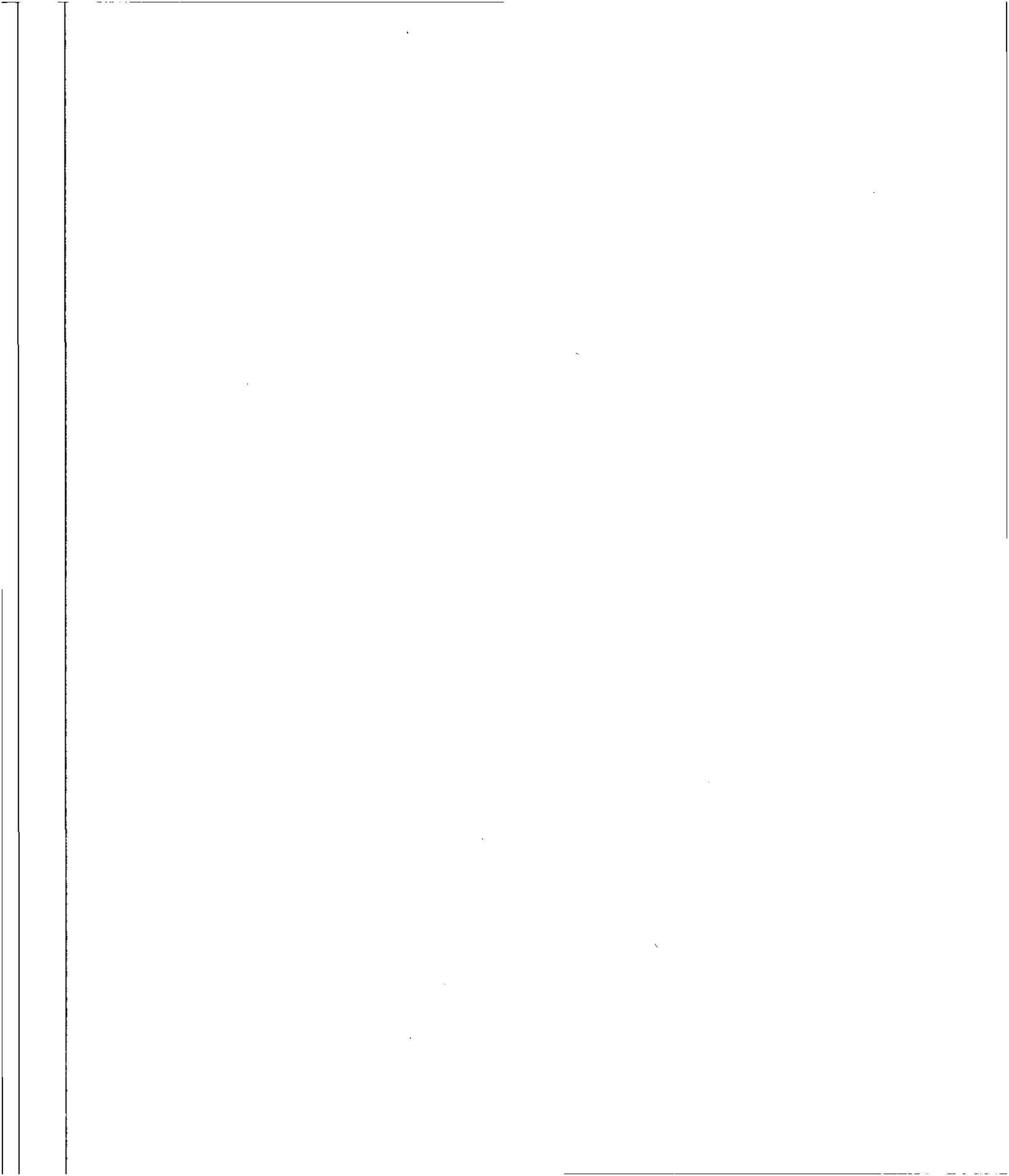


SECTION I

(pages 13 to 45)

Report of the Special Meeting of the Fisheries Commission 30 January - 01 February 1995 Brussels, Belgium

Report of the Special Meeting of the Fisheries Commission	15
1. Opening of the Meeting	15
2. Appointment of Rapporteur	15
3. Adoption of Agenda	15
4. Admission of Observers	15
5. Publicity	15
6. Allocation of Quotas (metric tons) for 1995 of Greenland Halibut in Subareas 2+3 of the NAFO Convention Area to Contracting Parties	15
7. Allocation of Quotas to Estonia, Latvia, Lithuania and Russia of the Quotas Fished by Vessels from these Contracting Parties	28
8. Time and Place of Next Meeting	29
9. Other Business	29
10. Adjournment	29
Annex 1. List of Participants	30
Annex 2. Agenda	35
Annex 3. Opening Statement by the Head of the Canadian Delegation	36
Annex 4. Opening Statement by the Delegate of Norway	40
Annex 5. Statement by the Delegate of Russia	41
Annex 6. Statement by the Delegate of Norway	42
Annex 7. Statement by the Delegate of Japan	43
Annex 8. Statement on behalf of Estonia, Latvia and Lithuania re "Block quota"	44



Report of the Special Meeting of the Fisheries Commission

(FC Doc. 95/2)

30 January - 01 February 1995

Brussels, Belgium

1. Opening of the Meeting

- 1.1 The meeting was called to order by the Chairman, Mr. H. Koster (EU) on 30 January 1995 at 09:15 hours. Representatives of the following Contracting Parties were present: Canada, Cuba, Denmark (in respect of the Faroe Islands and Greenland), Estonia, the European Union (EU), Iceland, Japan, Republic of Korea, Latvia, Lithuania, Norway, Poland, and the Russian Federation. (Annex 1)

2. Appointment of Rapporteur

- 2.1 Mr. R. Steinbock (Canada) was appointed Rapporteur.

3. Adoption of Agenda

- 3.1 The provisional agenda was adopted as circulated to the Contracting Parties in advance of the Meeting. (Annex 2)

4. Admission of Observers

- 4.1 No requests for observer status had been made for this meeting.

5. Publicity

- 5.1 It was agreed that the normal NAFO practice should be followed in relation to publicity and that no statements would be made to the media until after the conclusion of the meeting.
- 5.2 The Representative of Canada noted that Canada's Minister of Fisheries and Oceans had made a statement to the press in Canada, a copy of which was provided to each delegate.

6. Allocation of quotas (metric tons) for 1995 of Greenland halibut in Subareas 2+3 of the NAFO Convention Area to Contracting Parties

- 6.1 The Representative of the European Union (EU) expressed the hope that this meeting would decide on a quota sharing arrangement in 1995 for the 27 000 tons TAC for 2+3 Greenland halibut decided at the NAFO Annual Meeting in 1994. He recalled the EU opposition to the level of the TAC at the last Annual NAFO Meeting and emphasized that the EU passed nevertheless legislation in order to enforce the level of the TAC as agreed by NAFO. He stated that the Greenland halibut fishery had become the lifeblood of the EU fishing industry and it considered its future at stake at this meeting. He noted the socio-economic importance of this fishery to the EU employing 5-7 people on land

for each fisherman at sea. The EU had subjected its fishery to unprecedented controls by placing scientific observers on its vessels, by sending an inspection vessel to the NAFO Regulatory Area for surveillance and control purposes, each of which reflected its commitment to resource conservation in the NRA. He stated that the EU cannot accept the sacrifices of a reduced TAC of 27 000 tons and its related cuts if other Contracting Parties are going to increase their fisheries for Greenland halibut. The EU fleet had developed the Greenland halibut fishery in deep slope waters during the period in which the biomass seemed to have disappeared in shallower waters. In the EU view, it was important that an allocation key reflect catches in recent years as these catches most properly reflect a Party's interest, need and capability to fish the Greenland halibut stock. He concluded that consistent with the U.N. Convention on the Law of the Sea's objectives for optimum utilization, the TAC should be allocated to those Parties which have demonstrated the capability to optimally utilize the stock.

- 6.2 The Representative of Canada stated that the main purpose of this meeting is to decide on an equitable quota sharing arrangement in 1995 for the 27 000 tons for Greenland halibut established at the 1994 NAFO Annual Meeting. He noted that this was the first time since the establishment of NAFO that an additional stock had been brought under NAFO management, and accordingly the first time NAFO has had to establish a key for quota sharing. Canada had prepared a Geographic Information Systems (GIS) presentation to illustrate what it regarded as the key issues and the rationale for an equitable distribution of the 2 + 3 Greenland halibut stock. Mr. Ron Gélinas (Canada) explained the slides in the presentation, some of which were subsequently circulated as FC Working Paper 95/5. After the GIS presentation, the Representative of Canada made a statement (Annex 3). The statement made reference to the NAFO Scientific Council's previous cautions and warnings of problems about the state of the Greenland halibut biomass and stock structure which are noted in FC Working Papers 95/2 and 95/6.
- 6.3 The Representative of the EU expressed extreme surprise at the Canadian statement but stated he would refrain from rebutting at this time in the absence of seeing the Canadian statement.
- 6.4 The Representative of Canada also expressed the wish to respond to the EU opening statement at a later time. He requested an explanation of the catches provided by the EU in FC Working Paper 95/1 - Reported Catches of Greenland Halibut in the Convention Area in 1995 (as of 26 January) which were inconsistent with Canadian estimates of EU catches to date. The EU report indicated that as of January 22, 35 EU vessels had caught 1 113 tons of Greenland halibut with an estimated catch of 140 tons every 48 hours or an expected total catch of 1 673 tons as of January 30, 1995. He noted that this total was inconsistent with Canadian estimates of the EU catch to January 30, 1995 at 3 000 - 3 200 tons based on an average 4t/day for 775-800 days fished (33 Spanish vessels). The Representative of the EU wondered whether the Canadian estimates were anomalous and questioned whether Canadian Greenland halibut catches in 1995 were the basis for the estimated catch rates. The Representative of Canada replied that it is well known that the Canadian fishery for Greenland halibut does not begin until summer. He noted that while the foregoing does not reflect the official NAFO statistics, the extrapolation accurately reflects the EU fishing pattern during the last half of 1994. The Chairman of the Fisheries Commission suggested that Canada and the EU discuss this question separately and try to resolve the discrepancy.

