



SCOTTISH  
FISHERMEN'S  
FEDERATION

# Scottish industry position paper: Coastal State negotiations during and after Brexit

## Summary

- ◆ The Scottish industry's goal is realising the 'Sea of Opportunity', and notably quota shares of commercial fish stocks aligned with zonal attachment.
- ◆ The UK's control of access to its EEZ represents powerful leverage in securing that objective. It follows that Brexit must not involve any concession of access to its waters for the EU fleet as part of the exit settlement.
- ◆ Although still technically an EU Member State and part of the EU delegation in the 2018 Coastal States negotiations, the UK should approach those talks as if it were a Coastal State in its own right. The UK should be willing to concede access to its EEZ during the period April–December 2019 but only on the basis that the UK fleet's quota and access requirements for 2019 are met first.
- ◆ The UK will then fully assert its position as an independent Coastal State during negotiations in the second half of 2019 to secure substantially better fishing opportunities in return for access in 2020, and again in future years just like any other Coastal State.

## 1 ➤

**The Scottish industry's goal is realising the Sea of Opportunity, and notably quota shares of commercial fish stocks aligned with zonal attachment.**

The Scottish fishing industry aims to secure fairer shares of sustainable catching opportunities within the UK EEZ once the UK leaves the EU.

We believe that what is known as 'zonal attachment' is the most appropriate indicator of what fairer shares are; as a recent University of Aberdeen study<sup>1</sup> shows, UK shares of internationally agreed quotas are smaller than the proportions of fish stocks in UK waters for almost all our major commercial species.

At the moment, and as a recognised Coastal State in the Northeast Atlantic, the EU engages annually in a multilateral environment that also includes Norway, Faroe, Iceland, Russia and Greenland. Negotiations look to conclude annual fisheries arrangements on such matters as Total Allowable Catches (TACs), access for third party fleets and exchanges of fishing quotas.

Coastal State negotiations are the established means of arriving at international fisheries agreements, including catching opportunity. We would therefore use the UK's post-Brexit status as an independent Coastal State to establish the outcomes we want.

<sup>1</sup>The Spatial Distribution of Commercial Fish Stocks of Interest to Scotland in UK Waters, University of Aberdeen, January 2017.

## 2 ➤

**The UK's control of access to its EEZ represents powerful leverage in securing that objective. It follows that Brexit must not involve any concession of access to its waters for the EU fleet as part of the exit settlement.**

Like Coastal States such as Norway, the Scottish fishing industry believes that 'waters and markets don't mix' and that access should not on any account be traded away as part of the Brexit settlement. Ceding access in this way would effectively deprive the UK of its bargaining power as a new Coastal State.

A new post-Brexit dynamic will appear as the UK becomes a Coastal State. This dynamic will comprise three core negotiating elements:

- ◆ **Exchange of quotas.** These are transfers of fish made by one Coastal State to another as a result of annual negotiations. They are one-off trades and can vary year to year.
- ◆ **Fixed quota shares.** These are the fixed percentage shares of the TAC allocated for any given species to each Coastal State. They can only be changed through multi-lateral agreement between Coastal States.
- ◆ **Access to waters.** Coastal States by default control their own EEZs. Access to these waters is generally agreed on an annual basis.

Increasing UK fishing opportunities to bring them more into line with zonal attachment would involve a combination of net inward quota exchanges (agreed annually) and adjustments to fixed quota shares (typically a long-term process). The UK could not insist on either without being able to (a) offer quota that the EU wants in return, (b) offer periodic access to its waters in return, or (c) deny the EU access to UK waters if our demands are not met.

## 3 ➤

**Although still technically an EU Member State and part of the EU delegation in the 2018 Coastal States negotiations, the UK should approach those talks as if it were a Coastal State in its own right. The UK should be willing to concede access to its EEZ during the period April–December 2019 but only on the basis that the UK fleet's quota and access requirements for 2019 are met first.**

Transition of the UK to a Coastal State will present a unique set of circumstances with regard to fisheries management. The default Brexit date of 29th March 2019 fails to align with current fisheries agreements, which span the calendar year. This mismatch creates a bridging or transition period that will require intelligent and sensitive management if the UK government is to fulfil its commitment to immediate gains.

