March 18, 2016

Dear Applicant:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act FA/03/2016

On February 19, 2016, The Department of Fisheries and Aquaculture (DFA) received your request for access to the following records:

“All records, (including but not limited to, decision notes, information notes, briefing materials and all other forms of correspondence) as it pertains to Royal Greenland, Quin Sea Fisheries deal.”

On March 10, 2016, you refined your request to include only records from September 2015 to February 19, 2016, and indicated that your request excluded news releases, articles and other publicly available documents which formed a large part of the responsive records.

I am pleased to inform you that a decision has been made by the Deputy Minister for DFA to provide access to the requested information. Please note that access to specific information contained within the records has been refused in accordance with Sections 7(2) [Schedule A(i)], 27(1)(a), 27(1)(h), 27(2)(a), 29 (1)(a), 39(1)(a)(i), 39(1)(a)(ii), 39(1)(b), 39(1)(c)(i), 39(1)(c)(ii) Section 40(1) and 40(4)(e) of the Access to Information and Protection of Privacy Act (the Act) and Section 4(1) of the Fisheries Act. A full list of the relevant legislation is attached. As required by 8(2) of the Act, we have severed information that is exempt from disclosure and have provided you with as much information as possible.

The information has been provided in four attachments, one for each month of responsive records. For your convenience, the table below identifies the pages that have been removed in each attachment and the reasons for the non-disclosure.
<table>
<thead>
<tr>
<th>Pages Not Included In Response*</th>
<th>Reason for Non-disclosure</th>
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<tr>
<td>December - Pages 101-102, Pages 109-140</td>
<td>Disclosure harmful to business interests of a third party  Sections 39(1)(a)(ii), 39(1)(b), 39(1)(c)(i)</td>
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<td>December - Pages 278-279  January - Page 20-22  February - Pages 38-40</td>
<td>Nonresponsive</td>
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<tr>
<td>November - Pages 3-6  January - Pages 23-26, Pages 37-38  February - Pages 55-88, Pages 102-104, 105-112, Pages 115-129</td>
<td>Cabinet Record  Sections 27(1)(h) and 27(2)(a)</td>
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<tr>
<td>February - Pages 89-101, Pages 105-112</td>
<td>Cabinet Record  Sections 27(1)(a) and 27(2)(a)</td>
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*Page numbers provided in the above table refer to the consecutive page numbering (ie. Pages 1-10) located on the top right of each page in the attached referenced files.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P.O. Box 13004, Stn. A  
St. John’s, NL. A1B 3V8  

Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500  

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.
If you have any further questions, please contact me by telephone at 709-729-4797 or by email at rhondahickey@gov.nl.ca

Sincerely,

Rhonda Hickey
ATIPP Coordinator

Attachments

ACCESS TO INFORMATION AND PROTECTION
OF PRIVACY ACT, 2015

Conflict with other Acts

7. (1) Where there is a conflict between this Act or a regulation made under this Act and another Act or regulation enacted before or after the coming into force of this Act, this Act or the regulation made under it shall prevail.

(2) Notwithstanding subsection (1), where access to a record is prohibited or restricted by, or the right to access a record is provided in a provision designated in Schedule A, that provision shall prevail over this Act or a regulation made under it.

Cabinet confidences

27. (1) In this section, "cabinet record" means

(a) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet;

(b) draft legislation or regulations submitted or prepared for submission to the Cabinet;

(c) a memorandum, the purpose of which is to present proposals or recommendations to the Cabinet;

(d) a discussion paper, policy analysis, proposal, advice or briefing material prepared for Cabinet, excluding the sections of these records that are factual or background material;

(e) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet;

(f) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy;

(g) a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet;

(h) a record created during the process of developing or preparing a submission for the Cabinet; and

(i) that portion of a record which contains information about the contents of a record within a class of information referred to in paragraphs (a) to (h).
(2) The head of a public body shall refuse to disclose to an applicant
(a) a cabinet record; or
(b) information in a record other than a cabinet record that would reveal the substance of deliberations of Cabinet.

Policy advice or recommendations

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal
(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

Disclosure harmful to business interests of a third party

39. (1) The head of a public body shall refuse to disclose to an applicant information
(a) that would reveal
(i) trade secrets of a third party, or
(ii) commercial, financial, labour relations, scientific or technical information of a third party;
(b) that is supplied, implicitly or explicitly, in confidence; and
(c) the disclosure of which could reasonably be expected to
(i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,
(ii) result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied,
(iii) result in undue financial loss or gain to any person, or
(iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

Disclosure harmful to personal privacy

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

(4) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy where
(a) the personal information relates to a medical, psychiatric or psychological history, diagnosis, condition, treatment or evaluation;
(b) the personal information is an identifiable part of a law enforcement record, except to the extent that the disclosure is necessary to dispose of the law enforcement matter or to continue an investigation;
(c) the personal information relates to employment or educational history;
(d) the personal information was collected on a tax return or gathered for the purpose of collecting a tax;
(e) the personal information consists of an individual's bank account information or credit card information;

Fisheries Act
Secrecy

4. (1) The minister shall keep every return secret and, except for the purpose of a prosecution under this Act, shall not permit a person other than an employee of the department to have access to a return.

(2) An employee of the department shall not disclose or permit to be disclosed to a person other than the minister or another employee of the department a return or part of a return coming to his or her knowledge which can be identified with or related to an individual return or individual person.

(3) Notwithstanding subsections (1) and (2), the minister may, with the written consent of the person from whom a return is obtained, disclose information in that return.

(4) In this section and section 5, "return" means information, oral or written, obtained as a result of a request under this section or section 5.
Lewis, David B.

From: [redacted]
Sent: Monday, November 09, 2015 1:55 PM
To: Lewis, David B.
Subject: Fw: Draft ad for newspapers
Attachments: advert for newspaper v1.docx

Sorry forgot attachment

Sent from my BlackBerry 10 smartphone on the Bell network.

From: [redacted]
Sent: Monday, November 9, 2015 1:54 PM
To: Lewis, David B.
Subject: Draft ad for newspapers

Hi Dave attached is the draft ad for newspapers that would run on weekends Dec 5 and 12th. Can you review and approve please.

Thanks

PS I will be away from Nov 11-20th

Sent from my BlackBerry 10 smartphone on the Bell network.
Advertisement form
Fulfill requirement of content and size.

Font is Arial.

Heading is capital and size 11.

All other text is size 10.

Below is sample of advert.

NOTICE OF FISH PROCESSING LICENCING APPLICATION

TAKE NOTICE that Royal Greenland A/S is applying under the provisions of the Fish Inspection Act and Fish Processing Licencing Board Act for a change of operator for the processing facilities at Old Perlican, Long Cove, Cape Broyle, Cupids and Conche currently operated by Quin Sea Fisheries Limited in the Province of Newfoundland and Labrador.

Comments to this application should be directed to:

Fish Processing Licensing Board Secretariat
P.O Box 8700
St. John’s, NL A1B 4J6
Tel: 709-729-3736
Fax: 709-729-5995
Email: folbsecretarist@gov.nl.ca

Comments must be received no later than December 26th, 2015.
Hi Dave

This release will be going out later today from Royal Greenland. This is a courtesy heads up send to those you need to in confidence until release is formal put out by Royal Greenland any questions please call

Tks

Sent from my BlackBerry 10 smartphone on the Bell network.
Press release

Royal Greenland invests in Quin-Sea Fisheries of Canada

Transaction viewed as important step towards cooperation and consolidation across country boundaries in the North Atlantic

Royal Greenland is pleased to announce its investment in Canadian seafood producer Quin-Sea Fisheries Limited.

Royal Greenland is a vertically integrated fishing, production and marketing company, which is focused on North Atlantic wild-caught fish and shellfish. With revenues of around 5bn DKK, Royal Greenland is the largest company in the world within coldwater prawns, Greenland halibut and lumpfish roe.

Quin-Sea Fisheries annually processes and sells more than 11,000 metric tons of primarily crab and coldwater prawns; supplemented by smaller volumes of whelk, sea cucumber, capelin and cod. The company operates six land-based factories and it generates annual revenues in excess of 60m CAD and employs around 700 people in the high season.

Quin-Sea Fisheries is owned and led by Fred Hopkins and Derrick Philpott, both of whom will remain with the company. Quin-Sea Fisheries is known for its strong management team and its close relationship to local fishermen in Newfoundland and Labrador. Both Derrick and Fred are excited about their partnership with such a well recognized market leader as Royal Greenland. Derrick and Fred comment “we see much opportunity to further develop the seafood industry in Newfoundland and Labrador through working with Royal Greenland. It is important for the ongoing growth of the business that the local seafood industry continues to prosper, and we are eager to join with Royal Greenland to achieve this objective.”

CEO of Royal Greenland, Mikael Thinghuus, says: “We have come to know Fred and Derrick and Quin-Sea very well over the last months, and we are convinced that the two companies are an excellent match. Both companies are founded on a deep knowledge of in-shore fishing and processing and a profound respect for the local communities in which our suppliers and employees live and work.”

“We foresee a great number of benefits from the transaction. While, on the one hand, the products from Quin-Sea will get access to the vast international sales organization of Royal Greenland, we, on the other hand, will benefit both from access to the products from Quin-Sea and from Quin-Sea’s knowledge of species, which are currently not harvested in Greenland, namely whelk and sea cucumber.”

Thinghuus continues: “We all tend to see other companies that harvest, produce and sell the same species as our main competitors. In my view, this is a big mistake; one that I openly admit that we at Royal Greenland have been as culpable of as anyone else. In reality, our main competition is other species of seafood – for example,
consumers switching between cold- and warm-water shrimp — and entirely different sources of protein — chicken, pork, and beef”.

“Our industry is very fragmented. Even the larger companies are dwarfed by the buying power of large retail and wholesale customers. If we want to invest in developing existing markets and building new ones, it is imperative that we consolidate and cooperate within our core species. The consolidation and cooperation must be across national borders that are of little interest to both the fish and the consumers. We regard this investment in Quin-Sea Fisheries as a first, important step in that direction with regards to the core species of Royal Greenland”.

The investment by Royal Greenland is subject to the approval of the provincial government for the “change of operator” of the processing licenses held by Quin-Sea Fisheries Limited.

Nuuk, December 3rd, 2015

Mikael Thinghuus
CEO Royal Greenland

For further information please contact Mikael Thinghuus on +45.5089.3000
I just had a call from John Sackton, Seafood.com, and it appears that the cat is out of the bag on Royal Greenland’s Change of Operator interest in Quin-Sea Fisheries processing licences. He was asking whether foreign ownership was an issue.
Milly, I wanted to pass along to Premier/Premier-designate. These ok to go?

Sent from my BlackBerry 10 smartphone on the Bell network.

They are approved by us and are with Comms Branch.

Are these approved so I can forward along?

These are key messages Roger prepared and submitted to Comms Branch late yesterday.

Julia.

These are the ones I sent to the comms branch yesterday.
Key Messages – Sale of Quin-Sea Fisheries to Royal Greenland

**General:**
- Quin-Sea Fisheries is a private company seeking to conduct a normal business transaction.

- Royal Greenland, a Crown Corporation of Denmark, is a major international seafood company with experience in the types of species harvested off our shores and landed in our province. It is the largest producer of cooked and peeled shrimp in the world.

- Royal Greenland has had involvement in our industry in the past and we have several other foreign investors with business interests in our processing sector today.

- This request for a change of operator must go through the arms-length Fish Processing Licensing Board through a public, transparent process. The Licensing Board will make a recommendation to the Minister of Fisheries and Aquaculture who must make the ultimate decision on whether to approve the change of operator request.

**Change of Operator and Licensing Board Process:**
- A request for a change of operator must go through the independent Fish Processing Licensing Board process and be approved by the minister in order to allow the licences to change from one operator to another.

- The Licensing Board process is public and transparent and will enable input from industry stakeholders and the public to help the board make a recommendation to the minister as to whether or not the transaction is consistent with fish processing licensing policy.

- This arms-length process helps ensure the minister has the necessary information before making a decision.

- The Minister of Fisheries and Aquaculture has sole discretion to decide whether to approve this change of operator request.

- Under the Change of Operator Policy, the proposed new operator, Royal Greenland, must submit an application, including a business plan, in order for the Fish Processing Licensing Board to determine the company's ability to operate and meet their objectives with respect to employment, operating season and quality initiatives as well as the viability of its plans.

- Given the importance of Quin-Sea and its related companies to the processing sector in this province, it is important that the minister has as much information as possible to be able to reach a decision that respects both the legitimate business
interests of the companies involved and the interests of Newfoundlanders and Labradorians.

- The planned change of operator must be publicly advertised in provincial and local newspapers to advise the public and industry stakeholders allowing them the opportunity to make representation to the Licensing Board.

- The Licensing Board will then meet to review the application and to consider feedback received before making a recommendation to the Minister of Fisheries and Aquaculture.

**If asked about Foreign Ownership respecting the processing sector:**

- There are no foreign ownership restrictions on fish processing licenses and associated plants in Newfoundland and Labrador.

- Any company that is established to process fish in the province must comply with provincial fish processing licensing policies including minimum processing requirements for exported products.

- Royal Greenland has had involvement in our industry in the past, as part owner of the Jackson’s Arm shrimp plant, and we have several other foreign investors with business interests in our processing sector today.

**If asked about CETA implications:**

- We are not aware of any implications for CETA and would expect that any concerns would be brought forward by stakeholders as part of the Licensing Board process.

**If asked about Fleet separation and Foreign Ownership respecting the harvesting sector:**

- The Government of Newfoundland and Labrador has been supportive of DFO’s fleet separation policy which states that inshore fishing enterprises should be owned and operated by independent fishers and that does not allow for controlling agreements between fish processors and fish harvesters.

- The Government of Newfoundland and Labrador has also been supportive of DFO’s policy which does not allow foreign ownership in the fish harvesting sector.
Wiseman, Wandalee

From: Wiseman, Wandalee
Sent: Monday, December 07, 2015 12:14 PM
To: Paddle, Paul
Cc: Aucoin, Joelle
Subject: Fw: Royal Greenland - Change of Ownership

Paul...I believe Krista chatted with you on this. Please review.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Murphy, Sandy E <semurphy@gov.nl.ca>
Sent: Monday, December 7, 2015 10:34 AM
To: Paddle, Paul; Wiseman, Wandalee; Brown, Ron; Taylor, Craig
Cc: Quinlan, Krista; Burford, Ian R.
Subject: Royal Greenland - Change of Ownership

Hi everyone,

We have received an application From Royal Greenland A/S for a Change of Operator for the processing facilities as follows:

Quin-Sea Fisheries Ltd., Old Perlican
Quin-Sea Fisheries Ltd., Cupids
Cape Broyle Sea Products Ltd., Cape Broyle
Dorset Fisheries Limited, Long Cove
Conche Seafoods Limited, Conche

The related documents are in TRIM as BC-79372 and DOC-17000.

Please provide comments by January 8, 2015.

Thanks,

s
Dear Mr. Burford:

Please find attached an application for Change of Operator for the processing licenses held by Quin Sea Fisheries Limited.

Enclosed is a check issued to the Newfoundland Exchequer in the amount of $12,500 (five processing licenses at $2500 each). The licenses are for the facilities at Old Perlican, Cupids, Conche, Cape Broyle and Long Cove.

The application is filed following the outline provided by Department of Fisheries and Aquaculture.

It is complete in all respects and if there are any questions or further information required please contact Simon Jarding at sija@royalgreenland.com or phone 709-986-4738.

On behalf of Royal Greenland A/S:

Simon Jarding,
Director of Corporate Business Development
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Here's what I'm proposing to use for the Minister's media training. See attached. The topics, mock questions and KMs look ok to you? If so, I'll send along first thing in the morning.

