April 13, 2015

Dear Applicant:

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FA/04/2015]

On February 16, 2015, the Department of Fisheries and Aquaculture received your request for access to the following records:

My request is for any e-mails or recorded conversations between the Government of Newfoundland and Labrador and the Government of Canada in regards to negotiations for the Canada and Europe Comprehensive Economic and Trade Agreement and the Fisheries Innovation Fund.

Your request was subsequently clarified to the following:

For any recorded conversations between the Government of Newfoundland and Labrador and the Government of Canada in regards to the Fisheries Innovation Fund that have not been tabled in the House of Assembly or have been made publicly available dating back to April 2013.

I am pleased to inform you that your request for access to these records has been granted. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

Please be advised that responsive records will be published following a 72-hour period after the response is sent electronically to you or 5 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 1 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 the ATIPP Coordinator, Ms. Wanda Wiseman, at (709) 729-3712.

Sincerely,

David Lewis
Deputy Minister (A)

Enclosure
Meeting Notes
ACOA
Wednesday, January 15, 2014

Attendees:
Honourable Rob Moore, Minister of State (ACOA)
Mr. Shane Bourke, Minister Moore’s Chief of Staff
Honourable Keith Hutchings, Minister of Fisheries and Aquaculture
Mr. David Lewis, Deputy Minister, Fisheries and Aquaculture
Mr. Paul LeBlanc, President of ACOA
Mr. Paul Mills, Vice-President of ACOA (NL)
Ms. Lorraine Barnett, Federal Liaison - NL

Minister Hutchings made opening statements:
- Aquaculture has grown significantly in NL over the past few years and supply chain development is now becoming possible.
- CETA is a big opportunity for Newfoundland and Labrador.
- Gave a brief overview of policy significance of relaxing MPRs and that the $400 M fund acknowledges this.
- The Province wants to use funds on marketing, research and development, fisheries research, and infrastructure. These areas were identified in the exchange of letters between trade ministers.
- Funds are not to be duplicative of existing programs and investment (eg. Small Craft Harbours)
- Infrastructure initiatives could look at quality control and efficiency; not wharves and other “bricks and mortar.”
- Fisheries science – CFER is a priority in terms of fisheries science. It is creating new research capacity at MUN; grad students; and undertaking research which is complementary to DFO, not duplicative.
- Could see program expenditures spread over more than three years.
- In response to a question from Minister Moore, he indicated that the Province is not proposing to fund any rationalization efforts.

Minister Moore spoke about ACOA’s role:
- ACOA has been given the mandate to work on parameters of the fund. How it is funded would be Cabinet decision. ACOA will have to go to Federal Cabinet with a plan.
- Federal $280 is contingent on $120 provincial.
- $400 m is lot of funding for one province. It provides an opportunity for long-term benefit and legacy. In 40 years people should be able to look back and say we did it right.
• ACOA indicated that there was nothing carved in stone on the federal side at present. There are no areas they don’t want to pursue at this stage; they are open to the province’s advice.
• ACOA wants to start the process of consulting with the province, and would like provincial officials and ACOA to start defining the parameters.

General discussion of programs and processes:
• ACOA inquired whether there was any willingness to use money where a rural economy needs support outside the fishery. ACOA also asked about the province’s willingness to consider fishing industry modernization and automation.
• Minister Hutchings indicated a willingness to discuss further.
• Minister Hutchings indicated that the province wants to see an efficient administrative structure. There is no interest in re-inventing the wheel on delivery.
• ACOA (Paul Mills) noted that ACOA doesn’t do third party delivery normally. They would have no problem with MI, for example, but might have concerns about delivery through the unions, etc.
• ACOA raised the issue of consultations – which stakeholders to consult. NL (Dave Lewis) responded that industry stakeholders would have to be consulted for certain; how much broader the consultations might be has not yet been determined. He questioned whether ACOA envisaged joint consultation processes. ACOA (Paul LeBlanc) responded that they see the consultations needing to be “coordinated and harmonized”, but they may not need to be exhaustive.
• Ministers agreed that in terms of timelines, they would like to see fairly clear programs, etc. within a year. In addition, any announcements would be joint announcements.

