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Northwest Atlantic Fisheries Organization



Report of the Working Group on  
Allocation of Fishing Rights to Contracting Parties of NAFO

28-30 March 2000  
Washington, D.C., USA

NAFO  
Dartmouth, N.S. Canada  
2000

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Allocation of Fishing Rights to Contracting Parties of NAFO**

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**Report of the Working Group on  
Allocation of Fishing Rights to Contracting Parties of NAFO**

Washington, D.C.  
28-30 March 2000

**1. Opening of the Meeting**

The meeting was called to order by the Chairman, Mr. H. Koster (EU), who welcomed delegates and made some comments regarding organizational aspects of the meeting. A list of participants is attached (Annex 1).

The delegations of the EU, USA, Canada and Japan made brief opening statements.

The Representative of the EU stated that this meeting was part of an important on-going process and that all relevant elements must be considered in this process. He noted that these elements included questions dealing with equity and balance (among others) and that the real issues associated with quotas and utilization must be addressed. The EU Representative expressed concern that the stability of the organizations should not be negatively effected and urged the Working Group to be realistic in its examination of the available alternatives. The EU Statement was provided to the Rapporteur (Annex 2).

The Representative of the United States pointed out that NAFO had already seen some instances in which there was a clear need for procedures relating to allocation and noted that the work of Denmark (in respect of the Faroe Islands and Greenland) and others should provide a strong basis for continued progress. The US Representative supported the EU statement that equity and stability are key points to bear in mind during the up-coming discussions. Finally, he expressed the US hope that this meeting would result in concrete recommendations to the Fisheries Commission regarding the NAFO allocation process.

The Representative of Canada stated that the issues faced by NAFO with regard to allocation are challenging. He noted that the Working Group thus far has explored some broad international legal issues and stated that the NAFO Convention is the legal basis for allocations within the Organization. After briefly reviewing the progress of the Working Group thus far, he called on Parties to be sensitive to issues relating to stability and conservation in its efforts to achieve consensus on this complex topic. The Canadian Statement was provided to the Rapporteur (Annex 3).

The Representative of Japan noted that his government values the work accomplished thus far by the Working Group. He expressed his hope that the Working Group might contribute to sustainable fisheries and stability within NAFO. He also clarified that the Japanese position on this issue (as outlined in Working Group Working Paper 99/4<sup>\*</sup>) remains unchanged. He called for a positive review of unutilized and underutilized allocations within NAFO.

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<sup>\*</sup> Note: During this meeting, the Working Group referred a number of working papers from its proceedings, 1999 (April, Halifax).

## **2. Adoption of Agenda**

The agenda was adopted with revisions (Annex 4). It was agreed that the Representatives of Estonia, Latvia, Lithuania, and Russia would meet privately with the Chair to discuss the issue of the bloc quota and that the results of this meeting would be reported to the Working Group at the appropriate time during this meeting.

## **3. Appointment of Rapporteur**

Mr. P.E. Moran (United States) was elected as Rapporteur.

## **4. Development of a broad strategy of allocation of future fishing opportunities for stocks not currently allocated**

- 4.1 The Chair noted that several working papers regarding allocation had been submitted for the consideration of the Working Group in 1999 and he suggested that these papers could provide the basis for discussions over the next few days. In advance of the meeting, two working papers were distributed. The first paper (Allocation Fishing Rights W.G. W.P. 00/1) provided further interpretive notes by the Chair on the progress of the Working Group. This paper was based on the Chair's notes from the 13-15 April 1999 Working Group meeting (W.P. 99/8 Revised) and sought to further clarify the issues before the Working Group. The second paper distributed in advance of the meeting (Allocation Fishing Rights W.G. W.P. 00/2) was a redistribution of the 1999 working paper by Denmark (in respect of the Faroe Islands and Greenland). Both of these working papers are attached as Annexes 5 and 6, respectively.