Catching opportunities are traditionally set after a number of negotiations, the output of which is ratified at the EU December Fisheries Council. TACs for pelagic stocks (blue whiting, mackerel, herring, Atlanto-Scandian herring) are agreed within the annual round of Coastal States negotiations, which take place prior to the EU-Norway negotiations. These agreements then become part of the EU-Norway bilateral negotiations, which, as well as including TAC setting for demersal species, include agreements on access and exchanges of quota.

Although a five-year agreement on mackerel was agreed in 2014, measures agreed at Coastal State negotiations traditionally last for one year. But the agreements on fishing opportunities concluded at the end of 2018 for the following year will apply to the UK only up to the end of March 2019, unless there is some specific provision to continue through to the end of that year.

We believe that an exceptional **bridging arrangement** for the period between the end of the UK's EU membership and the end of 2019 would be in the best interests of business continuity in the UK as well as EU and other Coastal States. Norway and Faroe would be very keen to see a bridging arrangement in order to avoid disruption of their pelagic fisheries in UK waters, for example.

The UK should make its intentions known, which will be its commitment to accept such an arrangement so long as the relevant agreements for 2019 are acceptable to the UK. The UK would go into the 2018 year-end talks cycle with a list of requirements in exchange for a bridging arrangement; the EU and other Coastal States will be aware that a failure to satisfy the UK's demands could result in their complete loss of access to UK waters at the end of March 2019 and unilateral UK action to set its own quotas within its EEZ for the remainder of the year. Quite clearly, this outcome would not be in anybody's best interests.

In this context, we note that the Scottish demersal fleet already catches more than its relative stability shares of many important fish stocks and requires significant inward flows of quota via swaps between the UK and other EU member states during the year to remain in business. It follows that a bridging arrangement to cover the period between the Brexit date and the end of 2019 must include - at the very least - provision for a one-off, inward transfer of a package of quotas from the EU to the UK upon Brexit. It would be both unrealistic and undesirable for the Scottish demersal fleet to have to remain reliant on intra-EU swaps once the UK has left the EU, particularly as there is no pre-existing mechanism that enables Coastal States and EU Member States to do so.

The precise content of the transfer package (i.e. species and tonnages) would be determined by consultation with Producer Organisations ahead of talks on the bridging agreement, which would coincide with the usual end-year cycle in 2018.

**4** ➤  
**The UK should fully assert its position as an independent Coastal State during negotiations in the second half of 2019 to secure substantially better fishing opportunities in return for access in 2020, and again in future years just like any other Coastal State.**

Annual adjustments of quota in exchange for access would not in themselves set a new norm regarding fixed quota shares, but they would serve to reduce some of the most glaring inequalities arising from current fixed quota shares.

To negotiate new quota shares as part of the Brexit settlement would be a mistake. It would also be unrealistic. There are around 117 fish stocks that would require negotiation; it would be hard to prioritise and difficult to justify new permanent shares based on a negotiated outcome rather than on some objective criteria.

Once the UK has achieved Coastal State status, the UK will make clear its intention to seek adjustment to existing fixed shares. The UK would work with others to create new fixed shares based on objective criteria, with zonal attachment being the exclusive indicator. The Aberdeen University study mentioned above suggests that significant gains for Scotland based on zonal attachment can be delivered for key commercial species; the same applies to other areas of UK waters.

# Appendix 1

## Pelagic Catch Opportunity UK & EU (27) Fleets

### Background

Pelagic catch data for UK and EU (27) Member States produced by NAFC highlight where both fleets currently catch their respective quotas of pelagic stocks. From the report we can deduce that the EU fleets catch a large portion of certain pelagic quotas in the UK EEZ. The UK pelagic fleet also catches some of its pelagic quotas in the EU EEZ but the quantities are far less. The situation for each species is different.

In a post-Brexit scenario the assumption is that fishery access arrangements between the EU and UK will be more restrictive than they currently are, and indeed a situation may arise where no reciprocal access arrangements are agreed. Therefore, an analysis of the options available to the EU fleet to catch pelagic quotas currently caught in the UK EEZ in other areas is a useful exercise to conduct. A similar examination of the UK pelagic catch taken from the EU EEZ is worthwhile. This will help understand the real exposure for the UK and EU pelagic fleets if there is no access arrangement in place post-Brexit.

