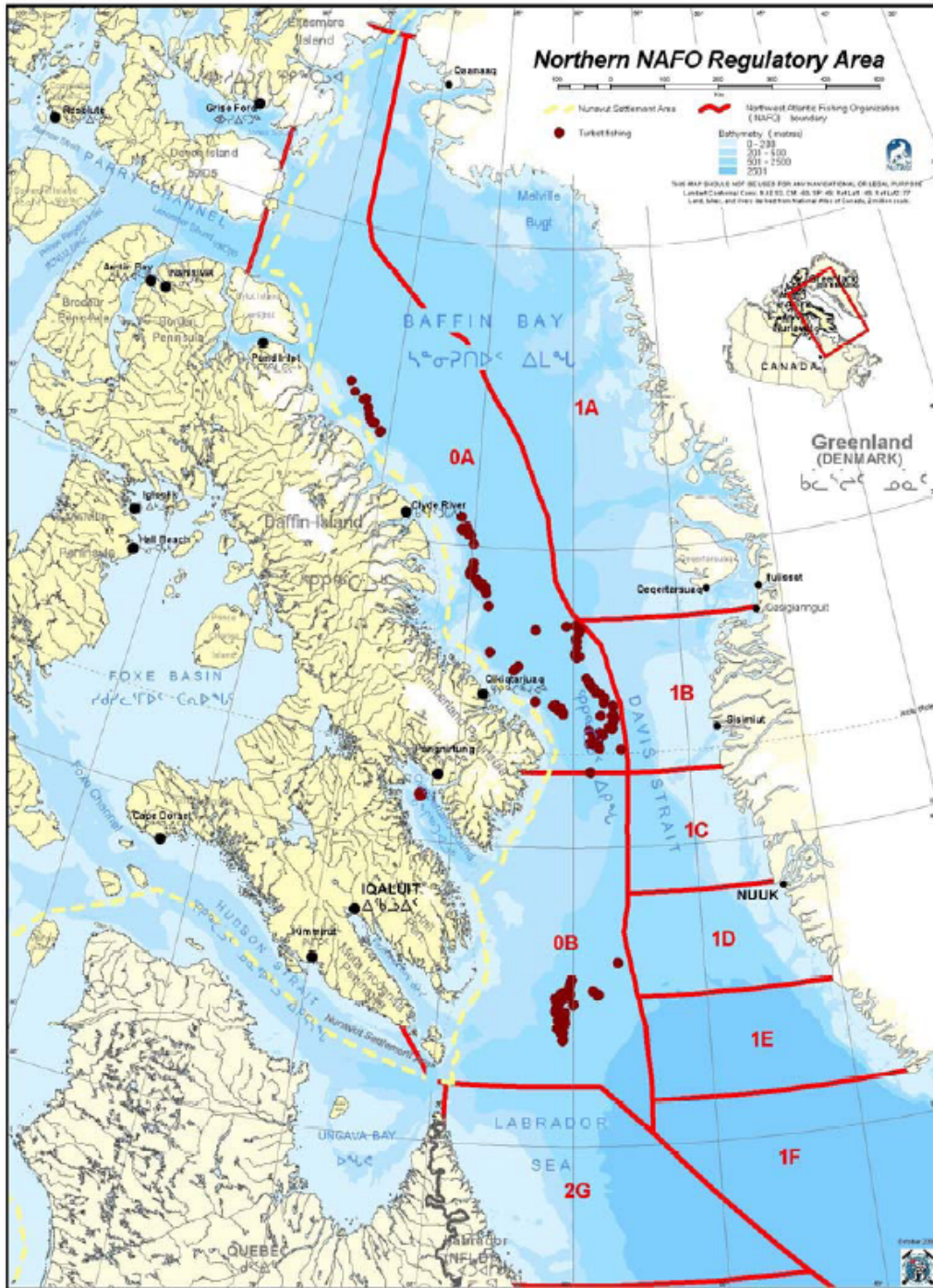
For 2006, NAFO's Scientific Council recommended a 5,000-tonne increase in the regional allowable catch (in NAFO Divisions 0A, 1A offshore and 1B). As a result of a 50% sharing arrangement with Greenland, Canada receives half of the recommended overall quota of 13,000 tonnes, or 6,500 tonnes.

In Division 0B (or "0B") – south of Division 0A in Davis Strait – the turbot fishery has a longer history and fishing season, and is more economically viable than in 0A. Before the late 1990s, with the exception of a small under-the-ice inshore fishery in Cumberland Sound and exploratory fishing, virtually all catches took place in 0B. Today, the fishery consists of a Canadian quota of 5,500 tonnes split between Nunavut and fishing interests in the Atlantic provinces.⁽¹⁶⁾

⁽¹⁵⁾ Nunavut Department of Finance, *Budget 2007, Fiscal and Economic Outlook*, March 2007, p. A10. Data for Nunavut fisheries are not readily available.

⁽¹⁶⁾ A separate 500-tonne inshore quota was established in Cumberland Sound in December 2004 (the Pangnirtung community harvest).

Map 1 – NAFO Subarea 0, Divisions 0A and 0B



Note: The dots show turbot fishing vessel positions in 2002.

Source: Canada–Nunavut Geoscience Office, Iqaluit, October 2002.

In 2008, individual quotas for turbot and shrimp were allocated to a number of Nunavut fishing interests, as shown in Table 2.

**Table 2 – Summary of Turbot and Shrimp Quotas Allocated to
Nunavut Fishing Interests in 2008**

Applicant	0A Turbot Commercial	0B Turbot Commercial	Cumberland Sound Zone NSA Turbot Exploratory	SFA 1 Shrimp Commercial	SFA 2 Shrimp Commercial	SFA 1 Shrimp Exploratory	SFA 3 Shrimp Exploratory	SFA 2, 3 or 4 Shrimp Exploratory	
	(NSA) Inside 12 mile territorial sea boundary								
	Metric Tonnes	Metric Tonnes	Metric Tonnes	Metric Tonnes	Metric Tonnes	Metric Tonnes			
Baffin Fisheries Coalition	4,700			2,421		2,000	500		
Cumberland Sound Fisheries	500	750		1,000	600				
Nattivak HTO	700	330			100				
Mittimatalik HTO		45			150				
Clyde River HTO		45			150				
Qikiqtaaluk Corporation	500	285							
Quliruaq Corp. (Amarok HTO)					350			360	
Mayukalik HTO		45			150			150	
Pangnirtung HTO			500						
Kabva Marine Ltd					125				
Aqviq Marine Ltd.					125				
6237631 Nunavut Ltd.				150					
Jencor Fisheries				150					
Inshore development	100								
Total	6,500	1,500	500	3,721	1,750	2,000	500	500	

Note: SFA = Shrimp Fishing Area; NSA = Nunavut Settlement Area.

Source: Nunavut Wildlife Management Board, 2008.

Historically, because Nunavut lacked basic infrastructure, notably fishing vessels and ports, the method of conducting the fishery and the only means available to quota-holders to generate economic returns were charter arrangements with foreign and Canadian boats.⁽¹⁷⁾ Quotas were sold “in the water” and fished by others in exchange for royalty fees and crew positions. To build harvesting capacity for turbot, the Nunavut Wildlife Management Board (the main instrument of wildlife management, including the fishery) decided, in 2001, to allocate the entire 0A quota to the Baffin Fisheries Coalition (BFC), a federally incorporated not-for-profit organization created that year, whose initial membership included hunters and trappers organizations (HTOs) and other Inuit organizations that had been involved in Nunavut’s shrimp and turbot fisheries.

The BFC created Niqitaq Fisheries Ltd. in 2003 – a wholly-owned BFC subsidiary and for-profit company with Inuit status, to own and operate fishing vessels. Royalties allowed the BFC to acquire two large offshore factory-freezer vessels, *Inukshuk I* and *Oujukoaq*. The Committee was informed that, with almost \$2 million as equity, the BFC is now in a majority ownership position with respect to the vessels.⁽¹⁸⁾ Niqitaq and foreign joint venture partners own the two vessels, which are registered in Canada (see Figure 1).⁽¹⁹⁾

The BFC’s stated goals are the development of Nunavut’s offshore turbot fishery and the maximization of benefits to Nunavummiut. Dividends in the amount of \$600,000 were said to be distributed to BFC member organizations each year – a total of \$2.4 million since 2001.⁽²⁰⁾

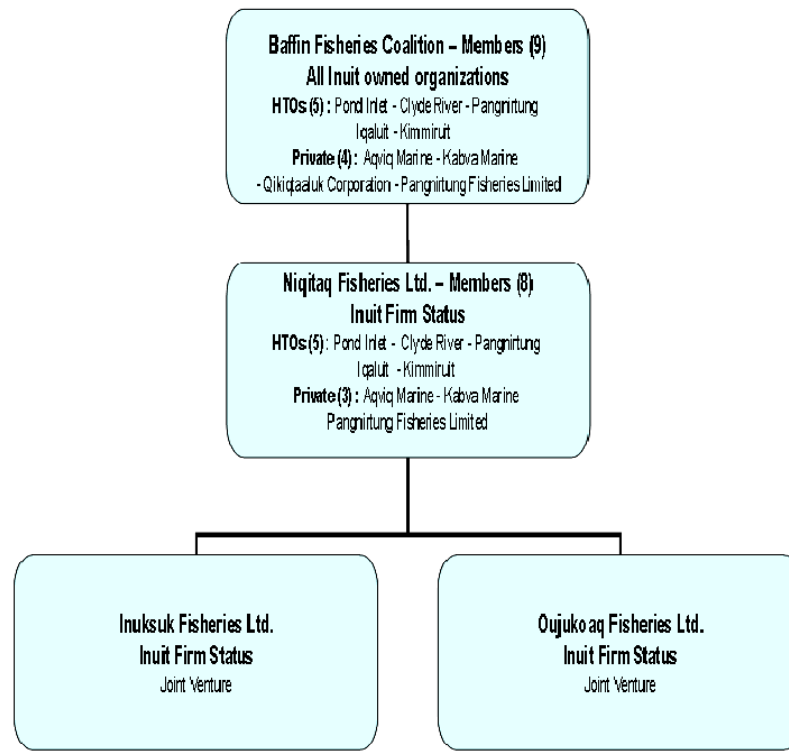
⁽¹⁷⁾ No foreign fishing vessels have been employed in Nunavut waters since 2004; all boats engaged in the fishery now sail under the Canadian flag and are chartered or owned by Nunavut interests.

⁽¹⁸⁾ BFC, Brief submitted to the Committee, 5 June 2008.

⁽¹⁹⁾ See also the BFC’s website at: http://www.bfcoalition.ca/english/org_charts.asp.

⁽²⁰⁾ Johnny Mike, Director, Baffin Fisheries Coalition, *Committee Proceedings*, 5 June 2008.

Figure 1 – BFC and Niqitaq Fisheries Ltd., Overall Organizational Structure



Source: BFC, Brief submitted to the Committee, June 2008.

With respect to this Nunavut offshore fishery,⁽²¹⁾ in March 2005 the federal government confirmed funding of \$3.2 million over three years under the Aboriginal Skills and Employment Partnership (ASEP) program to increase the skills, employment opportunities and involvement of Inuit.⁽²²⁾ With funding provided by government and industry partners, the Nunavut Fisheries Training Consortium has had a total budget of approximately \$5.4 million over four years.⁽²³⁾

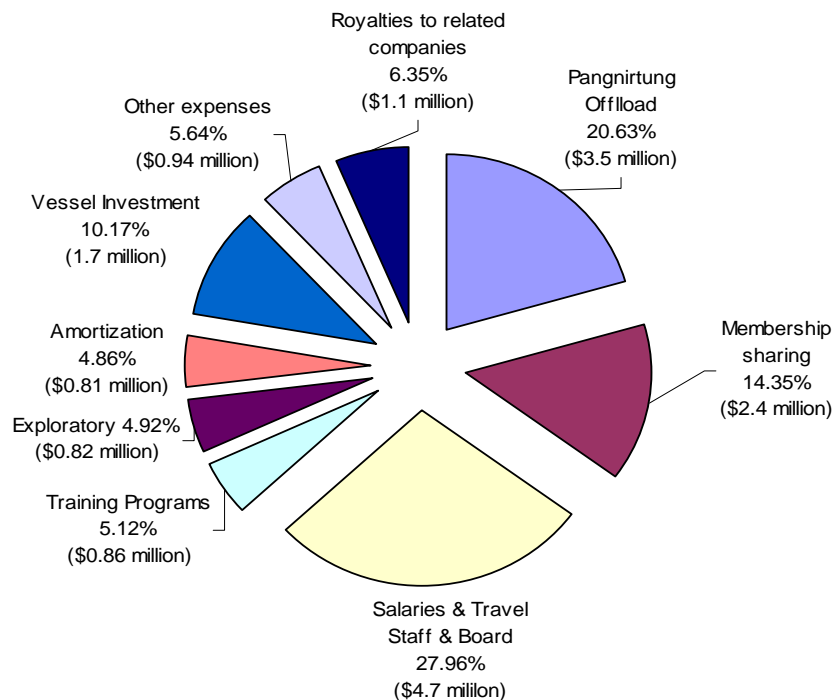
⁽²¹⁾ In Atlantic fisheries, the “offshore sector” is defined as vessels greater than 100 feet in length.

