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(Revised)ANNUAL MEETING - JUNE 1971ad hoc Working Group on ICNAF Fisheries
24-26 May 1971

The ad hoc Working Group on ICNAF Fisheries met 24-26 May 1971 with delegates present from Canada, Denmark, Federal Republic of Germany, France, Iceland, Japan, Norway, Poland, Portugal, Spain, the United Kingdom, and the United States.

Mr. E.B. Young of Canada was affirmed as Chairman of the Working Group. Mr. H. R. Beasley acted as Rapporteur.

In opening the meeting, the Chairman drew attention to the Report of the ad hoc Working Group on Subarea 5 Fisheries Meeting, 27-29 May 1970 (1970 Meeting Proceedings No. 16, Appendix I), which indicated the general interest of that body in reconvening prior to the 1971 Annual Meeting of the Commission. He then explained that the United States and Canada had made a study using computer facilities of how certain concepts of quota allocation might apply to a broad range of stocks in various parts of the Convention Area. Illustrations of the results of this study had been distributed in ICNAF Comm.Doc. 71/18, "Canada-US Notes on Quota Allocation Procedures". In these circumstances, the Executive Secretary by Circular Letter of 19 April 1971 to Heads of Delegations had conveyed a request for a meeting 24-26 May 1971 of an ad hoc working group on fisheries in the Convention Area.

Discussion began with a review of the relation of STACREM to the ad hoc Working Group. It was generally agreed that while the former body might be the appropriate forum for examining general principles, more concrete problems of quota allocation could be dealt with in bodies such as the ad hoc Working Group.

The United States then reviewed its understanding of the approaches to quota allocation discussed previously in STACREM and in the ad hoc Working Group on Subarea 5 Fisheries, including, i.e., (1) that a very significant part of quota shares should be allocated on the basis of historical performance taking

into account both short- and long-term trends, and (2) that a second part of quota shares should be allocated on the basis of special factors. Comdoc. 4718 provides practical examples of how certain fisheries might be affected by quota allocations along these lines. The illustrative examples show how 80% of estimated allowable catches might be allocated on the basis of catches during 1960-1969, leaving 20% for assignment on the basis of special factors. The examples show the effect of weighting short-term 3-year averages and long-term 10-year averages, either equally or 20 and 80%, respectively.

The United States also said that years of overfishing present special allocation problems, since it seems inequitable to allow such activity to increase any participants' quota share. Therefore, the illustrations show the effect of either eliminating or retaining years of overfishing in the calculations. In addition, the average proportion of each nation's catch relative to the total was calculated by the mean ratio method, which minimizes the impact of unusual and atypical variations from overall trends.

In response to a question by Japan, it was noted that the proportions of allowable catch allocated on the basis of historical performance and special factors might vary in different fisheries. The United States and Canada said that the 80-20 ratio for these factors in the examples given reflect their understanding of STACREM's general conclusion that historical performance should be given major consideration. Japan also asked if any portion of a quota might be reserved for competitive fishing by all participants. In reply it was noted that STACREM discussions had generally envisaged allocating the entire allowable catch, with the exception of a small proportion of the total which should be set aside to provide for new entrants and non-members.

Noting the varying circumstances of participants in the different fisheries, the United Kingdom drew attention to the "sliding scale" concept of preferential allocations noted during STACREM talks in January 1970 (1970 Meeting Proceedings No. 8, APPENDIX II). This would allow such allocations to move in inverse ratio to total yield in a fishery, e.g., increasing as total yield decreases and vice-versa.

Canada suggested that the special interest of certain coastal fishermen in resources on nearby fishing banks might be highlighted if

longer base periods were used than those shown in the examples.

The United States pointed out that the examples presented were intended to give some perspective on the possibilities for further progress toward national quota management schemes. It was possible that actual negotiations on quotas might involve fewer problems than anticipated. It was brought out that additional examples of quota allocations were available from the computer study, and at the request of the other Delegations, these supplementary illustrations were distributed. They show how quota allocations along the lines indicated in ICNAF Comm.Doc. 71/18 would apply to a wider variety of stocks.

The United States expressed a sense of urgency about initiating work to resolve any remaining problems associated with quota allocation, particularly, in the southern part of the ICNAF Area. It noted the likelihood of the Commission acquiring authority to propose national quotas before the 1972 ICNAF Annual Meeting. Attention was also called to ICNAF Res.Doc. 71/129 "Status of the Fisheries and Research Carried out in Subarea 5 in 1970", which shows serious declines in yields from all major groundfish stocks and herring off New England.

As a start, the United States suggested that the examples in ICNAF Comm.Doc. 71/18 might serve as a basis for specific discussions of national quotas for haddock in Subarea 5, with the understanding that these would apply when the resource recovers to reasonable levels of abundance. The United States reiterated its view that fishing for haddock in Subarea 5 must be reserved, essentially for U.S. fishermen, during the interim period when the stock is recovering from its depleted condition, since the resource has historically provided the principal livelihood of these fishermen.

Japan noted that it had only recently become a member of ICNAF and learned of the critical condition of Subarea 5 fisheries. Nevertheless, it recognized the need for practical solutions to these problems and believed these should be negotiated by concerned participants in the fisheries affected.

The Federal Republic of Germany, France, and the United Kingdom noted that they were not involved in the Subarea 5 groundfish fishery, but were interested in practical solutions that might serve as examples for other fisheries.

Portugal noted it was interested in the general principles of quota allocation, but would have to reserve its position in view of the nature of the problems involved.