Following requests from the Representatives of Denmark and Russia, the Executive Secretary was requested to prepare a record of NAFO catch statistics for Greenland halibut, by Contracting Party, from 1967 annually to 1994. These statistics are reflected in FC Working Paper 95/3.

- 6.5 The Representative of Denmark stated that there appeared to be difficulties in developing an allocation approach. He noted that the catch statistics for 1967-1994 do not reflect the catches as inside or outside the Canadian 200-mile zone. With respect to the Canadian proposal to use habitat as one of the allocation factors, he noted that biomass estimates for the purpose of determining zonal attachment was a recognized approach in many international fisheries organizations, however such scientific information is not available for Greenland halibut. He referred to the ICNAF allocation formula but was not sure this was applicable given the many changes in fisheries regimes since the time of ICNAF.
- 6.6 The Representative of Norway made an opening statement outlining his delegation's views on an allocation for 2 + 3 Greenland halibut (Annex 4).
- 6.7 The Representative of Iceland expressed his delegation's desire to contribute to the formulation of an allocation key for Greenland halibut. While he had no specific proposal to make, he suggested that the following factors be taken into account: coastal state dependency, contribution to research, recent historical catches in the area and the traditional behaviour of the stock.
- 6.8 The Representative of Japan noted some important factors which he thought should be taken into account for equitable solution of quota sharing. He described what he saw as essentially two groups of Contracting Parties vying for an allocation: one group with fisheries on Greenland halibut which faced significant cuts of their catches; another group which has had virtually no fishery but wished to gain or increase their catches based on their wish or historical performance. He believed that some accommodation should be made in the future to those Contracting Parties having no previous fishery in terms of fairness, however, at this moment such accommodation might not be feasible. He stressed that the criteria for allocations should not be based solely on the basis of catches but other elements should be taken into account. He pointed out that the recent Greenland halibut fishery was a new fishery developed in deeper waters and this aspect should also be taken into account for quota allocation.
- 6.9 The Representative of the Republic of Korea expressed his delegation's desire to be an active and responsible member of this forum. He understood the purpose of the meeting was to work out a fair and equitable sharing of the Greenland halibut TAC within the framework of conservation and taking into account the interests of Contracting Parties, the historical catch records, the past and present research contributions and other factors. He suggested the outcome should reflect a balance of the interests of the various Contracting Parties which should not be based solely on previous catches; otherwise there could be a rift between the haves and have-nots. In light of the sensitivity of issues, he suggested that the approach taken be sensible and morally defensible vis-à-vis other Contracting Parties. He stated that even though Korea is a new entrant with no historical catch record for Greenland halibut, it was nevertheless very much interested in obtaining a quota.

- 6.10 The Representative of Russia referred to FC Working Paper 95/4 - Russian Research Cruises for Greenland halibut in the Northwest Atlantic in 1968-1993. He noted that during this period Russia had participated in scientific research on the continental slope which located commercial quantities of Greenland halibut and that Russian data was still used for stock assessment. Russia had conducted more than 70 surveys at a cost of U.S.\$32 million which showed that 2 + 3 Greenland halibut was an integral stock.

Russia has until recent years been continuously involved in fishing for this stock. During the early 1990s Russia restrained its fishermen from fishing in response to the warnings from the NAFO Scientific Council regarding the Greenland halibut biomass. He referred to FC Working Paper 95/7 - Greenland halibut catches in NAFO Subareas in 1967-1992 by Vessels of all Countries, including USSR (Russia). During 1967-1976 the USSR caught 36.4% of the total 0,1,2,3 Greenland halibut catches and 27.2% of 2 + 3 Greenland halibut; during 1967-1992 the USSR caught 20.6% of the 0,1,2,3 Greenland halibut and 16.4% of 2 + 3 Greenland halibut. In light of the historical record and its contributions to the scientific research, Russia believed it can justify a claim to 20% of the 27 000 tons Greenland halibut TAC. (Annex 5)

- 6.11 The Representative of Latvia objected to the above Russian presentation as the figures presented included catches by the three Baltic states prior to 1991. He noted that the three Baltic states also contributed to the budgets for scientific research prior to 1991.
- 6.12 The Representative of the EU complimented Canada for its excellent salesmanship in advancing its claims, however it did not accept Canada's arguments. He summarized the EU's response to the Canadian claim for 75% of the TAC. He noted Canada's claim that 89% of total 2 + 3 Greenland halibut catches were taken inside the Canadian 200-mile zone corresponding to the areas of concentration of the normal biomass distribution inside 200 miles. He disagreed with Canada's interpretation and stated that in the EU view the biomass is currently concentrated on the continental slope with the highest concentrations of biomass occurring from 700-1000 metres but important concentrations in waters greater than 1500 metres. He stated that Greenland halibut is a deepwater species which is always more concentrated in deeper waters greater than 200 metres and therefore its habitat does not correspond to the Canadian description. He wondered how Canada could advocate the above case when there is no justification for it among the international scientific community.
- 6.13 The Representative of the EU noted that there was a high number of communities in the EU dependent on Greenland halibut and that the dependence on groundfish catches dates back several centuries. In contrast, as shown in the Canada's GIS presentation, the number of Canadian communities dependent on Greenland halibut has been drastically reduced. The EU has among the highest unemployment rates in the regions where these fishermen originate.
- 6.14 With respect to Canada's statement that the EU's catches in 1992 and 1993 should not be used as they were irregular or anomalous, the Representative of the EU disagreed with the view that the stock has migrated from its normal habitat to outside the Canadian 200-mile zone and that this is a temporary departure from the normal distribution. He stated there was absolutely no scientific reason to suggest the current stock distribution has changed or that the biomass was not previously present in deep waters; it simply was

not previously fished in deeper waters. In the EU view, Greenland halibut catches and catch rates inside Canada's zone have steadily declined since 1978, long before the EU started its Greenland halibut fishery and long before any significant EU fishery in NAFO Division 3L.

- 6.15 The Representative of the EU expressed doubts about Canadian statements regarding Canada's commitment to stock conservation. He noted that Canada has chartered foreign vessels to supply its domestic industry with Greenland halibut and stated that the restrictions on Canada's Greenland halibut fishery were not voluntary but reflected the inability of the Canadian fleet to fish in deep waters. He said that while Canada boasts that its actions are the result of uncompromising adherence to conservation and rational management of the stocks, Canada is not as coherent in its conservation policies as claimed - for example, he said, in the context of the International Commission for the Conservation of Atlantic Tunas (ICCAT). In the EU view, therefore, Canada was not in a position to lecture others about stock conservation.
- 6.16 The Representative of the EU noted that while basing allocations on biomass distribution might be attractive, this was not practical since the scientific information was not available. He proposed the following considerations or criteria for developing an allocation key: first, that realistically and practically, it should be based on available facts - that is, who is fishing, who can fish, who has the proven technology to catch Greenland halibut in deep slope waters; secondly, burden sharing, that is, there should be an equitable sharing of the burden to reduce current fisheries across the board - even with equitable sharing, it was clear that the EU would have to cut its fishing possibilities significantly but it would be absurd in this situation to reapportion quota to those Parties with no recent catch history to permit their fisheries to be increased; thirdly, the relevant reference period for historical fishing periods should be the last three years as this best reflects the current situation. In this respect, he noted that in the GATT, trade negotiators consider the last three years as the salient basis for negotiations.
- 6.17 The Representative of Canada referred to the comments by the EU regarding Canada's decision on swordfish in 1994. He noted this decision could not be assessed in NAFO as it related to a different organization, the decision by Canada did in fact reflect Canada's commitment to conservation, and the EU's conclusion was wrong. With respect to the comments by the EU on Canada's proposal to use habitat as a criteria for allocations, he clarified that the habitat of Greenland halibut confirmed that an allocation key should be based fundamentally on historical catch records. He stressed that catches in the most recent years - 1992 and 1993 - should not be used as they did not reflect the normal pattern in the biomass distribution.
- 6.18 In response to the EU's view that allocations should be based on recent recorded catches, the Representative of Canada reiterated that EU catches in 1992 and 1993 should not be counted as they were caught contrary to the Scientific Council's advice. In the vast majority of fisheries arrangements around the world, the use of recent catches had been modified and in some instances, not counted at all, when determining quota shares. This was particularly the case where there has been a recent increase in catches prior to a quota system being implemented. He referred to an earlier statement by one Party in favour of looking at catches going back further than 1977. Other international fisheries commissions consider catches over an extended period of 10-20 years when determining

quota shares. It is incongruous to focus on recent catches when the Scientific Council had warned that catches of this stock should be reduced and in 1992 "STACFIS has cautioned about concentrating fishing effort on one part of the stock. With catches in the developing fisheries in the NAFO Regulatory Area as high as 30 000 - 50 000 tons in the last 2 years, (1990, 1991), these concerns must be reiterated." In 1992 and 1993 these catches continued to increase in spite of these warnings. He asked how Canada could explain to its fishermen which have fished this stock for generations that NAFO is only going to consider recent catches when deciding on quota distributions.