⁽²²⁾ ASEP is a national program designed to provide Aboriginal people with the skills they need to participate in economic opportunities such as northern mining, oil and gas, forestry, and hydro development projects across Canada.

⁽²³⁾ The Nunavut Fisheries Training Consortium is a partnership consisting of the BFC, NTI, the Kakivak Association, the Hunters and Trappers Association, the Nunavut departments of Environment and Education, and Nunavut Arctic College, with Human Resources and Skills Development Canada and INAC serving as ex officio partners. Human Resources and Skills Development Canada, “Government of Canada Announces Funding to Deliver Skills Development and Employment in the Nunavut Offshore Fishery,” News release, 22 March 2005. The Consortium receives funding from the Government of Nunavut, the BFC, the Kakivak Association, and INAC. In-kind support is provided by the HTOs of Nunavut. Nunavut Fisheries Training Consortium, *Annual Report 2007–2008*, p. 4.

Johnny Mike, Director of the BFC, indicated to the Committee that the coalition had spent \$860,000 on training programs since 2001 (see Figure 2). The objective of the next stage of training, he said, was to move Inuit up the ranks from the factory floor of fishing vessels to more senior technical and managerial positions.

Figure 2 – BFC Revenue Distribution, 2001–2007



Source: BFC, Brief submitted to the Committee, June 2008.

A significant development in the Nunavut fishery was the withdrawal of the Nattivak Hunters and Trappers Association of Qikiqtarjuaq from the BFC in May 2004. The HTO⁽²⁴⁾ formed Masiliit Corporation in 2005, a for-profit Inuit company with the objective of building a small-boat community fishery. Masiliit Corporation lobbied hard for a share of 0A turbot, and in June 2006 it was awarded 700 tonnes of the 2,500-tonne increase in 0A. The company employs smaller fixed-gear inshore vessels (under 100 feet) in the summer months.

In 2005, Qikiqtaaluk Corporation (QC, the economic development branch of the Baffin Island regional Inuit organization) acquired a 51% controlling interest in Qikiqtaaluk Fisheries Corporation and the factory-freezer trawler *Saputi*, with an option to buy the rest of the company over time.⁽²⁵⁾

⁽²⁴⁾ HTOs are also known as “Associations,” or HTAs.

⁽²⁵⁾ Qikiqtaaluk Corporation, Press release, 3 November 2005, <http://www.qcorp.ca/Press%20Release%20Saputi%20Nov%203%202005.pdf>.

Because the territory lacks harbour facilities, most of the turbot catch is offloaded in Greenland. A small portion of offshore-caught fish is processed onshore at a fish plant in the community of Pangnirtung, which the Committee visited in June 2008. Built in 1994 and jointly owned by the Nunavut Development Corporation (a Crown corporation of the Government of Nunavut, which holds 51% of the voting stock) and Inuit-owned Cumberland Sound Fisheries (which holds the remaining 49% of voting stock), Pangnirtung Fisheries Ltd. is Nunavut's only onshore processing facility for marine fish. Each year, the plant buys and processes Arctic char (10 tonnes, harvested locally), and turbot (300–400 tonnes) consisting mostly of fish caught by the BFC that are frozen at sea.⁽²⁶⁾ Locally caught turbot in the ice fishery are also delivered for processing in winter (about 40 tonnes, depending on ice conditions).⁽²⁷⁾

The Pangnirtung fish plant struggled financially in past years, but operations were said to be getting closer to being profitable every year.⁽²⁸⁾ Efficiency gains in production were realized with the acquisition of an automated filleting machine. The Committee learned that up to approximately 30 local people are employed for eight months or so during the year when offshore turbot is being processed. Production is shipped to markets mainly in Europe and Asia via cargo plane. Joopa Gowdluapik, Chairman of the Board of Cumberland Sound Fisheries, indicated to the Committee that the objective of keeping the plant operational is to create employment in the community.

The Pangnirtung facility, however, needs to process more turbot, according to Don Cunningham, the plant's general manager. The hope was for a summer fishery to develop in Cumberland Sound, where the annual quota is set at 500 tonnes. In this regard, the challenges were said to include finding the fish in summer, and accessing fishing vessels. As Mr. Cunningham explained:

The small boats that this community owns are just not capable of fishing in the water, in the depths where we think the turbot are, where we think they go in the summertime. We need larger boats, but they need to be boats that, down the road, are economically possible for community members or local fishermen to purchase so that they can eventually own these boats and do the fishing themselves. That is the goal of the fish plant. We do not want to be in the fishing, the harvesting side; we want to buy from fishermen.

With respect to shrimp, the region's other major commercial species, Nunavummiut have been involved in offshore fishing since the 1980s. Nunavut is allocated 31% of the shrimp available for harvest north of Quebec and Labrador in Northern Shrimp Fishing Areas (SFAs)

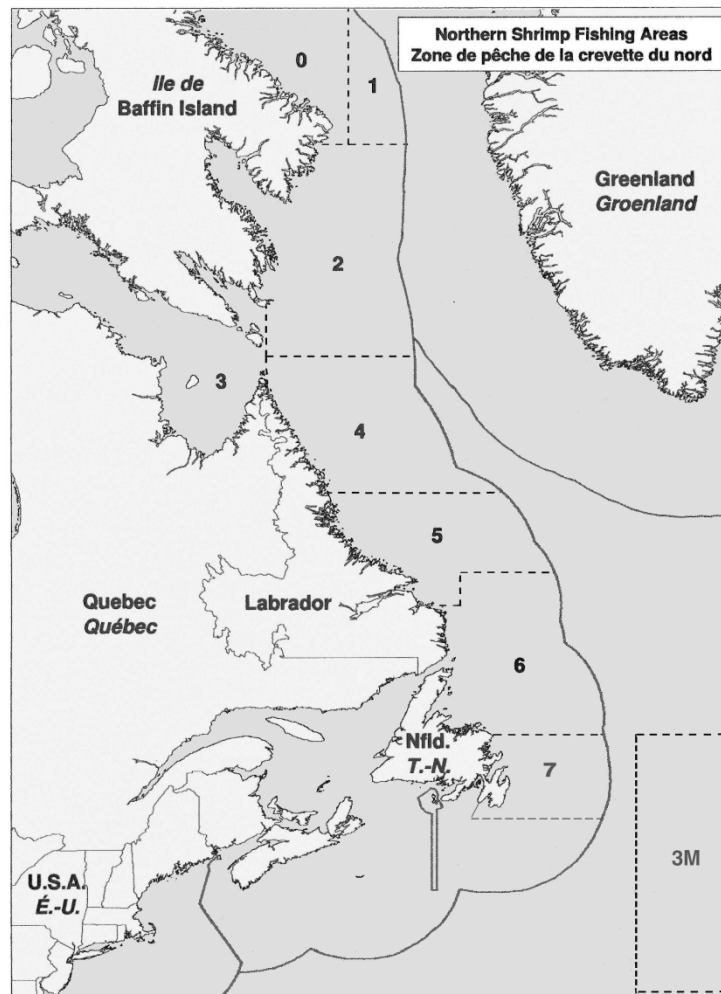
⁽²⁶⁾ According to the BFC, it has supplied almost 2,000 tonnes of turbot to the plant since 2001, at a direct cost to the BFC of \$3.5 million.

⁽²⁷⁾ Don Cunningham, General Manager, Pangnirtung Fisheries Ltd., *Committee Proceedings*, 5 June 2008.

⁽²⁸⁾ Ibid.

0, 1, 2 and 3 (see Map 2).⁽²⁹⁾ Quotas are held by several HTOs and the BFC,⁽³⁰⁾ and catches are processed and frozen on board vessels. The Committee learned that much of the shrimp resource is left in the water unharvested because of high costs and low market prices. Landings declined in 2007 to 2,666 tonnes from 4,017 tonnes in 2006.⁽³¹⁾ Mr. Mike described the BFC's allocation of shrimp in SFA 1 and SFA 2 as "worthless" "paper shrimp" that "were never meant to be fished" because of the extra travel time and high costs of harvesting on these remote northern fishing grounds.

Map 2 – Northern Shrimp Fishing Areas



Source: Department of Fisheries and Oceans.

⁽²⁹⁾ K. Burt Hunt, Regional Director, Fisheries and Aquaculture Management, Central and Arctic Region, DFO, *Committee Proceedings*, 1 May 2008.

⁽³⁰⁾ Qikiqtaaluk Corporation holds 1.5 individual quota licences out of 17 such permits issued by DFO to Atlantic fishing interests in a region extending from Baffin Bay in the north (SFA 0) to eastern Newfoundland in the south (SFA 7).

⁽³¹⁾ Government of Nunavut, Department of Finance, *Budget 2008: Supplementary Documents*, 20 February 2008, p. 9.

THE NWMB'S NEW ALLOCATION POLICY

The demand for fish quotas off Nunavut's adjacent fishing grounds exceeds the available resources. Decisions on who gets access to Canada's common-property fisheries, and how much, have direct and dramatic effects on the lives and incomes of individuals, companies, communities and whole regions. The Nunavut Wildlife Management Board's allocation policy for commercial marine fish allocations has undergone substantial changes since the Committee last reported on the fishery in 2004.

Commercial fishing off the east coast of Baffin Island takes place mostly in areas where the federal government has the primary responsibility for management. Under current policy, though not a requirement of the Nunavut Land Claims Agreement (NLCA), the federal government and the NWMB have agreed that the Board is responsible for the sub-allocation of commercial quotas (see Appendix 1 – Outline of the Management Framework and the NLCA).⁽³²⁾ This arrangement, the Committee learned, is in keeping with DFO's policy that decisions relating to the management of specific fisheries should normally be made as close to them as possible. In short, the NWMB recommends individual commercial sub-allocations to the Minister of Fisheries and Oceans according to criteria set by the Board.

In its 2004 report,⁽³³⁾ the Committee was very supportive of DFO's policy of assigning 100% of the Canadian 0A turbot quota to Nunavut (which the territory continues to receive), but was much less enthusiastic about the NWMB's decision at the time to assign the entire amount of 0A turbot to the BFC as a single unit. The decision excluded prospective individual Inuit fishermen, joint ventures and communities from entering and directly participating in the fishery.⁽³⁴⁾

In 2005, the *Nunavut Fisheries Strategy* proposed that reviews on access and allocation be conducted to ensure consistency between DFO and NWMB policies, as well as with the Strategy's overall vision. Nunavut's guide for the successful development of the fishery called for an open and transparent internal access and allocation decision-making process to

⁽³²⁾ DFO issues one groundfish licence to Nunavut; that licence is held in trust by the NWMB.

⁽³³⁾ Standing Senate Committee on Fisheries and Oceans, *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004.

⁽³⁴⁾ Concerns were expressed to the Committee in 2003–2004 about the direction and control of the coalition, which competed against some of its own Inuit member organizations for quotas. Some communities were hoping to develop their own fishing activities quite independently of the BFC, the organization that acted on their behalf.

ensure that quotas are “utilized in a publicly accountable manner that benefits the territory at large.”⁽³⁵⁾ The following year, in 2006, the *Organizational and Performance Review of Nunavut’s Offshore Fishing Industry* made a number of specific proposals to enhance transparency.⁽³⁶⁾

Extensive consultations were undertaken to develop the revised NWMB policy, which was said to have the backing of industry, Nunavut Tunngavik Incorporated, the Government of Nunavut, the Department of Fisheries and Oceans, and the various HTOs.⁽³⁷⁾ The new framework seeks to achieve the following overall objective: “To facilitate a co-operative, professional and diversified approach to ecosystem-based fisheries development, maintaining compliance with the principles of conservation, relying upon re-investment in the fishery by Nunavut fishers, and ensuring the wide distribution of tangible benefits to Nunavummiut.” Accordingly, the NWMB policy seeks to encourage:

- the conservation of commercial and non-commercial marine resources, and the protection of marine habitat through sustainable development and adherence to the precautionary principle;
- a balance over time between community-based inshore operations and co-operative offshore enterprises – all of which are owned and professionally operated by Nunavummiut;
- substantial re-investment of revenues received from one of Nunavut’s most valuable common property resources; and
- the creation of wealth, employment, training and educational opportunities for Nunavummiut.⁽³⁸⁾

⁽³⁵⁾ Government of Nunavut and Nunavut Tunngavik Incorporated, *Nunavut Fisheries Strategy*, 2005, p. 31.

⁽³⁶⁾ For example, the Review recommended that groups seeking quotas be required to submit detailed business plans for approval, including governance plans showing how enterprises proposed to report back to shareholders or their membership. It also proposed that annual reporting and disclosure to the NWMB be mandatory, including the disclosure of ownership, key contracts and financial statements. *Organizational and Performance Review of Nunavut’s Offshore Fishing Industry*, 2006, pp. 49–50.