The Chair then requested that the Working Group examine the qualifying and allocation criteria outlined in W.P. 99/8 Revised and comment on the current "shopping lists" as found in this paper. The goal of this examination was to further clarify and update W.G. W.P. 00/1.

- 4.2 Initial discussion on this topic focused on the sources and nature of both types of criteria. While it was generally agreed that Article XI of the NAFO Convention provided the primary basis for both qualification and allocation criteria within the Organization, some Parties also expressed support for the consideration of relevant provisions of the 1995 UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks to guide NAFO's allocation process. A view was expressed that the UN Agreement was not addressing the issue of allocation criteria in the strict sense. There was general agreement among those present that any lists of qualifying and allocation criteria should not be prioritized in any way or considered exhaustive. It was also agreed that qualification should not be considered the right for an allocation.

Regarding qualifying criteria, it was generally agreed that Contracting Parties wishing to be eligible for allocations should be in "good standing" and "interested" (as found W.P. 99/8 Revised), although there was some question as to how such standing should be established. It was also agreed that references in the Working Paper to "Other Contracting Parties" and "Future new members" were not applicable and that they should be dropped from the list.

After a brief discussion regarding how the status of "good standing" might be established, it was agreed that text should be inserted to indicate that Contracting Parties who are members of the Fisheries Commission and may exercise the right to vote (based on NAFO rules) would be considered eligible for allocations.

- 4.3 The Working Group then examined qualifying criteria relating to "interest". Discussion touched on each of the qualifying criteria listed in W.P. 99/8 Revised under "Interested Contracting Parties" and there was general support for the inclusion of these items in an updated list. Some debate followed regarding the issue of Contracting Parties whose economies are overwhelmingly dependent on fisheries. A number of those present spoke in favor of the inclusion of a criterion relating to overwhelming economic dependence, although there was some concern how such dependence might be substantiated. The view was expressed that, even if it were possible to quantify dependency, it remained doubtful whether this was a suitable criterion in a situation where all Contracting Parties were in principle entitled to be treated on an equal footing. In addition, one Party suggested that special geographic considerations should be taken into account. It was also clarified that Contracting Parties who are members of the Fisheries Commission and may exercise the right to vote must only fulfill one of the various criteria relating to "interest" in order to be considered eligible for allocations.
- 4.4 Regarding allocation criteria, the Chair noted that the items on this list would be used to determine the amount of allocations to eligible Contracting Parties. It was also agreed that there should be no attempt to weight these criteria at this point. There was general support for the view that allocation criteria should reflect the principle of equity. Although there was general acceptance of the allocation criteria listed in W.P. 98/8 Revised, discussion touched on each of the items in the paper. One Party suggested that all of the qualifying criteria should also be included in the list of allocation criteria, although it was also recognized that too many allocation criteria could complicate the allocation process.
- 4.5 There was general support for the inclusion of an allocation criterion relating to reference fishing patterns during a representative reference period. It was pointed out that such a criterion is, comparatively, easier to quantify. However, concern was expressed that Parties should not be awarded for reference patterns established in a way that undermined NAFO conservation and management. It was noted that, although the allocation criteria did not currently include a compliance element, reference patterns should be chosen that were representative of generally responsible fishing practices. It was agreed that some flexibility would be necessary with regard to this element.

Some concern was also expressed regarding the W.P. 99/8 Revised allocation criterion dealing with Coastal State considerations. In particular, some Parties questioned the inclusion of a consideration relating to "zonal attachment" in criteria designed to provide allocations in the Regulatory Area. After some debate on the issue, it was agreed that the principle of zonal attachment would be addressed by the Fisheries Commission (based on Scientific Council advice) when it determined what proportion of a relevant stock in the NAFO Convention Area would be allocated to the Regulatory Area for eligible and interested Contracting Parties.

- 4.6 Regarding the creation of an "Others" category containing a lump sum allocation, much of the debate on this issue took place during discussion of the next agenda item. This issue was also discussed in the concurrent Meeting on Shrimp Stocks in the Regulatory Area.