- 6.19 The Representative of Canada disputed the EU view that Greenland halibut is the lifeblood of communities in the EU. He stated that most of the EU fleet of factory freezer trawlers that now fish Greenland halibut are Spanish. They came to the NAFO Regulatory Area in the mid-1980s after being expelled from Namibian waters. Prior to this date, virtually all of the traditional Spanish fleet had directed fisheries for cod. He explained that this new fleet started fishing the flatfish stocks on the Tail of the Banks far above the traditional EU quota shares. For example, with an EU quota of 700 tons for American plaice in 1986, the EU fleet reported catches of 21 161 tons. In 1987 with an EU quota of 610 tons, the EU reported catches of 17 014 tons. This non-traditional fleet had found a new home fishing flatfish that had been the traditional fishery of Canada. When the catch rates for these stocks fell to a level that they could no longer sustain, the EU redirected this fleet to Greenland halibut while Canada had to drastically reduce its fleet. In terms of real community dependence: Canadian NAFO quotas were about 100 000 tons (99 185 tons) in 1986, in 1995 Canadian NAFO quotas had declined to 6 699 tons, a loss of more than 92 000 tons. During the same period the EU NAFO quotas dropped from about 24 000 tons to about 10 000 tons, a loss of about 14 000 tons. This loss has more than been replaced by catches of Greenland halibut. The EU is now catching double its 1986 NAFO quotas in Greenland halibut alone. He stressed that it is the hundreds of Canadian communities that have lost their livelihood, their lifeblood, with the closure of their traditional fisheries. Canada has had the largest lay-off in Canadian history with more than 40 000 people no longer working in their traditional jobs. While Greenland halibut may now be becoming an important fishery to a few Spanish communities, these communities have never had a traditional dependence on this stock nor on the NAFO Regulatory Area. In Canada the number of communities catching 2 + 3 Greenland halibut was cut in half between 1990 to 1993, from 142 to 69 communities. He concluded that this was the real extent of the draining of fishing communities' lifeblood.
- 6.20 In response to the above-noted EU statement on EU comprehensive controls on its vessels, the Representative of Canada welcomed the placement of EU scientific observers on its vessels to provide biological data on catch given that the provision of these data was an obligation. He noted however that scientific observers have no control function. The deployment of a patrol vessel for most of the year was a very positive move compared to the past. The EU is required to control its vessels and it was clear that controls had not previously been in place, for example, in the EU's fishery for Grand Banks flatfish where small fish sizes in the catch suggested very small illegal mesh. He noted the extent that this patrol vessel is actually "controlling" the Greenland halibut fleet was a matter for debate - Canadian inspections are still finding large number of violations. He concluded that deployment of the EU patrol vessel will be as much or more to ensure compliance with moratoria and to verify harvesting of non-regulated species, as it would be for controlling its Greenland halibut fleet.

- 6.21 In response to the above-noted EU statement on not being able to accept the sacrifices of a reduced TAC of 27 000 tons and its related quota cuts if other Parties were going to increase their fisheries, the Representative of Canada stated that the present poor state of the biomass is attributable in large part to the recent very high levels of catch by the EU - which has continued to increase its effort and catches. This is the reason that NAFO had to reduce the TAC to the low level of 27 000 tons reducing the levels available for all Parties. He noted that many Parties, except the EU, have already made significant sacrifices and taken actions to restrict the fishery effort in response to the NAFO scientific advice. He added that while in 1984 Canadian catches of Greenland halibut were over 19 000 tons, these catches declined to about 7 000 tons in 1992. Because of conservation concerns raised by the NAFO Scientific Council, Canada reduced its fishing effort, stopping its mobile otter-trawl fishery.

Canada reduced its TAC of 2+3 Greenland halibut from 100 000 tons in 1989 to 50 000 tons in 1990 and 25 000 tons in 1994, which was further reduced to 6 500 tons in July 1994. He added that these restrictions resulted in considerable domestic grief. He concluded that many Parties except the EU have already made sacrifices in this fishery and that it was now time for the EU to contribute as well.

- 6.22 In response to the EU statement that the EU's Greenland halibut fishery was a new fishery, the Representative of Canada noted that the traditional distribution of Greenland halibut was wide and abundant from close to shore to offshore on the fishing banks. In the 1980's scientists reported declines in abundance greater than could be caused by fisheries. Scientists speculated that Greenland halibut was moving into deeper water and reported that fishing effort should be spread further. The deep water sets by research vessels were not numerous in NAFO Division 3L during the 1970's - mid-1980s however no catches of Greenland halibut were recorded; one would have expected catches if it was there. Further north, deep water catches of Greenland halibut in grenadier fisheries were extensive, but not in the south. Scientists have concluded that this is a new area and stressed the area of catch is being made on the same stock and that abundance in deep water now likely reflected its disappearance from traditional areas. He added that such changes in area of distribution from shallow and traditional depths to much deeper waters are being seen for cod, American plaice, and other species.

- 6.23 In response to the EU reference to the UNCLOS principle of optimum utilization and the EU's contention that Greenland halibut should be given to the EU because only it has proven it can catch large amounts of Greenland halibut, the Representative of Canada agreed that the principle of optimum utilization should apply in accordance with UNCLOS.

He did not agree that the EU was the only NAFO party that could catch a large allocation of this fish and did not agree with the insinuation that the allocation proposed by Canada will not be caught. The fact that Canada and other countries restrained their fisheries in accordance with scientific advice should not be taken to mean that Canada cannot catch the fish. In response to the TAC that has been set to conserve the stock, Canadian fishermen have acquired new deep water gear so they can return to their traditional catch levels of this stock, and will have the capacity to catch the quota Canada has claimed as its share. He expressed certainty that other NAFO members, if given the chance, could also catch any amounts made available to them.

- 6.24 In response to the above-noted statement on habitat, the Representative of Canada stated that habitat distribution confirmed that the allocation key should be based primarily on historical catch records or the normal catch pattern. Therefore the anomalies in catches in the recent years of 1992 and 1993 should not be used.
- 6.25 In response to above-noted Canadian statement on its fishing capability in deep waters, the Representative of the EU referred to a December 1994 Globe and Mail interview with the Mayor of Canso who stated that Canada should try to get Russian and Cuban vessels out of the zone and that he regretted that Canadian fishermen did not have the gear to fish in deep waters. The Representative of Canada noted that this article referred to fishing in Subarea 0 and not to Subareas 2 + 3. He also reiterated that Canadian fishermen have acquired new deep water gear so they can return to their traditional catch levels of this stock in Subareas 2 + 3.
- 6.26 The Representative of Denmark (on behalf of the Faroe Islands) agreed that historical catches were the basic data for developing an allocation key. He referred to the ICNAF formula which provided 40-40-10-10 attributable respectively to long-term catches, short-term catches, coastal States, and special needs including scientific research and new entrants. However, he said, the weighting of the ICNAF formula may no longer be applicable since the coastal State position has been strengthened considerably since the time of ICNAF.
- 6.27 The Representative of Cuba agreed that there should be some weight for scientific research as well as an opportunity for new entrants. He suggested that the ICNAF formula provided the basis for a fair distribution.
- 6.28 The Representative of Norway welcomed the foregoing ideas as useful. He summarized the allocation considerations as follows: short-term catches, long-term catches, coastal State needs, and 10% for special needs - split into 5% for scientific research and 5% for new members.
- 6.29 The Representative of Japan expressed difficulty with the above approach. He stated that the subject was how to share burden of the slashing catches of the previous year by more than 50% and that historical catch record extended to long period was irrelevant with quota allocation. While some Contracting Parties currently fishing for Greenland halibut had to reduce their catches, some other Contracting Parties would increase their catches or reconvene their fishery based on past performances of more than ten years ago, which was totally unfair. He noted that the above approach would penalize small scale fishing Contracting Parties, whose catch had not impacted the stock conditions of Greenland halibut. He stressed the need of establishing a formula which did not penalize them. He further stated that Japan could not accept permanent quota allocation based on the above approach as a matter of principle, since the UNCLOS did not provide the base of quantifying coastal states' dependency and coastal states' share of the straddling stock. He suggested that since most of the catch of this species was taken outside the EEZ, other allocation schemes should be considered, which would be more practical rather than theoretical.
- 6.30 The Representative of Russia stated that the Parties needed to consider a longer time catch record than 10 years and that increased weight be attributable for participation in scientific research.