⁽³⁷⁾ Michael d’Eça, *Committee Proceedings*, 2 June 2008. A first public consultation was held on 29-30 November 2006 in Iqaluit, where various draft policy documents were considered. Stakeholders were subsequently invited to submit additional written comments. A two-day public meeting took place on 12-13 June 2007 and a proposed final draft was presented to NWMB members at their December 2007 regular meeting, at which time the new policy was approved.

⁽³⁸⁾ *Allocation Policy of the Nunavut Wildlife Management Board for Commercial Marine Fisheries*, “Objective of the NWMB’s Allocation Policy,” 11 December 2007.

Michael d'Eça, the NWMB's legal advisor, provided the Committee with a very detailed description of the new, comprehensive framework in his testimony. Some key elements of the Board's revamped policy framework include:

- the creation of a Nunavut Fisheries Advisory Committee (FAC) to advise the NWMB in making objective, fair and transparent fishery allocation recommendations and decisions;
- the allocation of a portion of the overall turbot quota toward inshore test fishing to encourage inshore fisheries development;
- decisions on allocations made in accordance with a cumulative points-based system emphasizing business capacity and governance, benefits to Nunavummiut, and Inuit involvement;
- the submission by each applicant seeking an allocation of a detailed business plan, stewardship plan, governance plan and benefits plan;
- the delivery, at the end of each fishing season, of year-end reports detailing operations, including how enterprises met or failed to meet their commitments to governance, business, stewardship and benefits, as well as detailed financial information;
- the reduction or removal of allocations from enterprises failing to comply with their plans or reporting requirements; and
- allocations, advice, recommendations, and decisions based on business plans, governance plans, benefits plans and year-end reports, as well as the principles of adjacency, economic need, and historic-economic dependence.

Consisting of representatives of the Government of Nunavut (two members), NTI (two members) and one member appointed by the NWMB,⁽³⁹⁾ the five-member FAC would in future review and assess the governance, business, benefits, the stewardship plans that quota applicants are required to provide, and the annual reports required from the quota recipients. The FAC would also be asked to provide allocation and related advice on other matters, such as on confidentiality issues (i.e., what information should or should not be deemed confidential). In performing their duties, FAC members would be expected to act “independently, impartially and in the public interest,” and not as agents of their appointing organizations.⁽⁴⁰⁾

⁽³⁹⁾ NTI and the Nunavut government are each to appoint an industry expert and a Qaujimanilik (a person recognized by Inuit as having an in-depth knowledge of issues essential to the success of the fishery).

⁽⁴⁰⁾ *Allocation Policy of the Nunavut Wildlife Management Board for Commercial Marine Fisheries*, Appendix A, “Terms of Reference, Nunavut Fisheries Advisory Committee (FAC).” The policy does not apply to non-commercial harvests or to the commercial harvest of freshwater or anadromous fish, such as Arctic char.

Appendix 2 lists the nine principles that are to guide the NWMB in making commercial marine fishery resources allocations inside and outside the Nunavut Settlement Area (NSA). Significantly, the Committee learned that more points would be awarded for Inuit ownership than sponsorship under the allocation guidelines, with 100% ownership by a Regional Wildlife Organization or multiple HTOs receiving the highest scores. Mr. D’Eça explained to the Committee that the goal is to widely distribute the tangible benefits generated by the fishery, in accordance with the policy’s overall objective. In recognition that the fishery is a common property resource, and to ensure that its management is transparent and accountable and that benefits are maximized, the NWMB will make publicly available:

- the FAC’s allocation advice and reasons delivered to the Board;
- the NWMB’s resulting allocation advice, recommendations, decisions and reasons delivered to the Minister of Fisheries and Oceans;
- the Governance, Business, Benefits and Stewardship Plans of successful applicants for commercial marine fisheries allocations; and
- the Annual Reports by fishing enterprises concerning their commercial marine fishing activities.⁽⁴¹⁾

The NWMB issued a call for applications for quotas to be fished in the 2009 quota year in June 2008. On 11 February 2009, final recommendations by the FAC on allocations were forwarded to the NWMB, which sent its decisions and recommendations to the Minister of Fisheries and Oceans on 23 February 2009. At the time of writing our report, everyone was awaiting the Minister’s decisions.

MAIN ISSUES AND THEMES

A. Community-Based Fisheries

Fishing represents much-needed jobs in Nunavut communities, where unemployment and the cost of living are higher than in the rest of the country and where the population is the youngest in Canada and growing. Committee members were encouraged to

⁽⁴¹⁾ *Allocation Policy of the Nunavut Wildlife Management Board for Commercial Marine Fisheries, “Transparency and Disclosure,”* 11 December 2007. The NWMB also developed an exclusion list of commercial information that will be maintained as strictly confidential. The general test for non-disclosure is whether “information is considered commercial in nature and deals with financial, scientific, technical or labour relations matters, or is a trade secret;” and whether “its disclosure could reasonably be expected to cause significant harm.”

learn that the revised NWMB policy addresses and supports the development of the “inshore” sector – both fishing in waters within the 12-mile Nunavut Settlement Area and with vessels under 100 feet in length – through the allocation of quotas.⁽⁴²⁾

The 2005 *Nunavut Fisheries Strategy* outlines “an organizational structure for Nunavut’s fishing industry that achieves a balance between inshore community-based development and strategic offshore partnerships.” The Honourable Patterk Netser, Nunavut’s Minister of Economic Development and Transportation, indicated that more inshore fishing would promote economic development at the local level and would allow Nunavummiut to maintain their strong family and cultural ties, a view shared by a number of other participants at our meetings. The values driving Nunavut’s development were well expressed by the Conference Board of Canada in 2001 when it identified the following:

- a collective approach to socio-economic development, including a strong belief that economic opportunities should be shared among all communities;
- a move towards greater self-reliance, including Inuit having greater political and economic control of Nunavut and its environment;
- Inuit Qaujimajatuqangit, or the recognition of the value of Inuit knowledge and integrating it with other knowledge sources, with consensus building and consultation being the preferred route for decision-making;
- economic development focused primarily at the community level because of strong attachment to one’s community;
- support of land-based economic activity as an important part of life, with no evidence to suggest that land-based economic activity is valued less than participation in the wage economy; and
- sustainable development whereby equal importance is given to the development of human and natural capital.⁽⁴³⁾

⁽⁴²⁾ In 2004, the Committee strongly supported the development of small-boat (inshore) community-based fishing operations so that Nunavut communities could benefit more fully from their adjacent resources. In the context of Nunavut, Committee members saw a real opportunity to develop the fishery in a way that is compatible with northern values, culture and lifestyles.

⁽⁴³⁾ Conference Board of Canada, *Nunavut Economic Outlook: An Examination of the Nunavut Economy*, May 2001, pp. 56–57, reported in Standing Senate Committee on Fisheries and Oceans, *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004.

As earlier mentioned, the Nattivak Hunters and Trappers Association of Qikiqtarjuaq withdrew from the BFC in May 2004 because of a disagreement over the coalition's direction and practices.⁽⁴⁴⁾ The HTA set up Masiliit Corporation to build a community-based fishing operation and implemented a plan to develop its own harvesting capacity to fish its 0B quota using fixed-gear vessels under 100 feet in the summer months, and to access the fish in 0A.⁽⁴⁵⁾ Masiliit has been in the process of securing financing for the outright purchase of these assets.⁽⁴⁶⁾

In Resolute Bay, situated next to the *Northwest Passage's* shortest and deepest route (through M'Clure Strait, Viscount Melville Sound, Barrow Strait, and Lancaster Sound), the Committee learned that the HTOs of Grise Fiord, Resolute Bay and Arctic Bay – communities so far excluded from the offshore commercial turbot fishery – had entered into an agreement with the Nattivak HTA to form a new, Inuit-controlled coalition called the Arctic Fisheries Alliance. Under the terms of a five-year Memorandum of Understanding (MOU) signed on 11 March 2008, the Alliance's primary objective is "to obtain access to both inshore and offshore fishery quotas as a mechanism for long term community development."⁽⁴⁷⁾ The goal is to obtain access to offshore turbot quotas in 0A and 0B in 2009, and in subsequent fishing seasons.

The Committee heard that the Arctic Fisheries Alliance meets the various criteria and conditions set forth in the new NWMB policy for allocating quotas (which give more weight to applicants who represent multiple HTOs), and that fishing vessels have been lined up to fish the turbot quota the Alliance hopes to obtain. We also learned that development funding would be needed from Inuit and Nunavut government agencies to assist in funding at this developmental stage of the fishery. The Alliance planned to create community trusts for each of its members, to fund social and economic development projects.

⁽⁴⁴⁾ In April 2004, Committee reported that there was a strong consensus in Nunavut that employment was the main goal of developing the 0A turbot fishery; however, not everyone agreed on the time frame for achieving that goal, nor did everyone share the BFC's vision for developing Nunavut's fishery, which at the time hinged on the purchase of an offshore factory-freezer trawler.

⁽⁴⁵⁾ Among other things, the company entered into an arrangement with southern Canadian interests to harvest its 160-tonne 0B turbot quota, with the option to purchase their vessels and licences. *Organizational and Performance Review of Nunavut's Offshore Fishing Industry*, 2006, p. 40.

⁽⁴⁶⁾ Memorandum of Understanding between the Hunters and Trappers Associations of Arctic Bay, Grise Fiord, Qikiqtarjuaq and Resolute Bay, Nunavut to form the Arctic Fisheries Alliance, 11 March 2008.

⁽⁴⁷⁾ *Ibid.*

Turbot are found in offshore waters, but also closer to shore in the deeper fjords. Participants at our meetings expressed a great deal of interest in conducting exploratory and test fishery projects for turbot as well as for other emerging species.⁽⁴⁸⁾ The Committee heard that assistance to undertake test fishing had been provided by the Nunavut Department of Economic Development and Transportation,⁽⁴⁹⁾ and that inshore exploratory fisheries had taken place using BFC royalty revenues.

Inside the 12-mile Nunavut Settlement Area, the new NWMB policy also establishes an initial regional annual Total Allowable Harvest for turbot of 100 tonnes to encourage development, which, we were advised, could eventually result in the establishment of Exclusive Community Economic Fishing Zones. With respect to small-boat community-based fisheries development, the Committee learned that the NWMB also decided to designate an initial annual allocation of 400 tonnes of turbot in Division 0A exclusively for vessels under 100 feet in length.⁽⁵⁰⁾

Although the locally based inshore fishing shows great potential, nearly everyone in our study pointed out to the Committee that the lack of harbour infrastructure is a significant impediment to its development.

B. Harbour Infrastructure

Nunavummiut are a maritime people dependent on the sea and its resources. All of Nunavut's 26 communities have tidewater access along the territory's extensive ocean shoreline.⁽⁵¹⁾ Despite its connection to the sea, however, Nunavut is the only jurisdiction in Canada with no small craft harbours and docking facilities that are typical in Canada's other regions.

All Nunavut communities depend on the ocean for subsistence travel to harvest marine mammals or to reach hunting grounds on land. There are no roads outside the communities, so boats are commonly used for transportation. In many Nunavut communities,

⁽⁴⁸⁾ The 2005 *Nunavut Fisheries Strategy* described an "overwhelming desire" for inshore fisheries development among Nunavut communities.

⁽⁴⁹⁾ Jim Noble, Chief Operating Officer, Nunavut Wildlife Management Board, *Committee Proceedings*, 2 June 2008.

⁽⁵⁰⁾ Michael d'Eça, *Committee Proceedings*, 2 June 2008.

⁽⁵¹⁾ Nunavut accounts for 56% of Canada's saltwater shoreline of 202,080 km. Natural Resources Canada, *The Atlas of Canada*, "Coastline and Shoreline," <http://atlas.gc.ca/site/english/learningresources/facts/coastline.html#c4>.

boats outnumber privately owned vehicles.⁽⁵²⁾ Most communities in Nunavut, however, do not even have basic earthen (rock rubble) breakwaters to shelter their small boats from waves.⁽⁵³⁾ There are no docks, so Nunavummiut run their boats on the shore. A hunter's largest capital investment, the Committee was informed, is his boat, and the loss of boats and damage due to wave and wind action were said to cost hundreds of thousands of dollars every year.⁽⁵⁴⁾

In Qikiqtarjuaq, the Committee heard that only small boats can be accommodated and that a harbour facility would allow the community's commercial fishing vessels to land their catches for processing. In Resolute Bay, located in the High Arctic (and created by the federal government to enhance sovereignty), community representatives told us that people had not been afforded the opportunity to benefit economically from adjacent marine resources due to the lack of infrastructure. In Pond Inlet, the northernmost community on Baffin Island, the Committee learned that the community had been asking for years for the development of improved marine facilities, particularly the construction of a breakwater to protect its fleet of small boats.

In Pangnirtung, the only community in Nunavut where turbot is processed on shore and where the tide is one of the fastest and highest on all of Baffin Island,⁽⁵⁵⁾ there is at present a breakwater and a small wharf accessible to boats only at half or higher tide. Fishing vessels anchored in the fjord outside the community load pallets of fish one at a time onto smaller vessels, a difficult and unsafe operation because the area is subject to high winds and waves. The pallets are carried to the wharf and delivered to the plant by truck, a process that can take up to a week instead of a day, costing time and money.

