



June 3rd, 2016

Ministerial Advisory Panel on LIFO in the Northern Shrimp Fishery

Dear Minister LeBlanc:

The Cape Breton Regional Municipality (CBRM) is concerned the Federal Government is conducting a Ministerial Advisory Panel to review the LIFO Quota Allocation Policy in the Northern Shrimp Fishery.

CBRM opposes any changes to long existing rules for threshold operators and LIFO provisions as set out in management plans since 1997.

The Cape Breton Regional Municipality has several concerns about what the impact of quota reductions would mean to an existing business (MV Osprey Ltd.) and the economic benefits they bring to our municipality. MV Osprey is an established Offshore Shrimp Harvester that operates in North Sydney, N.S. It is a forward-thinking company that makes business decisions based on the LIFO agreement. It has invested millions in a new vessel for its operations and expansion of facilities.

The impact of a potential 30% cut in quotas would be substantially harmful to our local economy:

1. 30% less activity in direct industry,
2. 30% less trucking – rigs to ship products,
3. 30% less gear purchased,
4. 30% less supplies purchased – food; gas; incidentals for vessels,
5. 30% less union jobs at CN Marine – unloading vessels full time may become part time, reduced hours or jobs lost,

more...

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6. Less harbour dues – fewer trips,
7. 30% quota reduction could mean \$4 to \$5 million in annual lost economic benefits;
8. MV Osprey supplies product to Shrimp Peeling Plants in Cape Breton and Newfoundland,

The potential financial impact in our area would be a serious blow to the aforementioned business and workers. The long existing LIFO Policy has delivered stability. We strongly urge that it not be changed.

Sincerely,



CECIL CLARKE

Mayor, Cape Breton Regional Municipality