- 6.31 The Representative of Cuba stated that while Cuba had no particular interest in the Greenland halibut resource, it was interested in pursuing a fair distribution of the TAC. He proposed consideration of the ICNAF formula excluding the catches for 1992 and 1993 as these were contrary or beyond the scientific advice. He proposed a reference period of 1982-1991 for long-term catches and 1989-1991 for the short-term, which would provide Canada with 17 400 tons or 64.59%, the EU with 6 500 tons or 24.26%, and others with 11.15% (FC Working Paper 95/8).
- 6.32 The Representative of Iceland noted that it did not support using long-term historical catches and suggested that a factor for zonal attachment be considered.
- 6.33 The Representative of Canada requested further views on the coastal State factor. The Representative of Denmark (on behalf of the Faroes) noted that while ICNAF used 10% attributable to the coastal State, developments in international law since the early 1970s have strengthened the coastal State position. The Representative of the EU stated that the EU position for basing the allocation key on short-term catches was consistent with Article XI.4 of the NAFO Convention. The Representative of Norway welcomed the ideas put forward by Cuba and Denmark (on behalf of the Faroes). In light of the clarification of the coastal State factor, the Representative of Canada believed that while its opening position of a 90% claim was justifiable, stepping down to a 75% was appropriate in order to accommodate the interests of other Parties with the remaining 25%. He noted that while the Cuban proposal may have some flaws, he was willing, without prejudice, to pursue discussions thereon. He suggested that if the proposal included some element reflecting coastal State preference, then it could potentially accommodate Canada's needs. He suggested the following allocation considerations: a factor for the coastal State, factors respectively for long-term catches and for short-term catches, with the last two years excluded, scientific research factor, and a residual for other Parties. The Representative of Cuba agreed that the Parties should not consider 1992 and 1993 or those years in which a Party did not follow the NAFO Scientific Council advice. He referred to FC Working Paper 95/2 - June 1992 - first paragraph which noted the strong warnings about the state of the Greenland halibut stock.
- 6.34 The Representative of Norway stated that in the North Sea, there is a tradition of establishing allocations on the basis of scientific advice. There is a 1976 ICES document on zonal attachment which provides an allocation key following an evaluation of the area for spawning, larval growth, young fish, and fishable stock. While it would be preferable to pursue a similar analysis, he agreed that the Parties were not in such a position due to the lack of adequate scientific advice. He recognized that the ICNAF formula is a second best solution and that a discussion on relative weighting of the relevant criteria was most important.
- 6.35 The Chairman suggested that since little is known about the status of the stocks, the Parties should work pragmatically on the basis of available data. The Representative of the EU proposed that the allocation key be based primarily on catches during 1991-1993 which would provide the EU with 75.8%, Canada - 13.2%, Japan - 7.3%, Denmark - 1.3%, and Norway - 2.4%. He considered Canada's claim for 75% as a provocation to the EU. He stated that the EU has its traditional rights, it respects the NAFO Convention and wants to continue its compliance with conservation measures in NAFO. Further, the EU has signed a bilateral fisheries cooperation agreement with Canada for

which it is still awaiting Canada's ratification. The EU could not accept Canada's proposition and felt that entertaining it would result in a loss of time. He concluded that each Party appeared to have its own fixed position and the development of a consensus did not appear to be possible. He thought that the meeting would conclude with no decision and each Party taking a unilateral quota.

- 6.36 The Representative of Canada expressed surprise that the EU would suggest severing discussions after only a day and half of discussions. Canada was trying to make progress along with Cuba, Norway and others. Canada found the discussions valuable and was prepared to continue to explore the possibilities of convergence. He hoped that in the spirit of cooperation the EU could continue discussions to ensure the conservation of the stock in 1995.
- 6.37 The Representative of Poland stated that in light of the U.N. High Seas Conference, the Parties should take into account the interests of all States. Poland had also invested in scientific research and continues to contribute to research in the NAFO Regulatory Area (Mackerel on Georges Bank). He suggested that there was a need to consider general allocation principles to ensure national quotas not only for the superpowers but also the smaller countries and the coastal State.
- 6.38 The Representative of Latvia stated that he could not accept FC Working Paper 95/4 entitled "Russian Research Cruises for Greenland halibut in the Northwest Atlantic in 1968-1993" as the research prior to 1990 was attributable to the USSR or the former Soviet Union, which included input and funding from the Baltics, and not just the Russian Federation. He noted that the Baltic States contributed equally in fisheries and research to the Russian Federation. The Representative of Lithuania fully supported the Latvian statement noting that Lithuania conducted many cruises in the area. The Representative of Russia replied that FC Working Paper 95/4 was a list of research vessels from Murmansk and Arkhangelsk whose owners provided funds for Greenland halibut research. With respect to Baltic catches, he estimated that the Baltic share of the total catch of Greenland halibut of the FSU was only 6%. The Representative of Estonia stated that the Russian paper should also reflect Estonia, Latvia and Lithuania as contributors to scientific research as each of these States contributed funds. The Representative of Russia suggested that if the Baltic States wish the foregoing to be included, they have the option of submitting their own paper on the matter.
- 6.39 The Representative of Canada suggested for discussion purposes only consideration of the proposal reflected in FC Working Paper 95/10 which had been developed in consultation with other Parties and which took into account the coastal State interest, catch records, scientific research, and special interests such as new entrants. This proposal provided the following results: Canada - 16 800 tons or 62.22%, the EU - 3 400 tons or 12.59%, Russia - 3 200 tons, Japan - 2 600 tons or 9.63% and others - 1 000 tons or 3.70%. In Canada's view, the proposal showed considerable flexibility from its earlier position.
- 6.40 The Representative of the EU stated that he hoped that Canada's proposal would have been less provocative. He did not know where to proceed with this proposal and requested that it not be accepted for a vote. The Representative of Latvia stated that the noted proposal was not acceptable since it appeared that the scientific research factor had been entirely attributed to Russia. The Representative of Lithuania stated that the

proposal was not acceptable. The Representative of the EU requested that the Parties not take a vote or impose a proposal until a consensus emerges among all Parties; otherwise he could not predict the consequences. The Representative of Canada proposed the allocation key in FC Working Paper 95/10 be moved to a formal vote.

- 6.41 The Representative of the EU stated that he was seeking a consensus of all Parties. He reiterated the three elements that the EU considered should be included in an allocation key: 1) an allocation to those parties that have the demonstrated ability and technology to catch the Greenland halibut stocks where they occur; 2) burden sharing, that is equitable reduction of catches, and 3) that allocations reflect catches in recent years as these catches most properly reflect a Party's interest, need and capability to fish the Greenland halibut stock. In light of these criteria and in order to provide allocations to the "Others" category, he stated that the EU was prepared to reduce its claim from 75.8% to 69% of the TAC. He proposed a vote for the allocation key in FC Working Paper 95/11 which provides the following distribution: Canada - 13.2%, the EU - 69%, Japan - 7.3%, Norway - 2.4%, Denmark - 1.3%, and others - 6.8%.
- 6.42 The Representative of Poland stated that the foregoing proposals reflected a situation in which there are two groups of NAFO members: the first group which will have specific Greenland halibut quotas and a second group which will have access only to an "Others" quota (Poland, Estonia, Latvia, Lithuania, and the Republic of Korea) whose only privilege will be payment of annual NAFO contributions. He did not understand how Parties would deal with this situation.
- 6.43 The Representative of Russia stated that the EU proposal, which provides for no quota for Russia, was absolutely unacceptable as it did not reflect Russia's participation in the fishery during 1967 to 1992 nor did it reflect Russia's significant scientific research activities on Greenland halibut valued at over U.S. \$32 million. He could not understand how the EU proposal reflected any consensus of views among the Parties.
- 6.44 The Representative of Cuba stated that in light of additional discussions he would withdraw his earlier proposal in FC Working Paper 95/8 and submit a new proposal for an allocation key as reflected in FC Working Paper 95/12 which provides the following distribution: Canada - 16 300 tons or 60.37%, the EU - 3 400 tons or 12.59%, Russia - 3 200 tons or 11.85%, Japan - 2 600 tons or 9.63%, Others - 1 500 tons or 5.56%.
- 6.45 The Representative of Canada noted that considerable flexibility had been shown by Canada in the following four steps towards a consensus: 1) while Canada could have justified 89-90% of the TAC, it initially claimed 75%, 2) Canada had been willing to accept a proposal made by Cuba in FC Working Paper 95/8 providing Canada with about 65%, 3) Canada made a proposal in FC Working Paper 95/10 for 62.22%, and 4) Canada was willing to accept a new proposal by Cuba in FC Working Paper 95/12 which provided Canada with 60.37%. He complimented the Cuban representative for his efforts in seeking a solution. He proposed that the Cuban proposal be put to a vote.
- 6.46 The Representative of Korea expressed his frustration with each of the proposals as none of them provide any specific consideration for Korea. As a new entrant to the NAFO Fisheries Commission and notwithstanding that Korea was not previously involved in the Greenland halibut fishery, he thought Korea was entitled to a fair share of the TAC. He expressed his reservations about the basic modalities of the proposals put forward.