Funding in support of the strategy announced in the 26 February 2008 Budget included \$8 million for the construction, operation and management of a commercial fisheries harbour in Pangnirtung. Funding announced in the 27 January 2009 Budget included up to \$17 million to accelerate the harbour's construction.

Last year, residents of Pangnirtung were understandably pleased by the February 2008 announcement. Witnesses believed that the new harbour would not only transform the fishing industry, but would also allow the community to ship its products to market at a much more advantageous price. Fishing vessels would be able to offload their catches in Canada instead of Greenland.

⁽⁵²⁾ The Hon. Patterk Netser, Nunavut Minister of Economic Development and Transportation, *Committee Proceedings*, 2 June 2008.

⁽⁵³⁾ *Northern Connections: A Multi-Modal Transportation Blueprint for the North*, February 2008, p. 14. Rudimentary beach landing sites are used to resupply communities.

⁽⁵⁴⁾ The Hon. Patterk Netser, *Committee Proceedings*, 2 June 2008.

⁽⁵⁵⁾ The Hon. Peter Kilabuk, Member Legislative Assembly for Pangnirtung, *Committee Proceedings*, 5 June 2008.

The Committee also learned from witnesses that the community of Pangnirtung hoped to expand on the federal government's proposal by making the planned new harbour a multi-purpose facility capable of accommodating larger sealift vessels and cruise ships. If the existing rock-fill wharf were extended further out into deeper water, larger vessels would be able to dock. As well, there would be less need to re-dredge the harbour at a later date, a very expensive undertaking in the Arctic. Witnesses said it made more sense to construct a facility that meets all of the community's needs at one time, rather than taking a piecemeal approach. The involvement and funding of other federal departments would also be needed, given that the mandate of DFO's Small Craft Harbours program is limited to providing support to the commercial fishing industry (and to recreational boaters).⁽⁵⁶⁾

The Nunavut ministers of Economic Development and Transportation and the Environment, who appeared before the Committee in Iqaluit, both welcomed the decision to improve the facilities in Pangnirtung. They also indicated, however, that the federal government needs to do a great deal more in terms of providing marine infrastructure, a longstanding issue in Nunavut. In fact, the territory sees the enormous disparity in federal fisheries infrastructure investment between Nunavut and southern Canada as discriminatory.⁽⁵⁷⁾

In previous testimony (in Ottawa in 2007), witnesses from Nunavut spoke about the territory's exclusion from the federal Small Craft Harbours program. Federal policy was described to the Committee as out of sync with Nunavut's needs: government investment in fisheries development and infrastructure had played a major role in fisheries development in all other regions of the country, where infrastructure had been built up over the last 100 years; but no such investments had ever been made in Nunavut. With Program Review in 1995, cost recovery and the reduction of fishing and processing capacity became key DFO policy themes. The federal government began to divest itself of non-essential harbours across Canada, funding only DFO-owned fishing harbour infrastructure and focusing efforts on repairs rather than expansion.⁽⁵⁸⁾

⁽⁵⁶⁾ The Small Craft Harbours program operates under the authority of the *Fishing and Recreational Harbours Act* and the *Federal Real Property and Federal Immovables Act*.

⁽⁵⁷⁾ The Small Craft Harbours program is currently responsible for 987 fishing harbours and 182 recreational harbours across Canada. Together, they include almost 6,000 structures valued at over \$3 billion. DFO, Small Craft Harbours Program, "Program Overview," http://www.dfo-mpo.gc.ca/sch/Program-Overview_e.asp.

⁽⁵⁸⁾ At hearings in Ottawa, the Committee heard from: NTI on 8 May 2007, the NWMB on 10 May 2007, the Nunavut Department of Economic Development and Transportation (then the territorial agency then responsible for fisheries and economic development) on 15 May 2007, and the DFO on 12 June 2007.

Significantly, in November 2005, a DFO–Nunavut Harbours Working Committee (established by Nunavut’s Deputy Minister of Community Development and Transportation and DFO’s Deputy Minister) produced a *Nunavut Small Craft Harbours Report*, which supported infrastructure in seven communities – Pangnirtung, Clyde River, Qikiqtarjuaq, Pond Inlet, Chesterfield Inlet, Repulse Bay, and Kugaaruk.⁽⁵⁹⁾ Total costs over five years were projected to be \$40.7 million, and the proposal was expected to “generate \$14.4 million in GDP and 173 jobs during construction, and more importantly, create \$7.9 million in GDP and 198 jobs on an ongoing basis, and, reduce unemployment in the seven communities by 26%.” According to the Working Committee, improved harbour infrastructure would:

- increase efficiency and therefore financial returns to stakeholders (Nunavut communities) from the offshore fleet and create local employment. Vessels [would] be able to offload their product into community freezers for further processing and/or transshipment by reefer ship to market;
- provide a platform from which the inshore and exploratory fishing fleets [could] safely operate and off-load their catch at local fish plants;
- provide a second transportation system (in addition to air) during the open-water season; and
- increase user safety while enhancing the potential for tourism and other economic and social activities.⁽⁶⁰⁾

As well, there would be cost savings by virtue of reduced damage to and loss of boats caused by wave and wind action. The Working Committee noted that, in human terms, the proposed development would reduce social problems associated with high unemployment levels, and concluded that the seven proposed facilities would become “a major economic and community force in Nunavut.”

The development of community docks and port facilities was singled out at our meetings as essential if the potential benefits of community-based inshore fisheries are to be realized. The commercial harvest of turbot caught off the northeast coast of Baffin Island may

⁽⁵⁹⁾ In the seven communities, close to 500 small boats (97% of which are under 26 feet) were being used in subsistence activities. DFO and the Nunavut Department of Community Development and Transportation, *Nunavut Small Craft Harbours Report*, 2005, p. 7.

⁽⁶⁰⁾ *Ibid.*, p. i.

have grown by leaps and bounds in a relatively short period,⁽⁶¹⁾ but the lack of infrastructure closer to shore has “led to a reliance on larger vessels and an offshore fishery, which does not support coastal communities,”⁽⁶²⁾ which is “particularly damaging to the inshore component of a balanced Nunavut commercial fishery.”⁽⁶³⁾ In this regard, a number of reports (other than the 2005 *Nunavut Small Craft Harbours Report*) have highlighted the critical role of harbour infrastructure in realizing the potential of the inshore fishery for community economic development, including:

- the 2003 *Nunavut Economic Development Strategy*, which highlighted the major infrastructure needs to achieve “lift-off” in the territory’s economic growth sectors;
- *Infrastructure Planning for Nunavut’s Communities*, a study by the Conference Board of Canada, which concluded in 2004 that “for Nunavut to capture the broader benefits from commercial fishing, it requires marine infrastructure such as harbour facilities that would enable ships to dock, unload their catch, and receive regular maintenance;”⁽⁶⁴⁾
- the 2005 *Nunavut Fisheries Strategy*, which called for “a massive re-engagement of the responsible federal agencies, from both a policy and funding perspective,”⁽⁶⁵⁾ and
- this Committee’s 2004 report, which urged a federal government commitment to fund at least two harbour developments in Nunavut.⁽⁶⁶⁾

The nearest Canadian ports are several days away, so that – as mentioned previously – much of the harvest (including fish caught by many southern-based vessels) is offloaded in nearby Greenland across Davis Strait, where it is then shipped to European markets. With improved harbour infrastructure, vessels could safely offload their catch at local fish plants for further processing, storage and/or for transshipment by reefer ship to southern markets, which could evolve into a two-way trade: fish heading south and supplies coming north.

⁽⁶¹⁾ Nunavut’s share in Canadian waters (in Subarea 0) is 68%, up considerably from 27% in 1999 and 11% in 1993, the year when the NLCA came into force. Nunavut’s access to shrimp increased from 8.8% in 1988, to 31.45% by 2004.

⁽⁶²⁾ David Bevan, Assistant Deputy Minister, Fisheries and Aquaculture Management, DFO, *Committee Proceedings*, 12 June 2007.

⁽⁶³⁾ Paul Kaludjak, President, NTL, *Committee Proceedings*, 8 May 2007.

⁽⁶⁴⁾ Conference Board of Canada, *Infrastructure Planning for Nunavut’s Communities*, Interim Report Prepared for the Nunavut Association of Municipalities, January 2004, p. 6.

⁽⁶⁵⁾ *Nunavut Fisheries Strategy*, 2005, p. 42.

⁽⁶⁶⁾ Standing Senate Committee on Fisheries and Oceans, *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004, Recommendation 3, p. 47.

Given that all of Nunavut's communities depend extensively on access to the sea for regular supplies of cargo by ship, harbour development would make it easier and more efficient for communities to be resupplied, thereby reducing the cost of living. In addition, there would be fewer accidents; the Committee heard that there had been deaths and near-drownings of people attempting to access boats moored in unsheltered areas. More community-based tourism and more spending on locally produced arts and crafts could result from easier access to communities during open-water season. Participants at our meetings described the transfer of cruise ship passengers wishing to visit Nunavut's communities as an awkward operation, with people shuttled from ship to shore and back again in small inflatable boats only when tides allow, sometimes in rough, choppy waters.

Even Iqaluit, Nunavut's capital – its largest community and the single biggest consumer of products in the territory – has no deepwater port.⁽⁶⁷⁾ Located on the shore of Frobisher Bay, the city has a causeway built originally by the US military in the 1940s and 1950s, but no wharf facilities.

The volume of goods and petroleum products shipped to Iqaluit has increased dramatically in recent years. But because the harbour is not deep enough, cargo ships anchor in deep water and load their goods onto barges, which are then transported to shore at a beach holding area administered by the Canadian Coast Guard – the only such beach in Canada. With the third-largest tide in the world (second only to those of the Bay of Fundy and Ungava Bay),⁽⁶⁸⁾ cargo can be loaded and unloaded only during a short period every 12 hours (at high tide), and the process can take several days.⁽⁶⁹⁾ Offloading cargo is not always possible because of ice, so that ships may remain anchored until the beach is clear.

The Committee learned that the biggest single shipping expense was the amount of time a vessel spends at port; a deepwater facility in Iqaluit could shorten the time for sealift vessels to unload by as much as 70–80%.⁽⁷⁰⁾ The transfer of cargo to shore by barge is labour-intensive and increases the likelihood of damage to cargo due to frequent rough water conditions. All of these factors were said to increase shipping costs, which are passed down to everyone, from government to business to local residents.

⁽⁶⁷⁾ Iqaluit reportedly receives approximately 20 sealift ships each year, uses about a quarter of all the diesel and jet fuel in the territory, and had 10 to 12 cruise ship visits last year (more than any other community). John Bird, "Iqaluit Miffed Over Pang's Promised 'Deep-Sea Port'," *Nunatsiaq News*, 6 February 2009, http://www.nunatsiaq.com/archives/2009/902/90206/news/iqaluit/90206_1877.html.

⁽⁶⁸⁾ The maximum tide is 10.8 metres. Glenn Williams, Councillor, City of Iqaluit, *Committee Proceedings*, 2 June 2008.

⁽⁶⁹⁾ The Hon. Patterk Netser, *Committee Proceedings*, 2 June 2008.

⁽⁷⁰⁾ *Ibid.*

The Committee was also made aware of the environmental risks associated with unloading fuel from tankers. Fuel for the airport, for heating, for vehicles fuel and for generating electricity is delivered to Iqaluit using floating hose pipelines. Significant leakage or loss of petroleum products does occur.⁽⁷¹⁾ Rather than using Iqaluit as a bunkering station, ships obtain refuelling services directly from tankers or in other ports whenever possible.

In Iqaluit, the Committee learned from witnesses that the city had been working on a proposal for a deepwater port⁽⁷²⁾ (which falls outside DFO's Small Craft Harbours mandate for commercial and recreational fisheries). The city is identified as a "strategic port" in *Northern Connections: A Multi-Modal Transportation Blueprint for the North*, a document released jointly by the territorial governments of Nunavut, Yukon and the Northwest Territories on 8 April 2008.

With a deepwater port facility, Iqaluit could serve as a cargo hub for the rest of the Qikiqtaaluk (Baffin) region, according to Hal Timar, Executive Director of the Baffin Regional Chamber of Commerce. A more efficient and cost-effective regional distribution network could be created, allowing for the shipment of containerized goods stored in Iqaluit, and the repacking of goods onto smaller boats that could serve the communities. Waguih Rayes, General Manager of Desgagnés Transarctik Inc. (a sealift provider), advised the Committee that any future new port development should have a sufficient number of berths (at least three) allowing for military, commercial, tourism and other uses "if the investment is going to be worth something."

A deepwater port facility in Iqaluit could also benefit the commercial fishery. Fishing companies operating in nearby waters would have a less costly alternative to having to return to southern ports to obtain supplies, offload product, carry out crew changes and perform repairs and maintenance on their vessels. We heard that cruise ships resupply in Nuuk (Greenland) or St. John's (Newfoundland and Labrador), which is a missed economic opportunity for Nunavut.⁽⁷³⁾ Coast Guard crew changes in Iqaluit are carried out by helicopter.