A number of other considerations were discussed with regard to allocation criteria. There was strong support for the inclusion of a reference to Article XI(4) of the NAFO Convention, which relates to allocation within the Organization. It was also generally agreed that considerations from the qualifying criteria relating to contributions to research and data collection and overwhelming dependence on fisheries should be included in the allocation criteria as well. One Party suggested that other contributions to NAFO should also be considered. In addition, arguments were made by some Parties that there should be a specific reference to the needs of small coastal communities.

- 4.7 There was also some discussion relating to the possibility of setting aside fishing opportunities for vessels of non-Contracting Parties that have demonstrated a high degree of cooperation with NAFO. It was generally agreed that, given the basic qualifying criterion of Contracting Party status, such opportunities could not be considered to be a formal part of the allocation procedure. Instead, it was suggested that such opportunities could be considered by the Fisheries Commission on an ad hoc basis. Parties stressed the need for some type of written agreement (e.g., a protocol) demonstrating a commitment between the non-Contracting Party and NAFO if such an allocation were to be considered. It was pointed out that such a system is currently under consideration by the International Commission for the Conservation of Atlantic Tunas. Although reaction to this idea was somewhat mixed, it was agreed that it should be considered and included in the revised Chair's paper.

## **5. Exploration of possible margins to accommodate requests for fishing opportunities in connection with stocks under TAC**

- 5.1 Some Parties stated that the current status of most stocks within NAFO made consideration of reallocations particularly difficult. Others generally supported the idea that repeated underutilization of allocations should result in reallocation, although concern was expressed that there might be valid reasons that such underutilization might take place. For example, it was noted that Parties might opt not to harvest an allocation on the basis of conservation, economic, or domestic concerns and that reallocation under such circumstances would be unfair. It was suggested that a time period might be considered in order to firmly establish a pattern of underutilization and that some minimum percentage could be identified below which an allocation might be considered underutilized. However, it was also pointed out that it might not be desirable to obligate Contracting Parties to fully utilize allocated quota and that such a requirement could lead to false catch reporting.

It was also suggested that if all NAFO allocations were reviewed on a regular basis, reallocations would not be necessary. One Party noted that when fisheries are active, the transfer procedure takes care of reallocation as appropriate. The Chair noted that constant reviews of allocations could threaten stability within the Organizations, but agreed that a reasonable review process in conjunction with the use of transfers (in the short term) could be useful.

- 5.2 Regarding possible allocations of or to the "Others" quotas, there was general agreement that an "Others" quota is desirable, but concern was expressed regarding how changes to the amount of such allocations would effect country-specific allocations. Parties again noted that the current status of NAFO stocks made such discussions difficult. One Party stated that fishing from "Others" quotas was difficult due to practical issues relating to planning and preparation. There was some support for the idea that NAFO might regulate allocations within the "Others" category to ensure a minimum level of allocation available to all eligible Parties.

With regard to the acceptable level of "Others" quotas, some Parties called for a standardized amount for all fisheries. Other representatives expressed the opinion that flexibility was necessary and that the proportions of this quota should be dealt with on a fishery-by-fishery basis. There was some support for the establishment of a range of TAC percentages (e.g., 2% -15%) representing benchmarks within which "Others" quotas might be set on a fishery-by-fishery basis. It was pointed out that this quota should be high enough to allow a Contracting Party with no allocation to participate. Some representatives cautioned against the establishment of "mini quotas" which would not allow for a viable fishery. It was also suggested that this quota should allow such a Party to build a fishing history and, possibly, establish an eventual permanent quota allocation.

Discussion also touched on the issue of who should have access to such an allocation. Some Parties suggested that it might be beneficial to allow access by holders of country-specific quotas to fish in the "Others" category at some point in the fishing season. It was noted that a system could be put into place in which Parties signified an intent to fish within an "Others" quota. If no interest was expressed by a certain deadline, Contracting Parties with country-specific quotas would be allowed to fish this quota.