Closing:
• At the end of the meeting, the Ministers gave direction for officials (Paul Mills and Dave Lewis) to start further discussions.
Meeting Notes
Fisheries Investment Fund
Department of Fisheries and Aquaculture
Petten Building – Friday, January 24, 2014

Participants:
Dave Lewis, DFA
Brian Meaney, DFA
Krista Quinlan, DFA
Wanda Wiseman, DFA
Paul Mills, ACOA
Paul Parsons, ACOA
Susan Drodge, ACOA
Ken Martin, ACOA

1. Opening Remarks
Discussion:

- Paul Mills (PM) completed an overview of ACOA’s Agenda items.
  - Requested to add communications and data discussion to the Province’s Agenda.
  - Confirmed that ACOA is the federal lead on the FIF.
  - Indicated that ACOA is mandated to consult with DFO and stakeholders/industry.
  - ACOA will have to go back to Cabinet (Spring/Fall) with adequate program details to secure the Federal money.

- Dave Lewis (DL) gave an overview of Fisheries Investment Fund (FIF) and referenced MPRs – a significant shift in provincial policy that required compensation in the form of the Fisheries Investment Fund.

- Both levels of government agreed that the purpose of this meeting was for discussion only (i.e., not formal negotiations).

2. Guiding Principles of the Fisheries Investment Fund
Discussion:
- DFA indicated that the FIF should reflect provincial priorities for the fishing industry.
- ACOA has not had a lot of involvement in fishing industry programming for many years, and will take its cues from the province.

3. Key Program Areas
- Marketing
- Research and Development
- Fisheries Research
- Infrastructure
- Adjustment
Discussion:
• ACOA agreed with the key program areas as defined by province but questioned what is meant by adjustment. DL- clarified that this would deal with CETA-specific impacts, but programming could potentially mirror existing workforce adjustment programing.
• PM asked the province
  o If it foresaw that the FIF would have any impacts on DFO’s policies (jurisdiction).
  o If it was interested in adjustment in terms of right sizing the industry.
• DL:
  o The concept of Joint Management could possibly be revisited at some time in the future but is not a specific objective under the FIF.
  o Messaging has been that rationalization is not an element of the FIF, and this has been made clear to the FFAW and processors. Rationalization was raised at an early stage of the discussions between trade ministers that led to the FIF, but was discounted. Nevertheless, during consultations this issue could potentially be raised by industry participants.
  o OSS/OWS – DL explained the basis for the MOU with DFO – to secure consultation with the Province and transparency in the unlikely event OSS/OWS becomes an issue in the future.
  o Fisheries research (science - CFER) – DL gave an overview of the Province’s view on the value of CFER (science, building capacity at MI/MUN, etc.) and noted that CFER should complement and not duplicate DFO science. Also, there could be a possible role in Northern research given the growing interest in the Arctic and the lack of available research platforms.
• ACOA - PM:
  o Robotics/mechanization is likely to be an area of R & D interest.
  o Financial incentives to industry participants may be required to assist them to pursue modernization. ACOA has started to reconsider whether it should not be assisting the fish processing sector in modernization efforts. For the past decade or more their policy, consistent with provincial policy, has been not to provide any general financial assistance to the primary processing sector.
  o Indicated existing capacity within ACOA and could commence some program activities now (e.g. market intelligence).

4. Program Duration and Timing of Cash Flows
Discussion:
• Agreed cash flow should be for a longer period of time for programs (possible 5-10 years) – ACOA mentioned 7 years.
• Agreed that different elements of the FIF could have differing program durations.

