

# COASTAL B.C. GUIDE OUTFITTERS ASSOCIATION

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Jody Shimkus  
Assistant Deputy Minister, Regional Operations – Coast  
Ministry of Forests, Lands and Natural Resource Operations  
PO Box 9352  
Stn Prov Govt  
Victoria, B.C.  
V8W 9M1

## **RE: Branch's Response to the Trumpy Report**

Dear Jody:

This is to advise that the Guide Outfitters Association of British Columbia no longer has the mandate to represent or advocate on behalf of the Guide Outfitters in Regions 1 & 2. In future, Regions 1 & 2 will be represented by the Coastal B.C. Guide Outfitters Association which is a non-profit organization registered under the *Societies Act* of B.C.

Regions 1 & 2 can no longer support the direction that GOABC has taken with regard to the Allocation Policy in general and the Trumpy Report in particular. The design of the Trumpy Report was flawed from inception because most of the issues were derived from group interviews with operators who do not advocate for the common good of the industry and are concerned only about their personal businesses.

In 2007 the new Allocation Policy was fully implemented in some regions, partially implemented in other regions, and a five year exemption was negotiated for one region. With buy-in from the BCWF, this phase-in period was designed to provide some outfitters an opportunity to adjust their businesses in preparation for full implementation in 2012. What happened instead was these operators used the phase-in period to engage in what is best described as predatory lobbying within GOABC to engineer an outcome which they hope will continue their special status in perpetuity and to the detriment of everyone else.

The basic premise of the Allocation Policy review and subsequent implementation was to develop one policy for the entire province so that all regions are governed by the same policy and all regional staff will apply the policy evenly across the province. The impetus for this review was to shift time and energy away from division of assets (allocations) and onto wildlife stewardship. It was also intended to establish a level playing field for individuals who want to invest or reinvest in the guide outfitting industry.

To move away from the stated goals and guiding principles of the Allocation Policy and re-open the dialogue, not only between regions but with other consumptive groups, will be met with strong opposition from Regions 1 & 2. We do not support re-opening the policy and dragging the entire industry into another protracted debate based on claims of potential losses that are not supported by the data. Quite frankly, many of these claims simply do not pass the 'red face' test.

Where it can be demonstrated that financial loss will occur in certain situations *as a direct result of the Allocation Policy*, Regions 1 & 2 argue that these situations should be dealt with on a case by case basis outside of the policy. We can also support minor edits such as some the Branch is suggesting in their review of the Trumpy Report, provided they are biologically sound and done in an open and transparent manner. These minor adjustments should not have any unintended negative impacts, economically or biologically, on wildlife management, First Nations, resident hunters or guide outfitters.

The following section summarizes Region 1 & 2's opinion of the Wildlife Branch's responses to the recommendations contained in the Trumpy Report:

1. We agree with the Branch's response to Trumpy Report Recommendation #1.

Rationale:

Adopting Recommendation # 1, and giving regional managers "discretion to allocate individual guide share above the base level...." would be nullifying one of the primary reasons for the allocation review, that being the lack of consistency and fairness by some regional managers in allocating guide shares. There are social and political factors at play that will create winners and losers in each region depending on who can lobby their managers the hardest. The new policy was developed to prevent these very abuses.

In addition, factoring in the last 10 years actual splits or the uniqueness of each region simply 'games' the outcome of the matrix. The new policy is intended to move away from decades of regional gerrymandering, not to enshrine it.

2. We agree with the Branch's response to Trumpy Report Recommendation # 2.

3. We agree with the Branch's response to Trumpy Report Recommendation # 3.

Rationale:

We believe the Ministry must always take a provincial perspective and support the principle that all operators be treated the same. GOABC's response supports using a "remote access multiplier". If this means that, within a given region, those operators whose guide areas are classified as "remote" are given a higher percentage share of the harvest, while those whose guide areas are more "accessible" are given a lower share of the harvest, we strongly oppose this.

Every region of the province has both remote and easily accessible areas. If regional managers are encouraged to increase our opportunity in remote areas with enhanced

percentages of our share while limiting our opportunities in accessible areas with reduced percentages, it will create tremendous competition, uncertainty and animosity within our industry. It is essential that each operator be given their full and fair share of the allocation harvest.

4. We agree with the Branch's response to Trumpy Report Recommendation # 4.

Rationale:

This recommendation will offset any shortfalls in the administrative guidelines.

5. We agree with the Branch's response to Trumpy Report Recommendation # 5.

Rationale:

There are those within GOABC that continue to downplay the importance of allocation by guide area. Each guide area has legal metes and bounds and a contract with the Crown. The animals that reside inside those legal descriptions are what give value to the areas. Each individual guide outfitter's allocation should be a reflection of the population of the allocated species within their guide territory. This is a biologically sound principle.

The application of such concepts as "regional allocation", "success multiplier", the "hardship rule" or the use of s.70 1. (b) permits is nothing more than a government subsidy which provides additional allocation share to the operator for nothing. Those outfitters who have gone into the market place and purchased additional guide territory in order to increase their allocation are therefore at a disadvantage financially compared to those who are receiving their additional share for free. The practice of allocating harvest share from outside any guide area is antithetical to sound wildlife management. Further, it skews the calculator in favour of those operators who are receiving preferential treatment.