### EU Fleet Analysis

**Pelagic Stocks – Evaluation of European Fleet Catch Opportunity outside UK EE** – Source NAFC Data

| Stocks                  | EU (27)<br>Catch (t)<br>2011–15 | EU (27)<br>Share %<br>of EU share | Catch<br>EU EEZ<br>(t) | Elsewhere<br>(t) | Catch<br>UK EEZ<br>(t) | % EU EEZ | % Elsewhere | % UK EEZ |
|-------------------------|---------------------------------|-----------------------------------|------------------------|------------------|------------------------|----------|-------------|----------|
| Mackerel                | 212,711                         | 41.58%                            | 80,742                 | 6,437            | 125,531                | 38%      | 3%          | 59%      |
| Herring All Areas       | 300,697                         | N/A                               | 41,049                 | 43,484           | 216,165                | 14%      | 14%         | 72%      |
| Norwegian Sea 11a       | 33,629                          | 78.10%                            | 0                      | 33,603           | 25                     | 0%       | 100%        | 0%       |
| North Sea IV            | 204,460                         | 81%                               | 7,901                  | 9,853            | 186,706                | 4%       | 5%          | 91%      |
| W of Scot V1aN          | 8,820                           | 40%                               | 162                    | 5                | 8,653                  | 2%       | 0%          | 98%      |
| W of Scot V1aS, V11b, c | 2,685                           | 100%                              | 2,302                  | 0                | 383                    | 86%      | 0%          | 14%      |
| V11aN                   | 45                              | 26%                               | 12                     | 0                | 33                     | 27%      | 0%          | 73%      |
| V11aS, V11g, h, j & k   | 20,950                          | 100%                              | 13,434                 | 22               | 7,494                  | 64%      | 0%          | 36%      |
| V11d, e & f             | 30,142                          | N/A                               | 17,272                 | 0                | 12,869                 | 57%      | 0%          | 43%      |
| Blue Whiting            | 118,769                         | 81.19%                            | 64,887                 | 5,155            | 48,726                 | 55%      | 4%          | 41%      |
| Horse Mackerel          | 167,192                         | N/A                               | 132,312                | 467              | 34,414                 | 79%      | 0%          | 21%      |
| <b>TOTAL</b>            | <b>1,100,100</b>                |                                   | <b>360,073</b>         | <b>99,026</b>    | <b>640,999</b>         |          |             |          |

| Area         | EU Catch         | Percentage  |
|--------------|------------------|-------------|
| EU Zone      | 360,073          | 33%         |
| Elsewhere    | 99,026           | 9%          |
| UK Zone      | 640,999          | 58%         |
| <b>TOTAL</b> | <b>1,100,100</b> | <b>100%</b> |

*Table 1 – EU fleet pelagic catch (2011-2015) tonnage and percentages of catches in the UK EEZ, EU EEZ and elsewhere.*

The following is an SPFA analysis of where the EU fleet could potentially catch pelagic quotas, by species, currently taken in the UK EEZ, in other areas outside the UK EEZ, using fishermen's knowledge based on their experience gained over recent decades. The focus will therefore be on the darkly shaded column in the table.

## Mackerel

The EU pelagic fleet caught 125,531 tonnes of mackerel on average in the UK EEZ during the period 2011-2015. This represents 59% of their total mackerel catch.

*Option to catch elsewhere –*

- ◆ **EU EEZ:** The only option is to increase catch from the Irish EEZ during the quarter one fishery, as this is the only Member State where mackerel is present in fishable quantities. This could prove to be challenging given mackerel is migrating to spawn at this time. The time mackerel spend migrating through Irish waters varies from year to year, assessed to be 2-3 weeks.
- ◆ **Norwegian EEZ:** In theory this is a possibility. However it would require currency in the form of a quota transfer to Norway from the EU. The EU doesn't have many options re. underutilised pelagic quota that Norway wants, therefore it would probably require the EU to give up share in order to gain access. Norway wouldn't require access to EU waters (Irish) to fish mackerel if there is an access arrangement with the UK. Norway will resist any attempt by the EU to link market access with fishery access for the EU fleet.
- ◆ **Faroe Islands EEZ:** In theory this is also a possibility but mackerel quality is poorer when in FI's EEZ, therefore less attractive to fish then. Faroe Islands would seek either a quota transfer from the EU in exchange for any access granted or may view an access arrangement to fish mackerel in EU waters (Irish Zone) as beneficial. Faroe Islands may be more susceptible to pressure from the EU on linking market access with fishery rights for the EU fleet.
- ◆ **International Waters:** This is also a possibility but very unattractive for the EU fleet.

