

6.0 Other Policies and Procedures

This section deals with other policies and procedures related to licensing.

6.1 Advertisement of Application

This section deals with the policy and procedure for advertising the applicant's intent to apply for a new licence, licence transfer or change of operator.

6.1.1 Policy

An applicant for a new licence, licence transfer or change of operator shall give notice of his or her intention to apply for the licence, by advertisement in the form prescribed in Annex D, once a week for two consecutive weeks. The application can be submitted concurrently with the placement of the advertisement.

For a new licence or change in operator, the advertisement must appear in the Classified Section of: (1) a newspaper (Saturday edition) with province-wide circulation and (2) a newspaper circulating in the area in which the licence or change of operator is requested.

For a licence transfer, the advertisement must appear in the Classified Section of: (1) a newspaper (Saturday edition) with province-wide circulation; (2) a newspaper circulating in the area to where the licence is being transferred; and (3) a newspaper circulating in the area from where the licence is being transferred.

The applicant must demonstrate that the advertisement has been placed in the appropriate manner by submitting a copy of the advertisement, the newspapers utilized and the dates of placement.

6.1.2 Procedure

The Secretariat will review the advertisement and get copies of newspapers to ensure policy has been followed.

6.1.3 Rationale

To provide for a more open and transparent licensing system, the public must be fully aware of all applications for new licences, licence transfers or changes in operator. Advertisements in province-wide and local newspapers prior to application will give people an opportunity to provide comments to the Board in the early stages of the review process.

6.2 Licence Activity

This section deals with the policy regarding requirements for fish processing and buyer's licences to remain active.

6.2.1 Policy

A species or species group of a primary processing licence is considered active if the plant maintains the minimum production level (based on round weight equivalent) for that species or species group in either of two consecutive calendar years as outlined in Section 1.4.

A species or species group of a retail processing licence is considered active if the operation produces at least one pound of finished weight production for that species or species group in either of two consecutive calendar years.

A species or species group of a buyer's licence is considered active if the buyer purchases at least one pound of that species or species group in either of two consecutive calendar years.

If a renewal request for any type of licence is not received for two consecutive licensing years, the licence will be cancelled permanently.

The Minister shall set the minimum production levels for each species or species group.

If a species or species group of a fish processing licence, retail processing licence or buyer's licence is deemed to be inactive, that particular species or species group will be removed from the licence.

Activity for a fish plant or retail processing operation is determined based on monthly production reports.

Activity for a buyer's licence is determined based on information provided by the Department of Fisheries and Oceans.

6.2.2 Procedure

The Department will:

- generate an annual production and purchase report for each processor and buyer, in January of each year;
- review data to determine inactivity for licenced species or species groups; and
- determine inactive species or species group(s) on licences as well as inactive licences.

6.2.3 Rationale

Requiring processing facilities and buyers to remain active is a means of ensuring that licences are being utilized. As well, the elimination of inactive licences will bring about a measure of rationalization over time, resulting in a better balance of processing capacity with resource availability.

6.3 Agency Agreements

This section covers the policy and procedure for the establishment of Agency Agreements between buyers and processors.

6.3.1 Policy

Agency Agreements may be approved by the Minister to allow established holders of processing licences and buyer's licences to buy fish not identified on their licences for/on behalf of a buyer or processor holding a licence authorizing it to buy such species. Only holders of fish processing or buyer's licences may be authorized as agents.

All fish purchased by an agent must be shipped in the form in which it was purchased, directly to the processor or buyer they represent.

An agent must issue the Department of Fisheries and Oceans purchase receipts to harvesters in their name followed by the name of the buyer or processor they represent.

Once approved, it is the responsibility of the buyer or processor to update the Department on the status of their Agency Agreements.

A person or company who does not hold a fish processing or fish buyer's licence must be employed by a fish processor or buyer in order to buy fish from a harvester and must issue the Department of Fisheries and Oceans official purchase receipts in the licence holder's name.

6.3.2 Procedure

- A fish buyer or processor must submit a request to the Minister for approval to appoint an agent to buy fish on their behalf.
- All Agency Agreements will be reviewed to verify that the agent and the company/individual submitting the agreement hold valid licences with the Department of Fisheries and Aquaculture. If valid licences are in place, a formal authorization may be issued by the Minister to prescribe the manner in which the agent may operate.

- A copy of the authorization will be forwarded to the Department of Fisheries and Oceans and to Regional Directors for distribution to inspection staff.

6.3.3 Rationale

The implementation of this policy will allow established processors and buyers to maintain their business relationships with their fish harvesters for all species landed.

6.4 Northern Labrador

This section covers the policy with respect to Northern Labrador.