Roger Scaplen  
Director of Communications  
Department of Fisheries and Aquaculture  
Government of Newfoundland and Labrador  
Office Phone: 709-729-3733  
Cell Phone: 709-697-5267  
rogerscaplen@gov.nl.ca
Media Training – Department of Fisheries and Aquaculture

Issue: Sale of Quin-Sea Fisheries to Royal Greenland

Potential Questions:

Quin-Sea Fisheries is one of the largest players in the province’s fishing industry. This proposed sale will see it sold to a Danish Company. Is there anything that prevents foreign ownership of processing operations in Newfoundland and Labrador?

If there is a lot of opposition to this sale from local industry stakeholders, are you prepared to not approve the change of operator requests? Will you make a commitment today that you won’t allow foreign interests take over such a large stake in the province’s processing industry?

This is a European company. What implications are there in light of CETA? Would MPRs apply to Royal Greenland’s processing operations or could they simply ship their products to Europe for processing?

General:

- Quin-Sea Fisheries is a private company seeking to conduct a normal business transaction.

- Royal Greenland, a Crown Corporation of Denmark, is a major international seafood company with experience in the types of species harvested off our shores and landed in our province. It is the largest producer of cooked and peeled shrimp in the world.

- Royal Greenland has had involvement in our industry in the past and we have several other foreign investors with business interests in our processing sector today.

- This request for a change of operator must go through the arms-length Fish Processing Licensing Board through a public, transparent process. The Licensing Board will make a recommendation to the Minister of Fisheries and Aquaculture who must make the ultimate decision on whether to approve the change of operator request.

Change of Operator and Licensing Board Process:

- A request for a change of operator must go through the independent Fish Processing Licensing Board process and be approved by the minister in order to allow the licences to change from one operator to another.

- The Licensing Board process is public and transparent and will enable input from industry stakeholders and the public to help the board make a recommendation to
the minister as to whether or not the transaction is consistent with fish processing licensing policy.

- This arms-length process helps ensure the minister has the necessary information before making a decision.

- The Minister of Fisheries and Aquaculture has sole discretion to decide whether to approve this change of operator request.

- Under the Change of Operator Policy, the proposed new operator, Royal Greenland, must submit an application, including a business plan, in order for the Fish Processing Licensing Board to determine the company's ability to operate and meet their objectives with respect to employment, operating season and quality initiatives as well as the viability of its plans.

- Given the importance of Quin-Sea and its related companies to the processing sector in this province, it is important that the minister has as much information as possible to be able to reach a decision that respects both the legitimate business interests of the companies involved and the interests of Newfoundlanders and Labradorians.

- The planned change of operator must be publicly advertised in provincial and local newspapers to advise the public and industry stakeholders allowing them the opportunity to make representation to the Licensing Board.

- The Licensing Board will then meet to review the application and to consider feedback received before making a recommendation to the Minister of Fisheries and Aquaculture.

*If asked about Foreign Ownership respecting the processing sector:*
- There are no foreign ownership restrictions on fish processing licenses and associated plants in Newfoundland and Labrador.

- Any company that is established to process fish in the province must comply with provincial fish processing licensing policies including minimum processing requirements for exported products.

- Royal Greenland has had involvement in our industry in the past, as part owner of the Jackson's Arm shrimp plant, and we have several other foreign investors with business interests in our processing sector today.

*If asked about CETA implications:*
- We are not aware of any implications for CETA and would expect that any concerns would be brought forward by stakeholders as part of the Licensing Board process.
If asked about Fleet separation and Foreign Ownership respecting the harvesting sector:

- The Government of Newfoundland and Labrador has been supportive of DFO’s fleet separation policy which states that inshore fishing enterprises should be owned and operated by independent fishers and that does not allow for controlling agreements between fish processors and fish harvesters.

- The Government of Newfoundland and Labrador has also been supportive of DFO’s policy which does not allow foreign ownership in the fish harvesting sector.
Bonita.

FYI. Our Minister was cc'd on this letter.

Dave

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Honourable Dwight Ball
Premier -- Designate
Government of Newfoundland and Labrador
P O Box 8700
Confederation Building St. John's
NL

Dear Premier-Designate Ball:

RE: Royal Greenland Acquisition of Quin-Sea Fisheries Ltd.
In our telephone conversation of December 6, 2015 we discussed at some length the proposed acquisition of majority control in Quin-Sea Fisheries Limited of Old Perlican by a foreign company, Royal Greenland Limited, which is wholly owned by the Government of Greenland. We agreed that this proposed acquisition raises a number of major public policy considerations and that these need to be fully understood before a final decision is taken on this matter. The proponent, Quin-Sea Fisheries Ltd, has already posted notice of its application to the Fish Processing Licensing Board inviting public comment to the Board on its proposal by December 29, 2015. Based on past practice we anticipate that the Board will likely make its recommendation on this proposal to your new Minister of Fisheries soon thereafter. I also indicated that I would discuss this matter immediately with members of our and convey our initial thoughts to you as early as possible.

As you will appreciate our knowledge of the proposed acquisition by Royal Greenland is limited to the information released publicly by officials of both Royal Greenland and Quin-Sea. Corporate acquisitions and transactions of this nature usually involve many operational and financial details which are normally not made public but which must be reviewed and analysed thoroughly by government in any given policy and legislative review process.

Our initial concern over this proposal reflects the overall fisheries policy context in which the proposed acquisition has been submitted to the province’s Fish Processing Licensing Board for a recommendation as to whether or not the Government of Newfoundland and Labrador should grant the necessary processing license to a foreign based company, Royal Greenland, to facilitate its majority ownership and control in Quin-Sea. We are of the view that the proposal has been submitted in a policy vacuum in that we are not aware of any clearly articulated provincial fisheries policies which govern foreign investment in the Newfoundland and Labrador fishing industry and the majority ownership of fish processing companies by foreign entities. Indeed, we understand that there aren’t any ownership restrictions whatsoever on foreign investment in the processing sector. We note, however, that a provincial government official has stated that Royal Greenland’s proposal would be subject to government’s minimum processing requirement (MPR) policy.

The proposed acquisition may also have fish harvesting and resource access implications which will have to be thoroughly reviewed and assessed. Harvesting licenses and quotas fall within the jurisdiction of the Federal Department of Fisheries and Oceans and under its 2007 fleet separation policy inshore licenses and quotas are only issued to full time fish harvesters. However, over the past decade or more fish processing companies in the Atlantic region and in Newfoundland and Labrador have gained control over many inshore licenses and the quotas linked to these licenses through a procedure commonly referred to as “trust agreements”. Under these agreements fish processing companies have gained indirect control of licenses and quotas by financing harvesters to purchase enterprises.
We are not aware as to the extent, if any, Quin-Sea may have entered into any such trust agreements and whether or not any such agreements, if they currently exist, would be transferred to Royal Greenland as the proposed new majority owner in Quin-Sea. If indeed such trust agreements do exist and are transferred they would give a foreign entity indirect control over harvesting licenses and fish resources in Canadian waters. This matter will have to be clarified with Fisheries and Oceans which set an April 14, 2014 deadline for the termination of these trust agreements but we understand this issue may not have been fully addressed.

We fully agree and are concerned that the timing of this proposed Royal Greenland acquisition presents a major public fisheries policy challenge for your new administration. We also understand that foreign interests are presently seeking ownership and control of OCI, the largest fishing company in the province, through the Supreme Court. This highlights our concern that the Quin-Sea proposal does not stand in isolation. The fishery has been characterized by unprecedented change and turmoil over the past two decades and many of these policy challenges have not been addressed effectively. The industry remains fragmented but is critical to the overall economy of our rural economy and demands a far greater measure of public policy attention and government leadership. It is our hope that you and your new administration will bring this attention and leadership through a clearly articulated fisheries policy framework. Such a fisheries policy framework will undoubtedly have implications for your administration’s position not only on foreign ownership in the industry but also on an array of other fisheries related issues including those in the Canada European Trade Agreement (CETA).

It is our view that the Royal Greenland proposal should not be addressed in isolation from a comprehensive fisheries policy framework and that you and your new administration should not be “rushed” into responding to any recommendation from the Fish Processing Licensing Board. It is also our view that the Board does not have the broad policy context in which to address an issue that is far more complicated, for example, than making a decision on whether or not another whelk license should be issued in the province. We believe, in light of the implications of the possibility of increased foreign control over our fishing industry, that your Government should defer a decision on this matter until an appropriate fisheries policy review has been undertaken, with ample opportunity for consultation with harvester and processor stakeholders, and also with interested citizens and communities through a public forum or hearing process.

We welcome the opportunity to discuss this matter further with you once your new administration takes office on December 14.

Yours sincerely,

Chair
Dave,

We have 8 Change of Operator Applications being assessed for the Board. These include the 5 for Royal Greenland (Cupids, Old Perlican, Long Cove, Cape Broyle and Conche), as well as:

Non-Responsive

I will attempt to convene the Board by mid to late January.

Ian
We have received a media request from CBC for an interview about a press release from the Official Opposition re: the sale of Quinn-Sea. I’m going to review the release and speak to the reporter about it. In the meantime, you might like to have a read. I couldn’t find the release online so the reporter provided a copy to me. It’s attached.

Roger Scaplen  
Director of Communications  
Department of Fisheries and Aquaculture  
Government of Newfoundland and Labrador  
Office Phone: 709-729-3733  
Cell Phone: 709-697-5267  
rogerscaplen@gov.nl.ca
Office of the Official Opposition

NEWS RELEASE

December 31, 2015
For Immediate Release

Opposition Asks Licensing Board Several Questions to Consider When Reviewing Royal Greenland's Application to Purchase Quin-Sea

Paul Davis, Leader of the Official Opposition, has written to the Fish Processing Licensing Board to raise several questions the board should consider when reviewing the application by Royal Greenland to purchase Quin Sea Fisheries Limited, which operates fish plants in six Newfoundland and Labrador communities.

"While we strongly support foreign investment in Newfoundland and Labrador’s economy, it is prudent for us to explore and understand the implications of an application by a company owned by the Government of Greenland to purchase a fish processing company in our province, and we believe both the board and the government ought to open up this discussion and answer people’s questions so there is clarity before the final decision is made," said Davis.

The letter raises the following questions:

- Are there any existing respective trust agreements and, if so, would those agreements be inherited by Royal Greenland, along with effective control of the respective harvesting quotas?
- What would be the implications of this with respect to the pool of resources that are available to Newfoundland and Labrador-based fish harvesters?
- Considering all the implications, would the approval of this application set a precedent with respect to foreign influence in the Canadian fishery?
- Would the approval of this application controvert the Government of Canada’s longstanding fleet separation policy?
- Does the business plan provided by Royal Greenland as a part of the application process give an indication that local jobs will continue to be sustained at the current levels?
- Would Royal Greenland have the freedom under CETA to process locally harvested fish outside the country?

Davis said the board has the authority under the Fish Processing Licensing Board Act to “hold an open public meeting with respect to the application in question”. He said, “Considering the
implications of this application, an open public discussion of the matter may be advisable in this instance."

Media Contact:
Heather Maclean
Director of Communications
Office of the Official Opposition
(709) 729 6105
heathermaclean@gov.nl.ca

Backgrounder

Below is the letter to the Board.

Attention: Mr. Ted Lewis, Chairperson, Newfoundland and Labrador Fish Processing Licensing Board
Submission on behalf of: The Official Opposition Caucus, Newfoundland and Labrador
In response to: Change of Operator Application to transfer licences from Quin-Sea to Royal Greenland

Dear Members of the Fish Processing Licensing Board,

The Official Opposition Caucus has several questions about the transference of operator licences from Quin Sea Fisheries Limited (Quin-Sea) to Royal Greenland A/S. We trust that the Board will take these questions into consideration when reviewing the application and making a recommendation to the Minister pursuant to the Fish Processing Licensing Board Act.

The Board’s review of this Change of Operator application is an important regulatory step that will help to determine whether Royal Greenland will be permitted to proceed with its plan to purchase a controlling business interest in Quin-Sea. Our questions relate to the overall business transaction and the impact of it.

While many details of the business transaction have not been made public and only limited information is available regarding both Quin-Sea and Royal Greenland, the Official Opposition Caucus has some questions regarding this transaction. The Official Opposition asks that the Fish Processing Licensing Board take these questions into account when adjudicating the Change of Operator application.

- Royal Greenland is a foreign interest, a company wholly owned by the Government of Greenland. We strongly encourage foreign investment in our economy. There is a longstanding policy tradition of insulating the Canadian fishery from foreign control, and allowing this Change of Operator application would give a foreign company greater influence in the Canadian fishery. If that company were to inherit trust agreements with respect to harvesting quotas, that influence would be increased. Quin-Sea may currently have trust agreements with those who hold harvesting licences and, through
These agreements, Quin-Sea may exert effective control of the respective harvesting quotas. If such trust agreements are in place and this Change of Operator application is allowed, a non-Canadian company may control Canadian quotas. Are there any existing respective trust agreements and, if so, would those agreements be inherited by Royal Greenland, along with effective control of the respective harvesting quotas? What would be the implications of this with respect to the pool of resources that are available to Newfoundland and Labrador-based fish harvesters? Considering all the implications, would the approval of this application set a precedent with respect to foreign influence in the Canadian fishery? Would the approval of this application controvert the Government of Canada's longstanding fleet separation policy?

- Although there has been a public and published commitment by Royal Greenland to keep the processing plants owned by Quin-Sea in our province open, it is not clear whether Royal Greenland has committed to process locally harvested product in Newfoundland and Labrador or to keep the local processing plants open for a set tenure and set capacity, irrespective of market pressures. Jobs created by fish processing plants are important to the rural communities in which they are located, so local employees and residents alike have a great interest in knowing whether such commitments have been made. Does the business plan provided by Royal Greenland as a part of the application process give an indication that local jobs will continue to be sustained at the current levels?

- The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) negotiations dealt with Minimum Processing Requirements for locally harvested fish. Royal Greenland is based in Greenland, which is a European Union "OCT" (Overseas Countries and Territories). Would Royal Greenland have the freedom under CETA to process locally harvested fish outside the country?

It is the request of the Official Opposition Caucus that these questions be given due consideration while the merit of the Change of Operator application is being discussed.

We would like to reiterate that we strongly support foreign investment in Newfoundland and Labrador’s economy, and we continue to believe that Newfoundland and Labrador ought to benefit from CETA and its provisions respecting fish processing. However, it is prudent to ensure that we explore and fully appreciate the implications of important changes in ownership and control before those decisions are approved.

We note that the Board has the authority, pursuant to paragraph 10.(2)(b) of the Fish Processing Licensing Board Act, to "hold an open public meeting with respect to the application in question". Considering the implications of this application, an open public discussion of the matter may be advisable in this instance.

Sincerely,
Paul Davis, MHA Topsail – Paradise,
Leader, Official Opposition Caucus
Hi Paul,

Attached are some brief notes I put together involving the pending Royal Greenland purchase of Quin Sea.