**Conclusion –** It's unlikely that the EU could strike deals to catch the 125kt currently caught from UK waters in other areas. The only alternative is to increase effort in the EU (Irish) zone, this would be limited given the short timeframe mackerel are present in EU waters. Without access to UK waters the EU fleet will be unable to catch its current mackerel quota.

## Atlanto Scandian Herring

The EU pelagic fleet is not reliant on UK waters to catch their ASH quota. Their RSW fleet will be very keen to maintain access to the Norwegian zone, while the freezer fleet catches its quota in International waters. It will, however, be a challenge to strike a deal with Norway to continue catching ASH in the Norwegian EEZ without giving up quota share. When the UK leaves the EU it's assumed that the EU will no longer be able to claim Coastal State status for this stock given there is no ASH catch from the remaining EU (27) Member States' waters.

## North Sea Herring

The EU pelagic fleet caught 186,706 tonnes of North Sea herring on average in the UK EEZ during the period 2011-2015. This represents 91% of their total North Sea herring catch.

*Option to catch elsewhere –*

- ◆ **EU EEZ:** SPFA analysis suggests it would be difficult if not impossible for the EU fleet to increase current catch levels in their own zone.
- ◆ **Norwegian EEZ:** It may be possible to achieve a modest increase in catch from the Norwegian zone. This would require currency in the form of an EU quota transfer to Norway to gain access. It's less attractive to catch herring in the Norwegian zone, due to, at times, stock mixing leading to significant unwanted bycatch. In addition, herring can be small and of poor quality when in fishable quantities in the Norwegian zone.

**Conclusion –** The EU fleet is almost exclusively reliant on UK access to catch their North Sea herring quota. There are no alternative options other than a potential modest increase in catch from the Norwegian sector if the EU is willing to pay the cost.

## V1aN Herring

This analysis assumes that in the coming years ICES will be in a position to provide separate herring advice for V1aN and V1aS, V11b,c.

The EU pelagic fleet caught 8,653 tonnes of V1aN herring on average in the UK EEZ during the period 2011-2015. This represents 98% of the total EU V1aN catch.

*Option to catch elsewhere –*

- ◆ There are no options for the EU fleet to catch 8kt of this stock elsewhere.

**Conclusion –** The EU fleet can only catch its quota of this stock within the UK EEZ.

## V1aS, V11b, c Herring

This analysis assumes that in the coming years ICES will be in a position to provide separate herring advice for V1aN and V1aS, V11b,c.

The EU fleet should in theory be able to catch their entire quota in the Irish EEZ. There has been a misreporting issue with this stock in the past, recorded as V1aS but caught in V1aN.

**Conclusion –** The EU fleet is able catch its quota of this stock within the EU EEZ.

## V11aN Herring

The figures are a distortion given that Ireland has 26% of this TAC but swaps its quota to Northern Ireland in exchange for other quotas on annual basis. The stock is only fishable within UK waters.

*Option to catch elsewhere –*

- ◆ There are no options for the EU fleet to catch their quota share of this stock elsewhere.

**Conclusion –** The EU (Irish) fleet can only catch its quota of this stock within the UK EEZ.

## V11aS, V11g, h, j, k Herring

The EU pelagic fleet caught 7,494 tonnes of herring on average in the UK EEZ during the period 2011-2015. This represents 36% of the total EU V11aS, V11g, h, j, k catch. This is interesting as Ireland has 100% of the quota and the assumption has been that all the catch is taken within the EU (Irish) EEZ. The EU fleet caught 36% of its quota on average from the UK EEZ. SPFA doesn't have enough information to assess if this entire quota can be caught within the EU (Irish) EEZ.