5. Federal/Provincial Administrative Structures
Discussion:
• ACOA is not keen on third party delivery. They see that value of legacy funding as a means to extend program durations, but have concerns about accountability for Government funds. This was a factor in ACOA’s decision to move away from CCFI funding.
• ACOA indicated they have 100 staff in NL who could be used in program delivery.
ACOA believes the federal government expectation is that the FIF will look a lot like normal Fed/Prov agreements in terms of structure and management. This could mean jointly managed/delivered programs, or parallel delivery where the federal government and the province would each deliver some of the programs.

6. **Consultations and Program Processes**

*Discussion:*
- ACOA has been mandated to consult with industry and questioned how the province viewed the process.
- DL outlined two options:
  - Joint consultations (Fishing Industry Renewal Strategy model)
  - ACOA in ex-officio role (MOU model)
- ACOA's preference is for joint consultations.

7. **Other**

*Discussion:*
- Communications
  - ACOA wants joint announcements and cautioned that the federal system is very slow in that regard.
- Data discussion
  - ACOA would like to have a process in place to share data.
  - DFA agreed to provide presentations.

8. **Next Steps**

*Discussion:*
- Schedule a half day meeting for information sharing:
  - Province to give presentations:
    - Overview of fishing industry in NL
    - FIR programs and status/processes
    - MOU programs and status/processes
  - ACOA will present on their agency and existing programs, including any offered to the fishing industry in the Maritimes.
- *The information sharing meeting was subsequently scheduled for Feb 14th.*
Meeting Note  
Department of Fisheries and Aquaculture  
Meeting with Atlantic Canada Opportunities Agency  
Friday, February 14, 2014  
St. John’s, NL

Attendees:  
Dave Lewis, Department of Fisheries and Aquaculture (DFA)  
Brian Meaney, DFA  
Krista Quinlan, DFA  
Sean Barry, DFA  
Ian Burford, DFA  
Mark Rumboldt, DFA  
Wanda Wiseman, DFA  
Paul Paddle, DFA  
Terry Johnstone, Department of Innovation, Business and Rural Development (IBRD)  
Paul Mills, Atlantic Canada Opportunities Agency (ACOA)  
Paul Parsons, ACOA  
Susan Drodge, ACOA  
Ken Martin, ACOA  
Karen Skinner, ACOA  
Bill Grandy, ACOA  
Elizabeth Beckett, ACOA  
Amanda Handrigan, ACOA  
Julie Afonso, ACOA

Purpose of Meeting:  
To share information regarding the fishing and aquaculture industries and recent provincial initiatives, and exchange information regarding federal and provincial programs and services.

Agenda Items:  
1. Overview of the Fishing and Aquaculture Industries:  
   - A general overview of the fishing and aquaculture industries was given. Some questions raised around:
     - the number of aboriginal harvesters;
     - species harvested in Iceland and Norway;
     - landing patterns in Iceland and Norway;
     - information in real amount/value terms;
     - capacity; and
     - Paul Mills (PM) questioned if did not have to spend money in the European Union (EU), could use it to sustain other markets? (Is there a perception that the marketing efforts have to be linked to EU opportunities for new program?)

2. Fishing Industry Renewal Strategy:  
   - An overview of FIR processes and outcomes was provided by DFA.
3. **MOU on Fishing Industry Rationalization and Restructuring:**
   - Presentation on the MOU processes and outcomes was given by DFA.
   - PM questioned DFO policies and if DFO would change policies to support the Fisheries Investment Fund would there be policy changes the province would see as beneficial?