Thanks,

Grant
1. Situational Notes:

- December 3rd 2015 – Royal Greenland purchases Quin-Sea Fisheries for approximately $58 million CAD – pending approval: "Change of Operator" requirements
- Royal Greenland wholly owned by the Government of Greenland – [ATIPPA Sec 29(1)(a)]
- Strong current and historical political ties between Greenland and Denmark

2. [ATIPPA Sec 29(1)(a)]

- Government of Greenland receives multiple forms of financial support:
  
  o Block grant
    
    - From Denmark Government valued at 3.6 billion DKK annually (approx. $600 million USD) page 25
    [http://nyheder.ku.dk/groenlands-naturressourcer/rapportogbaggrundspapir/To the benefit of Greenland.pdf]
  
    
    - Financial support from the EU totaling 15.8 million EURO per year (approx. $17 million USD). Main purpose: Strengthen the relationship in fisheries between the EU and Greenland

  o European Maritime and Fisheries Fund (EMFF) (2014-2020)
    
    - Fund for the EU's maritime and fisheries policies. Denmark allotted 208.4 million EURO over 7 years. Fisheries receiving 74.2 million EURO

3. Moving Forward:

- Greenland seeking complete independence from Denmark
- Struggling commodity (oil, minerals) prices delaying the process
- Academic report suggests “it must be considered highly unlikely that a sustainable economy can be created without the need for subsidies over the next 25 years” page 24
  http://nyheder.ku.dk/groenlands-naturressourcer/rapportogbaggrundspapir/To_the_benefit_of_Greenland.pdf
January 6, 2016

Mr. Paul Davis
MHA Topsail-Paradise
Leader, Official Opposition Caucus
Official Opposition Office
5th Floor, East Block
Confederation Building
P.O. Box 8700
St. John’s, NL A1B 4J6

Dear Mr. Davis:

This will acknowledge receipt of your letter on December 29, 2015, regarding the recent advertisement of the Change of Operator applications submitted by Royal Greenland for processing licences currently held by Quin-Sea Fisheries Limited.

Your letter will, as part of the review process, be directed to the Fish Processing Licensing Board for consideration.

I thank you for your interest in this regard.

Sincerely,

[Signature]

Ian Burns
Secretary
Fish Processing Licensing Board
c. Royal Greenland A/S
January 6, 2016

Dear [Name],

This will acknowledge receipt of your letter on December 29, 2015, regarding the recent advertisement of the Change of Operator applications submitted by Royal Greenland for processing licences currently held by Quin-Sea Fisheries Limited.

Your letter will, as part of the review process, be directed to the Fish Processing Licensing Board for consideration.

I thank you for your interest in this regard.

Sincerely,

Ian Burford
Secretary
Fish Processing Licensing Board

c. Royal Greenland A/S
From: Paddle, Paul
Sent: Thursday, January 14, 2016 9:28 AM
To: Wiseman, Wandalee
Subject: FW: Royal Greenland
Attachments: RE: RG Application; FW: RG Application

From: Paddle, Paul
Sent: Friday, January 08, 2016 1:51 PM
To: Quinlan, Krista
Subject: FW: Royal Greenland

Krista,

See below from Jeff on Trade Policy lens. Also, attached is an analysis by Jeff Thomas.

Paul

From: Loder, Jeff
Sent: Friday, January 08, 2016 1:40 PM
To: Paddle, Paul
Cc: Genge, Daryl; O'Rielly, Alastair; Fitzgerald, Peter
Subject: FW: Royal Greenland

Paul,

Best,

Jeff

From: Fitzgerald, Peter
Sent: Wednesday, January 06, 2016 10:04 AM
To: Quinlan, Krista
Cc: Loder, Jeff
Subject: Royal Greenland
Krista, as discussed attached is the information received from external counsel relative to the application of Royal Greenland and QuinSea. As indicated, with negotiations on AIT occurring next week the question can be discussed on the margins with Jeff Thomas, Jeff Loder, myself and Paul if he is in attendance.

Peter G. Fitzgerald
Manager, Corporate Commercial
Civil Division
T. 709.729.2004
F. 709.729.2129

Newfoundland Labrador

Office of the Attorney General
Department of Justice & Public Safety
Government of Newfoundland and Labrador
4th Floor East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

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Trust this assists. Please let me know if you have any questions relating to any of the above. Regards,
From: Loder, Jeff [mailto:JeffLoder@gov.nl.ca]
Sent: December-18-15 11:41 AM
To: Thomas, Jeffrey S.
Cc: Fitzgerald, Peter
Subject: FW: RG Application

JT,

As discussed here is the Application from Royal Greenland.

Thanks,
Jeff

From: Paddle, Paul
Sent: Wednesday, December 16, 2015 8:43 AM
To: Loder, Jeff
Subject: RG Application

Jeff,

As discussed, DFA has received an application from Royal Greenland A/S for a Change of Operator for the processing facilities as follows:

Quin-Sea Fisheries Ltd., Old Perlican
Quin-Sea Fisheries Ltd., Cupids
Cape Broyle Sea Products Ltd., Cape Broyle
Dorset Fisheries Limited, Long Cove
Conche Seafoods Limited, Conche

For review and comments. Thanks.

Paul

Paul Paddle
Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
30 Strawberry Marsh Road
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Conche Seafoods Limited, Conche

For review and comments. Thanks.

Paul

Paul Paddle
Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
30 Strawberry Marsh Road
P.O. Box 8700
St. John’s, NL A1B 4J6
t. 709 729 1345
f. 709 729 6082
e. paulpaddle@gov.nl.ca
My draft notes from today's meeting with FFAW. Tom's comments have already been incorporated.

Krista
Meeting Summary

Date: Friday, January 8, 2016
Meeting requested by: FFAW
Location: Minister's Board Room, DFA
Attendees:
- Minister Steve Crocker, Fisheries and Aquaculture
- President, FFAW
- Secretary/Treasurer, FFAW
- Inshore Director, FFAW
- Industrial-Retail Director, FFAW
- Communications Officer, FFAW

Officials:
- David Lewis, DM
- Krista Quinlan, ADM
- Brian Meaney, ADM
- Tom Dooley, Director

Agenda Item: Royal Greenland Purchase of Quin-Sea Operations

Discussion:
FFAW has heard a number of concerns from various interests about Royal Greenland's (RG) commitment to Newfoundland and Labrador communities, and wondering if the Minister can do anything to ensure that there is a strong commitment to keep the resource in the province. They noted that, in the backdrop of CETA, there may be larger concerns. Another concern is
controlling interests in harvesting operations. The FFAW is pleased that the Province supports the owner-operator policy and has made a commitment to review the RG deal. They requested that the Minister raise the concern around trust agreements with the federal minister. Minister Crocker noted that he is unable to comment on the deal as it will be before the Fish Processing Licensing Board, and he has made a commitment to hear both sides.

<table>
<thead>
<tr>
<th>Action Items</th>
<th>Person Responsible</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Consider raising controlling interest</td>
<td>Minister</td>
<td>January 14</td>
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<td>Issue with Minister topco</td>
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FFAW January 8, 2016
Hickey, Rhonda

From: Paddle, Paul
Sent: Friday, February 19, 2016 2:33 PM
To: Hickey, Rhonda
Subject: FW: Royal Greenland
Attachments: Royal Greenland Profile.docx

From: Paddle, Paul
Sent: Wednesday, January 13, 2016 12:14 PM
To: Quinlan, Krista
Subject: Royal Greenland

Krista,

See attached.

Paul

Paul Paddle
Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
30 Strawberry Marsh Road
P.O. Box 8700
St. John’s, NL A1B 4J6
t. 709 729 1345
f. 709 729 6082
e. paulpaddle@gov.nl.ca
Information Note
Department of Fisheries and Aquaculture

Title: Royal Greenland A/S

Issue: Profile of Royal Greenland

Background and Current Status:

- Royal Greenland (RG) is a government-owned seafood harvesting and processing company employing over 1900 people. RG harvests, processes, packages and distributes a wide range of seafood including: prawns, Greenland halibut, cod, lumpfish roe, mackerel, herring and capelin. RG owns a fleet of 3 deep-sea prawn factory trawlers, two small in-shore prawn trawlers, two deep sea trawlers for halibut, cod, etc., and seven halibut trawlers. The company owns 40 plants in Greenland (the number of plants doubled from 2012 to 2014).
- RG has a brine factory, a modified atmosphere packaging factory and a production and packaging company (smoked products) all located in Denmark. RG also has factories in Germany, Poland and Canada. The company's 2013/14 annual report indicates that production at its plant in Matane, Quebec decreased by almost 15% due to a combination of falling quotas in the Gulf of St. Lawrence and fierce price competition, especially with producers from Newfoundland.
- In 2014, RG Pelagie was founded which is run jointly with two Icelandic companies.
- According to RG’s 2013/14 financial statements, the company had net revenue of DKK 4,913 million (CAD 966 million) and a net profit of DKK 136 million (CAD 26.8 million).
- RG owns 43% of Polar Raajat A/S which is a subsidiary of Polar Seafood Ltd. These two companies have full market access to the EU market through a bilateral agreement with its home country Denmark (RG has been highly subsidized by the Danish government).
- Access to prawn quotas in Greenland is important for RG as a source of raw material. The quota for prawns in West Greenland was set at 73,000 tonnes in 2015 which represents a decline in TAC of approximately 40 percent over the past four years. In 2014, RG purchased over 24,000 tonnes of prawns for its factories in Greenland.
- In 2015, RG and the Association of Seafood Producers in Newfoundland and Labrador, supported by the Province (approximately $48,000), collaborated on the Wild Atlantic Prawn Chef Education Program (WAPCEP). The WAPCEP aims to better educated chefs on Atlantic shrimp and how best to cook and serve and the nutritional benefits. The program promotes cold water cooked and peeled shrimp in the U.K. foodservice and retail markets.
- RG markets for prawns include: Sweden (shell-on), Denmark (peeled), Italy (brined), UK (cooked and peeled) and Japan (prawn for sushi market).

Prepared/reviewed by: P. Paddle

May 14, 2015
From: Paddle, Paul
Sent: Thursday, January 14, 2016 9:28 AM
To: Wiseman, Wandalee
Subject: FW: Royal Greenland Proposal on Quin-Sea Fisheries Limited
Attachments: RG Consideration Points.docx

From: Paddle, Paul
Sent: Friday, January 08, 2016 1:48 PM
To: Quinlan, Krista
Subject: Royal Greenland Proposal on Quin-Sea Fisheries Limited

Krista,

See attached on points for consideration on Royal Greenland.

Paul

Paul Paddle
Government of Newfoundland and Labrador
Department of Fisheries and Aquaculture
30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL A1B 4J6
t. 709 729 1345
f. 709 729 6082
e. paulpaddle@gov.nl.ca
Royal Greenland (RG) is wholly owned by the Government of Greenland.

The Government of Greenland receives multiple forms of financial support for the fisheries sector:

- **Block grant**
  - From Denmark Government valued at 3.6 billion DKK annually (approx. $600 million USD) page 25

  - Financial support from the EU totaling 15.8 million EURO per year (approx. $17 million USD). **Main purpose:** Strengthen the relationship in fisheries between the EU and Greenland

  - Fund for the EU's maritime and fisheries policies. Denmark allotted 208.4 million EURO over 7 years. Fisheries receiving 74.2 million EURO

While Greenland is seeking independence from Denmark, it is highly unlikely that the Greenland economy will be sustainable without subsidies for the next 25 years ([http://nyheder.ku.dk/groenlands-naturressourcer/rapportogbaggrundspapir/To_the_benefit_of_Greenland.pdf](http://nyheder.ku.dk/groenlands-naturressourcer/rapportogbaggrundspapir/To_the_benefit_of_Greenland.pdf), page 24).

Struggling commodity (oil, mineral) prices are delaying the process toward independence.

International Agreements
For required action.

Sent from my BlackBerry 10 smartphone on the Bell network.

Want to keep everyone in the loop on [REDACTED]. Was not part of the earlier meeting he had with yourself or Minister Crocker so unsure whether his current comments herein accurately reflect what was earlier discussed.

Min. Crocker, can you have someone in your dept. advise us of an appropriate response to [REDACTED]?

Mr. Parsons,

Thank you for your response to our call. Since you have been informed of our contact with Premier Ball and a brief conversation with Minister Crocker we should explain why we attempted to convey our message to the Premier again. This Quinsea/Royal Greenland deal, the final outcome of the Supreme Court case between an Icelandic company OCI and the Provincial Govt, CETA and other major issues will have a lasting impact on the future of the N&L fishing industry. We are deeply concerned about the ongoing efforts of NAFO fishing nations and others to infiltrate our fishing operations with the ultimate objective of succeeding in gaining entry into our fisheries again with unrestricted and uncontrolled fishing as they did prior to extension of jurisdiction.

Some months before Mr. Ball was elected leader the [REDACTED] was invited to meet with him and some other Party members to outline our views on the future of the fishery. For your information we have been in existence since the Moratorium on Canadian ground fisheries in 1992. We have witnessed the withdrawal of the Federal Govt from its obligation to sustainable and conservatively manage the Common Property Resource, our renewable fishery, which Canada agreed to do when we joined Confederation in 1949. We have made presentations to the Senate and House of Commons Fisheries Committees documenting this fact and the sharp reduction in the DFO budget and the consequent reduction in Federal fisheries scientific capability to manage this all important resource. The N&L groundfishery is at its lowest levels in history and every participant and every community in our Province is fighting for survival as a result. The diminishing crab and shrimp fisheries have temporarily provided some employment.
Following our meetings with Mr. Ball and others the [redacted] members drafted a five page document on our fisheries outlining the present situation and presenting our views on what could be the basis for the new Liberal Govt's fishery policy. We will send you a copy.

The [redacted] members made their views known to Mr. Ball at that time and in subsequent meetings with Members of the Liberal Party. We had been in a constant battle with the Harper Govt and the our Provincial Govt for ten years and watched both Govts totally ignore the fact that our fishery was and will remains our basic renewable industry. It was once the greatest and most diversified fishery in the world. After the Harper and our past Govt. experience our renewable fishery is at its lowest level on all fronts. Oil and minerals are nonrenewable.

When Mr. Ball was elected leader he telephoned me on Dec. 6th and the subject of Quinsea/Royal Greenland was discussed. He was upset as were many others that the proponents of the deal had selected the period of the Christmas/New Year holiday to make application to the Licensing Board knowing full well that it would attract little attention except from its proponents. He was requesting our views on the subject. The Members of the Alliance met and drafted a reply, a copy of which is being forwarded to you today.

Before any decision is made re the Quinsea/Royal Greenland deal our Govt should be aware that Royal Greenland is wholly owned and financed by the Govt. of Denmark and is responsible for implementing the fisheries policies of that Foreign Govt. Denmark along with Greenland and the Faroe Islands are major players in the North Atlantic fisheries. If Royal Greenland was only looking for seafood products to market internationally they could have entered into an agreement with Quinsea to market all their production. Instead ownership of Quinsea opens up obvious opportunities to start gaining control of the fishing resource. Other NAFO nations are waiting in the wings to hear the outcome of the application for ownership by Royal Greenland.

We are unaware the Licensing Board hearings were extended. We understood it concluded receiving presentations on Dec. 29th in the middle of the Holiday season.

In addition to the Alliance letter regarding the Quinsea/Royal Greenland deal we will send you a copy the earlier letter in which we outlined a possible basis for the new Liberal Govt's fishery policy.

Yours truly

[redacted]

Chair

[redacted]

On Wednesday, January 13, 2016, Parsons, Kelvin <kparsons@gov.nl.ca> wrote:

Hi [redacted]

On Wednesday, January 13, 2016, Parsons, Kelvin <kparsons@gov.nl.ca> wrote:
Thank you for your email. I understand you had made your concerns on this matter known to both Minister Crocker and Premier Ball. I have also been made aware of your concerns and have been briefed on this issue and am not sure what a further conversation would add. If you have additional information please advise and I'd be happy to chat with you. I understand the next move on your part is to prepare and present your brief to the Board and we would certainly appreciate a copy of same once complete.

Thank-you.
Kelvin

From: [redacted]
Sent: Wednesday, January 13, 2016 3:51 PM
To: Parsons, Kelvin <kparsons@gov.nl.ca>
Subject: Quinsea/Royal Greenland

Mr. Parsons,

On behalf of the [redacted] we have been trying to contact you by phone. We realize you are exceptionally busy but we are deeply concerned that our Government will approve this project without a thorough understanding of the negative implications this project will have on the future survival of many fishing communities and indeed the industry itself in this Province.