- 5.3 The Chair summarized the issues relating to reallocation and the use of an "Others" quota, noting that there was no consensus that fishing opportunities for those without country-specific allocations should come from already allocated fish. Thus, such a system could currently only be recommended for new fisheries on a case-by-case basis. He stated that as stocks increase biologically the Fisheries Commission must decide if it is possible to look at increases to "Others" quotas. The Chair urged the Working Group to consider the needs of all Contracting Parties with regard to fishing opportunities in NAFO.

## **6. Allocation of the bloc quota**

The Representative of Latvia presented the result of an informal meeting between those NAFO Parties that share the bloc quota (Estonia, Latvia, Lithuania, and Russia). The Chairman of the Working Group, H. Koster, was present at that meeting. It was tentatively agreed that all involved Parties would meet before the 2000 NAFO Annual Meeting with the goal reporting to the Commission presenting a proposal for allocations of the current bloc quotas. The Parties further considered that three issues should be reviewed during the up-coming meeting: 1) all relevant stocks to be discussed for further allocation of the block quota; 2) the appropriate reference period to be used in determining block quota percentage shares; and 3) principles to be used for determining percentage share allocations.

## **7. Report to the Fisheries Commission**

One representative noted the difficult nature of the tasks facing the Working Group and suggested that the Fisheries Commission should consider a timetable with benchmarks for addressing the allocation issues facing the organization. It also was suggested that the issue of allocation of new stocks should be a high priority in such considerations. After a brief discussion, it was agreed that the Working Group should recommend that the Fisheries Commission reflect in view of the work done thus far by the Working Group and suggest when it might be appropriate to meet again.

## **8. Other matters**

The Representative from the EU presented information and expressed grave concern regarding the practice of "flag hopping". He clarified that preliminary information indicated that vessels of one Contracting Party appeared to be seeking permission from their government to arrange for double flagging with another Contracting Party. This permission was then being used in conjunction with chartering or other similar arrangements to allow these vessels to operate (apparently at their convenience) under two flags. He stated that such a practice endangers the NAFO quota system by weakening the link between NAFO quota beneficiaries and harvesting vessels. This raises the question if NAFO is an organization of fishing States or an organization of quota sellers. The EU representative pointed out that vessels that engage in flag hopping could be considered Stateless and, thus, should be subject to the new rules adopted by NAFO regarding Stateless vessels.

There was general agreement that the practice of flag hopping could have a negative effect on the NAFO allocation system and many Parties called for an examination of the current NAFO rules regarding bareboat charters. The Chair noted that Contracting Parties are required under the NAFO Conservation and Enforcement Measures to notify NAFO of all bareboat charters. It was agreed that this issue should be discussed at greater length during the 2000 NAFO Annual Meeting in Boston, USA, in September.

## **9. Adjournment**

The Chair adjourned the meeting at 11:55 am on 30 March 2000.



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## **Annex 2. Opening Statement by the Representative of the European Union**

The European Community would first like to thank the United States for their hospitality in hosting this important meeting in Washington, D.C. We would also like to commend you, Mr. Chairman, for the skill with which you have guided us through the earlier sessions of this Working Group.

We see this meeting as yet another step in an extremely important process. The topics at issue are as challenging as they are complex. All relevant elements must be carefully examined. It is somehow in the nature of things that the more topics are touched upon, the more questions come up. These questions pertain to substantive issues such as of equity but also to factual elements, e.g. the real reasons for quota under-utilization.

The European Community is prepared to discuss with an open mind possible allocation criteria for stocks not currently allocated and any other topic of principle which might be relevant in the given context. We should, however, recall the elements of balance and stability enshrined in the established allocation practice and we, therefore, share the concerns expressed by others that requests put forth in the course of this process might have implications for the stability of NAFO. We trust that participants will give due regard to these concerns and that a constructive dialogue will help to address all the questions at issue in a realistic manner.