4. **ACOA Overview:**
   - ACOA provided an overview of its programs.
     - Approximately $70 million budget on programs/operation for Newfoundland and Labrador.
     - ACOA Priorities: enterprise development; community development; and policy, advocacy and coordination.
     - ACOA Delivery:
       1. Business Development Program (BDP): commercial and non-commercial;
       2. Innovative Community Fund (ICF);
       3. Atlantic Innovation Fund (AIF); and
       4. Community Business Development Corporations (CBDCs) in NL.
   - Over the five-year period, ACOA contributed over $75M to fisheries related projects in Atlantic Canada, 28% of which was spent ($20M) in NL fisheries. ACOA NL’s investment has been more focused on aquaculture (60%) (feasibility, sites, hatchery, production, NAIA, etc.).
   - 40% of the $20M supported the capture fisheries (extensive management, consultations, value added production, seals, technology adoption, OCI water jet technology, etc.).
   - Consideration for delivery of transition fund:
     1. ACOA’s role in delivery of Government of Canada’s priorities;
     2. ACOA and the Transition Fund; MC to be drafted;
     3. Flexible programming; and
     4. Big advocacy role to play for NL.

5. **Next steps:**
   - Dave Lewis to follow-up over next 2-3 weeks.

February 17, 2014
Lewis, David B.

From: Paul Mills <Paul.Mills@acoa-apeca.gc.ca>
Sent: Tuesday, September 09, 2014 4:41 PM
To: Lewis, David B.
Subject: RE: Fisheries Investment Fund consultations

Dave

We are not in a position to participate in any of your proposed consultation plans at this point in time nor would we want our logo placed on the consultation portal. Similarly we are not able to participate in your planned research activities that we discussed. I would suggest that the timing of our participation in research and public consultation would be an item on the agenda for the next meeting of Ministers.

Thanks

From: Lewis, David B. [mailto:DavidLewis@gov.nl.ca]
Sent: Monday, September 08, 2014 1:22 PM
To: Paul Mills
Cc: Bonnell, Carey
Subject: Fisheries Investment Fund consultations

Paul.

We are mocking up the structure of a website we are intending to use to convey information to the public about the Fund and the consultations this fall, as well as a portal for interested parties to provide input. Let me know how you would like to participate in the development of this site and the consultation plan. Also, we have been asked by our Comms Branch whether the Federal Government will be acknowledged (e.g., logo) on the site – we are intending to have the provincial branding incorporated.

Thanks.

Dave

"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."
Title: Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) and the Fisheries Investment Fund (FIF)

Issue: Update on discussion with Senior ACOA Officials

Background:

- On October 24th Minister Granter received a letter from Minister Moore (ACOA Minister) proposing to initiate discussions on the FIF. The letter suggested initial meetings between federal and provincial officials to share respective objectives and priorities and identify areas of alignment. Following these initial meetings Minister Moore is proposing a meeting with Minister Granter (his suggestion was November 7th in St. John’s). However, Minister Granter is out of the province on business during the week of November 3rd, so an alternative date will need to be identified.

- Shortly after receipt of the letter on September 24th, David Lewis (DM – DFA) received a call from Paul Mills (VP – ACOA NL) requesting a meeting between senior officials on the afternoon of October 28th to initiate discussions. Attendees at this meeting would include Paul Mills, Ken Martin and Susan Drodge from ACOA. DFA attendees will include David Lewis, Carey Bonnell (Executive Lead for the CETA Fisheries Fund) and Wanda Wiseman (Director of Planning Services).

Current Status:

- The meeting between ACOA and DFA officials took place on the afternoon of October 28th. The meeting started with Dave Lewis articulating the position of the Government of Newfoundland and Labrador related to the FIF which was outlined in the letter of May 14, 2014 (attached) from then Fisheries and Aquaculture Minister Hutchings to ACOA Minister Moore.

- Following the overview by Dave Lewis the position of the federal government was articulated by Paul Mills. Paul indicated that they now have definitive direction from cabinet on the FIF. Their position is based on two overarching principles:
  - The need to compensate for the negative impact for the removal of MPR’s in the EU market.
  - Ensure the other Maritime Provinces don’t experience any adverse impacts from the FIF initiative.

- Based on the above principles the GOC will require evidence of negative impact due to MPR removal in order to compensate under the fund. The process to define and quantify an ‘impact’ has not yet been considered and a metric would need to be developed for this.
Based on MPR’s being removed three years following CETA ratification (expected in early 2016) we would be looking at 2019 before any impact could be considered. Given the timeframe to consider an impact a conservative estimate of 2020 would be a realistic timeline before any funding would conceivably flow under this agreement.