We would appreciate a call at your convenience at anytime day or night. Our telephone number is [redacted].

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From: Paddle, Paul  
Sent: Friday, January 08, 2016 1:51 PM  
To: Quinlan, Krista  
Subject: FW: Royal Greenland

Krista,

See below from Jeff on Trade Policy lens. Also, attached is an analysis by Jeff Thomas.

Paul

From: Loder, Jeff  
Sent: Friday, January 08, 2016 1:40 PM  
To: Paddle, Paul  
Cc: Genge, Daryl; O’Rielly, Alastair; Fitzgerald, Peter  
Subject: FW: Royal Greenland

Paul,

Best,

Jeff

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Sent: Wednesday, January 06, 2016 10:04 AM  
To: Quinlan, Krista  
Cc: Loder, Jeff  
Subject: Royal Greenland
Krista, as discussed attached is the information received from external counsel relative to the application of Royal Greenland and QuinSea.

Peter G. Fitzgerald
Manager, Corporate Commercial
Civil Division

T. 709.729.2004
F. 709.729.2129

Newfoundland Labrador

Office of the Attorney General
Department of Justice & Public Safety
Government of Newfoundland and Labrador
4th Floor East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

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---Original Message-----
From: Murphy, Sandy E
Sent: Friday, January 15, 2016 3:50 PM
To: Wiseman, Wandalee; Goosney, Wilson I.; Brown, Ron; Taylor, Craig
Cc: Burford, Ian R.

Hi Guys sorry for the delay in sending this. Please provide comment by January 25th. Comments have also been requested from Justice.
Related Records are:
BC-79501
BC-79502

Also notes on file which will be trimmed the # forwarded to you.

s

------< HP TRIM Record Information >-----

Record Number: BC-79372
Title : Letter from Simon Jarding/Royal Greenland A/S/Director of Corporate Business Development/to Ian/Change of Operator application for processing licences held by Quin Sea Fisheries Limited/December 3, 2015
Fish Processing Board Secretariat  
Department of Fisheries and Aquaculture  
30 Strawberry Marsh Road  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

December 29, 2015

FFAW-Unifor Submission on the Proposed Change of Operator Application by Royal Greenland A/S for the Plants Located in Conche, Cape Broyle, Long Cove, Cupids and Old Perlican that are Currently Operated by Quin-Sea Fisheries

The recent acquisition of Quin-Sea Fisheries by Royal Greenland raises two primary concerns for the FFAW and its members.

Our first concern relates to the uncertainty created by this change of operator. Royal Greenland is not an NL-owned company, and is in fact wholly owned by the Government of Greenland, which is a self-governing administrative division of the Government of Denmark. While foreign ownership of processing plants already exists in this province, the Royal Greenland change of operator application is on a different scale than past transfers to foreign ownership.

The five plants involved in the change of operator application employ hundreds of people in rural NL. Four out of the five plants are located in municipalities and it is certain that these plants are the biggest generators of local revenue for these towns. Has Royal Greenland committed to the long term future of these five plants? Should any of these plants close, the municipalities and surrounding regions will be devastated.

If a commitment to the continued operation of these plants is not forthcoming, what actions has the Fish Processing Licensing Board taken to understand the implications of this change in operator application? Does the board understand the business model that Royal Greenland applies to the operation of processing plants? If the Board does know the business model, how does that apply to the circumstances of each of the five plants? Has Royal Greenland ever operated processing plants areas with harvesting and processing periods similar to those in this province?

We also know very little about how Royal Greenland operates its plants. Are they good employers? What wages and benefits do they pay their current processing plant employees? Do they hire locally or do they prefer to use cheaper imported labour? Are they environmentally responsible? Do they have a history of labour and human rights complaints? Do they have an acceptable workplace safety record?
The change in operator application should also be considered through the lens of the CETA agreement. The NL processing sector will be more exposed under CETA. Is Royal Greenland's purchase merely a precursor to a wholesale shift of NL processing capacity to Europe once current tariffs are reduced? Royal Greenland needs to answer all of these questions contained in the last four paragraphs before the change of operator application is approved. The acquisition of a major NL processing company by a large foreign corporation cannot proceed with the vague information that is currently publicly available.

Our second concern is more complex and troubling. The inshore fishery, which provides raw material to the plants subject to this change of operator application, functions based on two important and connected policies - owner-operator and fleet separation. All inshore enterprises fall under the owner-operator policy, which holds that the owner of a fishing license must personally harvest the quota attached to that license. This policy endeavours to keep fishing licenses with active harvesters and it directly connects the wealth of the sea to the harvester. Meanwhile, the fleet separation policy forbids processing companies from acquiring fishing licenses, though processing company-licenses owned prior to this policy were grandfathered in.

The combined effect of the owner-operator and fleet separation policies creates a vibrant fishing economy. Harvesters and processors compete at the wharf for the best price, creating an ideal supply and demand scenario that is facilitated by a collectively bargained minimum price. In the inshore fishery there is no vertical integration, and the ownership of raw material is transferred to different individuals/companies at various stages with negotiated consideration paid at each step. While not perfect, the system works very well and succeeds at sharing the economic benefits of the fishery.

Unfortunately, for the past 15 to 20 years, several processing companies have established a method to work around the owner-operator and fleet separation policies. By taking advantage of the financial vulnerability of some harvesters, processing companies have convinced scores of harvesters to serve as fronts in the acquisition of fishing licenses. Under a typical arrangement, a processing company will provide funds for a harvester to purchase a license; in turn the harvester will agree to a strict contract with the processing company that grants all meaningful control of the license to the processing company. In the fishery this is known as a 'controlling agreement.'

Usually in a controlling agreement, the harvester is obligated to sell the fish attached to the controlled license to the processing company. This removes all negotiation between harvester and processor at the wharf and undermines the entire economic system of the fishery. Controlling agreements allow for vertical integration through the backdoor.

Controlling agreements are relevant to this change in operator application because there are strong suspicions that Quin Sea has several owner-operator enterprises under controlling agreement. This begs the question: are these controlling agreements now being transferred to Royal Greenland? Are the obligations and restrictions that the harvester once owed to Quin Sea now owed to Royal Greenland?

If the answer to these two questions is "yes", then the Licensing Board is being asked to approve the transfer of arrangements that allow for the vertical integration of the inshore fishery.
We need to know if Royal Greenland knows of these controlling agreements and if the agreements were deemed assets that were paid for. Controlling agreements have the practical effect of granting ownership of quota to the processing company. If Royal Greenland acquires the controlling agreements, has it essentially bought an inshore quota in violation of the fleet separation policy?

Controlling agreements are terrible for the owner-operator fishery. This fact is acknowledged by the federal government, which regulates the fisheries and safeguards the owner-operator and fleet separation principles. In July 2015, the federal government initiated a new aggressive approach to eliminating controlling agreements; unfortunately, the federal government does not have the jurisdiction to investigate the role of processing companies in controlling agreements. With that said, the provincial government is in an ideal position to investigate the role of processing companies in violating the two most important policies for the sanctity of the inshore fishery.

It is imperative that the Licensing Board address the controlling agreements that are likely captured in this transfer of operations to Royal Greenland. Will the Board acquiesce in the ongoing violation of the owner-operator and fleet separation policies and ignore the controlling agreements? Or, will the Board set the necessary precedent and deny the change of operator application if the Quin Sea controlling agreements are transferred to Royal Greenland like any other asset? The improper actions of Quin Sea should not be turned into a commodity to be sold to the benefit of the new purchaser.

Thank you for considering our submission and we expect the Board will make an informed and proper decision on Royal Greenland’s application.

Yours truly,
Attention: Mr. Ted Lewis, Chairperson, Newfoundland and Labrador Fish Processing Licensing Board

Submission on behalf of: The Official Opposition Caucus, Newfoundland and Labrador

In response to: Change of Operator Application to transfer licences from Quin-Sea to Royal Greenland

Dear Members of the Fish Processing Licensing Board,

The Official Opposition Caucus has several questions about the transference of operator licences from Quin Sea Fisheries Limited (Quin-Sea) to Royal Greenland A/S. We trust that the Board will take these questions into consideration when reviewing the application and making a recommendation to the Minister pursuant to the Fish Processing Licensing Board Act.

The Board’s review of this Change of Operator application is an important regulatory step that will help to determine whether Royal Greenland will be permitted to proceed with its plan to purchase a controlling business interest in Quin-Sea. Our questions relate to the overall business transaction and the impact of it.

While many details of the business transaction have not been made public and only limited information is available regarding both Quin-Sea and Royal Greenland, the Official Opposition Caucus has some questions regarding this transaction. The Official Opposition asks that the Fish Processing Licensing Board take these questions into account when adjudicating the Change of Operator application.

- Royal Greenland is a foreign interest, a company wholly owned by the Government of Greenland. We strongly encourage foreign investment in our economy. There is a longstanding policy tradition of insulating the Canadian fishery from foreign control, and allowing this Change of Operator application would give a foreign company greater influence in the Canadian fishery. If that...
company were to inherit trust agreements with respect to harvesting quotas, that influence would be increased. Quin-Sea may currently have trust agreements with those who hold harvesting licences and, through these agreements, Quin-Sea may exert effective control of the respective harvesting quotas. If such trust agreements are in place and this Change of Operator application is allowed, a non-Canadian company may control Canadian quotas. Are there any existing respective trust agreements and, if so, would those agreements be inherited by Royal Greenland, along with effective control of the respective harvesting quotas? What would be the implications of this with respect to the pool of resources that are available to Newfoundland and Labrador-based fish harvesters? Considering all the implications, would the approval of this application set a precedent with respect to foreign influence in the Canadian fishery? Would the approval of this application controvert the Government of Canada’s longstanding fleet separation policy?

- Although there has been a public and published commitment by Royal Greenland to keep the processing plants owned by Quin-Sea in our province open, it is not clear whether Royal Greenland has committed to process locally harvested product in Newfoundland and Labrador or to keep the local processing plants open for a set tenure and set capacity, irrespective of market pressures. Jobs created by fish processing plants are important to the rural communities in which they are located, so local employees and residents alike have a great interest in knowing whether such commitments have been made. Does the business plan provided by Royal Greenland as a part of the application process give an indication that local jobs will continue to be sustained at the current levels?

- The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) negotiations dealt with Minimum Processing Requirements for locally harvested fish. Royal Greenland is based in Greenland, which is a European Union “OCT” (Overseas Countries and Territories). Would Royal Greenland have the freedom under CETA to process locally harvested fish outside the country?

It is the request of the Official Opposition Caucus that these questions be given due consideration while the merit of the Change of Operator application is being discussed.
We would like to reiterate that we strongly support foreign investment in Newfoundland and Labrador's economy, and we continue to believe that Newfoundland and Labrador ought to benefit from CETA and its provisions respecting fish processing. However, it is prudent to ensure that we explore and fully appreciate the implications of important changes in ownership and control before those decisions are approved.

We note that the Board has the authority, pursuant to paragraph 10.(2)(b) of the Fish Processing Licensing Board Act, to "hold an open public meeting with respect to the application in question". Considering the implications of this application, an open public discussion of the matter may be advisable in this instance.

Sincerely,

Paul Davis,
MHA Topsail – Paradise
Leader, Official Opposition Caucus
Hi Dave

The executive of Royal Greenland will be in NL for a presentation to the licensing Board on Feb 1st. They will be in the Province for a few days so if any government officials i.e. Minister Crocker, other ministers or deputies, or the Premier wish to meet the CEO Mikael Thinghuus he can make some time available.

Please advise

Thanks

Sent from my BlackBerry 10 smartphone on the Bell network.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
From: Quinlan, Krista  
Sent: Wednesday, January 20, 2016 5:05 PM  
To: Lewis, David B.  
Subject: Fw: Royal Greenland Application

FYI

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Burford, Ian R. <iburford@gov.nl.ca>  
Sent: Wednesday, January 20, 2016 4:44 PM  
To: Quinlan, Krista  
Cc: Murphy, Sandy E  
Subject: FW: Royal Greenland Application

Mr. Burford, as indicated in our telephone conversation you did not have any conversation with me regarding procedural guidelines or anything associated with the Royal Greenland application. We have had discussions with the Premier and a telephone conversation with minister Crocker. We must make this clear, other than those contacts we have no discussions on the subject with anyone in the Dept. of Fisheries.

The meeting meets on Friday of this week and will discuss the matter regarding the use of an email sent to the Premier. We will email you immediately following our meeting.

On Wednesday, January 20, 2016, Burford, Ian R. <iburford@gov.nl.ca> wrote:

Hello,

Some time ago, I spoke with you to provide information on the procedural guidelines for fish processing licence applications which are directed to the Fish Processing Licensing Board for review. One component in this process is for the applicant to publicly advertise their intent in newspapers with province wide and regional circulation in the communities directly impacted by the application(s). Any person or group which intends to respond to the ad in support of or in opposition to the notice, must submit their views in writing to the Board Secretariat on or before the stated deadline. As Secretary for the said Board, I did not receive any response from you or your group but was provided an email which you sent to Premier Dwight Ball on December 17, 2015.

While it is normal practice to only direct responses to the Secretariat to the attention of the Board, I will include your comments in the briefing material. The Board will meet to consider this application on February 1 in Grand Falls/Windsor.
I trust that this is satisfactory.

Regards, Ian Burford
Secretary
Fish Processing Licensing Board

“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.”
I do recall Ian speaking with me about the conversation.

Sent from my BlackBerry 10 smartphone on the Bell network.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

Ian
Department of Fisheries and Aquaculture
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, NL
Canada
A1B 4J6

ATIPPA Sec 40(1)
Mr. Burford, as indicated in our telephone conversation you did not have any conversation with me regarding procedural guidelines or anything associated with the Royal Greenland application. We have had discussions with the Premier and a telephone conversation with minister Crocker. We must make this clear, other than those contacts we have no discussions on the subject with anyone in the Dept. of Fisheries. [ATIPPA Sec 40(1)]

On Friday of this week and will discuss the matter regarding the use of an email sent to the Premier. We will email you immediately following our meeting.

Chair
[ATIPPA Sec 40(1)]

On Wednesday, January 20, 2016, Burford, Ian R. <iburford@gov.nl.ca> wrote:

Hello,

[ATIPPA Sec 40(1)]

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I trust that this is satisfactory.

Regards, Ian Burford

Secretary

Fish Processing Licensing Board

"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this
From: Crocker, Steve
Sent: Friday, January 22, 2016 9:24 AM
To: Quinlan, Krista; Lewis, David B.
Subject: Email re Quinsea

Sent from my BlackBerry 10 smartphone on the Bell network.

From: [redacted]
Sent: Thursday, January 21, 2016 10:42 PM
To: Crocker, Steve
Subject: ATIPPA Sec 40(1)

Hey Steve, congrats on your win and especially on you position as Fisheries Minister. I was wondering what your thoughts are on Royal Greenland taking over Quin-Sea, I have been working for Quin-Sea for the past 16 yrs. and did good. My co-workers and i were wondering if the quota's are going to stay in NL plants and not taken away to other countries for processing. Sometimes we don't get the full picture until it is too late, I hope this doesn't happen in this situation. Some info in simple terms would be greatly appreciated and that the plant in OLD PERLICAN will continue to thrive for many more years.
Hey... forgot to copy you on this when I sent it off to Sandy. Steve and I discussed the file prior to him preparing the comments. Given the limited information provided in the projections provided, our comments are limited.

Thanks,
Kate

-----Original Message-----
From: Lundrigan, Kathleen
Sent: Monday, January 25, 2016 3:28 PM
To: Murphy, Sandy E

Hi Sandy, see below for comments prepared by Steve. The only other thing that I would add is that Royal Greenland A/S is 100% owned by the Gov't. of Greenland. I had a discussion with Paul who indicated that Krista has received various information on this issue. Whether this is something that should be included in the financial section or not is probably a discussion that you should have with Krista. I don't think it is really relevant, but Wanda said for me to note it.

