



Canadian Sportfishing Industry Association

Association canadienne de l'industrie de la pêche sportive

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Mr. Ron Doering
Chief Federal Negotiator
Algonquin Land Claim
Ministry of Aboriginal Affairs
and Northern Development
Ottawa, ON

Dear Mr. Doering:

The Canadian Sportfishing Industry Association (CSIA) represents the manufacturers, distributors, retailers and sales agencies which serve the 8 million Canadians who fish as an outdoor heritage activity. According to federal government figures our industry currently generates an annual national economy of over **\$8 billion dollars**. In tandem with hunting our customers support **over 100,000 jobs** in all regions of the country. More Canadians fish for recreation than play golf and hockey *combined*.

Within the area of the Algonquin Land Claim in Eastern Ontario, recreational fishing and related economies generate over **\$699 million** in annual business supporting **8,278 jobs**. (Appendix A) CSIA views the fishing industry in the Land Claim region to be a mature business environment with little or no growth beyond inflation year over year. Other related economies such as boating and accessories are in a similar situation. We are aware that tourism has experienced significant negative growth across much of the Land Claim region and is down by as much as 40% since 2009.

The recreational fishing industry and related businesses exist and thrive because our customers enjoy unrestricted open access to the many public waters in which people fish. Access to the many fisheries enjoyed by recreational anglers is only restricted in the presence of substantial scientifically-based fishery management concerns warranting such restriction. When scientific evidence shows these concerns have been mitigated and fish stocks are healthy, regulated fishing can resume. This scientific foundation has

been the basis of the North American model of fish and wildlife management and environmentally sustainable fishing and hunting, which exists as an unparalleled conservation and economic success story across Canada for over 100 years.

In the *Sparrow* decision, the Supreme Court of Canada said, "...it is clear that the value of conservation purposes for government legislation and action has long been recognized. Further, the conservation and management of our resources is consistent with aboriginal beliefs and practices, and, indeed, with the enhancement of aboriginal rights". Subsequent court findings have consistently maintained the same position whereby government natural resource agencies have historically established effective and appropriate methods and mechanisms for managing the lands, waters, fish, wildlife and natural resources consistent with the recognized established principles of environmental sustainability.

In any business environment as with applied conservation principles, the factors which determine success or failure are uncompromising for aboriginal and non-aboriginal people alike. Within the mature business environment which exists for the recreational fishing industry in the Algonquin Land Claim area, a new business enterprise cannot be initiated without the resulting loss of an existing business and the jobs it supports. In other words, a five gallon pail can only hold five gallons.

The "Shared Objectives" for this land claim process agreed to by Ontario, Canada and the Algonquins of Ontario includes three points among the list which are directly relevant to the CSIA and related natural resource dependent business community in Eastern Ontario and nationwide:

- To avoid creating injustices for anyone in the settlement of the claim.
- To establish certainty and finality with respect to title, rights and interests in the land and natural resources with the intention of promoting stability within the area and increasing investor confidence.
- To enhance the economic opportunities of the Algonquins with the intention of also benefitting and promoting general economic and commercial opportunities in the area.

Based on information provided by Canada and Ontario to stakeholders at the November 30, 2011 Pembroke meeting of the Committee of External Advisors / Municipal Advisory Committee, we anticipate a new stakeholder consultation process is planned for the spring of

this year. Although Ontario failed to honor the written commitment to CSIA by Minister Cansfield to engage in substantive consultation prior to an Agreement in Principle (AIP) being initiated, we anticipate that Canada can be counted on to restore an appropriate level of fairness and integrity to the stakeholder process. We would appreciate the opportunity to be included in further discussions to develop a fair settlement that would benefit the Algonquin's without doing harm to the livelihood and outdoor activities of other non-aboriginal residents in the area.

In order for us to properly prepare for the upcoming stakeholder discussions, we have the following questions specific to the Algonquin Land Claim which are based on commonly accepted business practices which we presume both Canada and Ontario have rigorously applied in order to avoid creating injustices for anyone while discussing and drafting the various components of the AIP (e.g. land selection, economic development, investment, commercial opportunities).

- 1) Will public funds be available to the Algonquins as 'start up' capital for opening a new resource dependent business which will compete with existing businesses?
- 2) Will new Algonquin businesses pay all taxes equivalent to what non-First Nation businesses are required to pay?
- 3) Will the Agreement in Principle guarantee that a level playing field will exist between First Nation natural resource dependent businesses and non-aboriginal businesses, or will a 'smoke shop' economy be allowed to emerge penalizing non-First Nation businesses further?
- 4) Will new Algonquin business ventures be guaranteed by government, or will land title be used as collateral? In other words, if a First Nation business venture on land ceded by the land claim agreement were to fail, will the business, land and title be available for purchase from a bankruptcy receiver as with any non-aboriginal business?
- 5) When public lands /waters / parks are transferred to Algonquin ownership and control, public access to the traditional recreational resource base may be reduced accordingly.
 - a) What are the anticipated increases in angling pressure and related activities on the remaining areas?