This process may be difficult and may take some time to conclude with solutions which are agreeable to all Contracting Parties. We should not be discouraged by those difficulties as we proceed in a process, the ultimate aim of which is to achieve lasting and sustainable results.

The delegation of the European Community is looking forward to working with you, Mr. Chairman, and with all our partners from the other Contracting Parties to meet the challenges ahead.

### **Annex 3. Opening Statement by the Representative of Canada**

Mr. Chairman, distinguished Representatives, it is a pleasure for Canada to participate in the Working Group on Allocation of Fishing Rights. We would like to again thank the U.S. Government for hosting this meeting and the NAFO Secretariat for providing the usual high level of logistical support.

There is no doubt that the issues before us are challenging. The March 1998 and the April 1999 meetings of the Working Group have highlighted the complexity and sensitivity of these issues. We have explored some of the broad principles of international fisheries law - all delegations have concurred that a variety of established or emerging international law as well as recent international declarations gave guidance on participatory rights within organizations such as NAFO. We have also agreed that the NAFO Convention is the legal framework within which quota allocations must be decided.

During 1999 some of these issues were advanced. Based on the recommendations of the April 1999 meeting of the Working Group, General Council at the 1999 Annual Meeting endorsed the resolution to guide the expectations of future new members with regard to fishing opportunities in the NAFO Regulatory Area. It was important not to raise expectations of potential new members on the fishing opportunities in the NAFO area. Also based on the recommendations of the Working Group, NAFO adopted rules on a pilot basis during the year 2000 for non-flag state vessel charters as well as for notification procedures for "bare-boat" charters. We will need to assess these rules in the near future.

Canada would like to thank the Chairman of the Working Group for his deft handling of the meeting last year and we look forward to his guidance at this meeting. Last year he developed an inclusive "shopping list" of criteria for Contracting Parties to qualify for fishing rights and secondly considerations for the allocation of fishing rights. The Working Group also advanced a number of ideas for possible further consideration on possible margins for allocation in regard to stocks currently under TAC.

Developing a consensus on these questions raises several questions. Is there a set of universal allocation criteria or will each situation require its own criteria? What relative weight should be assigned to the various allocation criteria? The agenda item on possible margins in the current quota table to accommodating requests for fishing opportunities will be complex and sensitive. There are various proposals for reallocation of existing quotas based on some concept of "use it or lose it". These proposals raise substantive issues of equity as well as questions as to the real reason for quota underutilization. These questions need to be looked at carefully.

Canada continues to share the concerns expressed by others that these discussions could have the potential to adversely affect the conservation of the stocks and the stability of the Organization. Based on our discussions to date and the progress made last year, I am confident that the Parties will continue to be sensitive to these concerns and find ways to develop solutions through open, constructive dialogue.

Mr. Chairman, Canada looks forward to examining these questions and making further progress on these issues.

**Annex 4. Agenda**

1. Opening by Chairman (H. Koster-EU)
2. Adoption of Agenda
3. Appointment of Rapporteur
4. Development of a broad strategy of allocation of future fishing opportunities for stocks not currently  
Allocated (see Annex 11 of NAFO/GC Doc. 99/4, “Interpretive notes by the Chair attempting to clarify discussions on Agenda points 6 and 7,” and Annex 2 of NAFO/GC Doc. 99/4, “Terms of Reference”)
  - Qualifying criteria
  - Allocation criteria
5. Exploration of possible margins to accommodate requests for fishing opportunities in connection with  
the stocks under TAC (see Annexes 2 and 11 of NAFO/GC Doc. 99/4)
  - Re-utilization, re-allocation
  - Allocation of or to the “Others” quota
6. Allocation of block quota
7. Report to the Fisheries Commission
8. Other Matters
9. Adjournment



**Annex 5. Further interpretative notes by the Chair attempting  
to clarify discussion on Agenda point 4  
(W. P. 00/1 by the Chairman)**

Agenda point 4:

Development of a broad strategy of allocation of future fishing opportunities for stocks not currently allocated (see Annex 11 of NAFO/GC Doc. 99/4” interpretative notes by the chair attempting to clarify discussions on Agenda points 6 and 7”, and Annex 2 of NAFO/GC Doc. 99/4, “Terms of Reference”).