- 6.47 The Representative of the EU stated that Canada and the EU were on the path to confrontation on this issue if a vote is taken on the Cuban proposal. He speculated that Canada would win the vote and the consequences would be Canada's responsibility. He requested that the Chairman not hold a vote.
- 6.48 The Representative of Latvia rejected the proposals on the table as unacceptable as the proposed "Others" quota was in effect just another block quota which Latvia opposed.
- 6.49 In response to a question by the Representative of Norway as to the alternatives available in the absence of a vote, the Chairman noted that the Parties could continue discussions and in the absence of a NAFO decision, there would be an olympic fishery for Greenland halibut in 1995 within the limit of the TAC of 27 000 tons.
- 6.50 The Representative of Canada stated an olympic fishery would be completely unfair to Parties other than the EU and that such a result would be unacceptable and out of step with conservationist principles. He noted that the Cuban proposal reflected the emergence of some consensus after two days of discussions. He requested that the Parties proceed with a vote.
- 6.51 The Representative of the EU asked that Parties such as the Baltic States and Poland consider its proposal as more attractive as it provided more than the Canadian proposal for Others. He stated that while it appeared that Canada wanted to remove the EU fleet from the fishery in the NAFO area, EU vessels would never leave the fishery.
- 6.52 The Representative of Latvia could see no possibility for a vote as the proposals on the table contained no specific Greenland halibut quota for 9 of the 13 Parties. He supported the EU request not to proceed to a vote. The Representative of Poland also questioned whether there was an intention to create a block quota for 9 Parties. The Representative of Estonia also opposed a vote since there was no specific Greenland halibut for Estonia. The Representative of Canada noted that it was not unusual to have an Others quota in the NAFO allocation table available to a large number of members. The Chairman felt that, under these circumstances, it was not wise to proceed to a vote. He requested formally the Contracting Parties whether a vote should be taken. The Representative of Poland stated that he was neither for nor against voting for a proposed allocation key. The Representatives of the EU, Latvia, Lithuania and Estonia confirmed their opposition to a vote, whilst Canada insisted on a vote and other Contracting Parties remained silent.
- 6.53 The Chairman concluded that a majority of the Parties favoured a vote. In accordance with NAFO practice he called a vote on the most recent proposal. The allocation key as presented by the Cuban Representative in FC Working Paper 95/12 was adopted. The vote was carried by six Parties in favour (Canada, Cuba, Iceland, Japan, Norway, Russia). Two Parties abstained (Denmark (on behalf of the Faroe Islands), and the Republic of Korea) and five Parties opposed (Estonia, the EU, Latvia, Lithuania and Poland).
- 6.54 The Representative of Norway stated that he had cast his vote in favour of conservation, responsible management and emphasized the interests of the coastal State. He was not sure the decision of the meeting had reached an objective that was entirely balanced and fair, and hoped that the information from future research on zonal attachment will show that the meeting took the right decision. (Annex 6)

- 6.55 The Representative of Japan stated that he had carefully weighed the Cuban proposal against the EU proposal and against the possibility of no agreement and resultant chaos, and had come to the conclusion that on balance the former was the better of the two. He clarified that the Japanese vote was only for the nominal figures and not acceptance of the formula, idea explained or the rights or interest of the coastal state beyond and in excess of the relevant provisions of the UNCLOS. He added that Japan's vote was out of compassion for Canadian coastal communities which had temporarily lost all of their viable fishery resources within their EEZ. He further clarified that this decision was an interim measure for 1995 only and noted that the Commission would need to address this matter at its September 1995 meeting toward a more equitable solution by consensus (Annex 7).
- 6.56 The Representative of the EU thanked the Baltic States and Poland for not supporting the Cuban proposal and also Denmark (on behalf of the Faroe Islands) and Korea for abstaining on the vote. He always thought that compromise was possible. He regretted that Canada has chosen the path of confrontation and that NAFO now appears divided into two camps. It will be difficult for the EU to explain to its member states that they cannot fish in the NAFO area - to a region in Spain where the unemployment rate is over 20%. The EU has always been open to collaborate with Canada when it wished to discuss its socio-economic problems. The EU will now consider its future course - it does not preclude the possibility of lodging an objection to this decision. He said that while other Parties are permitted access to the Canadian zone, Canada continues to discriminate against the EU in excluding it from allocations and denying it access to its ports.
- 6.57 The Representative of Latvia stated that there were no winners or losers among the Parties - but NAFO was the loser.
- 6.58 The Representative of Canada expressed concern that the EU statement did not coincide with the current facts. The NAFO Scientific Council had provided the basis for reduced catches and effort on Greenland halibut and these warnings were disregarded for years. The EU fishing practices in the NAFO area spoke for themselves. He concluded that Canada's fundamental concern was that fishing effort was kept in line with the TAC in 1995.
- 6.59 Canada stated to consider another proposal under this agenda item which would deal, inter alia, with the provisions of Part I, Section A.3 of the NAFO Conservation and Enforcement Measures which should continue to apply pending the entry into force of the Subareas 2 + 3 Greenland halibut quota share decision by the Fisheries Commission. The Chairman stated that: a) at last year's annual NAFO meeting, the Fisheries Commission adopted a decision on a TAC for Greenland halibut of 27 000 tons as reflected in the quota table (decision binding on all Contracting Parties). b) at this meeting a decision is adopted on the 1995 sharing of this TAC. Since the provisions of Part I, Section A.3 have to recur the respect of the TAC, those provisions continue to apply. The representative of Canada as well as Heads of delegations of other Contracting Parties were satisfied with this statement.

7. Allocation of quotas to Estonia, Latvia, Lithuania and Russia of the quotas fished by vessels from these Contracting Parties

- 7.1 The Representative of Latvia noted that at the 1992 NAFO Annual Meeting a block quota equivalent to the USSR's share of the NAFO TACs was allocated to Estonia, Latvia, Lithuania and the Russian Federation. Since 1992 Latvia and the other Baltic States have opposed the block quota and been seeking national quotas. He expressed dissatisfaction with the autonomous quotas declared by Russia for 1995. He asked that traditional catches be used as the basis for allocations of quotas among the four Parties in 1995.
- 7.2 The Representative of Estonia expressed surprise by Russia's notification of autonomous quotas within the NAFO block quota for 1995. This reflected an urgent need to resolve the allocation problem to avoid a competitive fishery in 1995. He proposed allocating the block quota among the four Parties on the basis of historic catches. The Representative of Lithuania stated that the Baltic States have a right to national NAFO quotas including quotas for Greenland halibut. He provided a table outlining the utilization of the redfish quota in the NAFO Regulatory Area by the Baltic States in 1993 which he stated provided a basis for allocating the block quotas (FC Working Paper 95/9).
- 7.3 The Representative of Russia stated that Russia was never satisfied with block quotas since their establishment in 1992. Russia has made numerous proposals over several stages of mediation to resolve this allocation problem however its efforts did not succeed. Russia declared autonomous quotas within the NAFO block quota for 1995, similar to 1994, following its objection to the block quota at the 1994 NAFO Annual Meeting. He noted that despite Russia's autonomous quotas in 1994, Russia did not catch in excess of the block quota established by NAFO. He did not find the Lithuanian proposal based on 1993 catches as equitable. He noted there was still a Russian proposal to distribute the block quota if NAFO is prepared to resolve this. He suggested that otherwise the issue be resolved among the four Parties concerned.
- 7.4 The Representative of Denmark (on behalf of the Faroe Islands) noted that NAFO has tried to resolve the matter with concrete proposals on the table however the efforts were stopped due to lack of interest. He could not envisage progress unless the four Parties resolve this among themselves.
- 7.5 The Chairman noted that the block quota could continue on the condition that it is respected. However with a possible competitive fishery for the stocks under block quota, he forecast possible problems. He invited all NAFO Parties to discuss ways leading to an allocation key for these stocks.
- 7.6 The Representative of the EU expressed sympathy and noted that all NAFO Contracting Parties should take responsibility to solve this problem. He noted that the block quota issue had some similarities to the Greenland halibut allocation issue.
- 7.7 The Representative of Russia stated he was open for a proposal which may of assistance but he did not see much similarity with the Greenland halibut situation. He added that he was prepared to discuss an allocation key for Greenland halibut and would not go along with a block quota for this stock.

- 7.8 A statement on agenda item #7 was tabled by Estonia, Latvia and Lithuania (Annex 8). The Representative of Russia objected to a line in this statement that suggested that "Russia is avoiding a constructive discussion" on this issue and replied that Russia has made considerable efforts to resolve this matter. The Representative of Estonia stated that it was clear that only Russia was blocking progress - Estonia had made a proposal basing allocations on historical catches which was blocked by Russia. He said that Russia's unilateral declaration of quotas was inconsistent with common practice in other international organizations.
- 7.9 The Chairman expressed the hope of being informed of further progress from the four Parties concerned.

8. Time and Place of Next Meeting

- 8.1 The Chairman noted that the next Fisheries Commission meeting would be during the Annual NAFO Meeting, 11-15 September 1995 in Dartmouth, Nova Scotia.

9. Other Business

- 9.1 No other matters were considered.

10. Adjournment

- 10.1 The Chairman adjourned the meeting at 1910 hrs on 01 February 1995.