It is noteworthy that there are two other communities identified in *Northern Connections* as requiring large commercial marine transportation infrastructure: Rankin Inlet (the regional centre of Nunavut's Kivalliq region), and Bathurst Inlet (in the Kitikmeot region).

⁽⁷¹⁾ Glenn Williams, *Committee Proceedings*, 2 June 2008.

⁽⁷²⁾ See City of Iqaluit, <http://www.city.iqaluit.nu.ca/apps/fusebox/index.php?fa=c.displayHome> (Aarluk Consulting Inc., Gartner Lee Limited and Chris Anderson, *Strategic Plan for the Iqaluit Deepwater Port Project*, prepared for the City of Iqaluit, August 2005).

⁽⁷³⁾ Glenn Williams, *Committee Proceedings*, 2 June 2008.

According to Nunavut's Minister of Economic Development and Transportation, deep-sea ports in those communities would not only benefit Nunavummiut, they would also back up "the sovereignty strategy that the government has been talking about the last couple of years."

Much of Nunavut's trade and commerce depends on the summer sealift because there are no roads.⁽⁷⁴⁾ New harbour facilities could further stimulate mineral exploration and development. Near Bathurst Inlet there are a number of potential mine sites without a deepwater port. The Honourable Patterk Netser, Nunavut's Minister of Economic Development and Transportation, emphasized the importance of safe harbours to the growth of the territory's economy. Mineral exploration and development could in future make Nunavut the mining capital of Canada, he said, and with suitable infrastructure in place, the potential for accidents would be reduced.

At present, the only federal port in Nunavut is Nanisivik, which is located 30 minutes away by road from the nearest community (Arctic Bay), and more than 1,000 nautical miles by sea from Iqaluit.⁽⁷⁵⁾ Prior to the August 2007 announcement that Nanisivik would be refurbished as a naval docking and refuelling facility, the city had been considered a leading contender for the new port. Witnesses in Iqaluit pointed out to the Committee that Nanisivik has very little practical value in economic development terms. John Amagoalik speculated that the federal government may not have been aware that a port in Iqaluit could have accommodated not just military vessels, but also freighters, tankers and other types of ships. The Government of Canada, he said, had never even consulted Nunavut about how the decision would be made.

With respect to harbour infrastructure, Nunavummiut expressed deep frustration about what they viewed as a lack of federal commitment to the region. The following statement by Mr. Timar is fairly representative of what the Committee heard in Nunavut:

Every time there is an opportunity to make a real difference, it does not happen. Take Nanisivik port, for example. There was a tremendous opportunity there to make a real statement, that yes, we believe in the North. It is important.

⁽⁷⁴⁾ In the eastern Arctic, ocean-going ships generally conduct the sealift, while tugs and barges have been used in the shallower waters of the western Arctic.

⁽⁷⁵⁾ Nanisivik, now abandoned, was a company town built in 1975 to support lead-zinc mining operations, which ceased in 2002. Accompanied by Olayuk Naqitaruik, Councillor of Arctic Bay, and Tommy Kilabuk, Chair of the Ikajutit Hunters and Trappers Organization, Committee members visited the site in June 2008. What remains in terms of infrastructure includes a deepwater berthing area (three caissons that ships can tie up to), a breakwater, a tank farm used to store fuel, and a nearby jet-capable airstrip. The facility is still used as a refuelling station. Freight is transferred to the Coast Guard at Nanisivik for delivery to Kugaaruk, the only community in Nunavut that does not get commercial sealift. For several years, Coast Guard vessels took on cargo at the site for delivery to communities.

Sovereignty is an issue. We respect the fact that we can claim sovereignty, thanks to the Inuit, so we will stick a post in the most inaccessible place for anybody. You have to understand the feeling. Every time somebody says “sovereignty,” people here just roll their eyes.

C. Nunavut’s Share of Adjacent Resources

In Division 0B – the southern half of NAFO Subarea 0 (south of Division 0A) – Nunavut lags behind the Atlantic provinces in its access to adjacent fishery resources because the territory lacks infrastructure and had only limited involvement at the early developmental stage.

In 1990, as part of a \$584-million Atlantic Fisheries Adjustment Program, DFO instituted a Groundfish Developmental Program to assist the Atlantic fishing industry in adjusting to declining Atlantic groundfish stocks. Until then, fishing had involved foreign vessel charters and a small under-the-ice inshore fishery in Cumberland Sound. The program encouraged the exploitation of underutilized northern groundfish (e.g., turbot) and provided access to existing Atlantic fishery licence-holders who owned vessels and had onshore processing facilities. The objective at the time was to lessen the looming economic disaster in the Atlantic groundfish industry.

Today, a 5,500-tonne Total Allowable Catch for 0B turbot is split between Nunavut, which receives a 1,500-tonne quota from the DFO, and fishing interests in the Atlantic provinces, who are allocated 4,000 tonnes in a competitive fishery and in the form of company quotas.⁽⁷⁶⁾ Even though the territory is next to Division 0B, none of Nunavut’s residents are licensed in the competitive turbot fishery, nor do they hold company quotas. Nunavut’s share of 0B turbot – 27.3% – remains unchanged since the late 1990s.⁽⁷⁷⁾ As a result, the vast majority of the wealth and employment generated by the fishery has consistently been exported to the southern Atlantic fishing industry.

“Adjacency” is a concept that has figured prominently in Committee discussions since 2002, when the Committee first reported on “the territory’s disproportionately small overall quota for turbot in the Davis Strait fishery when compared to the amount of fish allocated

⁽⁷⁶⁾ With the collapse of most major groundfish stocks in the 1990s, turbot became the most commercially important species of Atlantic groundfish. In 1995, the competitive fishery was introduced for those who held Atlantic groundfish licences (Nunavut had no such licences), and the “Developmental Fishery” became the “Foreign Charter Fishery” in 1996. Company Allocations replaced the Foreign Charter Allocation in 1998, and a policy of full Canadianization of Canada’s share of the Davis Strait fishery was instituted (i.e., no foreign vessels would be allowed to fish).

⁽⁷⁷⁾ Excluding a 500-tonne inshore quota for isolated turbot in Cumberland Sound, which is separate from, and additional to the other quotas.

by the DFO to southern fishing interests.”⁽⁷⁸⁾ The adjacency principle is generally understood to mean that priority of access should be given to those interests closest to the resource. Article 15.3.7 of the Nunavut Land Claims Agreement recognizes the principle in allocating commercial fishing licences, but does not explicitly mention what percentage of the catch Nunavut should be allocated in adjacent waters.⁽⁷⁹⁾

Over the years, Nunavut Tunngavik Incorporated (the Inuit organization that represents the Inuit for all purposes relating to the NLCA) has lobbied extensively, and occasionally litigated, to convince successive federal fisheries ministers and their officials to increase Nunavut’s share of marine resources.

When 0A and 0B turbot quotas are combined, Nunavut’s share in Canadian waters is 68%, a level of access said to be much lower than the 80–95% range typical in other Canadian coastal jurisdictions.⁽⁸⁰⁾ Nunavut’s access to shrimp is 31.45%. When added together, Nunavut’s overall share of shrimp and turbot in adjacent waters is only 41%, and the annual opportunity cost to Nunavut is estimated to be approximately \$56 million.⁽⁸¹⁾

Participants at our meetings in June 2008 demanded that Nunavut be afforded more equitable access to the 0B turbot fishery, where the fishing season is longer than in 0A and more economically viable. They were upset that the Minister of Fisheries and Oceans had approved, earlier in the year, the permanent transfer of a 1,900-tonne 0B turbot company quota held by Seafreez Foods Inc. (owned by the Barry Group Incorporated) to two southern-based companies, Nova Scotia-based Clearwater Seafood Limited Partnership (1,650 tonnes) and the Labrador Fishermen’s Union Shrimp Co. (250 tonnes). The latter two companies paid the Barry Group \$10 million and \$1.8 million respectively for the quota.

⁽⁷⁸⁾ See Standing Senate Committee on Fisheries, *Selected Themes on Canada’s Freshwater and Northern Fisheries*, 2002, pp. 37–41.

⁽⁷⁹⁾ The Nunavut Land Claims Agreement can be accessed at: http://www.ainc-inac.gc.ca/pr/agr/nunavut/index_e.html.

⁽⁸⁰⁾ The 2005 *Nunavut Fisheries Strategy* talks about “severe inequity” and “a loss of Nunavut’s potential wealth generation” that have resulted from the federal government’s failure to live up to “the spirit and intent” of the NLCA. The authors of the independent *Organizational and Performance Review of Nunavut’s Offshore Fishing Industry* recommended in 2006 that Nunavut gain access to all resources off its shores, “as soon as possible.” Four years earlier, in 2002, an Independent Panel on Access Criteria concluded that every effort should be made to remedy the “anomalous situation” with respect to access to adjacent fisheries, in keeping with “the spirit of the Nunavut Land Claims Agreement and the fair and consistent application of the adjacency principle.”

⁽⁸¹⁾ The Hon. Olayuk Akesuk, *Committee Proceedings*, 2 June 2008.

The Honourable Olayuk Akesuk, Nunavut's Minister of the Environment (the territorial agency responsible for fisheries), informed the Committee that Nunavut had asked to be consulted after it became known in 2007 that the quota would become available. Letters were sent to the Minister of Fisheries and Oceans but went unanswered. The Committee also learned that Nunavut was never offered the opportunity to purchase the quota, even though companies were ready to do so.

Witnesses felt that a tremendous opportunity had been missed to correct the injustice of past allocations. Had territorial interests been able to secure the quota, Nunavut's 27.3% percentage share of 0B turbot would have increased to 61.8%. The 1,900-tonne quota (believed to be worth approximately \$8 million) would have lengthened the fishing season for Inuit who work for the Baffin Fisheries Coalition at sea, and created more employment at the Pangnirtung fish processing plant, according to Adamie Komoartok, Deputy Mayor of Pangnirtung. Wayne Lynch, Director of Fisheries and Sealing (Nunavut Environment Department), pointed out that Clearwater Fine Foods would be reallocating its quota to others in the Atlantic fishery on a royalty basis because the company does not own fishing vessels.⁽⁸²⁾ Hal Timar, Executive Director of the Baffin Regional Chamber of Commerce, believed that such transfers of fish quotas between companies, and the suggestion they be purchased from other holders for fishing purposes, only serve to create a commodities market in fish, not the growth of a fishery.

Nunavummiut were equally critical of the Minister of Fisheries and Oceans' decision to convert what had previously been a 600-tonne competitive mobile-gear fishery to an enterprise allocation regime at the request of the Groundfish Enterprise Allocation Council (which represents Atlantic offshore fishing companies). The end result, they said, will be the further entrenchment of southern fishing interests in Nunavut's adjacent waters. Shortly before the Committee's arrival in Nunavut, a protest organized by the BFC and Niqitaq Fisheries Ltd. was held on Iqaluit's waterfront, where a small fishing boat was symbolically torched to draw attention to the decision.

Although sympathetic to Nunavut's demands, DFO officials who appeared before the Committee in 2007 had spoken of the need to respect the rights of southern Canadian interests that had initially invested to develop the commercial fishery and had subsequently developed "historical attachment" to the resource. The Department was instead looking at ways "to grow the fishery" by disproportionately allocating increases in TACs to Nunavut.⁽⁸³⁾ DFO, which sets the overall quota, considered the 0B fishery "fully allocated."

⁽⁸²⁾ Witnesses in 2007 were critical of the 1,900-tonne quota allocated to Seafreez, for the same reason.

⁽⁸³⁾ All of the 0A turbot has been transferred to Nunavut since 2001, including a 2,500-tonne increase in March 2006. DFO allocated 51% of a quota increase in shrimp to Nunavut in 2003, and 67% of another increase in 2004.

Nunavut Environment Minister Olayuk Akesuk stressed, in his testimony, that Nunavut had never sought a solution at the expense of established fishing interests, but rather a “right of first refusal” when allocations became available, and an Allocation Transfer Program in which Nunavut could participate. DFO, he said, appeared to be “heading in the opposite direction.” Minister Akesuk drew the Committee’s attention to the fact that, although the Minister of Fisheries and Oceans accepted the advice of the Independent Panel on Access Criteria in 2002 that additional access not be granted to non-Nunavut interests until the territory had achieved access to a major share of adjacent resources,⁽⁸⁴⁾ the term “major share” was left undefined and could mean as little as 51%.

John Merritt, ITK’s senior policy advisor, asked that the proposed new *Fisheries Act* (then Bill C-32, An Act respecting the sustainable development of Canada’s seacoast and inland fisheries) “recite equal treatment of adjacent regions in Canada as a governing principle.” According to Minister Akesuk, Bill C-32 (which died on the *Order Paper* when Parliament was prorogued on 4 December 2008) provided no basis for believing that future allocation decisions will favour Nunavut. Instead, its provisions “would merely entrench existing allocation and put Nunavut’s achievement of parity with the rest of Canada even further out of reach.”