- b) In order to mitigate the increased pressure on remaining areas it may be necessary to reduce fish creel limits, game bag limits, open seasons, etc. to maintain conservation. What are the forecasts for these reductions on the harvest of the primary fish and game species of economic importance?
 - c) What are the present forecasts for the potential negative financial impacts to existing recreational fishing businesses and related commercial enterprises?
 - d) In the event of negative financial impacts to existing local businesses, what steps will be taken to mitigate and reverse these?
- 6) The current land claim process includes the Algonquin First Nation people who are identified as beneficiaries of the final settlement. Government sources have told us that members of at least six other non-Algonquin First Nations are actively engaged in unregulated fishing and hunting across the land claim region, including the highly sensitive interior brook trout and lake trout lakes of Algonquin Park. There are also many other people claiming Algonquin heritage but who are not included in the present land claim process. The total number of all of these individuals may well exceed the actual Algonquin community population included in the land claim process. Conservation and sustainable wise use of fish and wildlife is essential to our industry and to all people who fish and hunt as part of our outdoor heritage. Conservation is also a priority consistently reaffirmed by the courts in cases involving aboriginal rights. The hard evidence is clear - no fish or wildlife species can withstand unregulated human harvest by modern methods without serious or irreversible damage and without creating injustice for the recreational fishing industry and its customers, including First Nation people.

What specific steps are being taken in the AIP process to develop species specific harvest, Fair Sharing and law enforcement agreements inclusive of all non-aboriginal and all First Nation groups engaged in fishing and hunting in the land claim region?

- 7) The timber industry enjoys a significant degree of certainty due to contractual agreements which guarantee access to timber, and Ontario has stated there will be 'no disruption to the forestry industry' as a result of the AIP. What equivalent guarantees are being included in the AIP to ensure continued unrestricted access to fish and wildlife for our customers who fish, hunt and recreate on these lands and waters?

- 8) Standard business practices require a detailed current assessment of multiple factors in the comprehensive business environment prior to determining the potential viability for any new business venture, and well in advance of land selection or purchase, financing or developing a business plan. All banks and lending institutions, including the Federal Business Development Bank require this analysis in order to minimize new business failures. Presenters representing Canada and Ontario at the November 30, 2011 CEA / MAC meeting explained that the Algonquins have been asked for an indication of what specific commercial uses they intend for Crown lands being discussed in the land selection AIP process, and indicated that due consideration was being given to minimize competition with existing businesses.
- a) Please provide us with copies of the economic and business viability assessments, including terms of reference which are used in the land selection process for evaluating the potential for new Algonquin natural resource dependent businesses related to fishing, hunting, tourism, boating and related outdoor recreation activities.
 - b) We understand the forest industry representatives in Eastern Ontario have been briefed with substantive details combined with the assurance by government that their business will not be disrupted and their access to timber will be maintained in the AIP. We believe the jobs supported by recreational fishing and related businesses are equally important and deserving of equal consideration. Please provide the names of the trade associations and existing private sector businesses from the sport fishing industry and related outdoor recreation economies (e.g. tourism, marine, ATV, etc.) who were consulted as part of this business environment analysis.

Natural resource dependent jobs and businesses in the recreational fishing industry and related enterprises are a significant component of the eastern Ontario economy in this land claim region. Maintaining a fair and positive business environment is equally the responsibility of the federal, provincial and local governments.

Proven and accepted business practices and science based fish and wildlife management / sustainable use principles apply as well to First Nation and non-aboriginal interests alike. Economics and the boundaries of nature are color blind and they are well defined and understood. To ignore or avoid these fundamentals in drafting an Agreement in Principle is to guarantee uncertainty, create indecisive outcomes and to entrench injustice for everyone concerned. We would appreciate a reply to our questions by the first week in February, 2012.

Yours truly,

A handwritten signature in black ink that reads "Phil Morlock". The signature is written in a cursive style with a large initial "P" and "M".

Phil Morlock

Chair, CSIA Government Affairs Committee

cc: Hon. John Duncan, M.P., Minister of Aboriginal Affairs
Cheryl Gallant, M.P.
Rick Norlock, M.P.
Dean Del Mastro, M.P.
Hon. Tony Clement, M.P.
Garry Breitkreuz, M.P.
Hon. Michael Gravelle, M.P.P., Minister of Natural Resources
Hon. Kathleen Wynne, M.P.P., Minister of Aboriginal Affairs
John Yakabuski, M.P.P.
Jerry Ouellette, M.P.P.
Jeff Leal, M.P.P.
David MacArthur, Chief of Staff, Office of the Hon. John Duncan
Kym Purchase, Deputy Chief of Staff, Office of the Hon. John Duncan
Ravina Bains, Policy, Office of the Hon. John Duncan
Sean Speer, Senior Economic Advisor, Office of the Rt. Hon. Stephen Harper
Mike Reader, Ontario Federation of Anglers and Hunters
Greg Farrant, Ontario Federation of Anglers and Hunters
CSIA Board of Directors

Appendix A

Calculations of the Economic Impact of Recreational Fishing and Related Businesses: Algonquin Land Claim / Eastern Ontario Region

1. \$7,501,000,000. – Annual contribution to Canada’s economy from recreational fishing and related businesses. (Source - 2005 Survey of Recreational Fishing in Canada, Department of Fisheries and Oceans)
2. \$8,447,000,000. (Estimated 2011 annual contribution to Canada’s economy based on 2% annual rate of inflation)
3. 43.8% (Ontario’s portion of the Canadian Recreational Fishing economy according to latest CSIA estimates)
4. 18.9% (Algonquin Land Claim area’s portion of the Ontario Recreational Fishing economy according to latest CSIA estimates)

$$\$8,447,000,000. \times .438 = \$3,699,786,000. \times .189 = \$699,259,554.$$