Annex 1. List of Participants

CANADA

Head of Delegation

W. A. Rowat, Deputy Minister, Dept. of Fisheries and Oceans, 200 Kent Street, Ottawa, Ontario K1A 0E6

Representative

W. A. Rowat (see address above)

Advisers

M. Allard, c/o Makiuik Corp., 650-32nd Avenue, 6th Floor, LaChine, Quebec H8T 3K5

C. J. Allen, Resource Allocation Br., Fisheries Operations, Dept. of Fisheries and Oceans, 200 Kent St., Ottawa, Ontario K1A 0E6

B. Applebaum, Director-General, Dept. of Fisheries and Oceans, International Directorate, 200 Kent Street, Ottawa, Ontario K1A 0E6

J. W. Baird, Resource Allocation & Licensing, Dept of Fisheries and Oceans, P. O. Box 5667, St. John's, Newfoundland A1C 5X1

J. S. Beckett, Director, Fisheries Research Br., Dept of Fisheries and Oceans, 200 Kent St., 12th Floor, Ottawa, Ontario K1A 0E6

W. R. Bowering, Science Div., Dept. of Fisheries and Oceans, Box 5667, St. John's, Newfoundland A1C 5X1

B. Chapman, Fisheries Association of Nfld. and Labrador, P. O. Box 8900, St. John's, Newfoundland, A1B 3R9

D. Elie, Dept. of Fisheries and Oceans, 200 Kent St., Ottawa, Ontario K1A 0E6

R. Gelinat, International Directorate, Dept of Fisheries and Oceans, 200 Kent Street, Ottawa, Ontario K1A 0E6

D. L. Gill, International Directorate, Dept of Fisheries and Oceans, 200 Kent St., Ottawa, Ontario K1A 0E6

R. Glass, Dept of Fisheries and Oceans, 200 Kent Street, Ottawa, Ontario K1A 0E6

N. Greig, Unaaq Fisheries, 431 Gilmour Street, Ottawa, Ontario

C. F. MacKinnon, Marine Advisor, Groundfish and Seaplants, Nova Scotia Dept. of Fisheries, P. O. Box 2223, Halifax, N. S. B3J 3C4

E. McCurdy, c/o FFAW/CAW, P. O. Box 10, St. John's, Newfoundland A1C 5H5

E. Mundell, Mission of Canada to the European Communities, Avenue de Tervuren, 2, B-1040 Brussels, Belgium

W. M. Murphy, Mersey Sea Foods, P. O. Box 1290, Liverpool, Nova Scotia B0T 1K0

M. Rowe, Dept. of Fisheries and Oceans, 200 Kent St., 15th Floor, Ottawa, Ontario K1A 0E6

J. Roy, Ambassador, Mission of Canada to the European Communities, Avenue de Tervuren, 2, B-1040 Brussels, Belgium

M. Short, 15 Riverside Drive, Goulds, St. John's, Newfoundland

U. Snarby, M. V. Osprey Ltd., 10 Waterloos St., Liverpool, Nova Scotia B0T 1K0

R. Steinbock, International Directorate, Dept of Fisheries and Oceans, 200 Kent Street, Ottawa, Ontario K1A 0E6

K. Sullivan, Seafreez Foods Inc., 3 Dublin Rd., St. John's, Newfoundland A1B 2E5

F. Way, Government of Newfoundland & Labrador, Confederation Bldg., Box 8700, St. John's, Newfoundland A1B 4J6

E. Wiseman, Director, International Fisheries, Atlantic, Dept. of Fisheries and Oceans, 200 Kent Street, Ottawa, Ontario K1A 0E2

CUBA

Head of Delegation

R. Dominguez, Cuban Fishing Fleet Representative, 1881 Brunswick St., Apt. 911, Halifax, Nova Scotia, Canada

Representative

R. Dominguez (see address above)

DENMARK (in respect of the Faroe Islands and Greenland)

Head of Delegation

K. Hoydal, Foroya Landsstyri, P. O. Box 87, FR-110 Torshavn, Faroe Islands

Alternate

K. P. Mortensen, Foroya Landsstyri, P. O. Box 87, FR-110 Torshavn, Faroe Islands

Representatives

K. Hoydal (see address above)

K. P. Mortensen (see address above)

Advisers

M. H. Pedersen, Ministry of Foreign Affairs, 2 Asiatisk Plads, 1448 Copenhagen, Denmark

ESTONIA

Head of Delegation

L. Vaarja, General Director, National Estonian Board of Fisheries, Lai Street 39/41, EE 0100 Tallinn

Representative

L. Vaarja (see address above)

Advisers

T. Lukk, Ravala Str. 9, EE-0100 Tallinn

T. Roose, National Estonian Board of Fisheries, Lai Street 39/41, EE 0100 Tallinn

EUROPEAN UNION (EU)

Head of Delegation

M. Arnal, Commission of the European Union, 200 Rue de Loi, B-1049 Brussels, Belgium

Alternate

O. Tougaard, Commission of the European Union, 200 Rue de Loi, B-1049 Brussels, Belgium

Representative

M. Arnal (see address above)

Advisers

H. Koster, Commission of the European Union, Rue Joseph II, 99, B-1049 Brussels, Belgium

P. A. Curran, Directorate General for Fisheries, Commission of the European Union, Rue Joseph II 99, 7/20, B-1049 Brussels, Belgium

E. Penas, Commission of the European Union, DG XIV-B.1, 200, Rue de la Loi, 1049 Brussels

P. Heller, Commission of the European Union, Rue de la Loi 200, B-1049 Brussels, Belgium

D. Dunkley, Directorate General for Fisheries, Commission of the European Union, Rue Joseph II 99, B-1049 Brussels, Belgium

- H. B. Baggendorff, Eurostat, Commission of the EU, Batiment Jean Monnet, BP 1907, L-2920 Luxembourg
 D. Cross, Eurostat, Commission of the EU, Batiment Jean Monnet, BP 1907, Luxembourg
 G. F. Kingston, Senior Assistant (Economic and Commercial Affairs), Delegation of the Commission of the EU, 1110-350 Sparks St., Ottawa, Ontario K1R 7S8
 G. Conrad, Federal Ministry of Agriculture, Rochusstr. 1, 53107 Bonn, Germany
 V. Cody, Council of the European Union, Rue de la Loi 170, B-1048 Brussels
 P. Frame, Council of the European Union, Rue de la Loi 170, B-1048 Brussels
 B. Buch, Repr. Permanente du Danemark, Rue D'Arlon 73, 1040 Brussels, Belgium
 J. F. Gilon, Ministere de l'Agriculture et de la Peche, Direction de Peche Maritimes, 3 Place Fontenoy, 75007 Paris, France
 N. Filippousis, Permanent Representation of Greece in the EU, Av. de Cortenberg 71, 1040 Brussels, Belgium
 A. McDaid, Permanent Representation of Ireland, Ave de Galilee 5 (Ste 22), Brussels 1030, Belgium
 R. Conde, Director General of Fisheries, Jose Ortega y Gasset 57, Madrid-18006, Spain
 I. Minguez Tudela, Permanent Representation of Spain to the EU, Brussels, Belgium
 M. I. Aragon, Jefe de Seccion, Jose Ortega y Gasset 57, Madrid-28006, Spain
 J. Herrero, Secretaria General de Pesca Maritima, Jose Ortega y Gasset, 57, 28006 Madrid, Spain
 J. R. Fuertes Gamundi, "ANAMER" y "ANAVAR", Puerto Pesquero S/N, Vigo, Spain
 A. R. Gordejuela, "ANAVAR", Puerto Pesquera, Vigo, Spain
 M. Iriondo, Avda. Ategorrieta, 11, San Sebastian, Spain
 J. M. Liria, ANAMER, Puerto Pesquero S/N, Vigo, Spain
 J. L. Meseguer, Asociacion de Empresas de Pesca de Bacalao, Especies Afines y Asociadas (ARBAC), Enrique Larreta 10, Madrid 28036, Spain
 E. deCardenas, Instituto Espanol de Oceanografia, P. O. Box 240, Santander, Spain
 M. H. Figueiredo, Direccao Geral das Pescas, Edificio Vasco da Gama, Alcantara, 1300 Lisbon, Portugal
 C. C. Southgate, Room 428, Nobel House, Ministry of Agriculture, Fisheries and Food, Smith Square, London
 C. Porro, UK Permanent Representation to the EU, Rond Point Robert Schumann 6, 1040 Brussels, Belgium

ICELAND

Head of Delegation

- K. Skarphebinsson, Icelandic Mission to the EU, Rue Marie Therese 1, 1040 Brussels, Belgium

Representative

- K. Skarphebinsson (see address above)

JAPAN

Head of Delegation

- K. Yonezawa, c/o Fishery Division, Economic Affairs Bureau, Ministry of Foreign Affairs, 2-2-1 Kasumigaseki, Chiyoda-ku, Tokyo

Representative

- K. Yonezawa (see address above)

Advisers

- K. Hanafusa, Deputy Director, International Affairs Div., Fisheries Agency, Government of Japan, 1-2-1 Kasumigaseki, Chiyoda-ku, Tokyo
 T. Harada, Far Seas Fisheries Div., Fisheries Agency, Government of Japan, 1-2-1 Kasumigaseki, Chiyoda-ku, Tokyo
 K. Yokawa, Fishery Biologist, Distant-Water Groundfish Section, National Research Institute of Far Seas Fisheries, 5-7-1 Orido, Shimizu 424
 M. Yoshida, Japan Deepsea Trawlers Association, 601 Yasuda Bldg., 3-6 Kanda, Ogawa-Cho, Chiyoda-ku, Tokyo
 A. Karasawa, Mission of Japan to the EU, Av. des Arts 58, 1040 Brussels, Belgium

REPUBLIC OF KOREA**Head of Delegation**

T. S. Lee, Korean Mission to the EU, 173 Chaussee de la Hulpe, 1170 Brussels, Belgium

Representative

T. S. Lee (see address above)

Advisers

C. J. Choi, Korean Mission to the EU, 173-175 Chaussee de la Hulpe, 1170 Brussels, Belgium

J. S. Heo, National Fisheries Administration, 19th Floor, Daewoo Bldg., 541, 5 Ga Namdaemoonro, Chung-Gu, Seoul

LATVIA**Head of Delegation**

N. Riekstins, National Board of Fisheries, Ministry of Agriculture, 63, Kr. Valdemara Str., LV- 1142 Riga

Representative

N. Riekstins (see address above)

Advisers

D. Ozola, Embassy of Latvia, Sq. Nergote 1, Brussels 1200, Belgium

LITHUANIA**Head of Delegation**

A. Rusakevicius, Deputy Minister-Director of Fisheries Dept, Ministry of Agriculture, 9, Juozapavichiaus str, Vilnius
2600