What about the draft fisheries act? Does it promise progress? As you know, in Bill C-32 adjacency and historical attachment are just two of several criteria the Minister [of Fisheries and Oceans] must consider in making allocation decisions. While there are many other criteria identified under the proposed Act, there is no weighting of those criteria. That means adjacency will not necessarily be a primary consideration when it comes to individual allocation decisions, nor does the language of C-32 guarantee non-discriminatory treatment of the provinces and territories.

The Government of Nunavut views Canada’s failure to correct the inequity in resource allocations as discriminatory, as well as the territory’s exclusion from federal allocation transfer programs available to Aboriginal people elsewhere in Canada.⁽⁸⁵⁾ This view is based on the fact that Article 2.7.3 of the Nunavut Land Claims Agreement stipulates that “nothing in the

⁽⁸⁴⁾ The policy was later confirmed with the release of *A Policy Framework for the Management of Fisheries on Canada’s Atlantic Coast* in March 2004 (the Atlantic Fisheries Policy Framework), and the Minister’s decision in 2002 has since been upheld by his successors.

⁽⁸⁵⁾ The Hon. Olayuk Akesuk, *Committee Proceedings*, 2 June 2008. DFO excludes Nunavut from the Aboriginal Fisheries Strategy on the basis that Inuit have a comprehensive land claims agreement in place. The Allocation Transfer Program provides compensation to commercial licence holders who retire their licences, which are then reissued to Aboriginal groups.

Agreement shall affect the ability of Inuit to participate in and benefit from government programs for Inuit or Aboriginal people.” Nunavut Tunngavik Incorporated, for its part, believes that federal policies that support the status quo are in violation of the equality guarantees of the *Canadian Charter of Rights and Freedoms*.⁽⁸⁶⁾

In previous evidence, DFO indicated to the Committee that it was “not unreasonable for Nunavut to take the view that their participation in Subarea 0 should be about 80%.”⁽⁸⁷⁾ The inequity in fishery allocations persists, however, “despite a number of parliamentary, Senate and independent reports advocating that Nunavut have fair and equal access to its fisheries in the same manner as other jurisdictions.”⁽⁸⁸⁾ Nunavut is considered to be the only exception to the adjacency rule in Canada, if not worldwide.⁽⁸⁹⁾ Johnny Mike, Director of the Baffin Fisheries Coalition, pointedly asked the Committee why this was the case:

Other jurisdictions would not accept such allocations of resources within their own adjacent waters going to outside jurisdictions. Just imagine the uproar if 66% of Newfoundland’s crab and shrimp went to Nova Scotia or if 66% of PEI’s lobsters were allocated to Newfoundland. Why does it happen in Nunavut?

In his testimony, Nunavut’s Environment Minister put the quota issue in the broader context of sovereignty, as follows:

Canada’s legal case in support of sovereignty rests on Inuit use and occupancy of the Arctic. DFO’s approach to the Nunavut fishery, however, runs very much counter to Canada’s sovereignty strategy. ... By blocking development of Nunavut’s fishery, which for several of our communities is pretty much the sole economic base, apart from government, DFO is threatening the long-term viability of those communities, and thereby the underpinning of Canada’s sovereignty strategy. It is also placing the Government of Canada in a deeply hypocritical position concerning its Northern Strategy.

Participants at our meetings frequently mentioned the federal government’s obligation to consult meaningfully with Inuit and their organizations in resource-related matters. Johnny Mike, Director of the BFC, called on the Minister of Fisheries and Oceans to put in place “a policy that ensures that in future Nunavut stakeholders will have the right of first refusal to

⁽⁸⁶⁾ Paul Kaludjak, *Committee Proceedings*, 8 May 2007.

⁽⁸⁷⁾ DFO, Brief submitted to the Committee, 12 June 2007.

⁽⁸⁸⁾ *Nunavut Fisheries Strategy*, 2005, p. 9.

⁽⁸⁹⁾ *Ibid.*, p. 27.

purchase at a competitive rate any allocations that are transferred or sold in Nunavut's adjacent waters.”

In Nunavut, Michael d'Eça, the NWMB's legal advisor, informed the Committee that the Board had filed an application for judicial review of the Minister's decision (the first time the NWMB had ever had to do this). As part of its advisory function, he stated that the NWMB should have had the opportunity to advise the Minister of Fisheries and Oceans on the quotas transferred to Clearwater Seafood Limited Partnership and the Labrador Fishermen's Union Shrimp Co. (under Article 15.3.4 of the NLCA).

In a decision dated 7 January 2009,⁽⁹⁰⁾ the Federal Court found that the Minister of Fisheries and Oceans had not breached his duty to consult with the NWMB because the quota transfers did not affect the value and substance of Nunavut interests in the Nunavut Settlement Area. The transfers were allowed to stand because they complied with DFO policy for offshore groundfish.⁽⁹¹⁾ However, the Court found that the policy needed to be “reconsidered in accordance with the new concerns raised by the applicant and the Minister's statutory obligation under Article 15.3.7,” and ruled that “no further inter-company transfers of allocation should be approved in sub-area 0B until the Minister has considered the new concerns raised by the [NWMB].”

[114] [...] The obligation to give special consideration to Nunavut interests when allocating commercial fishing licenses in Zone 1 includes an obligation to consider and act upon concerns raised by the applicant regarding such allocations. Here, the concerns raised by the applicant create a duty to consult with the applicant before further transfers (i.e. sales) of company quotas are approved in sub-area 0B, and to provide the applicant with a rationale for the Minister's decision.

D. Scientific Research and Monitoring

Nunavummiut are keenly interested in exploratory work to develop fisheries for as yet undiscovered inshore turbot stocks near their communities. Other species, such as kelp,

⁽⁹⁰⁾ The decision by the Federal Court can be accessed at: <http://decisions.fct-cf.gc.ca/en/2009/2009fc16/2009fc16.html>.

⁽⁹¹⁾ The Federal Court referred to “Framework for the North Atlantic Offshore Groundfish Enterprise Allocation Program,” dated 17 June 2004 and amended on 30 May 2006. When re-allocating commercial fishing licences outside the NSA, the Court noted that Article 15.3.7 imposes a duty on Government to develop a policy giving “special consideration” to the “principles of adjacency” and “the economic dependence of the Inuit on marine resources,” and to describe what is a “fair distribution” of licences.

scallops, clams and crabs, were often mentioned at our meetings as resources that could lead to employment and a more diversified fishery. Nunavut's Minister of the Environment, the Honourable Olayuk Akesuk, indicated to the Committee that Nunavut had been funding research – unlike the situation in other Canadian jurisdictions where such research is supported by federal funding. He considered this discrepancy unfair.⁽⁹²⁾

Obviously, a solid scientific base in support of decision-making is key to the successful development of Nunavut's fishery. Johnny Mike, Director of the BFC, wished to see a federal commitment to carry out annual scientific surveys for turbot and shrimp, pointing out that the coalition had contributed \$820,000 to do exploratory work since 2001, including 0A turbot surveys, that resulted in an increase in the Total Allowable Catch from 3,500 tonnes in 2001 to the current 6,500-tonne level. Glenn Cousins, Executive Director of the Nunavut Economic Forum, noted that the significant increase had been the result of a relatively “modest investment” in stock assessment.⁽⁹³⁾

Michael d'Eca, the NWMB's legal advisor, called on the federal government to substantially increase its budget for scientific and exploratory research on marine resources. The Committee was informed that the Board had proposed to the Nunavut industry the creation of an Exploratory Fisheries Fund (EFF) to help pay for research into inshore, offshore and emerging fisheries development. The NWMB envisions a levy collected from fishery participants that would be used to leverage additional funding from federal, territorial and other sources. According to Mr. D'Eça, the Nunavut industry had shown interest in the proposal, but a major concern is the possibility that DFO might reduce its research funding if the EFF is established.

In earlier testimony, the former minister responsible for Nunavut's fisheries reported that no progress had been made in implementing and funding the 2000 Memorandum of Understanding on Emerging Fisheries Development that Nunavut signed with the federal government in August 2000.⁽⁹⁴⁾

⁽⁹²⁾ In earlier testimony heard by the Committee in 2007, resource surveys were said to have been funded by Nunavut fishing interests to upwards of 50% of costs, a situation that was categorized as “unheard of” in Atlantic Canada. Wayne Lynch, Director of Fisheries and Sealing, Nunavut Department of Economic Development and Transportation, *Committee Proceedings*, 15 May 2007.

⁽⁹³⁾ The 2005 *Nunavut Fisheries Strategy* notes that emerging fisheries had been subject “to virtually no scientific research upon which to make management decisions,” and that the “amount of scientific research carried out in Nunavut-adjacent waters has been a fraction of that in the rest of Canada.” Also, the “modest scientific investment” made for 0A turbot has “been the exception to a history of Arctic knowledge-base deficiencies.” *Nunavut Fisheries Strategy*, 2005, pp. 9, 17.

⁽⁹⁴⁾ The Hon. David Simailak, Nunavut Minister of Economic Development and Transportation, *Committee Proceedings*, 15 May 2007. For a copy of the MOU, see Standing Senate Committee on Fisheries and Oceans, *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004, Appendix 3. In its 2004

As for DFO's *New Emerging Fisheries Policy*,⁽⁹⁵⁾ the Committee was advised that this national policy puts "a great deal of responsibility on the person looking to exploit a new species to conduct some of the work that is necessary to ensure that the fishery would be economically and biologically sustainable."⁽⁹⁶⁾

What the Committee heard in Nunavut also underlined the need to monitor the effects that resource development, increased marine activity, and climate change could have on individual marine species and on ecosystems.⁽⁹⁷⁾ The effects of cruise ships on marine mammals, for example, need to be investigated. Although communities benefit from the sale of locally produced arts and crafts when cruise ships visit them, participants at our meetings were worried about the ships' possible negative impacts on whales, a species upon which Inuit depend for their survival and culture. In Pangnirtung, Leopa Akpalialuk, vice-chairman of the local HTO, informed the Committee that an area in Cumberland Sound (Clearwater Fjord) needed to be protected from cruise ships because it is a birthing ground for beluga whales in summer.⁽⁹⁸⁾

The Committee learned from DFO officials that much of the Department's current scientific effort in the North involves the collection of baseline data for species and tides to better monitor what changes might take place over time.⁽⁹⁹⁾ Inuit observations and Inuit traditional knowledge – Inuit Qaujimagatuqangit, or "IQ" – are indispensable in this regard, especially given the lack of baseline information and the high costs and difficulties associated with conducting stock assessments in the Arctic.⁽¹⁰⁰⁾ IQ can help develop a more complete picture of changes that may take place over long periods. The Nunavut government works hard to incorporate IQ

report, the Committee called on the federal government to operationalize the MOU by committing to a cost-shared fisheries development agreement, including a federal commitment to fund a multi-year research program (Recommendation 3).

⁽⁹⁵⁾ DFO, *New Emerging Fisheries Policy – September 2001* (as revised 2008), <http://www.dfo-mpo.gc.ca/fm-gp/policies-politiques/efp-pnp-eng-updated-eng.htm>.

⁽⁹⁶⁾ David Bevan, *Committee Proceedings*, 6 December 2007.

⁽⁹⁷⁾ The Canadian Polar Commission noted recently that there are "large gaps in our information on the ocean environments of the eastern and western Arctic," and that "economic development will potentially be the most critical driver" for science in the coming years. Canadian Polar Commission, *Beacons of the North: Research Infrastructure in Canada's Arctic and Subarctic*, 2008, pp. 15–16, 24.

⁽⁹⁸⁾ COSEWIC designated Cumberland Sound beluga as threatened in 2004.

⁽⁹⁹⁾ Michelle Wheatley, Regional Director, Science, Central and Arctic Region, DFO, *Committee Proceedings*, 1 May 2008.

⁽¹⁰⁰⁾ *Ibid.*

into its policies and operations, and we were advised that IQ needs to be taken into consideration when evaluating monitoring policies and practices at the federal level.⁽¹⁰¹⁾

John MacDougall of Nunavuummi Tasiujarjuamiuguqatigiit Katutjiqatigiingit⁽¹⁰²⁾ (NTK, also known in English as the Hudson Bay inter-agency working group) brought to the Committee's attention the need to conduct environmental monitoring in the Hudson Bay region.⁽¹⁰³⁾ The Committee learned that NTK had participated extensively in public hearings associated with the Eastmain-1-A and Rupert Diversion Project, the latest major addition to the La Grande Complex in northern Quebec, the world's largest hydroelectric generating system. Mr. MacDougall explained to the Committee that the project will control the freshwater of three large rivers that flow from Northern Quebec into Hudson Bay, and that the pulse of freshwater into Hudson Bay will eventually "be tied to the thermostats of Montreal."

In the wintertime when people turn their thermostat up to get more heat, the sluice gates will go up so more water can flow through the turbines and make more electricity and that will flow more fresh water at an odd time [during the year] for the ecosystem of Hudson Bay. That will happen all the time depending on what's going on in Montreal.