Thanks,
Kate

-----Original Message-----
From: Murphy, Steve P.
Sent: Friday, January 22, 2016 2:01 PM
To: Lundrigan, Kathleen

Hi Kate,

As requested, I have reviewed the Quin-Sea Fisheries Limited unaudited pro-forma consolidated financial statements for the years ended December 31, 2016, 2017, 2018 and 2019 and offer the following observations:
- there is no pricing information provided, or break-down of how projections were calculated, regardless of the reference to 2014 results and position.

I did not identify anything in the financial information provided as being of significant concern with respect to the continued operation of these plants.

Thanks,
Steve

Steve Murphy
Financial Analyst
Planning Services Division
Department of Fisheries and Aquaculture
P.O. Box 8700
30 Strawberry Marsh Road
St. John's, NL
A1B 4J6

Tel. (709) 729-4268
Fax. (709) 729-6082

-----Original Message-----
From: Lundrigan, Kathleen
Sent: Thursday, January 21, 2016 11:46 AM
To: Murphy, Steve P.

Steve,

I will send the financials related to the application in the next email. The company has provided projections only so I asked Sandy about getting the past 3 years of actuals so we can see where things actually stand.

They have provided some assumptions to aid in the review.

Thanks,
Kate

-----Original Message-----
From: Murphy, Sandy E
Sent: Friday, January 15, 2016 3:50 PM
Hi Guys sorry for the delay in sending this. Please provide comment by January 25th. Comments have also been requested from Justice.
Related Records are:
BC-79501
BC-79502

Also notes on file which will be trimmed the # forwarded to you.

--< HP TRIM Record Information >--
Lewis, David B.

From: Quinlan, Krista
Sent: Tuesday, January 26, 2016 7:31 AM
To: Lewis, David B.
Subject: Re: RG Meeting

Should be ok.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lewis, David B.
Sent: Monday, January 25, 2016 8:09 PM
To: Quinlan, Krista
Subject: RG Meeting

Krista.

Will you be available for this meeting in the 4th? I am scheduled to be on leave and out of town.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Crocker, Steve <SteveCrocker@gov.nl.ca>
Sent: Monday, January 25, 2016 7:24 PM
To: Fleming, Jeanette
Cc: Lewis, David B.
Subject: Re: Meeting

Thanks Jeanette.

I will confirm as soon as possible.

Steve

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Fleming, Jeanette
Sent: Monday, January 25, 2016 6:16 PM
To: Crocker, Steve; Parsons, Kelvin; Murphy, Tim
Cc: Miles, Peter
Subject: RE: Meeting

Good Evening Minister Crocker

The Premier would be available to meet with the CEO of Royal Greenland at 4:30 pm on Thursday Feb. 4th. I will hold that meeting time while you confirm that it works.

Jeanette
You may have already received from Kelvin. Another meeting to schedule. Thanks.

Will forward to Jeanette and she'll advise soon re availability.
KP

Sent from my BlackBerry 10 smartphone on the Bell network.

Sorry Thursday Feb 4th.

Steve Crocker

Sent from my BlackBerry 10 smartphone on the Bell network.

Good afternoon,

The CEO of Royal Greenland will be in St. John's and is available to meet with the Premier on Thursday. Please advise if the Premier's schedule allows?

Steve Crocker

Sent from my BlackBerry 10 smartphone on the Bell network.
Hi Dorothy,

Attached, for the early attention of your Minister and Deputy Minister, is a letter to Premier Ball from Mikael Thinghuus, Chief Executive Officer of Royal Greenland.

Note - the Minister will be meeting with Royal Greenland next week.

Thanks.
Virginia

--------< HP TRIM Record Information >--------

Record Number: ICOR2016/0324
Title: Letter to Premier Ball from Mikael Thinghuus, Chief Executive Officer, Royal Greenland regarding letter by [REDACTED] about company's application to Government for approval of the change of operator for processing licenses issued to QuinSea Fisheries
Honourable Dwight Ball  
The Office of the Premier  
Confederation Building, East Block  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

January 27, 2016

Dear Premier Ball:

I write in response to a letter forwarded to me today that was written January 24th by [redacted] in respect to our Company’s application to the Government of Newfoundland and Labrador for the approval of the change of operator for the processing licenses issued to QuinSea Fisheries Limited (QSF).

First, I would like to address the statement that QSF has trust agreements that control fishing licenses and fish quotas. Royal Greenland is aware of the laws, regulations and policies regarding the fisheries within Atlantic Canada. Indeed, our Company has owned and operated a shrimp processing facility in the Province of Quebec since 2007. Royal Greenland has spent months conducting comprehensive operational, financial, environmental, and legal due diligence in respect to our proposed acquisition of QSF. Our review has included QSF’s relationships with fish harvesters and based on this review we are satisfied that the Company’s operations comply with the law and regulations of the fishery within Canada and Newfoundland and Labrador. QSF has no trust agreements nor does it control or own any fishing licenses or fish quotas. It does have supply arrangements and agreements with fish harvesters which are in the ordinary course of business built upon a mutual beneficial agreement with individual harvesting enterprises.

Our ownership of a processing company within NL does not have any potential to erode fisheries management in Canada as proposed. QSF is a sizeable processing company but it is one of many and the Company has little to no influence over fisheries management within Canada. Furthermore, Royal Greenland has no ability to conduct foreign fishing within your country’s 200 mile fishing zone. We have no fishing licenses to operate within Canada’s fishery. Canada and Greenland share a common vision to manage our fish stocks. Our Company respects the national jurisdiction of Canada and we fully cooperate with national and international management regimes to ensure fisheries are managed in a sustainable manner.

In order to avoid any confusion - Greenland is not a member of EU. Greenland negotiates its own trade agreements with EU just like any other third nation country such as Canada. So in fact Greenland and Canada share the same status in respect to EU.
For Royal Greenland fully owned or financed by the government of Denmark. Royal Greenland is a public owned Greenlandic company and the governance of public owned companies falls on the jurisdiction of Greenland and not Denmark. The ownership and the independency of Denmark can be further expanded as per request.

In respect to CETA, our Company endorses free trade with Canada and we foresee much benefit that can accrue to your Province's processing industry. CETA will enable NL based processors to access one of the largest most valuable markets in the world with free access. It is our strong held view that this will result in the opportunity to further add value through processing of seafood locally in NL and certainly not the opposite.

It is ironic that our own employees and the public in Greenland express concern over our acquisition of QSF in that they worry that Royal Greenland intends to procure locally harvested fish in Greenland and export it to NL for processing. Of course, we have no such intention nor do we intend to export NL raw material for processing in Greenland. We are investing in NL to process locally harvested seafood into the highest quality and valuable seafood products to service our extensive international sales and marketing network. If we had intention to do otherwise, we would not be investing in the processing industry in Canada. It makes no business case to buy or invest in processing in NL, if we intend to export the raw material.

Royal Greenland has much experience in the seafood market internationally and we have learned that our best experience in business is to process the raw material as close to where it is harvested as possible – it simply means producing the best quality product and giving our customers the best eating experience.

We are acutely aware of the challenges of operating within the processing sector of the seafood industry and particularly with cooperation with many independent local fishermen. Indeed, our operations in Greenland are dominated with many of the same characteristics. We procure raw material from more than 1,500 independent local fishermen and we operate 37 processing facilities in Greenland based upon securing raw material supplies from these enterprises. This is a business we know and an operating environment that we are very comfortable with – it is not unlike QSF and that is why we are a good match. Unlike QSF, however, we have the added dimension of vertical integration in certain aspects of our business and we have established our Company as a leading seafood marketer. This dimension we feel can add value to our business investment in QSF.

Royal Greenland is a foreign public company, one that we are very proud of. We have a strong value based business philosophy, built on integrity and transparency. We know what is expected of us and we are committed to invest in NL and Canada. Our business plan is to build upon the success of a well-established processing Company - QSF. We have the intent to maintain and grow the business, including the operation of its plants and the employment of its people that depend on its business. All aspects which we have taken an effort to explain in depth in the application for “change of operator”.

We also intend to maintain and enhance the service we provide to QSF’s suppliers of raw material as without them we will not have the necessary supplies to secure our investment and continue to meet the ever increasing demands from our customers. The only risk or qualification that Royal Greenland has to pronounce is that we are dependent
upon a wild and often unpredictable resource - fish stocks have a tendency to surprise sometimes. However, we have assessed the current resource risks and opportunities in NL and we are comfortable that we are up to the challenge. We know that Canada has followed the path of sustainability in terms of managing fish stocks - this also makes it in line with what we believe in for development of this sector on a long term perspective.

Royal Greenland has secured agreement with the existing owners to remain with QSF for several years to ensure that their success and stability of operation transitions with our investment. We are aware that the current owners have a strong desire to transition from the business and ensure that the business continues to succeed and grow. Equally, we are most pleased that the owners have chosen Royal Greenland as being the very best match for QSF.

I apologize for such a lengthy response but given the many issues raised by Mr. Etchegary it was necessary.

I will be in NL during the coming week and I am available to meet with you or any of your officials on Tuesday or Wednesday next, if it is convenient. I would welcome the opportunity to further discuss our business strategy and motivation for our investment.

Yours sincerely,

Mikael Thinghuus
CEO

ATIPPA Sec 40(1)
Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Device Location: 1\Fisheries & Aquaculture\St John's\NL\CAN\ Device Name: XRX9C934E5EA042

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Honourable Dwight Ball
The Office of the Premier
Confederation Building, East Block
P.O. Box 8700
St. John's, NL
A1B 4J6

January 27, 2016

ATIPPA Sec 40(1)

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Company's application to the Government of Newfoundland and Labrador for the approval of the change of operator for the processing licenses issued to QuinSea Fisheries Limited (QSF).

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Yours sincerely,

[Redacted]

Mikael Thinhuus
CEO
Minutes
Fish Processing Licensing Board
Grand Falls/Windsor
February 1-2, 2016

In Attendance:
Ted Lewis, Chairperson
Clar Brown, Vice-Chairperson
Sam Winsor, Member
Violet Parsons, Member
Taylor Colbourne, Member

New Business:
004-2016 to 008-2016

Company: Royal Greenland A/S
Locations: 004-2016 Old Perlican (Quin-Sea Fisheries Limited)
          005-2016 Cupids (Quin-Sea Fisheries Limited)
          006-2016 Conche (Conche Seafoods Inc.)
          007-2016 Cape Broyle (Cape Broyle Sea Products Limited)
          008-2016 Long Cove (Dorset Fisheries Limited)
Request: Change of Operator of primary processing licences for above-noted facilities

Background:
Quin-Sea Presentation

ATIPPA Sec 39(1)(a)(ii), ATIPPA Sec 39(1)(b), ATIPPA Sec 39(1)(c)(i), ATIPPA Sec 39(1)(c)(ii)

- Messrs. Derrick Philpott, Fred Hopkins, and [REDACTED] briefed the Board.
- Owners each have a [REDACTED] stake in all assets and are motivated to sell with no successors.
- Looking for a buyer who will ensure the operations remain active and profitable.
- Potential candidates within province:
Outside buyers would not likely consolidate operations—close plants
Royal Greenland has been in NL before, same species interests, competitive on
raw material sourcing from inshore fishers, well financed and a similar vision to
sustain rural communities

Royal Greenland A/S Presentation

- Mesrs. Mikael Thinghuus, Lars Nielsen, Nils Duus, Simon Jarding, and
  delivered a presentation to the Board
- Royal Greenland A/S is a limited liability company, incorporated in Greenland
  and wholly owned by the Greenland Self-government
- Operates 37 inshore plants in Greenland
- There are 1658 fish harvesters who sell to the company and 1/3 of raw material
  comes from company owned vessels and 2/3 from inshore boats
- Main species interests are cold water shrimp and Greenland halibut (turbot)
- Company also owns and operates a shrimp plant in Matane, Quebec
- Quin-Sea acquisition will expand business in Atlantic Canada and provide
  increased access to shrimp and help diversify production into other species sold
  under the Royal Greenland brand
- Current plant management team will operate facilities during a 5 year transition
  period
- Long-term plan is to expand operating period and increase employment at each
  facility

The letters received in response to the public advertisements did not specifically
object to any of the Change of Operator applications but raised several issues
which needed to be considered and were outside the purview of the Board

Recommendations: The Board felt the company had a very comprehensive and well
developed business plan. The Board recommended to approve the Change of Operator
applications for the following facilities, including species authorizations, at:
1. Old Perlican-snow crab, lumpfish, scallop, whelk, shrimp and pelagics (all
   species)
2. Cupids-groundfish (all species) and pelagics (all species)
3. Conche-snow crab, lumpfish, whelk, pelagics (all species) and groundfish (all
   species)
4. Cape Broyle-snow crab, groundfish (all species), pelagics (all species), sea
   cucumber and scallops
5. Long Cove-groundfish (all species), lumpfish, pelagics (all species) and lobster

However, the Board indicated that this recommendation is subject to examining, in
greater detail, certain concerns/issues raised by those who made written submissions
to the applications. Specifically, these include:
i) The number and scope of any and all trust/supply agreements involved in the acquisition

ii) Whether Royal Greenland can access or control harvesting licences and/or fishing quotas in Canada

iii) The company (Royal Greenland A/S) must provide reasonable assurances that the commitment in their proposal is genuine and that there will not be any closures or consolidations of the five plants included in this Change of Operator application unless precipitated by an event or effect of such magnitude that cannot be predicted or controlled and impacts the entire fishing industry in the province

Meeting adjourned at 2:00 pm., Tuesday, February 2, 2016.
Company: Royal Greenland A/S

Locations: 004-2016 - Quin-Sea Fisheries Ltd., Old Perlican
005-2016 - Quin-Sea Fisheries Ltd., Cupids
006-2016 - Conche Seafoods Ltd., Conche
007-2016 - Cape Broyle Sea Products Ltd., Cape Broyle
0008-2016 - Dorset Fisheries Limited, Long Cove

Request: Change of Operator for above noted Primary Processing Facilities

Royal Greenland A/S is a company 100% owned by the Greenland Self Government.

The company is not currently licensed to conduct business in the province of Newfoundland and Labrador.

The company is applying to the Board for a change of operator for the processing facilities at Old Perlican, Cupids, Conche, Cape Broyle and Long Cove. There are no monies owing government.

The licence authorizations for each processing facility is as follows:

Quin-Sea Fisheries Limited – Cupids
Groundfish, All Species
Pelagics, All Species

Quin-Sea Fisheries Limited – Old Perlican
Snow Crab
Lumpfish
Scallop
Whelk
Shrimp
Pelagics, All Species.

Cape Broyle Sea Products Limited – Cape Broyle
Snow Crab
Groundfish, All Species
Sea Cucumber
Scallop
Pelagics, All Species.

Conche Seafoods Inc. – Conche
Snow Crab
Lumpfish
Whelk
Pelagics, All Species
Groundfish, All Species

Dorset Fisheries Limited – Long Cove
Groundfish, All Species
Lobster
Lumpfish
Pelagics, All Species

BOARD HISTORY
This is the first application by Royal Greenland.

CORPORATE CONCENTRATION
Not applicable.

RESOURCE THRESHOLDS
Not applicable as these are existing plants.

DFA Summary/Analysis ATIPPA Sec 29(1)(a)
A quick glance at the acquiring company's annual report for 2013/14 indicates it has the background in the international seafood industry, and the financial capability, to ensure continued success with the Quin-Sea operation in Old Perlican, Cupids, Conche, Cape Broyle and Long Cove.

There was nothing identified in the financial information provided as being of significant concern with respect to the continued operation of these plants.