Representative

A. Rusakevicius (see address above)

NORWAY**Head of Delegation**

S. Engesaeter, Directorate of Fisheries, P. O. Box 185, N-5002 Bergen

Representative

S. Engesaeter (see address above)

Adviser

L. Gronnevet, Norwegian Mission to the EU, Rue Archimede 17, 1040 Brussels

POLAND**Head of Delegation**

J. L. Kleniewski, Director, Sea Fisheries Dept., Ministry of Transport and Maritime Economy, Chalubinski 4/6 Str., 00-928 Warsaw

Representative

J. L. Kleniewski (see address above)

Advisers

L. Dybiec, Ministry of Transport and Maritime Economy, Sea Fisheries Dept., Chalubinski 4/6 Str., 00-928 Warsaw
R. Gajerski, Polish Mission to the EU, 18 Av de l'Horizon, 1150 Brussels, Belgium

RUSSIA**Head of Delegation**

V. Fedorenko, Chief, Department of International Cooperation, Fisheries Committee of Russian Federation, 12 Rozhdestvensky Boul., Moscow 103031

Representative

V. Fedorenko (see address above)

Advisers

G. V. Goussev, Fisheries Committee of Russian Federation, 12 Rozhdestvensky Boul., Moscow 103031
E. Samoilova, Polar Research Institute of Marine Fisheries and Oceanography (PINRO), 6 Knipovich Street, Murmansk 183763
V. P. Torokhov, Sevryba Co., Murmansk, 183000
F. M. Troyanovsky, Director, Knipovich Polar Research Institute of Marine Fisheries and Oceanography (PINRO), 6 Knipovich St., Murmansk 183763

SECRETARIAT

Dr. L. I. Chepel, Executive Secretary
F. D. Keating, Administrative Assistant
B. J. Cruikshank, Senior Secretary

Annex 2. Agenda

1. Opening by the Chairman, H. Koster (EU)
2. Appointment of Rapporteur
3. Adoption of Agenda
4. Admission of Observers
5. Publicity
6. Allocation of quotas (metric tons) for 1995 of Greenland halibut in subareas 2 + 3 of the NAFO Convention Area to Contracting Parties
7. Allocation of quotas to Estonia, Latvia, Lithuania and Russia of the quotas fished by vessels from these Contracting Parties
8. Time and Place of Next Meeting
9. Other Business
10. Adjournment

Annex 3. Opening Statement by the Head of the Canadian Delegation

- Mr. Chairman, the main purpose of this meeting is to decide on an equitable quota sharing arrangement in 1995 for the 27 000 tons TAC for 2+3 Greenland halibut established at the NAFO Annual Meeting last September.
- This is a new type of issue for NAFO. This is the first time since the establishment of NAFO that an additional stock has been brought under NAFO management, and accordingly the first time NAFO has had to establish a "key" for quota sharing. Canada has prepared a Geographic Information Systems or GIS presentation to illustrate what we regard as the key issues and the rationale for an equitable distribution of the 2+3 Greenland halibut stock. I would ask for the attention of all delegates for a few minutes to review this presentation.

SUBSTANTIVE STATEMENT AFTER GIS PRESENTATION

- As explained in the presentation, there are a number of factors and considerations Canada believes are particularly relevant in our decision this week. I would like to review these briefly:

Catch History

- Traditionally this Greenland halibut fishery has taken place inside Canada's 200-mile limit. Catch statistics going back several decades show Canada as the predominant country fishing 2+3 Greenland halibut. If one looks at the period from 1977 to 1993, 73% of the catches were taken inside the Canadian zone.
- From the time the Canadian 200-mile zone came into effect in 1977 until 1987, there was no directed fishery for Greenland halibut outside 200 miles.
- Catches in the NAFO Regulatory Area in the most recent years are obviously not traditional and probably only possible as a result of a current anomalous biomass distribution. These catches are a very recent development, the result of the closure of other fisheries in the Northwest Atlantic and off Africa, and reflect no long term dependence on this stock. This Organization should take into account that the very high catches of recent years took place despite the advice of the NAFO Scientific Council starting in 1989 that indicated catch and effort should be reduced; on the other hand, recent decreases in catches by some Parties reflected their concern to listen to the scientific advice, and reduce their catches and effort.
- Given the clear warnings of the Scientific Council over the years, one way to take this factor into account would be to eliminate the most anomalous years - 1992 and 1993 - from the base period we will use to determine quota shares. This would eliminate the catches inside 200 miles, because they are not representative of past history and outside because these catches were contrary to NAFO scientific advice. If we did this we would calculate that about 90% of the total 2+3 Greenland halibut catches from 1977 to 1991 were taken inside the Canadian 200-mile fishing zone.
- In Canada's view, the elimination of these two years from the base period we will use to determine quota shares is warranted for the reasons I will set out in a moment.

Habitat

- The fact that until 1987 there was no directed fishery for Greenland halibut outside 200 miles reflects the fact that the normal concentration of the biomass was inside 200 miles, which is where most of the Greenland halibut habitat is located.
- During the late 1980's there was a change in environmental conditions which apparently caused much of the Greenland halibut biomass to shift towards the deeper slope waters beyond 200 miles.

Many scientists consider this a temporary phenomenon. There were signs in the 1993 survey that the biomass is shifting back towards its normal location.

- Any quota sharing decision that NAFO takes for this stock must be based on the normal stock distribution and not a short-term anomaly.
- As shown in the GIS, 78% of the habitat where Greenland halibut is found is inside Canadian waters. This should also be reflected in NAFO's decision on equitable sharing of the Greenland halibut TAC.

Community Dependence

- We presented a map and table in the GIS which showed the Canadian communities which received 2+3 Greenland halibut landings over the past 20 years or so. This demonstrates the traditional dependence of Canadian coastal communities on the 2+3 Greenland halibut resource. As noted in the presentation, the number of Canadian vessels dependent on this stock were literally in the hundreds.
- As must be obvious to all of you, the 2+3 Greenland halibut fishery is not new for Canada. We did not start this fishery when most other NAFO-managed stocks were in serious decline or under moratoria. Canadians have fished this stock and have been dependent on this stock for many decades even when there were many other commercially viable fisheries to pursue in the Canadian zone.

Individual Parties' Responses to NAFO Scientific Council Advice

- The presentation referred to past NAFO Scientific Council advice for 3LMN Greenland halibut calling for strong and cautionary conservation measures. In particular the June 1992 report summarized several important points, some of which were first reported in 1989:
 - Catches should be reduced;
 - Fishing effort should not be concentrated on one part of the stock;
 - Almost all fisheries on this stock are catching individuals which are mostly immature;
 - Concern was expressed about possible over-exploitation.

- In 1992 and 1993 Canadian catches were significantly lower than in previous years. This was not just because of poor abundance in traditional fishing areas. This was also the result of our conservation concerns in light of the NAFO Scientific Council advice, and action taken to restrict fishery effort. In 1994 Canada immediately responded to the even stronger warnings of the NAFO Scientific Council in June of that year by substantially reducing the TACs it had already set for 2+3 Greenland halibut and further restricting access in these areas.
- While Canada and some other Parties, in response to the scientific advice, restrained their fisheries, as we all know, the EU's Greenland halibut fishery has increased substantially since 1990.
- As I have indicated, it is Canada's view that counting EU catches in 1992 and 1993 in the establishment of a sharing arrangement would be inequitable. In effect, it would reward those that did not follow scientific advice and fished the stock without regard to conservation concerns, and it would penalize those Contracting Parties that constrained or reduced their effort in response to the scientific advice.

Investment in Scientific Research

- Finally, we believe that NAFO should look at Parties' long-term commitment to this stock. A salient factor in determining allocations should also be the contribution to the scientific research on this stock over the years. There are only a small number of Parties that have put in the efforts and dollars in this regard.

THE PROBLEM OF THE EU SHARE

- I could not come to a conclusion without referring to the difficult issue of what should be the EU share. The amount to be distributed among the other NAFO members should be less difficult.
- The EU, as we all know, has had by far the highest share of recent catches, reaching extraordinarily high levels of 45 059 tons in 1992 and 44 448 tons in 1993. I have referred to these catches as anomalies, as obviously they are. It is distressing to see that the EU reported catches of 41 201 tons of Greenland halibut to the end of November 1994 demonstrating the EU continued its effort and catches at even higher levels despite the strong warnings in the recent Scientific Council advice. This month, January 1995, there are five more Spanish vessels directing for Greenland halibut than during the same period last year and nine more than in January 1993.
- We are proposing a share of the TAC for the EU based only on its catches before 1992. I know this will represent a very significant reduction from their recent very high levels of catch. However I think that most representatives here will recognize that those high levels of catch cannot be reflected in any equitable sharing agreement. They are, in fact, a contributing factor to the present poor state of the biomass, and the reason that NAFO has had to reduce the total catch to the low level of 27 000 tons, reducing the levels available for all of us.