The Honourable Peter Kattuk, MLA for Hudson Bay, said his constituents, the people of Sanikiluaq (of Belcher Islands, in southeastern Hudson Bay near the western shore of Quebec) are very concerned about the project's impact on the marine environment. Freshwater normally enters Hudson Bay in springtime, the result of spring runoff. With more freshwater entering the Bay in winter, hunting patterns could be affected. This is because freshwater ice is less stable and more dangerous than saltwater ice, and melts faster. Mr. Kattuk also pointed out that Inuit are extremely dependent on marine mammals, seafood (scallops, sea urchins, sea cucumbers, mussels) and waterfowl for food – and these species are unable to survive in freshwater.

The Committee learned that one of the 83 recommendations made by a federal environmental review panel directly addressed NTK's concerns.⁽¹⁰⁴⁾ Recommendation 34 states:

⁽¹⁰¹⁾ The Hon. Peter Kattuk, MLA, *Committee Proceedings*, 2 June 2008.

⁽¹⁰²⁾ Nunavuummi Tasiujarjuamiuguqatigiit Katutjiqatigiingit means "people of the bay working together."

⁽¹⁰³⁾ Established in 2003 and composed of the Municipality of Sanikiluaq, the Government of Nunavut, Nunavut Tunngavik Incorporated, and Qikiqtani Inuit Association, the purpose of NTK is to advocate for, and to protect and advance, the ecological integrity and sustainability of Hudson Bay.

⁽¹⁰⁴⁾ Canadian Environmental Assessment Agency (CEAA), "The Federal Review Panel Submits Its Report," News release, 30 November 2006, http://www.ceaa.gc.ca/010/0001/0001/0017/nr061130_e.htm.

The issue of cumulative effects affects several jurisdictions, including the federal government, the provinces of Quebec, Ontario and Manitoba, the territory of Nunavut as well as several government departments linked to these various levels of government. Assessing cumulative effects therefore goes far beyond the responsibility of a single proponent. *Within this context, it would be imperative for the federal government to implement a large-scale research and monitoring program for the James Bay and Hudson Bay ecosystems.* Such a program could be coordinated by an independent body whose structure is akin to that of the International Joint Commission. Such a structure could foster the pooling of efforts and resources of all concerned government agencies, as well as those of the academic community, which is already working on various problems related to the cumulative effects in this sector. Whatever the chosen structure, *it would be essential for the various Aboriginal communities affected to be stakeholders in this research and monitoring program, in order to integrate into it traditional knowledge and local expertise.*⁽¹⁰⁵⁾ [italics added]

However, when the Government of Canada announced the approval of the Eastmain-1-A and Rupert Diversion Project on 18 December 2006,⁽¹⁰⁶⁾ no mention was made of any of the federal environmental panel's 83 recommendations, including Recommendation 34. The Committee learned that Hydro-Québec was forging ahead with the construction of the Eastmain-1-A and Rupert Diversion Project, and we were advised that "time is of the essence" with regard to the implementation of Recommendation 34. In his 2 June 2008 testimony to the Committee, Mr. MacDougall indicated the following:

To date, one year and six months after the Government of Canada released the Federal Review Panel's recommendations, and five months since DFO minister's December 6, 2007 letter,⁽¹⁰⁷⁾ neither NTK nor any of its member organizations, including the Government of Nunavut, has been contacted by DFO or any other Government of Canada department.

Contrary to what the DFO minister is saying, DFO is not working with the Government of Nunavut to develop a coordinated approach to assessing

⁽¹⁰⁵⁾ CEAA, "Recommendations," http://www.ceaa.gc.ca/010/0001/0001/0017/recommendations_e.htm.

⁽¹⁰⁶⁾ Office of the Prime Minister, "Prime Minister Announces Eastmain-Rupert River Hydro Project Advances," News release, 18 December 2006, <http://pm.gc.ca/eng/media.asp?category=1&id=1471>.

⁽¹⁰⁷⁾ The 6 December 2007 letter stated among other things that "officials in Fisheries and Oceans Canada [were] working with their counterparts in Environment Canada, as well as other federal departments, provincial and territorial governments and other agencies to develop a coordinated approach to this issue," and that "the specifics of any research and monitoring programs [were] still being developed, with the understanding that extensive consultations with all stakeholders [would] be required before implementation can begin." John MacDougall, NTK, *Committee Proceedings*, 2 June 2008.

cumulative impacts. DFO is not consulting with any Inuit stakeholders. If DFO is working or consulting with any other federal, provincial or territorial agencies or consulting with any other affected stakeholders we are not aware of it.

CONCLUSION AND RECOMMENDATIONS

Over the last two decades, the fishery has evolved from a subsistence activity into an important industry in Nunavut. The commercial fishery is in a relatively early phase of its development, so there is an opportunity to build on the experience of other fisheries in other jurisdictions while avoiding past mistakes.

Implementation of the *Nunavut Fisheries Strategy* is a high priority for the Nunavut government, yet the federal government has not stepped up to the plate to help move its vision forward. The fishery's growth is at a critical stage, and its further development should be supported by the federal government for the obvious social and economic benefits that the fishery generates, but also to reinforce Canada's presence and sovereignty in the Arctic.

The Committee fully supports the NWMB in its efforts to implement a new framework for sub-allocating commercial fish quotas in Nunavut that is objective, fair, transparent and accountable. A system geared toward maximizing fishery benefits is certainly on the leading edge for Canada. The Board's revised policy for commercial marine fisheries also seeks to achieve a healthy balance over time between community-based inshore fishing operations and offshore enterprises; the Committee fully supports this policy. The development of small-boat, community-based fishing operations would allow Nunavut communities to fully benefit from their adjacent resources.⁽¹⁰⁸⁾ The NWMB's new policy is in the process of being implemented; time will tell how it will work out in practice.

Ongoing fisheries research is essential in order to manage and sustain marine resources in the long term, and to identify and develop new fishing opportunities. DFO's March 2004 Atlantic Fisheries Policy Framework asserts that in the North, and particularly in Nunavut, a fisheries development strategy "is required to ensure priority is [...] given to science and management of existing and emerging fisheries in those regions."⁽¹⁰⁹⁾ The 2005 *Nunavut Fisheries Strategy*, on the other hand, points out that the current trend towards a user-pay model

⁽¹⁰⁸⁾ The Committee's 2004 report identified some of the advantages of the smaller-scale or inshore fisheries approach, which typically involves smaller amounts of capital and shorter fishing trips. These include less sensitivity to changes in operating costs, more flexibility in adapting to changes in market conditions or fish stock abundance, and more employment in coastal communities. In the case of inshore fishing, access based on adjacency promotes local stewardship and local economic development. *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004, p. 41.

⁽¹⁰⁹⁾ DFO, *A Policy Framework for the Management of Fisheries on Canada's Atlantic Coast*, "Self-Reliance: 4.2 Policy Strategies," 2004, http://www.dfo-mpo.gc.ca/afpr-rppa/Doc_Doc/policy_framework/policy_framework_e.htm.

for fisheries research is “not a workable approach in Nunavut,” and that “industry cannot afford the cost burden of the research.”⁽¹¹⁰⁾

Research is a means to demonstrate Canada’s claim of sovereignty over its northern waters, and with increased resource development and marine activity brought about by climate change, there will be an increasing need to monitor individual species and marine ecosystems. Inuit Qaujimajatuqangit, a most valuable source of information in this respect, will need to be incorporated into scientific assessments to ensure that sound decisions are made. The “human dimension” of Canada’s Arctic in fact presents a key advantage for science in the Canadian North.

Aboriginal peoples have developed traditional and local knowledge over thousands of years of residence in the North that can inform and complement modern science. Living year-round in the Arctic, Northerners can extend the research season effectively and efficiently. Northerners need and value science to help them understand, manage, and adapt to the precipitous changes in the North as the future of the Arctic is their future. Northerners’ experience in engaging in the science conducted in their communities – as mandated through the land claims process represents a unique advantage for Canadian science – Arctic or otherwise.⁽¹¹¹⁾

One message that emerged loud and clear at our meetings is that public investments in harbour-related infrastructure are urgently needed to strengthen the foundation of Nunavut’s fishing industry. The February 2008 Budget committed to building only one commercial fisheries harbour in one community (Pangnirtung), whereas the 2005 *Nunavut Small Craft Harbours Report* addressed the needs of seven of Nunavut’s 26 coastal communities.

Nunavut sorely lacks harbour and docking facilities that are typical in all other coastal regions of Canada. Although having most of Canada’s ocean coastline, Nunavut did not benefit from public expenditures made under the federal Small Craft Harbours program. Nor did Nunavut benefit from the considerable federal funding that other parts of the country received for fisheries development following the extension of Canada’s fisheries jurisdiction to 200 miles in 1977.

Harbour infrastructure is essential if community-based inshore fishing is to develop beyond small-scale projects, if local fish processing onshore is to take place, and if Nunavut is eventually to catch up with the rest of Canada. Without infrastructure, much of the

⁽¹¹⁰⁾ *Nunavut Fisheries Strategy*, 2005, p. 17.

⁽¹¹¹⁾ The International Expert Panel on Science Priorities for the Canadian Arctic Research Initiative, *Vision for the Canadian Arctic Research Initiative: Assessing the Opportunities*, Council of Canadian Academies, 2008, pp. 19–20, http://www.scienceadvice.ca/arctic_research.html.

offshore catch will continue to be landed in other jurisdictions. Adequate harbours and wharves would improve safety, facilitate community resupply, lower costs, promote tourism and benefit local economies generally, thus enhancing the quality of life for Nunavummiut. Harbour infrastructure will become all the more necessary because of the expected increase in resource development activity and commercial vessel traffic. Such infrastructure would also demonstrate Canada's presence and sovereignty in the Arctic.⁽¹¹²⁾

In its April 2004 report, the Committee made 14 recommendations to help "ensure that the fishery develops in a way that is compatible with northern values, culture and lifestyles."⁽¹¹³⁾ Nunavut interests have moved forward on the recommendations over which the territory has control,⁽¹¹⁴⁾ but the same cannot be said for the Department of Fisheries and Oceans, especially on the matter of Nunavut's share of adjacent fishery resources.

In Division 0A, the fishery is a new one for Nunavummiut, especially Inuit, to develop. But south of 0A – in Division 0B – the situation is quite different.

For 0B, the recurring theme at our meetings was "adjacency," generally understood to mean that priority of access should be given to those who are closest to the resource. The general conclusion is inescapable: Nunavut's disproportionately small allocation of 0B turbot is a glaring inconsistency in the application of the principle of adjacency. Nunavummiut should have been afforded the opportunity to bid on the 1,900-tonne 0B turbot quota when it became available, which would have increased their percentage share of the fish from 27.3% to 61.8%.

Recommendation 1:

The Committee recommends that the Government of Canada move forward to develop and implement, in collaboration with the Government of Nunavut, the harbour development plan recommended by the DFO–Nunavut Harbours Working Committee in its 2005 *Nunavut Small Craft Harbours Report*.

Recommendation 2:

The Committee recommends that the Department of Fisheries and Oceans continue to assign 100% of the NAFO Division 0A turbot allocation to Nunavut.

⁽¹¹²⁾ For example, the *Nunavut Small Craft Harbours Report* noted that "Canadian sovereignty in the North would be boosted significantly by the regular use of a network of Nunavut harbours by federal patrol and research vessels."

⁽¹¹³⁾ *Nunavut Fisheries: Quota Allocations and Benefits*, April 2004, p. iv.

⁽¹¹⁴⁾ The Hon. David Simailak, *Committee Proceedings*, 15 May 2007.

Recommendation 3:

The Committee recommends that, in NAFO Division 0B, the Department of Fisheries and Oceans continue its policy that no new access to 0B turbot be given to non-Nunavut interests until Nunavut has achieved a level of access to adjacent marine resources comparable to levels of access enjoyed by other coastal jurisdictions in their adjacent fisheries.

Recommendation 4:

The Committee recommends that the Minister of Fisheries and Oceans put in place a policy giving Nunavut stakeholders the right of first refusal to purchase, at a competitive rate, all fishery quotas in Nunavut's adjacent waters that are transferred or sold.

Recommendation 5:

The Committee recommends, as a general principle, that Inuit Qaujimajatuqangit, as an indispensable complement to scientific knowledge, always be given full consideration in fisheries decision-making.

Recommendation 6:

The Committee recommends that, with respect to the Eastmain-1-A and Rupert Diversion Project, the Minister of Fisheries and Oceans indicate when and how the research and monitoring program outlined by the 2006 Federal Review Panel in Recommendation 34 will be implemented.

Recommendation 7:

The Committee recommends that the Department of Fisheries and Oceans substantially increase its funding for exploratory research in Nunavut's adjacent waters, and that it commit to a multi-year, multi-species research program.

Recommendation 8:

The Committee recommends that the Department of Fisheries and Oceans assess the impact of all vessel activity on whales and in concert with the Nunavut Wildlife Management Board, develop protective management measures, such as vessel exclusion zones at certain times of the year.