FFAW-Unifor Submission on the Proposed Change of Operator Application by Royal Greenland A/S for the Plants Located in Conche, Cape Broyle, Long Cove, Cupids and Old Perlican that are Currently Operated by Quin-Sea Fisheries.

The recent acquisition of Quin-Sea Fisheries by Royal Greenland raises two primary concerns for the FFAW and its members.

Our first concern relates to the uncertainty created by this change of operator. Royal Greenland is not an NL-owned company, and is in fact wholly owned by the Government of Greenland, which is a self-governing administrative division of the Government of Denmark. While foreign ownership of processing plants already exists in this province, the Royal Greenland change of operator application is on a different scale than past transfers to foreign ownership.

The five plants involved in the change of operator application employ hundreds of people in rural NL. Four out of the five plants are located in municipalities and it is certain that these plants are the biggest generators of local revenue for these towns. Has Royal Greenland committed to the long term future of these five plants? Should any of these plants close, the municipalities and surrounding regions will be devastated.

If a commitment to the continued operation of these plants is not forthcoming, what actions has the Fish Processing Licensing Board taken to understand the implications of this change in operator application? Does the board understand the business model that Royal Greenland applies to the operation of processing plants? If the Board does know the business model, how does that apply to the circumstances of each of the five plants? Has Royal Greenland ever operated processing plants area with harvesting and processing periods similar to those in this province?
We also know very little about how Royal Greenland operates its plants. Are they good employers? What wages and benefits do they pay their current processing plant employees? Do they hire locally or do they prefer to use cheaper imported labour? Are they environmentally responsible? Do they have a history of labour and human rights complaints? Do they have an acceptable workplace safety record?

The change in operator application should also be considered through the lens of the CETA agreement. The NL processing sector will be more exposed under CETA. Is Royal Greenland's purchase merely a precursor to a wholesale shift of NL processing capacity to Europe once current tariffs are reduced? Royal Greenland needs to answer all of these questions contained in the last four paragraphs before the change of operator application is approved. The acquisition of a major NL processing company by a large foreign corporation cannot proceed with the vague information that is currently publicly available.

Our second concern is more complex and troubling. The inshore fishery, which provides raw material to the plants subject to this change of operator application, functions based on two important and connected policies—owner-operator and fleet separation. All inshore enterprises fall under the owner-operator policy, which holds that the owner of a fishing licence must personally harvest the quota attached to that licence. This policy endeavours to keep fishing licenses with active harvesters and it directly connects the wealth of the sea to the harvester. Meanwhile, the fleet separation policy forbids processing companies from acquiring fishing licenses, through processing company-licenses owned prior to this policy were grandfathered in.

The combined effect of the owner operator and fleet separation policies creates a vibrant fishing economy. Harvester and processors compete at the wharf for the best price, creating an ideal supply and demand scenario that is facilitated by a collectively bargained minimum price. In the inshore fishery there is no vertical integration, and the ownership of raw material is transferred to different individuals/companies at various stages with negotiated consideration paid at each step. While not perfect, the system works very well and succeeds at sharing the economic benefits of the fishery.

Unfortunately, for the past 15 to 20 years, several processing companies have established a method to work around the owner-operator and fleet separation policies. By taking advantage of the financial vulnerability of some harvesters, processing companies have convinced scores of harvesters to serve as fronts in the acquisition of fishing licenses. Under a typical arrangement, a processing company will provide funds for a harvester to purchase a licence; in turn the harvester will agree to a strict contract with the processing company that grants all meaningful control of the license to the processing company. In the fishery this is known as a “controlling agreement.”

Usually in a controlling agreement, the harvester is obligated to sell the fish attached to the controlled license to the processing company. This removes all negation between harvester and processor at the wharf and undermines the entire economic system of the fishery. Controlling agreements allow for vertical integration through the backdoor.
Controlling agreements are relevant to this change in operator application because there are strong suspicions that Quin Sea has several owner-operator enterprises under controlling agreement. This begs the question: Are these controlling agreements now being transferred to Royal Greenland? Are the obligations and restrictions that the harvester once owed to Quin Sea now owned to Royal Greenland?

If the answer to these two questions is "yes", then the Licensing Board is being asked to approve the transfer of arrangements that allow for the vertical integration of the inshore fishery.

We need to know if Royal Greenland knows of these controlling agreements and if the agreements were deemed assets that were paid for. Controlling agreements have the practical effect of granting ownership of quota to the processing company. If Royal Greenland acquires the controlling agreements, has it essentially bought an inshore quota in violation of the fleet separation policy?

Controlling agreements are terrible for the owner-operator fishery. This fact is acknowledged by the federal government, which regulates the fisheries and safeguards the owner-operator and fleet separation principles. In July 2015, the federal government initiated a new aggressive approach to eliminating controlling agreements: unfortunately, the federal government does not have the jurisdiction to investigate the role of processing companies in controlling agreements. With that said, the provincial government is in an ideal position to investigate the role of processing companies in violating the two most important policies for the sanctity of the inshore fishery.

It is imperative that the Licensing Board address the controlling agreements that are likely captured in this transfer of operation to Royal Greenland. Will the Board acquiesce in the ongoing violation of the owner-operator and fleet separation policies and ignore the controlling agreements? Or, will the Board set the necessary precedent and deny the change of operator application if the Quin Sea controlling agreements are transferred to Royal Greenland like any other asset? The improper actions of Quin Sea should not be turned into a commodity to be sold to the benefit of the new purchaser.

Thanks you for considering our submission and we expect the Board will make an informed and proper decision on Royal Greenland's application.

Yours truly,

Paul Davis
MHA Topsail-Paradise
Leader, Official Opposition Caucus
Dear Members of the Fish Processing Licensing Board

The Official Opposition Caucus has several questions about the transference of operator licences from Quin Sea Fisheries Limited (Quin Sea) to Royal Greenland A/S. We trust that the Board will take these questions into consideration when reviewing the application and making a recommendation to the Minister pursuant to the Fish Processing Licensing Board Act.

The Board’s review of this Change of Operator application is an important regulatory step that will help to determine whether Royal Greenland will be permitted to proceed with its plan to purchase a controlling business interest in Quin-Sea. Our questions relate to the overall business transaction and the impact of it.

While many details of the business transaction have not been made public and only limited information is available regarding both Quin-Sea and Royal Greenland, the Official Opposition Caucus has some questions regarding this transaction. The Official Opposition asks that the Fish Processing Licensing Board take these questions into account when adjudicating the Change of Operator application.

Royal Greenland is a foreign interest, a company wholly owned by the Government of Greenland. We strongly encourage foreign investment in our economy. There is a longstanding policy tradition of insulating the Canadian fishery from foreign control, and allowing this Change of Operator application would give a foreign company greater influence in the Canadian fishery. If that company were to inherit trust agreements with respect to harvesting quotas, that influence would be increased. Quin-Sea may currently have trust agreements with those who hold harvesting licences and, through these agreements, Quin-Sea may exert effective control of the respective harvesting quotas. If such trust agreements are in place and this Change of Operator application is allowed, a non-Canadian company may control Canadian quotas. Are there any existing respective trust agreements and, if so, would those agreements be inherited by Royal Greenland, along with effective control of the respective harvesting quotas? What would be the implications of this with respect to the pool of resources that are available to Newfoundland and Labrador-based fish harvesters? Considering all the implications, would the approval of this application set a precedent with respect to foreign influence in the Canadian fishery? Would the approval of this application controvert the Government of Canada’s longstanding fleet separation policy?

Although there has been a public and published commitment by Royal Greenland to keep the processing plants owned by Quin-Sea in our province open, it is not clear whether Royal Greenland has committed to process locally harvested product in Newfoundland and Labrador or to
keep the local plants open for a set tenure and set capacity, irrespective of market pressures. Jobs created by fish processing plants are important to the rural communities in which they are located, so local employees and residents alike have a great interest in knowing whether such commitments have been made. Does the business plan provided by Royal Greenland as part of the application process give an indication that local jobs will continue to be sustained at the current levels?

The Canadian-European Union Comprehensive Economic and Trade Agreement (CETA) negotiations dealt with Minimum Processing Requirements for locally harvested fish. Royal Greenland is based in Greenland, which is a European Union “OCT” (Overseas Countries and Territories). Would Royal Greenland have the freedom under CETA to Process locally harvested fish outside the country?

It is a request of the Official Opposition Caucus that these questions be given due consideration while the merit of the Change of Operator application is being discussed.

We would like to reiterate that we strongly support foreign investment in Newfoundland and Labrador’s economy and we continue to believe that Newfoundland and Labrador ought to benefit from CETA and its provisions respecting fish processing. However, it is prudent to ensure that we explore and fully appreciate the implications of important changes in ownership and control before those decisions are approved.

We note that the Board has the authority, pursuant to paragraph 10.2(b) of the Fish Inspection Processing Licensing Board Act, to “hold an open public meeting with respect to the application in question”. Considering the implications of this application, an open public discussion of the matter may be advisable in this instance.

Sincerely,

[Email (December 17, 2015) ATIPPA Sec 40(1)]

[to Premier-Designate Ball: Re: Royal Greenland Acquisition of Quin-Sea Fisheries Ltd.)

In our telephone conversation of December 6, 2015 we discussed at some length the proposed acquisition of majority control in Quin-Sea Fisheries Limited of Old Perlican by a foreign company, Royal Greenland Limited, which is wholly owned by the Government of Greenland. We agreed that this proposed acquisition raises a number of major public policy considerations and that these need to be fully understood before a final decision is taken on this matter. The proponent, Quin-Sea Fisheries Ltd, has already posted notice of its application to the Fish Processing Licensing Board inviting public comment to the Board on its proposal by December.
29, 2015. Based on past practice we anticipate that the Board will likely make its recommendation on this proposal to your new Minister of Fisheries soon thereafter. I also indicated that I would discuss this matter immediately with members of our Fisheries Community Alliance and convey our initial thoughts to you as early as possible.

As you will appreciate our knowledge of the proposed acquisition by Royal Greenland is limited to the information released publicly by officials of Royal Greenland and Quin-Sea. Corporate acquisitions and transactions of this nature usually involve many operational and financial details which are normally not made public but which must be reviewed and analysed thoroughly by government in any given policy and legislative review process.

Our initial concern over this proposal reflects the overall fisheries policy context in which the proposed acquisition has been submitted to the province’s Fish Processing Licensing Board for a recommendation as to whether or not the Government of Newfoundland and Labrador should grant the necessary processing licence to a foreign based company, Royal Greenland, to facilitate its majority ownership and control in Quin-Sea. We are of the view that the proposal has been submitted in a policy vacuum in that we are not aware of any clearly articulated provincial fisheries policies which govern foreign investment in the Newfoundland and Labrador fishing industry and the majority ownership of fish processing companies by foreign entities. Indeed, we understand that there aren’t any ownership restrictions whatsoever on foreign investment in the processing sector. We note, however, that a provincial government has stated that Royal Greenland’s proposal would be subject to government’s minimum processing requirement (MPR) policy.

The proposed acquisition may also have fish harvesting and resource access implications which will have to be thoroughly reviewed and assessed. Harvesting licenses and quotas fall within the jurisdiction of the Federal Department of Fisheries and Oceans and under its 2007 fleet separation policy inshore licenses and quotas are only issued to fulltime fish harvesters. However, over the past decade or more fish processing companies in the Atlantic region and in Newfoundland and Labrador have gained control over many inshore licenses and the quotas linked to these licenses through a procedure commonly referred to as “trust agreements”. Under these agreements fish processing companies have gained indirect control of licenses and quotas by financing harvesters to purchase enterprises.

We are not aware as to the extent, if any, Quin-Sea may have entered into any such trust agreements, if they currently exist, would be transferred to Royal Greenland as the proposed new majority owner in Quin-Sea. If indeed such trust agreements do exist and are transferred they would give a foreign entity indirect control over harvesting licenses and fish resources in Canadian waters. This matter will have to be clarified with Fisheries and Oceans which set an April 14, 2014 deadline for the termination of these trust agreements but we understand this issue may not have been fully addressed.

We fully agree and are concerned that the timing of this proposed Royal Greenland acquisition presents a major public fisheries policy challenge for your new administration. We also understand that foreign interests are presently seeking ownership and control of OCI, the largest
fishing company in the province, through the Supreme Court. This highlights our concern that the Quin-Sea proposal does not stand in isolation. The fishery has been characterized by unprecedented change and turmoil over the past two decades and many of these policy challenges have not been addressed effectively. The industry remains fragmented but is critical to the overall economy of our rural economy and demands a far greater measure of public policy attention and government leadership. It is our hope that you and your new administration will bring this attention and leadership through a clearly articulated fisheries policy framework. Such a fisheries policy framework will undoubtedly have implications for your administration’s position not only on foreign ownership in the industry but also on an array of other fisheries related issues including those in the Canada European Trade Agreement (CETA).

It is our view that the Royal Greenland proposal should not be addressed in isolation from a comprehensive fisheries policy framework and that you and your new administration should not be “rushed” into responding to any recommendation from the Fish Processing Licensing Board. It is also our view that the Board does not have the broad policy context in which to address an issue that is far more complicated, for example, than making a decision on whether or not another whelk licence should be issued in the province. We believe, in light of the implications of the possibility of increased foreign control over our fishing industry, that your government should defer a decision on this matter until an appropriate fisheries policy review has been undertaken, with ample opportunity for consultation with harvester and processor stakeholders, and also with interested citizens and communities through a public forum or hearing process.

We welcome the opportunity to discuss this matter further with you once your new administration takes office on December 14.

Yours sincerely,

Honourable Dwight Ball
Premier...
The acquisition of ownership in the province’s fish processing enterprises by foreign interests has the potential to erode fisheries management and circumvent the exclusion of foreign fishing effort within the 200 mile limit. Our group has had long standing concerns with the effectiveness of NAFO as a mechanism for controlling foreign fishing in the area outside the 200 mile limit, on the Nose and Tail of the Grand Banks and on the Flemish Cap. Several years ago the Harper government negotiated changes in the NAFO Convention allegedly to overcome flaws in the Convention but the ultimate result was detrimental to the Canadian fishery and introduced new provisions which potentially would allow NAFO to exercise management authority both within as well as outside the Canadian Zone.

Members of our group appeared before the House of Commons and Senate Committees which were considering these amendments to the NAFO Convention. These amendments were being introduced by a federal government which had promised in the federal election of 2005 to extend Custodial Management over the full Canadian continental shelf and which unfortunately reneged on this commitment. The amendments left Canadian straddling stocks fully vulnerable to predation by European fishing interests and foreign overfishing continues to this day. It promises to intensify as depleted groundfish stocks recover, such as American Plaice, redfish and cod. In both of these forums we argued against the NAFO amendments. The two parliamentary committees accepted our advice and recommended against the amendments but the federal government used its executive authority to accede to the amendments, in spite of the fact that Parliament had voted 147 to 142 against the amendments to the NAFO convention the previous night.

We are concerned that CETA might provide another mechanism which will further the aims of European fishing interests who continue to overfish beyond the quotas assigned by NAFO. We ask that you seek legal advice to discover if CETA might open up an opportunity for a European company to establish a corporate entity to which its Canadian interests in processing and harvesting assets, along with potential property rights to our common property resources, might be transferred and which might be immune to regulatory control by our provincial government. This is an added concern, additional to the removal of minimum processing requirements, which inevitably will further erode any vestige of provincial control over the management of our fishery.

The infamous “objection procedure” is a fatal flaw inherent in the NAFO Convention which enables member states to object to the NAFO quota and fish at levels beyond those set by NAFO as a regulatory body. Denmark and the Faroe Island have been using the objection procedure for some years in order to circumvent NAFO quotas, particularly for shrimp in area L of the NAFO Convention area.