- Qualifying criteria
- Allocation criteria

When allocating fishing opportunities, the Fisheries Commission will proceed in accordance with the following points:

- A. The Commission will identify the Contracting Parties which are eligible for and interested in the allocation of the relevant fishing opportunities. Contracting Parties who are members of the Fisheries Commission and may exercise the right to vote, will be considered eligible for allocation. The Fisheries Commission will consider Contracting Parties which fulfill one or more of the following criteria as interested in the allocation:
  - Where appropriate (straddling stocks) the relevant coastal state.
  - Contracting Parties whose vessels have traditionally fished the relevant resources.
  - Contracting Parties who have undertaken extensive efforts to ensure the conservation of such stocks in particular by providing surveillance and inspection of international fisheries under the international scheme of joint enforcement.
  - Contracting Parties who have undertaken significant substantial contribution to research and data collection for the relevant resources.
  - Contracting Parties whose economy is overwhelmingly dependent on fisheries.
  - Contracting Parties hosting small coastal communities which are dependent mainly on fishing for the stocks regulated by NAFO.
- B. The Commission will determine, in taking into account any relevant information or advice provided to it by the Scientific Council, the fishable stock(s) or, where appropriate, the portion of the fishable stock(s) in the Regulatory Area to be allocated to Contracting Parties who are eligible and interested in the allocation.

- C. The Commission may take into account the following criteria for the determination of the size of the fishing opportunities to be allocated to Contracting Parties who are eligible and interested in the allocation.

Allocation Criteria

- Reference fishing pattern converted in the relative share of the Contracting Parties concerned.
- The setting aside of a lump sum as others quota intended for Contracting Parties who have no record of fishing on the stock concerned.
- Fixing a minimum size for quota to be allocated to Contracting Parties
- Considerations

**- pursuant to Article XI (4) of the NAFO Convention**

- relating to the contribution to research and data collection
- relating to the needs of small coastal communities
- relating to the dependency on fisheries

- D. The criteria listed under points A and C are indicative, apply simultaneously and do not represent an order of importance or priority.
- E. Notwithstanding points A and C, the Fisheries Commission may set aside and regulate certain fishing opportunities available to vessels of parties which are not a Contracting Party to the NAFO Convention, who have signed a protocol on the integral acceptance of the NAFO Conservation and Enforcement Measures, enabling such Party to cooperate with NAFO.

**Annex 6. Working Paper by Denmark**  
**(in respect of Faroe Islands and Greenland)**  
(W.P. 00/2)

The Working Paper is inspired by the U.S.A. paper "Proposal by the U.S.A. for a Northwest Atlantic Fisheries Organization Policy on Allocation of Quotas" (Working Group W.P. 98/6).

The attachment to this Working Paper is divided into 3 sections: "Questions to be Addressed", "Suggested Solutions" and "Remarks". We consider that such a division will facilitate discussion. Delegations might agree with the "Questions to be Addressed" while not agreeing with the "Suggested Solutions".

Denmark (in respect of Faroe Islands and Greenland) considers that any quota mechanism should contain an element of stability. However, stability should not be interpreted as unchangeability. Hence, the proposal in the Attachment should not have a duration of more than 5-10 years.

We also are aware of the risk that any new mechanism for setting TAC's or quotas might be applied so strictly that the role of the Fisheries Commission would evaporate. Therefore the proposal in the Attachment should be regarded as "Principal Guidelines", from which exemptions can be made if concrete circumstances so warrant.