Here are some specific arguments against the application of the concepts cited above:

- The "success multiplier" is, in effect, a way of 'double dipping' administrative guidelines which, in some cases, may not be biologically sound.
- The input data for the calculator is altered in favour of those with enhanced allocations.
- Enabling some outfitters to operate with embellished allocation from outside their guide areas allows them to undercut the market because their debt load is less, and puts at risk those who have paid for their allocations.
- Outfitters who do not enjoy such benefits are, in effect, being penalized by the Crown.

The solution to Recommendation # 5 is the disposition of unallocated areas within the province.

6. We agree with the Branch's response to Trumpy Report Recommendation # 6.

7. We agree with the Branch's response to Trumpy Report Recommendation # 7.

Rationale:

If, within a given region, operators are underutilizing their share, there is a high likelihood that the underutilization is related to regulations. The liberalization of hunting regulations in B.C. has triggered a number of challenges, and in some cases has led to our members not having a product to sell. The primary elements to achieving our share of the allocation in each region are:

- *Quality of product* or proper age class structures to meet market demands.
- *Quantity of product* to meet the quota assigned to a particular species.

8. We agree with the Branch's response to Trumpy Report Recommendation # 8 with the following qualifications around sub-section (b).

Rationale:

(b) Changes in utilization increments. Applying this change may result in a matrix change to those operations that are 100% on utilization yet can't compete on demand.

There are two issues with under-performing guide outfitters that affect the utilization in a region:

- Under-utilization is being used as a 'prop' to position those that can't compete in utilization but can on demand. Making changes to the utilization formula weights the basic structure of the matrix outcome in their favour.
- The Crown simply needs to isolate those operators who are chronic under-performers and to apply remedies that will not affect the rest of a region or the province. We are spending far too much time on a few under-performing operators who should be allowed to experience the free market process and simply go out of business.

If the net result of this recommendation is a transfer of opportunity to other outfitters who underperform on utilization, it will be vigorously opposed by Regions 1 & 2 as well as other operators who have high-end, low volume quotas. This proposal affects virtually every species with the exception of moose. Such a transfer of opportunity is counter to the goals and guiding principles of the Allocation Policy.

Please refer to comments under #5.

9. We agree with the Branch's response to Trumpy Report Recommendation # 9.

Rationale:

Guide areas and their certificates are exclusive. There should be no transfer of quota between guide areas unless the transfer is biologically sound and mutually agreeable between the outfitters involved. Private agreements are the best way to address the issue of unused quota, and are currently in wide use throughout the province. The Crown doesn't need to be involved.

10. We agree with the Branch's response to Trumpy Report Recommendation # 10.

Rationale:

All fractional, vacant and unallocated areas should be made available to the guiding industry for purchase. This must be done in a bid system that is open to all outfitters of the province without pre-condition, prejudice or favour to anyone or any region.

11. We agree with the Branch's response to Trumpy Report Recommendation # 11.

Summary

Members in Regions 1 & 2 agree with most of the Branch's responses to the Trumpy Report with the exception of some clarity we believe is needed around Recommendation # 8 (b). We see no need to re-open the new Allocation Policy or to continue debate on the Trumpy Report.

As a group, the members of Regions 1 & 2 have adjusted our operations to the new Allocation Policy and have moved on. Since 2007 one member has gone bankrupt, three have expanded through consolidation of territories within Regions 1 & 2, two have expanded their businesses outside of Regions 1 & 2, one is actively pursuing a joint venture with a coastal First Nations group, one coastal First Nation has acquired a guide area and all have upgraded equipment and infrastructure. These investments have come at a cost of several million dollars and are due, in part, to the certainty that the new Allocation Policy brings to the industry.

As a result of the new Allocation Policy, Regions 1 & 2 members were among the first to be negatively impacted by the very structure of the allocation matrix. However, we understood the reasons for these impacts and adhered to the policy as written. Other regions contrived advantages through creative interpretation and implementation of the policy that also affected the matrix to our disadvantage. Region 1 & 2 members absorbed the losses in order to support the phase-in process for the industry in general. We have no interest in continuing the allocation debate or taking another financial hit for any other group or region in the province. Nor, we suspect, will other coastal user groups tolerate any further accommodations.

We are however, looking forward to continuing our work on wildlife stewardship with government, capacity building with First Nations, and marketing coastal B.C. in the new world economy.

If you have any questions or comments please contact either me at 250-897-0057 - [nwtoutfitters@shaw.ca](mailto:nwtoutfitters@shaw.ca); or Dave Fyfe at 250-850-1501- [dfyfe@oberon.ark.com](mailto:dfyfe@oberon.ark.com) .

Yours truly,

Eric Mikkelson, President  
Coastal B.C.Guides Outfitters Association

Cc. Hon. Steve Thomson, Minister - FLNR  
Hon. Don McRae, Minister – Agriculture  
Ron Cantelon, MLA – Parksville-Qualicum  
Doug Konkin, DM – FLNR  
Ian Hatter, Acting Director, FWHM Branch – FLNR