Canada has closed its ports to countries which use the objection procedure to exceed NAFO quotas. Port closure was imposed as a punitive measure and to express Canada’s disgust with this subversion of the fundamental principles of sound fisheries management. Denmark (Greenland) and the Faroes are included in the ranks of these offenders who use the objection
procedure to pillage trans-boundary stocks of fish in the NW Atlantic, stocks upon which the
Newfoundland and Labrador fishery depends.

Royal Greenland, the company offering to purchase majority ownership of Quin-Sea Fisheries, is
wholly owned and financed by the Government of Denmark, which represents Greenland and the
Faroes at NAFO. How can we even consider allowing them access to resources within the 200
mile limit when the Canadian government has banned Greenland and the Faroes from using our
ports, first in 2002 and again in 2010! They have in recent years been landing their harvest in St.
Pierre-Miquelon, having been unable to transship their harvest in Canadian ports such as
Harbour Grace, Bay Roberts and Argentia.

Is your government aware of this dimension of the proposed transaction? Given the willingness
of Danish fishing interests to violate conservation limits outside the 200 mile limit why would
we expect them to adopt a compliant approach to conservation through any fish harvesting
enterprises that they control within the Canadian zone, whether through or indirect control?
What kind of signal would we be sending if we reward the Danish government for its
transgression of fishery management rules and sound conservation principles by allowing them
to establish a presence within our fishing industry?

Our province’s experience with the loss of control to outside interests is an unhappy one. The
purchase of Fishery Products International by the Risley group led to the closure of most of its
fish processing capacity, including the secondary processing plant in Burin after committing to
each and every worker at meetings in processing plants that “not one job would be lost under the
new management.” Not only was the secondary plant closed but all the modern equipment in the
$8 million plant was transferred to Highliner’s operation in the United States. They also gained
access to all the FPI market contacts in the US, Europe and Asia that had taken 60 years to
develop. You will recall that the provincial government released its legislative control over the
disposition of FPI in order to facilitate this acquisition.

The ultimate result was the loss of the only vertically integrated fishery enterprise in the
province, along with its international marketing arm. Ocean Choice International, which owns
the remnant of FPI, was recently challenged by its Icelandic financiers who were seeking
majority control of OCI through the courts. This case was dismissed but the sad saga of the loss
of FPI continues to resonate throughout the province, leaving communities grieving over the loss
of their reason for being and their fishery heritage. Surely our unhappy history of outside
takeover compels us to learn from the mistakes of the past!

Our provincial government cannot stand by and allow further hollowing out of the processing
sector by companies which operate by stealth and gradually take over processing plants only to
close them later and transfer processing employment either to factory trawlers or to low cost
processing plants in Asia. Many former fish plants around the province are empty shells, a
testimony to the failure of companies which made many promises but fulfilled none.

We believe it is irresponsible to allow this transfer of ownership to be decided in the absence of a
policy on foreign ownership and without an adequate public policy debate on the consequences
of this transaction. We believe it is futile to appear before a licensing board which has neither the mandate nor the expertise to deal with the proposed transfer of ownership, without a larger public policy debate. If the province is to entertain such transfer of ownership there should be a process whereby the proposed owners demonstrate their commitment to the province and agree to safeguards ensuring these commitments are met. Furthermore we believe that access to such processing licenses should only be awarded after a public review of the benefits and risks of the transaction to the future of the province’s fishery. Such a public review might be modelled upon the development plant approval process for other natural resources, wherein developers are required to demonstrate publically how their development of public resources will be of long term benefit to the province.

We wish to reiterate the fundamental point we made in our letter of December 9, 2015, as follows. “it is our view that the Royal Greenland proposal should not be addressed in isolation from a comprehensive fisheries policy framework and that you and your new administration should not be “rushed” into responding to any recommendation from the Fish Processing Licensing Board. It is also our view that the Board does not have the broad policy context in which to address an issue that is far more complicated, for example, that making a decision on whether or not another whelk licence should be issued in the province. We believe, in light of the implications of the possibility of increased foreign control over our fishing industry, that your Government should defer a decision on this matter until an appropriate fisheries policy review has been undertaken, with ample opportunity for consultation with harvester and processor stakeholders, and also with interested citizens and communities through a public forum or hearing process.”

We have been offered the opportunity to present to the Fish Processing Licensing Board and have chosen instead to follow the avenue set out herein, rather than to pretend that this Board has the mandate and expertise to advise government on this matter. Government should also reflect on the fact that this proposal may represent only the beginning of a number of attempts to gain control of the resources of the province and to circumvent Canadian management of the fishery within our Exclusive Economic Zone. It should be remembered that the case we made internationally for Canadian extension of jurisdiction in 1977 was based on the needs of adjacent fishing communities, such as those communities in which Quin-Sea plants are located.

We are requesting an opportunity to meet with you as well as with your Minister of Fisheries and Aquaculture and your Minister of Natural Resources. We are copying this letter to both of these Ministers. In light of my correspondence with your Chief of Staff we are copying him as well. We request that such a meeting be arranged before Cabinet decides of the Quin-Sea proposal.

Respectfully,

ATTACHMENTS
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Thanks! I believe the only agenda item would be RG application for change of operator.

Sent from my BlackBerry 10 smartphone on the Bell network.

Hi Krista:
I filed in some background info but wasn’t sure of the specific Agenda items. Let me know if you want me to add anything and whether you want this put in TRIM.
Thanks,
Wanda
Dear Mr. [Redacted],

This will acknowledge receipt of your email dated January 21, 2016, expressing your concerns with the Royal Greenland Change of Operator application for the Quin-Sea Fisheries Limited facility in Old Perlican.

The proposal submitted by Royal Greenland has been circulated for an internal assessment by officials in my department. Once completed, all information will be directed to the Fish Processing Licensing Board (the Board) for review. The Board will consider a number of licensing criteria which will guide it in making a recommendation on this application.

Once I receive the results of the Board’s assessment, I will finalize a decision which will best serve the long-term interests of all stakeholders, including the plant workers at each of Quin-Sea’s processing facilities.

I trust that this is satisfactory and thank you for your comments.

Sincerely,

STEVE CROCKER, MHA
Carbonear - Trinity - Bay de Verde
Minister
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Hamum, Lisa <Lisa.Hamum@gov.nl.ca>
Sent: Tuesday, February 2, 2016 9:10 PM
To: Crocker, Steve
Subject: Fw: Royal Greenland/ Quinlan Deal

Email for you.

Sent from my BlackBerry 10 smartphone on the Bell network.

Without going into detail, allow me to say that, in my considered opinion, if this proposed deal is permitted, this billion dollar company, will within a very few years mean the end of the Newfoundland small boat fishery, local processing plants, and hundreds of rural communities, as well as service centres like Gander and Grand Falls, where local fishing "new" dollars are spent to keep their economy going. But I can imagine the pressure the government is under with those high paid lobbyists and multi-million dollar corporations. Thank you.

This email has been sent from a virus-free computer protected by Avast.
www.avast.com
He called to speak with the Minister. Here are some jot notes of what he had to say:

He'd like to see someone explain what's going on in the fishery because it makes no sense to him. You can walk on the cod. Are you to do anything about the cod?

He heard that Royal Greenland is going to buy out Quin Sea. They'll take all the quotas and it's all gone overseas.

He'd like the Minister come on the Open Line Program or some program and explain what is going on. He sees nothing, only a disaster. He supported the Liberals in the election. He's from the White Bay area.
Krista, Before you called I had made some notes on the points I wanted to convey.

The message we wanted to convey was in respect the Quinsea/Roysl Greenland deal and further comments to our meeting last week with the Minister and his staff.

We do not have preconditions to such a deal for obvious reasons. It should not and must not materialize. The rationale for our strong position is as follows :-

1) The stated and obvious objective is for Denmark (a NAFO Member) to eventually to re-enter and participate in harvesting Canadian fish quotas. A similar effort was made recently by an Icelandic Company in our Supreme Court. Fortunately the NFLD judge dismissed the claim made by the Icelandic Company. Trust Agreements could be used initially by Royal Greenland but other avenues will be available to reach their prime objective when they have achieved ownership of Quinsea. Factory freezer trawlers will follow as part of the well developed plan with direct frozen unprocessed product landings in foreign ports or transshipment through Conception Bay ports.

2) Denmark with the Faroe Islands and Greenland as part of the Danish Realm conduct renegade fisheries on our Continental Shelf, particularly our what is presently our most valuable resource. They ignore the NAFO regulatory NAFO procedure in establishing national quotas and they catch what they deem to be their share of the shrimp resource. This resource spawns inside 200 miles and migrates to the Nose of the GBs where it's overfished by Denmark's fleet.

3) In the meantime the Shrimp fishery is in decline as recognized by the Canadian DFO when they imposed the controversial Last In/First Out policy on the Inshore and Offshore Canadian fishing fleets. These N&L fishermen have had to absorb substantial reductions as a result of LIFO and the decline in the shrimp resource while the renegade fishers from the Danish Realm overfish precisely the same resource.

4) We have to remind our politicians and bureaucrats that Royal Greenland is owned and financed by the country of Denmark and Royal Greenland is being used as the instrument to implement their plan to re-enter and harvest Canadian fisheries. If the reverse were the case, the Danish processing company engaged in negotiating such a deal with Canada would be instructed immediately to cease and desist. Should there be approval for this deal by our Provincial and Federal Govts the floodgates will be open and the future survival of N&L fishery, it's participants and many of the fishing communities will be in jeopardy. NAFO will quickly expand its sphere of fisheries management control and regulation from the present 16 separate fish stocks the
foreigners control on our Continental Shelf to include every fisheries stock species adjacent to our shores. was a Common Property Resource owned by the our people will become an international resource.

5) Surely, our Government must be aware of the great damage inflicted on the fishery and its participants by the recently defeated Governments in N&L and Canada. Some of those huge mistakes includes, the removal of the 15 percent restriction on FPI ownership resulting in its Ownership being handed on a platter to Nova Scotian management whose objective since 1949 was to remove the N&L fishery from international competition. Thousands have lost their employment and N&Ls strong international presence in the world seafood market has disappeared. The $8 million FPI modern secondary seafood plant in Burin and its large secondary plant in Boston have disappeared and the large seafood market developed over a period of sixty years by FPI/FPI in the retail and food service industries was taken over completely by HighLiner of Nova Scotia. These instances merely scratch the surface of mismanagement of the resource, the processing and affecting the marketing sector. This Quinsea/Royal Greenland proposed deal, if approved by our own Govt, will make some of the past errors in judgement by Ottawa and St. John's pale in comparison.
Minister

I made a few minor changes to the note from yesterday. Cabinet Secretariat has asked for this. Are you ok with me sending on to them?

Krista
Meeting Note
Department of Fisheries and Aquaculture
Royal Greenland
February 4, 2016 (4:30pm)
Premier’s Office

Attendees:
Minister Steve Crocker, Department of Fisheries and Aquaculture
Mikael Thinghuus, CEO, Royal Greenland
Lars Nielsen, Group Production Director, Royal Greenland
Simon Jarding, Corporate Business Development Director, Royal Greenland
Management Consultant

Purpose of Meeting:
- The meeting was requested to provide information on Royal Greenland’s plans to acquire assets of Quin-Sea Fisheries Ltd.

Background:
- Royal Greenland A/S is a limited liability company, incorporated in Greenland, and wholly owned by the Greenland Self-government. It is a large company with annual sales of $961 million and 2,156 employees globally in 2014-15. Royal Greenland is the largest cooked and peeled shrimp producer in the world.

- Media reports indicate that Royal Greenland has a growth agenda through acquisition of companies engaged in northern species. According to Royal Greenland, it sees its NL operations as a growth opportunity for the company which specializes in securing resources from inshore fisheries, and has identified a strong fit for the Quin-Sea operations in terms of species mix and production capabilities. Royal Greenland is eager to match Quin-Sea’s resources and production capabilities with its global marketing abilities.

- Royal Greenland has invested on a smaller scale in NL in the past in the form of a partnership which owned the Jackson’s Arm shrimp plant for several years in the 1990s. The company has also invested in a shrimp plant in Matane, QC.

Agenda item #1 (Change of Operator Application)
- Royal Greenland has applied to the Fish Processing Licensing Board (FPLB) for a “Change of Operator” for the Quin-Sea plants located at Conche, Cupids, Long Cove, Old Perlican, and Cape Broyle, as part of the sale of the assets and liabilities of Quin-Sea Fisheries. The board met to review the application on February 1 and 2, 2016.

Analysis
- The FPLB has reviewed the application for a change of operator for the Quin-Sea plants at Conche, Cupids, Old Perlican, Long Cove, and Cape Broyle. The board is satisfied that Royal Greenland would be able to maintain operations with little disruption, given their wealth of experience with onshore fish processing and financial stability.

- The board has raised some issues that the Minister may wish to consider, specifically the question of whether Royal Greenland would be acquiring control over quotas or harvesting licences; Royal Greenland’s commitment to maintaining production operations in
Newfoundland and Labrador; and how Royal Greenland/Quin-Sea Supply Agreements are structured.

Potential Speaking Points

- Provide information on quota arrangements that are in existence or planned for the Quin-Sea operations and assets.

- Please explain the trust/controlling/supply agreements that you expect to continue.

- How many supply agreements are in place, what is the value of these agreements, and percentage of the portfolio? What species are included in these agreements?

- Are you aware of the Government of Canada’s owner operator policies with respect to the inshore fleet and do you foresee any challenges in complying with these policies?

- What are your plans for additional Canadian or NL acquisitions?

- How do the operations at Black Duck Cove and Brigus fit in your business case and strategy?

- Are any other fish plants impacted by this deal?

- We see from your activities in Greenland that you have chosen to pursue innovative approaches to the cod fishery instead of closing plants. Would you take a similar approach in Newfoundland and Labrador should the resource prospects not be as optimistic as you believe? For example, we understand that whelk is in decline, but you seem to be optimistic about opportunities for whelk. At what point do you reevaluate your investment?

- With this acquisition, you would have control of 1.5 shrimp plants. Inshore shrimp allocations are clearly in decline. What measures are you willing to take to ensure the continued viability of these operations?

- Do you foresee any situation where you would close plants in Newfoundland and Labrador?

- What commitments are you willing to make to ensure continued operations in our rural communities?

Proposed Actions:

- As part of our due diligence, we will need to see the purchase and sale agreement. You would be able to redact any details regarding prices or fees. Given the intense public scrutiny of this proposal, there is no way that we would be able to sign off on the change of operator without having seen the details of the sale and what exactly is included in this arrangement.

Prepared/approved by: K. Quinlan/D. Lewis
Ministerial Approval: Received from Honourable Steve Crocker
February 3, 2016
The following letter was sent to the Honourable Federal Fisheries Minister Tootoo.

The Honourable Hunter Tootoo  
Minister’s Office  
200 Kent Street  
Station 15N100  
Ottawa, Ontario  
K1A 0A6

Dear Minister Tootoo,  
Feb 4 / 2016

The fishery of NL is in the worst state of any time in its history. If our new liberal governments in Ottawa and NL don’t change the present fisheries business model, the same one that has been operating for over 30 years and which governments have partly been responsible for, the inevitable total loss of all our present declining fish stocks will be a reality.

The NL fisheries business is run by the powerful Fishing Industry, which is represented by the large fish processing companies (such as members of ASP, association of seafood producers) and the FFAW (food, fishery and allied workers). In short, contrary to popular belief, the FFAW, just like the fish companies of ASP, do not represent the best interest of thousands of the smaller coastal fishers and plant workers and their coastal communities. They side with the heads of ASP companies and other elite fishing concerns.