Spain noted its willingness to collaborate in conservation programs, provided some account was taken of the special circumstances of its ICNAF fleet, which was specifically designed to salt and dry cod, and could not be diverted to other fisheries. Spain also noted national action taken to prevent further expansion of this fleet.

Poland recognized the need for quick action to devise a practical solution in Subarea 5 fisheries. Bearing in mind that ocean resources are open to all, it would be possible to consider the specific needs of certain countries. However, countries not now participating in these fisheries should not be eliminated from future consideration. Poland also noted that previous enumerations in STACREM of special factors to be considered in quota allocation might need to be broadened to include other considerations such as the economic situation of various participants.

Canada expressed support for the United States view in the case of haddock in Subarea 5. It also suggested that it might be possible after further discussions in STACREM to reach some general consensus of views regarding the "sliding scale" concept of preferential allocation.

Norway noted that it did not fish in ICNAF Subarea 5, but was interested in the general principles of quota allocation. It agreed that it might be useful to review the "sliding scale" concept again in STACREM. Norway also suggested that the problems of quota allocation in Subarea 5 might be left for resolution by concerned participants. While waiting for ICNAF to obtain authority to allocate national quotas, such discussions might take place outside the Commission.

In accord with these comments, the Working Group recommended that the "sliding scale" concept be reviewed by STACREM at the 1971 Annual Meeting of

the Commission, if time permitted. The Working Group also called to the attention of countries fishing in Subareas 4 and 5, a U.S. request for a meeting Saturday morning, 29 May 1971, on quota allocation in Subareas 4 and 5. ICNAF members not participating in these fisheries would also be welcome to attend. (The report of the indicated meeting is attached as Appendix I).

PARTICIPANTS

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APPENDIX I

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ad hoc Meeting on Quota Allocation in Subarea 5
29 May 1971

An ad hoc Meeting was convened Saturday 29 May 1971 to examine a U.S. informal proposal for allocation of a haddock quota in Subarea 5 when the resource has recovered to former levels of abundance (see attached Table). The meeting was attended by representatives from Canada, Denmark, Federal Republic of Germany, France, Iceland, Japan, Norway, Poland, Portugal, Spain, the USSR, the United Kingdom, and the United States.

Mr. R. A. Lagarde was elected Chairman of the meeting. Mr. H. R. Beasley acted as Rapporteur.

In introducing the proposal, the United States restated its position that during an interim period while the stock is recovering from its depleted condition, fishing for haddock in Subarea 5 must be reserved, essentially, for U.S. fishermen, in view of their limited mobility and their historic dependence on the resource. The United States related this approach to the "sliding scale" concept discussed earlier in STACREM. Thus, the U.S. proposal shown in the attached Table deals not with allocation during the interim stage, but with allocation after the resource recovers to its potential annual yield of 50,000 metric tons. The United States then explained the proposal. The portion of the proposed allocation based on historical performance was derived by eliminating from calculations 1965-1966 as years of overfishing, and then weighting short-term 3-year averages and long-term 10-year averages 20 and 80 percent, respectively. (This is one of the possibilities shown in Table 5 of ICNAF Comm. Doc. 71/18). The United States said that the proposed allocation of the remaining portion of the quota on the basis of special factors represented an amplification of their views expressed earlier. Canada expressed general agreement with the reasoning in the U.S. proposal

after calling attention to her status as a coastal country in relation to Subarea 5 haddock.

Poland noted its willingness to support any programs designed to rebuild the haddock resource. On the other hand, it did not believe that the suggested quota allocation after the resource had been restored gave sufficient weight to the special needs of developing countries.

The USSR said it was in accord with the Polish views, and noted that it had stated its general views on quota allocation at the STACREM Session during the current Meeting of the Commission.

Portugal said procedural arrangement for incidental catches in the proposed allocation scheme did not appear to be in accord with STACREM guidelines. Portugal then asked for amplification of the reasoning underlying the proposal.

The United States said years of overfishing had been eliminated because it seemed inequitable to allow such activity to increase any participant's quota share. The weighting given short-term and long-term average catches reflect the U.S. interpretation of the meaning of historical performance. It was the U.S. view that provisions needed for incidental catches could be determined only after most of the direct allocations had been made. The United States recognized that actual amounts allocated on the basis of special factors would need further negotiation.

In concluding the meeting, the Chairman noted the advantages of giving early attention to quota allocation in order to avoid lengthy delays in implementing such schemes once ICNAF acquired appropriate authority for such action. The United States commented that it was for this reason that it had made its informal proposal at this time. It anticipated that the Commission would have authority to allocate national quotas in the near future. The United States said that, in the light of current conditions, the Commission must expedite preparations for national quotas, if it is to be an effective fisheries management body.

TABLE SHOWING
THEORETICAL ALLOCATION IN SUBAREA 5 FOR 50,000-TON HADDOCK QUOTA

A. Allocated on basis of historical performance - 80%:

	<u>Percentage</u>	<u>1,000 Metric Tons</u>
Canada	(11)	6
Spain	(2)	1
USSR	(2)	1
USA	(64)	32

B. Allocated on basis of special factors - 20%

	<u>Percentage</u>	<u>1,000 Metric Tons</u>
1. Coastal countries	(10)	5
2. Reserved to offset incidental catches by non-member countries	(4)	2
3. Allowance to offset incidental catches by member countries without quota*	(4)	2
4. Allocated to member countries with small quota*	(2)	1

* Alternatively, special allocations to all member participants, other than coastal countries, could be considered without breakdown between countries without quotas and those with small quotas.