In terms of the pillars identified the GOC are supportive of four of the five pillars (science, infrastructure, R&D & workforce adjustment). They are adamantly opposed to any of the funds being directed to market development efforts. When pressed ACOA officials indicated that funding for market development was strongly opposed by the Maritime Provinces.

Related to the pillars it is important to note that funding would only be expensed against one of the pillars if a demonstrated loss (i.e. plant closure) occurs as a result of the removal of MPR’s. However, another consideration before any allocation of funds would be to ensure the other provinces are not adversely impacted. No explanation was provided by ACOA officials as to what metric would be used to define such an impact.

In terms of the delivery of funding ACOA officials indicated that existing ACOA programs are flexible enough to deliver the majority of the programs (just add $’s to programs as required). They also expressed flexibility on the duration of the program.

DFA officials in the meeting indicated that the GOC position reflected a severe lack of understanding of the agreement that was reached between the respective governments in 2013 and reflected a strong appearance of negotiating in bad faith. Essentially DFA officials view the GOC position as a retraction of their commitment to the FIF which was the principle component that led to the provinces final commitment to the CETA AIP.

The meeting concluded with DFA officials indicating that they would brief government leaders before taking any further action.

Prepared by/Approved by: C. Bonnell
Reviewed by:
Ministerial Approval:

October 28, 2014
The Honourable Rob Moore  
Minister of State, Atlantic Canada Opportunities Agency  
Minister Responsible for Newfoundland and Labrador  
Room 418, Justice Building, House of Commons  
Ottawa, ON  K1A 0A6

Dear Minister Moore:

I am writing further to our meeting of January 15, 2014, and subsequent meetings of our officials, to confirm the Government of Newfoundland and Labrador’s expectations with respect to the $400 million federal/provincial cost-shared Fisheries Investment Fund.

During discussions between the Federal Government and the province related to finalization of the Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) last spring, agreement was reached on joint funding of a Fisheries Investment Fund on a 70/30 federal/provincial basis. As you are aware, the Government of Newfoundland and Labrador agreed to make a major change in public policy related to our fishing industry in order to leverage improved access to EU markets through tariff elimination and removal of end use restrictions. Specifically, our government agreed to relax minimum processing requirements (MPRs), under CETA, for fish destined for the EU market.

Under our Fish Inspection Act and regulations, the provincial Minister of Fisheries and Aquaculture is authorized to determine the minimum product forms into which fish must be processed before export from the province. The objective of this authority, which has been grandparented under the North American Free Trade Agreement and the Agreement on Internal Trade, is to ensure that our province is able to achieve optimum value from fish resources landed in our communities. An independent review of our MPRs in 2006 (see attached) confirmed their value to the province and recommended that, in general, they be maintained. Consequently, our decision to relax MPRs under CETA was not taken lightly and, as anticipated, has attracted considerable public scrutiny in this province. Nevertheless, it continues to be our assessment that, given the competitiveness of our industry in comparison to the EU and the value of the Fisheries Investment Fund in enabling our industry to capture the additional value in the EU market, the relaxation of MPRs in this particular case is warranted.

As we discussed in our January 2014 meeting, the Fisheries Investment Fund will assist the transformation of the industry to one that is sustainable, economically viable, internationally competitive, and regionally balanced. While it was agreed that the fund will address industry...
development and renewal, as well as worker displacement, program specifics have yet to be finalized. Our agreement to relax MPRs in relation to CETA was premised on a fund comprising the following program elements: innovation and development; market development; fisheries research; infrastructure; as well as worker adjustment where required to mitigate the impacts of removing MPRs. Consideration should also be given to the merits of establishing legacy funding for certain program elements, which would provide a lasting benefit to the fishing industry. During CETA discussions in the spring of 2013, the possibility of using funding towards rationalization programs was raised and rejected on the basis that the fund could only be used to address CETA-related impacts and opportunities. The Government of Canada was steadfast in its position that matters not directly related to CETA would not be considered. Consequently, should rationalization be deemed necessary, the Federal Government would need to provide separate funding for such an initiative.