6.4.1 Policy

All plants in Northern Labrador (i.e., North of Lake Melville) may be given special consideration where resource availability warrants such consideration. Species or species groups may be added to processing licences in this area without consideration of factors such as resource thresholds. Any recommendations made by the Board with respect to Northern Labrador must take into consideration provisions contained in any relevant land claim agreement(s).

6.4.2 Rationale

In order to develop the fishing industry in Northern Labrador, special consideration may be given to plants in this area.

6.5 Value-added Snow Crab Licences

This section deals with the policy and procedure regarding value-added snow crab licences. These are specialty licences with limitations on the types of products that can be produced and a cap on the amount of raw material that can be purchased. No new licences of this type will be issued.

6.5.1 Policy

Value-added snow crab licence holders will be authorized to produce “snap and eat”, consumer pack, and other value-added product forms approved by the Minister.

The licence holder will be permitted to purchase raw material directly from fish harvesters.

Snap and eat scored snow crab sections may be produced in any size pack.

Consumer pack snow crab sections shall not be produced in a consumer pack which exceeds 2 pounds (907 grams).

The licence holder shall submit a report of all processed snow crab products to the Minister on a daily basis.

6.5.2 Procedure

The Department will:

- review value-added snow crab production reports to ensure compliance with policy;
- schedule and conduct audits;
- prepare a report; and
- file the report with the Deputy Minister who will maintain files in a secure manner.

6.6 Collection of Statistics

This section deals with the policy and procedure regarding the collection of monthly production and purchases, employment statistics and special monitoring programs.

6.6.1 Policy

Licensed fish processors are required to submit the monthly production and employment forms by the 10th day of each month.

Licensed fish processors will be required to submit additional production and employment information as required by the Minister throughout the year.

If a company's production or employment is NIL for a particular month, then the company must submit the form, indicating NIL.

The Department may request additional information as needed.

If the required report or information requested is not received within the specified time frame, charges may be laid or administrative penalties applied.

Procedure

The Department will:

- forward the monthly production, purchases and employment report forms to all licenced fish processors;
- ensure that forms are completed and received by the deadline. (If a company does not submit a report on time, they will be advised to do so immediately or be subject to administrative penalties and/or charges); and
- enter all statistical data into the Processing and Licensing Application for Notification and Tracking (PLANT) system.

6.6.2 Rationale

In order to monitor the processing sector and to be able to respond to changing conditions, it is important that statistics are available as needed. Daily reports are required for such fisheries as capelin, shrimp and snow crab, where it is important that more timely information is available.

6.7 Audit of Fish Processing

This section deals with the policy and procedure for conducting audits of fish plant production.

6.7.1 Policy

It is a condition of all fish processing licences that licence holders must report their production as requested by the Minister.

In order to ensure that licence holders are submitting accurate production reports, the Compliance and Enforcement Division will conduct an annual audit of fish plant production or more frequent audits, if necessary.

6.7.2 Procedure

The Department will:

- Schedule and carry out company audits;
- Prepare a report; and
- File report with the Deputy Minister who will maintain these files in a secure manner.

6.7.3 Rationale

The Department of Fisheries and Aquaculture is responsible for the collection of fish plant production statistics. These statistics are used by the Department, other government departments and agencies and other industry participants. An audit will ensure that companies are reporting production consistently in the form required by the Department and will ensure accuracy of the data.

6.8 Transitional Licences

This section deals with the policy and procedure regarding transitional licences which are temporary licences issued to facilities that were newly licensed or changed operators in 2002, 2003 or 2004.

6.8.1 Policy

Processing facilities that were newly licensed or changed operators in 2002 will be issued species or species groups on their licences based on 2002, 2003 and 2004 production data.

Processing facilities that were newly licensed or changed operators in 2003 will be temporarily issued all species they currently hold until the end of the 2005 calendar year. Production records will then be reviewed and the facilities will be issued species or species groups based on at least 1 tonne of finished product for those species or species groups in one of 2003, 2004 or 2005.

Processing facilities that were newly licensed or changed operators in 2004 will be temporarily issued all species they currently hold until the end of the 2006 calendar year. Production records will then be reviewed and the facilities will be issued species or species groups based on at least 1 tonne of finished product for those species or species groups in one of 2004, 2005 or 2006.

A transitional licence is a temporary authorization to produce a species or species group and is not eligible for transfer to another facility.

6.8.2 Procedure

The Department will:

- review production data for all transitional licences at the end of their respective expiry dates;
- determine if facilities meet minimum production criteria for various species and species groups; and
- make necessary changes on licence renewals.

6.8.3 Rationale

The issuance of species or species group licences for 2005 is based on a minimum of one tonne of finished product for that species or species group in one of 2001, 2002 or 2003. To be fair to all operations, facilities that were licensed or changed operators in 2002, 2003 or 2004 will maintain current licensed species for three consecutive years, including the year the licence was issued or changed ownership. These plants will then be issued species licences based on the same criteria used to issue species licences for all other plants.