WITNESS LIST

Thursday, June 5, 2008	
Legislative Assembly of Nunavut	The Honourable Peter Kilabuk, Member of the Legislative Assembly for Pangnirtung, Speaker of the Legislative Assembly
Municipality of Pangnirtung	Adamie Komoartok, Deputy Mayor of Pangnirtung Ron Mongeau, Senior Administrative Officer
Pangnirtung Hunters and Trappers Organization	Leopa Akpaliak, Vice-Chairman
Pangnirtung Fisheries	Don Cunningham, General Manager Manasa Evic, Chairman of the Board
Cumberland Sound Fisheries	Joopa Gowdluapik, Chairman of the Board
Baffin Fisheries Coalition	Johnny Mike, Director
As individuals	Levi Evic Eric Joamie Gita Laidler Davidee Arnankak Noah Metiq Jamesie Mike
Monday, June 2, 2008 (morning meeting)	
Department of Environment, Government of Nunavut	The Honourable Olayuk Akesuk, M.L.A., Minister of Environment, Government of Nunavut
Department of Economic Development and Transportation, Government of Nunavut	The Honourable Patterk Netser, M.L.A., Minister of Economic Development and Transportation, Government of Nunavut
Department of Environment, Government of Nunavut	Simon Awa, Deputy Minister Wayne Lynch, Director, Fisheries and Sealing Earle Baddaloo, Director, Environmental Protection
Department of Economic Development and Transportation, Government of Nunavut	Rosemary Keenainak, Deputy Minister John Hawkins, Acting Deputy Minister, Transportation Branch
Legislative Assembly of Nunavut	Peter Kattuk, Member of the Legislative Assembly for Hudson Bay
Nunavuummi Tasiujarjuamiuguqatigiit katutjiqatigiingit (NTK)	John MacDougall

Monday, June 2, 2008 (afternoon meeting)	
City of Iqaluit	Glenn Williams, Councilor
Nunavut Association of Municipalities	Lewis Gidzinski, Infrastructure Research Manager
Nunavut Economic Forum	Glenn Cousins, Executive Director
Baffin Regional Chamber of Commerce	Hal Timar, Executive Director
Nunavut Wildlife Association	Michael d'Eca, Legal Advisor Jim Noble, Chief Operating Officer
Monday, June 2, 2008 (evening session)	
As an individual	John Amagoalik, Director, Lands and Resources, Qikiqtani Inuit Association
Desgagnés Transarctik Inc.	Waguïh Rayes, General Manager
As an individual	Aaju Peter
Thursday, May 1, 2008	
Fisheries and Oceans Canada	Michelle Wheatley, Regional Director, Science, Central & Arctic Region K. Burt Hunt, Regional Director, Fisheries and Aquaculture Management, Central and Arctic Region
Tuesday, April 15, 2008	
Inuit Tapiriit Kanatami	John Merritt, Senior Policy Advisor
Nunavut Tunngavik Incorporated	Paul Kaludjak, President Gabe Nirlungayuk, Director of Wildlife
Tuesday, May 15, 2007	
Government of Nunavut	The Honourable David Simailak, M.L.A., Minister of Economic Development and Transportation, Nunavut Wayne Lynch, Director, Fisheries and Sealing
Thursday, May 10, 2007	
Nunavut Wildlife Management Board	Joe Tigullaraq, Chairperson and Chief Executive Officer Jim Noble, Chief Operating Officer Michael d'Eca, Legal Advisor
Tuesday, May 8, 2007	
Nunavut Tunngavik Incorporated	Paul Kaludjak, President John Merritt, Legal and Constitutional Advisor Joanasie Akumalik, Director, Government and Public Relations Glenn Williams, Senior Wildlife Advisor, Department of Wildlife

FACT-FINDING

Friday, June 6, 2008	
Legislative Assembly of Nunavut	Cindy Ann Rennie, Public Affairs Officer
Thursday, June 5, 2008	
Pangnirtung Fish Plant	Don Cunningham, General Manager
Auyuittuq National Park	Delia Borrouard, Park Manager
Wednesday, June 4, 2008	
Hunters and Trappers Organization (HTO)	Levi Nutaraluk, Member HTO Lootie Toomasie, Chairman HTO
Municipality of Qikiqtarjuaq	Tony Atsanik, Qikiqtarjuaq Hamlet Council Loasie Audlaqiaq, Mayor of Qikiqtarjuaq Meeka Newkungnck, Deputy Mayor, Qikiqtarjuaq Jeannie Kooneeluigi, Qikiqtarjuaq Councillor Hanna Audlakiak, Qikiqtarjuaq Councillor
Sirmilik National Park	Carey Elverum, Park Manager Terry Kalluk, Patrol Person Andrew Arrear, Patrol Person Brian Koonoo, Park Warden and Vice Chairman of the Nattinak Hunters and Trappers Organization
Municipality of Pond Inlet	Israel Mablick, Communications and Deputy Mayor, Pond Inlet Abraham Kublu, Mayor of Pond Inlet
Tuesday, June 3, 2008	
Hunters and Trappers Organization (HTO)	Simon Idlout, Vice Chairman, HTO Resolute Philip Manik, HTO Resolute Allie Salluviniq, HTO Resolute Tabitha Mullin, HTO Resolute Imooshie Nutarajuk, HTO Grise Fiord
Polar Continental Shelf Project	Brenda Eckalook, Office Administrator Barry Hough, Logistics Manager Tim McCagherty, Base Manager George Benoit, Stores Supervisor
Environment Canada	Dr. Grant Gilchrist, Environment Canada Dr. Mark Mallory, Environment Canada
Municipality of Arctic Bay	Councillor Olayuk Naqitaruik, Hamlet of Arctic Bay
Ikajutit Hunters and Trappers	Tommy Kilabuk, Chair of the Ikajutit Hunters and Trappers
Fisheries and Oceans Canada	Keith Pelley, Department of Fisheries and Oceans Luc Beland, Canadian Coast Guard JP Lehnert, Canadian Coast Guard

APPENDIX 1

Outline of the Fisheries Management Framework and the NLCA

For management purposes, the Northwest Atlantic Fisheries Organization (NAFO) divides the Northwest Atlantic Ocean into a set of zones using an alphanumeric code. The boundary line between Canadian waters in NAFO Subarea 0 and waters belonging to Greenland in Subarea 1 (to the east of Subarea 0) is the equidistant line between the 200-mile limits of the two jurisdictions.

Subarea 0 is managed by Canada with the assistance of NAFO's Scientific Council, which, at the request of Canada and Greenland, recommends the Total Allowable Catch for Baffin Bay and Davis Strait, and West Greenland. Subarea 0 is divided into Division 0A in the north (Baffin Bay) and Division 0B in the south (Davis Strait). The Nunavut Land Claims Agreement (NLCA) further divides northern waters into three areas: the Nunavut Settlement Area (NSA), which takes in the waters directly adjacent to Nunavut and extending to the 12-mile limit of Canada's territorial sea; Zone I (Davis Strait and Baffin Bay, in Subarea 0); and Zone II (areas adjacent to the NSA in the Hudson Strait and Hudson Bay).⁽¹⁾ Both Zones I and II are waters within Canada's 200-mile limit, but outside the 12-mile NSA.

Domestically, stocks in Subarea 0 (Divisions 0A and 0B) fall under the jurisdiction of the Department of Fisheries and Oceans (DFO). Subsection 7(1) of the *Fisheries Act* bestows on the Minister of Fisheries and Oceans absolute discretion in managing Canada's fisheries; however, with the enactment of the *Nunavut Land Claims Agreement Act* and the *Nunavut Act*, it may be said that the Minister's discretion is no longer as "absolute." Final decisions rest with the Minister, but the NLCA imposes certain requirements, depending on where decisions are to take effect.

Under the terms of the NLCA, the Nunavut Wildlife Management Board (NWMB) is the main instrument of wildlife management in the NSA and the main regulator of access to wildlife (Article 5.2.33). The nine-member Board, which is both an institution of public government and an independent co-management body, is made up of four representatives of Inuit organizations, four representatives of the governments of Nunavut and Canada, and a

⁽¹⁾ DFO's programs in Yukon and the Northwest Territories are also conducted mainly in conjunction with co-management boards established under land claims settlements. See DFO, Freshwater Institute, "Co-management of Fisheries Resources," <http://www.dfo-mpo.gc.ca/regions/central/pub/fresh-douces/05-eng.htm>.

chairperson (who may also be Inuit) nominated by the eight members and appointed by government. Board members are expected to make their decisions on behalf of the public of the NSA, and not as agents of their appointing bodies. A basic and important principle in the law is that they maintain their independence.⁽²⁾ The NWMB also funds Inuit Hunters and Trappers Organizations (HTOs) in each of Nunavut's communities. The HTOs and Regional Wildlife Organizations (RWOs) are the first-in-line beneficiaries when it comes to economic activities involving the harvest of wildlife resources (Articles 5.6.39, 40 and 45).

With respect to commercial marine fisheries *inside the NSA*, the NWMB and DFO share co-jurisdictional decision-making with respect to the establishment, modification or removal of any harvesting limitations. *Outside the NSA* in Zone I (in Davis Strait and Baffin Bay, east of Baffin Island), where commercial fishing for turbot and shrimp mostly takes place, the federal government has both primary and overall responsibility for management (e.g., licensing and registration of fishing vessels, the setting of commercial quotas, gear restrictions and fishing seasons). The NWMB exercises an advisory jurisdiction in Zone I, subject to the terms and conditions of the NLCA, which includes the authority:

- to provide requested advice with respect to any wildlife management decisions by Government which would affect the substance and value of Inuit harvesting rights and opportunities within the marine areas of the NSA (Article 15.3.4); and
- to provide relevant information to Government that would assist in wildlife management beyond the marine areas of the NSA (Article 15.3.4);
- to advise and make recommendations regarding the marine areas of the NSA, which Government must consider in making decisions that affect those marine areas (Article 15.4.1).

Under current policy, although not required to do so by the NLCA, the federal government and the NWMB have agreed that the Board is responsible for sub-allocating commercial quotas in Zone I (Baffin Bay/Davis Strait). Once the Minister of Fisheries and Oceans has determined Nunavut's regional allocations of marine resources, the NWMB recommends individual commercial sub-allocations according to criteria set by the Board.

Article 15.3.7 of the NLCA recognizes the importance of adjacency and the economic dependence of communities in the NSA on marine resources. The Article obliges the government to give "special consideration" to these factors when allocating commercial fishing

⁽²⁾ See Michael d'Eça, *Committee Proceedings*, 2 June 2008.

licences within Zone I and Zone II, and stipulates that the principles of adjacency and economic dependence “will be applied in such a way as to promote a fair distribution of licences between the residents of NSA and the other residents of Canada in a manner consistent with Canada’s interjurisdictional obligations.”

Nunavut Tunngavik Incorporated (NTI), whose mandate is to represent Inuit interests, is the lead Inuit organization with authority related to the regional Inuit organizations and their development corporations. NTI’s mission is to foster Inuit economic, social and cultural well-being through the implementation of the NLCA. The Government of Nunavut has legislative powers with respect to the expenditure of money for territorial purposes and provides financial assistance to the fishing industry. NTI and the Nunavut government cooperate on a wide range of matters under an agreement called “Iqqanaijaqatigiit,” or “Working Together.”

APPENDIX 2

Principles Guiding the NWMB's Allocation Policy for Commercial Marine Fisheries

Complementing the governing principles of NLCA Article 5 (NLCA Sections 5.1.2 and 5.1.5) and the instructions set out in the NLCA for commercial allocations within the NSA (NLCA Sections 5.6.31, 5.6.38 to 5.6.40, and 5.6.45 to 5.6.47) are the following principles which guide the NWMB in its allocation of commercial marine fisheries resources – both inside and outside the NSA:

1. Healthy marine populations and habitat are essential to sustain the economic, social and cultural harvesting needs of Nunavummiut, for both present and future generations (See NLCA Section 5.1.5(c));
2. The fishery is a valuable and vital common property resource to be managed in an open, transparent and accountable manner for the equitable benefit of all Nunavummiut;
3. There is a need for the fishery to be diversified, striking a healthy balance between inshore and offshore operations, and between community entitlements and entrepreneurial initiative;
4. In allocating commercial marine fisheries resources, preference needs to be given to Nunavummiut and to operations providing direct benefits to Nunavut's economy (See NLCA Section 5.6.45);
5. In order to achieve a prosperous Nunavut-controlled fishery, there is a need for people to work together in harmony (See the Inuit Qaujimagatuqangit principle of Piliriqatigiingniq);
6. A prosperous Nunavut-controlled fishery requires substantial involvement of viable commercial ventures sponsored or owned by RWOs and HTOs (See NLCA Sections 5.1.3(a)(iii) and 5.6.39);
7. There is a need to give special consideration to adjacency in the allocation of commercial marine fisheries resources, particularly within the NSA (See NLCA Section 15.3.7);
8. In allocating commercial marine fisheries resources, there is a need to give special consideration to the economic dependence of communities on those resources (See NLCA Section 15.3.7); and

9. In allocating commercial marine fisheries resources, there is a need to give special consideration to economically viable fishing enterprises and to fishers that have a successful history in a particular fishery.

Source: Nunavut Wildlife Management Board.