Innovation and Development:
Funding towards innovation and development will increase industry efficiency, profitability, and productivity. Such initiatives will strengthen expertise in applied fisheries and aquaculture R&D, support the knowledge base and expertise in fisheries development and management within the province, and support environmental sustainability.

Market Development:
Funding will assist the industry to aggressively pursue new opportunities arising from unrestricted access to the most valuable seafood market in the world, the European Union in particular, but also other market opportunities worldwide. This support will address marketing challenges of both small and large seafood producers, offer opportunities for generic marketing and marketing collaboration, and provide support for branding opportunities. It is important that industry adopt a strategic approach to the EU market in particular and carefully analyze our best options for positioning that will provide the greatest and most sustainable benefit.

Fisheries Research:
A better understanding of our fishery resources is a critical driver in the future success of the industry. As such, fisheries research will enhance the capabilities within the province for fisheries and ecosystems research in support of fisheries management and sustainable development. It will build national capabilities in marine research, oceans management, and sustainable development. In addition, it will ensure future decisions on the management and sustainable development of the province’s marine fish resources are grounded in a comprehensive understanding of fish stocks and the marine ecosystem. A continuation and expansion of efforts to achieve an integrated approach to ecosystem management, involving DFO Science, academia, and industry is clearly desirable.

Infrastructure:
Funding towards infrastructure will focus on improving operational efficiencies, product quality, and handling and monitoring costs. Any investments in infrastructure, which are expected to be limited, will be strategic in nature and aimed at assisting industry transformation and viability.

Worker Adjustment:
Adjustment funding will provide assistance for workers displaced by any fish plant closures related to CETA implementation. Funding will enable workers impacted by such closures to make a successful transition to new labour market opportunities.
Also, as we have discussed, it is our expectation that the following key principles form the cornerstone of the Fisheries Investment Fund:

- The fund will reflect provincial priorities. Initiatives under the fund will provide and strengthen economic opportunities in rural areas of the province, and maintain/generate fishery-related employment that provides good incomes.
- The fund will be incremental to existing program funding, will not replace or substitute for current program funding, and will not expire until expended.
- There appears to be a gradual ecological shift taking place in the waters off our coasts, which may have implications for our fishery resources, including an apparent transition back to a fishery in which groundfish is more dominant. If these changes materialize, it could impact the short-term viability of some elements of our fishing industry, and necessitate further structural change. Therefore, the Fisheries Investment Fund will need to be flexible and forward-looking, and nimble enough to support such transformations.

During the CETA negotiations, it was agreed that program funding would commence once the deal is ratified in approximately two years and flow over a three-year period in line with the phase-out period for MPRs on fish destined for the EU. However, as discussed during our January meeting, in order to optimize the benefits from this fund, initiatives should occur over a much more protracted period than three years, possibly in the range of five to ten years. The Fisheries Investment Fund is unlike previous federal/provincial cost-shared agreements, as the fund represents a payment to the province for conceding to a significant policy shift. We fully expect that funding will flow to the Provincial Government over the three year-period following ratification, to be managed over the duration of the fund by our government, until fully expended. This would streamline program development and delivery, while ensuring maximum benefit to the fishing industry. Appropriate review and reporting requirements would be developed and implemented to enable the Federal Government to monitor and assess progress and account for overall expenditures.

The Provincial Government intends to engage stakeholders to further define the program parameters in the coming months. I look forward to further collaborating with your government on the Fisheries Investment Fund.

Sincerely,

KEITH HUTCHINGS, MHA
District of Ferryland
Minister of Fisheries and Aquaculture

Attachment

c. Honourable Steve Kent
   Department of Municipal and Intergovernmental Affairs