The two most important things in the operation of the Fishery are the Quotas of fish in the sea and the processing licences and ‘plant processing quotas’ for plant production. The total stocks in our waters are at present 10% of what they once were, the Grand Banks part has never recovered in 23 years of ground fish
moratorium because NAFO fishing fleets have continued to over fish their quotas of this trans boundaryPage 49 migrating resource on the nose and tail of the banks outside the exclusive economic zone EEZ.

Inside the 200 mile limit there is a sign of some cod recovery in the bay stocks of the Bonavista corridor and surrounding bays, but shrimp are being depleted, as the LIFO situation indicates, and maybe gone in 4-5 years while the northern turbot and halibut fishery is also being over fished as the great majority of present day catches are tiny baby, few year old, fish.

Shore fish plants create 8-10 thousand community jobs that are the essential economic engine for our coastal fishing communities, but here to the Industries arm of greed has had its way as these shore plants are hanging onto their existence with a 10% MPR (minimum processing requirements) protection. Its more profitable for large fish companies to process fish at sea or partly process fish (head off gut out) and sell to foreign concerns then to have it processed in coastal communities. Ninety percent of shore processing capacity has been usurped away causing further depression of rural NL.

Two present day issues are now facing our fishery that if allowed to happen, if permitted to descend on our way of fishing, will seal the final death of our resource and decimate our coastal fisher people and their communities. The CETA situation for NL has the stipulation of selling our remaining 10% MPR's for a one time federal $280 million payment. If this happens in 5 years there will be zero, for all intents and purposes, plant jobs on shore. That will be end of our coastal fishing way of life.

The second issue is the present on going attempt of the Royal- Greenland fishing company, from the nation of Denmark who have been banned from entering our ports, to buy a local fishing concern Quin-Sea. Quin -Sea controls 150 or so fishing licences and their fish quotas through trust agreements and if this deal is permitted the quotas of fish in the sea, the common property of our Canadian people, will be owned by a foreign country! If our governments allow this what will stop other foreign nations from moving in on what we have left? Imagine our renewable fishing resource, that once was the greatest of its kind on the planet being owned by foreign countries!

The future cost of these two events happening and its following consequences would be unimaginable to the coastal peoples and their communities. What comes to mind from history, and I’m sure you Minister Tootoo will understand, is the destruction of the great Polynesian fishing society of Easter Island in the 17- 1800's when they lost their access to fishing their coastal waters because they lost all their trees and could not build boats. In other words they could no longer fish and provide for their families nor support their way of life.

Closer to home is the tragic story, and still ongoing, of the First Nations Peoples of the Great Plains Indians of the American west. In my mind the greatest culture and race of people that ever graced our planet. They could not be defeated in spirit nor in battle by all the cavalry of the USA until white men took away the necessary source of their only provision of family, of tribe and of their spirit.... they killed, no slaughtered millions upon
millions of buffalo... they even killed their symbol of the great Mystery, the White Buffalo! I get emotion when I write this.

Newfoundland and Labrador Coastal Fishers go back to the days of John Cabot who’s people began fishing the coastal waters soon thereafter in the early 1500’s. While it is true that the NL fishers and their culture cannot be included with the first Nations people of the Beothuk and red ochre habitats they were, and we are today, close to first nations people as our 500 year old fishing culture has given the present day foundation and character of our province.

If our governments continue to appease the brokers and powers of our Fishing Industry as they have done since our confederation in 1949, which would be what buying MPR’s for cash and permitting a foreign country to own our fish quotas would be, our fishery will go the way of the great buffalo herds. How can a price in money be put on the culture of a people and the loss of the well being of the future of their children. That’s what was done to The First Nations People. If we sell our fishery this way for money our fisher peoples way of life will be gone ... like the way of life of the great plains Indians. All that will be left will be a picture story in a history book of our fishing culture and coastal way of life... and a society of lost people living on Resettlement Reservations. This too makes me emotional.

The fishery and it’s present industry of harvesting and processing, regardless of the state of it’s economic success and potential can never, will never sustainability support the thousands of peoples and their coastal communities that live off its first healthy abundance. The fishing business model will see to this.

Only governments can represent and protect the rights of our fisher peoples and their way of life. In the 65 years of Nl’s confederation with Canada governments have failed to do so. I appeal to you, Minister Tootoo, to start doing the right thing for the future of NL’s coastal fisher people, as is so stated by the Canadian government in the terms of our union...I appeal to your First Nations Wisdom to start protecting and restoring the Fishery for the benefit and survival of our People of the Sea.

I speak not with a forked tongue but with the truth of the heart of he was named, by Chief Eagle Flying of the Oklahoma Oglala Sioux, and so I will sign...

'Talks to Winds'.

ATIPPA Sec 40(1)

709 ATIPPA Sec 40(1)
Ok. We asked for the agreement and said the ball is in their court. Is resistant.

Talked to also. Remind me to tell you about it.

Sent from my BlackBerry 10 smartphone on the Bell network.

Not a good time now.

Good. Time for a call?

How did the meeting go?
Yes- he has included me in that meeting. Not sure if he meant with or instead but either way - see you when you get back.

Sent from my BlackBerry 10 smartphone on the Bell network.

-----Original Message-----
From: Lewis, David B.
Sent: Friday, February 5, 2016 11:24 AM
To: Woodrow, Denise
Subject: Re:

I am out of town today but will be back in the office Monday. My understanding is that Todd, Krista and I will be reviewing the Purchase and Sale Agreement associated with the Royal Greenland deal.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Woodrow, Denise
Sent: Friday, February 5, 2016 11:21 AM
To: Lewis, David B.
Subject:

Hi Dave,
Todd just mentioned a matter regarding the QuinSea application and a potential meeting on Monday. I am available if you want to discuss.

Denise Woodrow
Solicitor
Civil Division, Government of Newfoundland and Labrador
t.709.729.0163 f.709.729.2129

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Related to Royal Greenland

Krista

From: Fitzgerald, Peter
Sent: Monday, June 08, 2015 11:03 AM
To: Quinlan, Krista
Cc: Stanley, Todd
Subject: Public Process Query
I trust this assists.

Peter G. Fitzgerald  
Manager, Corporate Commercial  
Civil Division  
T. 709.729.2004  
F. 709.729.2129

Newfoundland Labrador  
Office of the Attorney General  
Department of Justice & Public Safety  
Government of Newfoundland and Labrador  
4th Floor East Block, Confederation Building  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

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From: Scaplen, Roger  
Sent: Thursday, February 18, 2016 1:00 PM  
To: Lewis, David B.; Wiseman, Wandalee  
Cc: Dalton, Krista  
Subject: FW: Update on Royal Greenland

Minister/Dave,

Below is the request I mentioned from the Broadcast re: RG.

Roger Scaplen  
Director of Communications  
Department of Fisheries and Aquaculture  
Government of Newfoundland and Labrador  
Office Phone: 709-729-3733  
Cell Phone: 709-697-5267  
rogerscaplen@gov.nl.ca

From: Jane Adey  
Sent: Wednesday, February 17, 2016 11:25 AM  
To: Scaplen, Roger  
Subject: Update on Royal Greenland

Hi Roger,

I wonder if the Minister might be available to provide an update on the Royal Greenland proposal. I feel like we need to let people know what the timeline might be.

Even if he could say that the board is still considering the proposal, at least it would be something.

Thanks,
Jane Adey
Journalist
CBC NL
O: (709) 576-5210
C: (709) [REDACTED]
Jane.Adey@cbc.ca
Follow me on Twitter @janeadeycbc
Lewis, David B.

From: Quinlan, Krista
Sent: Friday, February 19, 2016 8:31 AM
To: Lewis, David B.
Subject: Fw: sales by quinsea to RG

ATIPPA Sec 29(1)(a)

Dave

Krista

Sent from my BlackBerry 10 smartphone on the Bell network.

From: [Redacted]
Sent: Thursday, February 18, 2016 5:27 PM
To: Quinlan, Krista
Subject: sales by quinsea to RG

ATIPPA Sec 40(1)

Hi Krista:

Further to our conversation Quinsea sold Royal Greenland[REDACTED] of its production in 2015. In addition, [REDACTED] of its production in 2015. As I stated on our call in is Royal Greenland’s intention to market all of QSF’s production in 2016 through its sales and marketing network. Of course this will be dependent upon a timely response from the Minister on the application for change of operator.

Thanks

ATIPPA Sec 39(1)(a)(ii), ATIPPA Sec 39(1)(b), ATIPPA Sec 39(1)(c)(i), ATIPPA Sec 39(1)(c)(ii), ATIPPA Sec 40(1)
Discussions currently taking place on Open Line.

Premier called in this morning and [REDACTED] on now. We are recording and will provide.

ATIPPA Sec 40(1)
Hi folks,

I've included both audio clips here. Note, the Premier's comments on Royal Greenland can be found at the 22:36 mark.

K.

Krista Dalton | Media Relations Manager
Department of Fisheries and Agriculture
19 Prince's Amulet
St. John's, NL
709-729-3737
kristadaltongov.nl.ca
Honorable Steve Crocker, MHA
P.O. Box 8700
St. John's, NL
A1B 3Y1
February 15, 2015

Dear Mr. Crocker:

The Town of Old Perlican would like to express their concern over the recent sale of stock to Royal Greenland to Quinsea Fisheries Ltd. Quinsea Fisheries has been the backbone of the Community of Old Perlican and surrounding areas for over a decade. We feel this plant was so successful in past decades mainly in turn of the historical attachment of the Shareholders to the community. The Town of Old Perlican will be requesting a meeting with the new shareholders sometime in the immediate future to discuss their plans for the long term sustainability of the plant in Old Perlican.

We were very exited to learn that Royal Greenland has chosen Quinsea Fisheries Ltd as an Investment option. We hope that this will greatly benefit the residents of Old Perlican and other communities in the area. The Town of Old Perlican and Quinsea Fisheries Ltd have had an excellent working relationship in the past. Currently, the Town is upgrading and retrofitting the Industrial water supply to accommodate the needs of the Processing Plant. This project will cost the Town of Old Perlican roughly $300,000.00. This water line would not otherwise be upgraded. We sincerely hope the intent is for Royal Greenland to enhance the Processing facilities here at Old Perlican. It would be very detrimental to Old Perlican as well as surrounding areas should Royal Greenland decide to process or transfer product from Old Perlican.

Thank you for the opportunity to express our concerns. We look forward to an exciting future working with Royal Greenland as well as Quinsea Fisheries Ltd. Should you have questions or concerns, please contact the undersigned.

Sincerely,

ATIPPA Sec 40(1)

Town Clerk/ Manager
Town of Old Perlican

Telephone: (709) 587-2366
Facsimile: (709) 587-2261
townofoldperlican@persona.ca
www.townofoldperlican.ca/
Wiseman, Wandalee

From: Quinlan, Krista  
Sent: Tuesday, February 23, 2016 1:32 PM  
To: Wiseman, Wandalee  
Subject: FW: Greenlandic overfishing  
Attachments: NAFO 3L Shrimp Feb 2010.doc

From: Quinlan, Krista  
Sent: Thursday, February 4, 2016 12:15 PM  
To: Crocker, Steve <SteveCrocker@gov.nl.ca>  
Subject: FW: Greenlandic overfishing

Minister,

Please see below and attached. Canadian ports are closed to Greenlandic and Faroese vessels as a result of Danish objections to NAFO quotas for 3L shrimp. This action was based on principle, not on vessels overfishing. I am not adding it to the meeting note, but providing this for your information.

Krista

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From: Dooley, Tom  
Sent: Thursday, February 04, 2016 11:17 AM  
To: Quinlan, Krista  
Subject: RE: Greenlandic overfishing

Hi Krista,

The port closure is in relation to the objection by DFG (Denmark on behalf of Faroe Island and Greenland) at NAFO to the sharing of 3L shrimp. DFG objected to their share and filed an objection each year since 2004.

The port closure was a response by Canada to this objection so not directly related to any particular vessel/vessels overfishing. Ports were reopened in 2008 in an attempt to reach an agreement on the DFG objection but closed again in 2010 when a resolution was not reached. I have attached a note on the issue completed in 2010 fyi.

A couple of additional points:

Greenland did fish a portion of the unilateral quota from 2003-2010 but to a much lower degree than the Faroese. Despite DFG unilateral quota catches generally did not exceed the original set TAC for 3L shrimp. [ATIPPA Sec 29(1)(a)]

Given the 3L shrimp fishery is now closed (2015) and unlikely to open any time soon, there is some talk on [ATIPPA Sec 34(1)(a)(i)]

Hope this helps.

Tom Dooley  
Director, Sustainable Fisheries and Ocean Policy  
Department of Fisheries and Aquaculture  
709 729-0335  
tdooley@gov.nl.ca

From: Quinlan, Krista  
Sent: Wednesday, February 03, 2016 5:01 PM
Hi Tom,
I meant to ask you this earlier – I saw that on January 26 2010, Gail Shea issued a release about Greenlandic vessels overfishing shrimp. Would it be possible to find out which vessels were involved (especially if there have been other instances), and possibly who owns them? I'm specifically looking to see if Royal Greenland was involved.

It will be important to have this info before 4:30 tomorrow if possible. I am around tomorrow if you'd like to discuss it.

Krista
Information Note
Department of Fisheries and Aquaculture

Title: NAFO/3L Shrimp

Issue: Canadian Port Closure to Denmark, Faroese and Greenlandic Vessels.

Background and Current Status:
- The 3L shrimp fishery opened in 2000. This is a NAFO managed fishery as this stock straddles the 200 mile limit. Canada was allocated 83% of the Total Allowable Catch by NAFO, while the other 16 members equally split the remaining 17%.
- In the spring of 2002, the Minister of Fisheries and Oceans closed Canadian ports to vessels from the Faroe Islands and Estonia, due to overfishing and misreporting of 3L shrimp. Canadian ports were reopened to both in 2003.
- In January 2004, Denmark, on behalf of the Faroe Islands and Greenland (DFG), objected to their 144t NAFO quota for 3L shrimp and established a unilateral quota of 1,344t. The rational for the objection was an exploratory fishery which the Faroese had conducted in the late 1990's. Prior to the September 2004 NAFO Annual Meeting, Canada convinced Denmark to stop fishing their unilateral quota, in an attempt to find a solution to the issue through the NAFO process.
- DFG was unsuccessful at resolving their 3L shrimp allocation concerns at the 2004 Annual Meeting and resumed fishing their unilateral quota in the fall of 2004. On December 2, 2004, Canadian ports were closed to DFG when Faroese vessels exceeded their 2004 NAFO set allocation.
- DFG objected each proceeding year and set their unilateral quotas at approximately 10% of the overall TAC and Canadian ports remained closed. During the 2007 annual NAFO meeting, an agreement to increase the 3L shrimp TAC to 25,000t in 2008 was reached. DFG informed NAFO that they will set their 2008 quota at 2,584t against their 278t allocation.
- During the September 2008 annual NAFO meeting, the 3L shrimp TAC shrimp was increased to 30,000t for 2009. There was no engagement with DFG on changing the existing allocation key. DFG again objected, and set their 2009 quota for 3L shrimp at 3,101t against a NAFO allocation of 334t. Both Faroese and Greenlandic vessels fished the unilateral quota in 2009.
During the 2009 NAFO annual meeting in September, it was agreed to maintain the 3L shrimp TAC at 30,000t and changes to shares were not discussed. In late November 2009, DFG notified NAFO of its objection to the 3L management measures for 2010 and have set their unilateral quota at 3,101t, the same as in 2009.

No action was taken by Denmark to withdraw their objection and unilateral quota therefore Canada closed the ports to fishing vessels from Denmark, the Faroe Island and Greenland on February 15, 2010.

Prepared/Approved by: Tom Dooley/Alastair O'Rielly
Approved by: Minister Clyde Jackman

Date: February 8, 2010
Updated February 16, 2010