- An equitable share must be available for other Contracting Parties with a serious interest in catches of this resource. We would not propose a distribution key at this time. We would like to consult with other NAFO Parties in developing a proposal on this.

SUMMARY

- Canada's primary objective is the conservation of the Greenland halibut stock. Our primary goal for this meeting is to ensure that a quota sharing arrangement is established, together with accompanying control measures, to ensure that catches for 1995 stay within the 27 000 tons limit established at the NAFO Annual Meeting.
- We also have another goal, Mr. Chairman, related to the interests and dependence of our fishermen and that is, as I have indicated, that the sharing arrangement we develop at this meeting give them their fair share.
- Mr. Chairman, while Canada can ... with justification ... claim 89% of the Total Allowable Catch, we are not doing so. Rather, Canada is limiting its claim to 75% in order that more is available for distribution among Contracting Parties. This is amply supported by Canada's traditional catches, the share of the Greenland halibut habitat found inside the Canadian zone, the significant coastal community dependence, the fact that Canada took measures to restrain its Greenland halibut fisheries in response to the NAFO Scientific Council's conservation concerns, and in light of Canada's investment in scientific research surveys on this stock of traditional importance to Canada.
- Therefore, in summary Canada proposes that the sharing arrangement be as follows:
 - 75% for Canada
 - 25% for other NAFO members, but we believe that a significant share of this should go to NAFO members other than the EU. The distribution key would be developed during the course of these meetings.

Annex 4. Opening Statement by the Delegate of Norway

The Norwegian Delegation is committed to work for an allocation of the established TAC for Greenland Halibut. Our aim is that the Commission during this meeting is able to develop and agree to a key for sharing the TAC among the Contracting Parties.

A process where each party ask for a share and the individual shares add up to more than 100% will not necessarily give the best results.

Instead a more fruitful approach, in our opinion, is to start by discussing which elements that should be considered when establishing an allocation key. Then, as a next step, it should be discussed which weight that should be attached to the various elements. Result of such an exercise will be a formula which will give a share to each Contracting Party.

Annex 5. Statement by the Delegate of Russia

The Russian delegation would now like to express its position concerning the Greenland halibut resource.

1. In late sixties Russia was the first to initiate research of *G. halibut* on the continental slope of the Northwest Atlantic and was the first to discover commercial concentrations of this species which have been supporting fisheries until now. Since that time until 1993 Russian research vessels carried out scientific surveys and conducted monitoring of the *G. halibut* stock. Russian data are still used as a basis for evaluation of the stock status and for recommendations to harvest it in a rational way. Since 1968 Russia conducted more than 70 research cruises to investigate the stock and total costs associated with this research have been estimated at more than \$35 mil USD.
2. Bearing in mind that the *G. halibut* stock in the Northwest Atlantic is an integral stock, Russia has always been committed to conducting fisheries for *G. halibut* in the NAFO Convention Area on the basis of established TAC and fished quotas allocated to it. Low Russian activity in the *G. halibut* fishery in NAFO Regulatory Area from early 90s onward reflected our concern to conserve the stock in the situation when scientific recommendations for a TAC were unavailable and at the same time in the light of warning expressed by Scientific Council in connection with a decline of the *G. halibut* biomass.
3. Before 200-mile limits had been established (1967-1976) the *G. halibut* catch by Russia was 36.4% of the total catch in all NAFO subareas and 27.2% of the SA 2+3 catch. For the whole period of the *G. halibut* fishery from 1967 to 1992, the Russian catch was 20.0% and 16.8% of the total catch respectively. Thus, taking into consideration the level of Russian *G. halibut* catch for the whole period of fishery for this species and the contribution made by the Russian science to discover and study the resource, we believe that Russia has all grounds to have an allocation of 20% of the TAC for *G. halibut* in SA 2+3.

Annex 6. Statement by the Delegate of Norway

Mr. Chairman, I should like to explain my vote on the proposal by Cuba in FC Working Paper 95/12.

Guiding principles for the Norwegian fisheries policy are conservation and responsible resource management. Responsible resource management also includes development of balanced and fair allocation of TACs.

In my opening statement I said that my delegation was committed to work for development of a key for sharing the TAC for Greenland Halibut. I also underlined that our hope was to arrive at an allocation that could be acceptable by all Contracting Parties. It now appears that this will not be possible to achieve.

It should come as no surprise to anyone that Norway in various international forums emphasize the interests of the coastal state/states. This is also well known from the work in the UN Conference. The proposal that was now put to vote reflects in principle this position. Whether the coastal state preference in the present proposal is given the proper weight is more uncertain. I hope that future scientific research will be able to clarify whether the weight allocated to the coastal state in this proposal was the correct one.

On this basis Norway supported the proposal in FC Working Paper 95/12.

Annex 7. Statement by the Delegate of Japan

I like to explain, for the record, the reason of my vote, which was not quite consistent with the line of approach as I indicated earlier in this meeting.

In casting my vote, I, first of all, weighed the Cuban proposal against the EU proposal and against the possibility of no agreement and resultant chaos, and I have come to the conclusion that on balance the Cuban proposal was better of the two, putting aside the question of our share as proposed. However, I like to make it very clear that my vote yes for the Cuban proposal is only for the nominal catch figures as allocated. It should not be construed as implying my acceptance of the formula or ideas as explained, or for that matter the right or interest of the coastal state beyond and in excess of the relevant provisions of the UNCLOS.

My vote is, therefore, utterly and solely out of my compassion on the unprecedented plight, I hope of temporary nature, of the Canadian coastal communities concerned who have lost all of their viable fishery resources within 200 miles.

I also take this as an interim measure applicable only for this year so that the Commission has further opportunity to work towards a more equitable solution, hopefully, of a consensus of this matter. I request that my statement be recorded in due form in the minutes of this meeting.

Annex 8. Statement on behalf of Estonia, Latvia, and Lithuania re "Block quota"

Estonia, Latvia and Lithuania (as Baltic States), welcomed the NAFO's decision at 15th Annual Meeting to hold the Special Fisheries Commission Meeting here in Brussels, where in line with other urgent issues the issue of allocation of quotas fished by vessels of the countries sharing the collective quota had to be addressed. In this regard, the Baltic States would like to express their gratitude to the NAFO Secretariat for convening this special meeting and the delegation of the European Union for the generous offer to host it. The Baltic States are of the opinion that such meetings are the proper fora where existing disputes between the NAFO Contracting Parties should be resolved. Baltic States believe that any kind of tensions in the management questions do not support the achievement of NAFO's objective, which is given in article 2 of the NAFO Convention, to "contribute through consultation and conservation to the optimum utilization, rational management and conservation of the fishery resources of the Convention Area".

Thus, allow us to reiterate the Baltic States position regarding NAFO's objective. The Baltic States are fully aware of importance of sustainable utilization and effective conservation of fish stocks. We confirm our support of all necessary management measures taken by NAFO in pursuing the prime objective of rebuilding depleted fish stocks. The key element to the successful management of fish resources is a sense of common responsibility.

In our view, NAFO has met with some difficulties concerning the management of fish stocks of the Regulatory Area. One severe obstacle is the issue of unresolved collective quota system, which must be regulated in cooperation of all NAFO Contracting Parties. Although the Baltic States welcomed the decision taken at the NAFO 14th Annual Meeting, which provided a collective quota to be fished by vessels of four countries, it was seen as a temporary solution. The Baltic States consider the collective quota a mechanism which compels countries to engage in competitive fishing as having a negative impact to the fish stocks we are endeavouring to rebuild. NAFO's efforts received a setback just a year later when an overfishing was reported. This should suggest an exigent need to break the collective quota system for the sake of sustainable utilization of fish stocks in the Regulatory Area and to provide relevant countries with national quota allocations. The Baltic States believe that resolution of the block quota issue without harming the interest of any other Contracting Party would pave the way not only to the "new ethics of conservation", which was brought to participants of this meeting by Mr. Tobin, but also to better management and utilization policy of fish stocks of the Regulatory Area. Looking back to those meetings where the block quota issue has been addressed, it became evident from the very beginning that Russia is avoiding a constructive discussion. Its suggested proposals has been extremely unusual and unprecedented as well as its recent unilateral establishment of autonomous national quota allocation.

Baltic States are of the understanding that historical fishing should form the basis for national quota allocation. As we have repeatedly stated, it would be complicated to take as an historical point of departure the Soviet period because quota distribution among republics was based on rules of command economy and catch statistics from that period is unreliable. In 1992, three Baltic States became members of NAFO and started their own historical fishing in the NAFO Regulatory Area. Thus, the results of fishing activity of vessels of all countries sharing the collective quota are echoed in official statistics gathered and released by the NAFO Secretariat. Obviously, the historical fishing activity of the Baltic States in the area due to the historical

reasons is considerably short. Therefore, the Baltic States would request the NAFO Contracting Parties to consider their quota allocations as the official catches in 1993 up to the date when the collective quota was disrupted.

The Baltic States calls upon all NAFO Contracting Parties to contribute to the resolution of the collective quota issue in a constructive spirit. We believe that providing the countries sharing the collective quota with national quota allocations will be a positive measure to stop the competitive fishing, which is an important step towards the efficient management of common fish resources in the Regulatory Area. We would request NAFO Contracting Parties also to avoid from unilateral quota allocation declarations and call upon Contracting Parties to object strongly against such attempts. Stating that, the Baltic States confirm their willingness to consider any proposals by other NAFO Contracting Parties, which would contribute to resolution of block quota issue.