The proposal in the Attachment seeks to reflect – to a reasonable extent – existing NAFO principles, whilst also taking into account appropriate changes caused by developments since the existing quota sharing system was taken over by NAFO twenty years ago.

QUESTIONS TO BE ADDRESSED	SUGGESTED SOLUTIONS	REMARKS
<p>A: ALLOCATION BETWEEN PRESENT NAFO MEMBERS</p> <p>1. Should the receiver of allocations be "in good standing"?</p> <p>2. Should preference be given to Coastal States?</p> <p>3. Should allocation only take place when the allocation has a certain minimum size?</p> <p>4a. Current fisheries with TAC's.</p>	<p>Yes</p> <p>Yes, with respect to straddling stocks.</p> <p>Yes, but the minimum size may vary from stock to stock.</p> <p>If an amount to be allocated under 4a-d falls short of the minimum size, the amount should be transferred to the "others" quota.</p> <p>TAC's up to traditional levels: should be allocated corresponding to NAFO's present allocation key.</p>	<p>Same as U.S.A. proposal.</p> <p>The weight of the preference should vary from stock to stock, and reflect the different zonal attachments.</p> <p>An allocation should, as a minimum, enable the Contracting Party to conduct an economically meaningful fishery (e.g. one full hold for one vessel).</p> <p>Minimum sizes should be fixed for each stock, and may vary from year to year.</p> <p>In 1999 only four NAFO TAC's are bigger than 0: 3M redfish, 3LNO yellowtail, 3LMNO Greenland halibut and 3+4 squid.</p> <p>"Traditional levels" = highest TAC's within the period [1980-1990].</p>

QUESTIONS TO BE ADDRESSED	SUGGESTED SOLUTIONS	REMARKS
4b. Fisheries previously regulated by effort limitation.	Increases of TAC's beyond traditional levels should be split in three parts: one should be allocated corresponding to NAFO's present allocation key; one should be allocated to present Contracting Parties whose economies are overwhelmingly dependent on the exploitation of living marine resources; one should be transferred to the "others" quota.  [70] percent of the TAC should be allocated proportional to catches in a relevant period. [20] percent of the TAC should be allocated proportional to the present allocation of fishing days. [10] percent should be set aside for the "others" quota.	The suggested solution should not be considered as a proposal to establish a TAC/quota system for 3M shrimps.
4c. New fisheries	[90] percent of the TAC should be allocated proportional to fisheries in the latest [3] years. [10] percent of the TAC should be set aside for the "others" quota.	
4d. Closed fisheries	Upon reopening: TAC's up to traditional levels:  [90] percent of the TAC should be allocated to previous quota receivers, corresponding to the latest NAFO allocation key before the fishery was closed. [10] percent should be set aside for the "others" quota.  Increases of TAC's beyond traditional levels should be allocated as in 4a.	
		The suggested solution should not apply if the fishery has been closed for less than [5] years or more than [15] years.

QUESTIONS TO BE ADDRESSED	SUGGESTED SOLUTIONS	REMARKS
5. Should transfers be allowed?	Yes, on the same conditions as today.	<p>Transfers should be regarded as under-utilization by the original quota receiver.</p> <p>This proposal takes no stand on the question of eventual future conditions for NAFO's approval of applications from new members ("real interest").</p>
6. Should underutilization of quotas imply consequences for future allocations?	Yes. Repeated underutilization of a Contracting Party's quota should imply that [part of] the unutilized quota is transferred to the "others" quotoa.	
<b>B: PARTICULARS WITH RESPECT TO FUTURE NEW MEMBERS.</b>		
1. From which TACs may future new members receive allocations?	TAC's mentioned under A 4c, <u>not</u> TAC's mentioned under A 4a, b and d.	
2. How much may future new members fish?	<p>Future new members participate on equal footing with present Contracting Parties in allocations mentioned in A 4c.</p> <p>In addition, future new members may fish under the "others" quotas mentioned in A 4a-d.</p>	