**Conclusion** – Not enough information to provide an analysis.

## V11d, e & f Herring

The EU pelagic fleet caught 12,869 tonnes of herring on average in the UK EEZ during the period 2011-2015. The EU fleet caught 43% of its total catch on average from the UK EEZ, SPFA doesn't have enough information to assess if this entire quota can be caught within the EU (French) EEZ.

**Conclusion** – Not enough information to provide an analysis.

## Blue Whiting

The EU pelagic fleet caught 48,726 tonnes of blue whiting on average from the UK EEZ during the period 2011 - 2015. This represents 41% of the total EU blue whiting catch.

*Option to catch elsewhere –*

- ♦ **EU EEZ:** Only option is to increase effort in the Irish EEZ. There's a limit to how that can be achieved as the blue whiting stock migrates northwards through the Porcupine Bank into Scottish waters in a number of weeks.
- ♦ **Faroe Islands EEZ:** There is some scope for additional catches in the FI's EEZ. This is limited as Faroe Islands already has access arrangements with Iceland and Russia. Adding another fleet will make the fishery even more challenging than it currently is. There's no doubt that Faroe Islands would be interested in a reciprocal bi-lateral access arrangement with the EU, but unlikely to be attractive at a higher tonnage level than the current arrangement.
- ♦ **International Waters:** There is the possibility to start the season earlier and fish in International waters as Norway and Russia currently do. However, there may be overlap with the mackerel fishery which may make this a challenge.

**Conclusion** – The EU fleet isn't so exposed to underutilisation of this quota. There are options to increase catch in the EU (Irish) zone and International waters, coupled with an opportunity to potentially fish some blue whiting in Faroese waters at no additional cost. In saying that it's highly likely that the EU would still want access to UK waters to fish blue whiting.

## Horse Mackerel

The EU pelagic fleet caught 34,414 tonnes of horse mackerel on average from the UK EEZ during the period 2011-2015. This represents 21% of the total EU horse mackerel catch.

*Option to catch elsewhere –*

- ♦ EU EEZ: It may be possible to increase catch in EU waters but that's likely to be limited given the current poor state of the stock.

**Conclusion** – Unsure of the overall impact. As the stock is in poor shape it's unlikely that catches could be increased in EU waters.

## UK Fleet Analysis

**Pelagic Stocks – Evaluation of UK Catch Opportunity outside UK EEZ – Source NAFC Data**

| Stocks                  | UK Catch (t) 2011–15 | UK Share % of EU share | Catch EU EEZ (t) | Elsewhere (t) | Catch UK EEZ (t) | % EU EEZ | % Elsewhere | % UK EEZ |
|-------------------------|----------------------|------------------------|------------------|---------------|------------------|----------|-------------|----------|
| Mackerel                | 209,983              | 53%                    | 33,500           | 2,640         | 173,843          | 16%      | 1%          | 83%      |
| Herring All Areas       | 87,398               | N/A                    | 1,590            | 8,708         | 77,100           | 2%       | 10%         | 88%      |
| Norwegian Sea 11a       | 7,797                | 21.90%                 | 0                | 7,786         | 11               | 0%       | 100%        | 0%       |
| North Sea IV            | 56,398               | 19%                    | 69               | 908           | 55,421           | 0%       | 2%          | 98%      |
| W of Scot V1aN          | 14,070               | 60%                    | 0                | 14            | 14,056           | 0%       | 0%          | 100%     |
| W of Scot V1aS, V11b, c | 396                  | 0%                     | 3                | 0             | 393              | 1%       | 0%          | 99%      |
| V11aN                   | 5,167                | 74%                    | 25               | 0             | 5,142            | 0%       | 0%          | 100%     |
| V11aS, V11g, h, j & k   | 4                    | 0%                     | 0                | 0             | 0                | 0%       | 0%          | 0%       |
| V11d, e & f             | 3,566                | N/A                    | 1,494            | 0             | 2,073            | 42%      | 0%          | 58%      |
| Blue Whiting            | 16,728               | 19.81%                 | 13,026           | 369           | 3,333            | 78%      | 2%          | 20%      |
| Horse Mackerel          | 13,023               | 9.35%                  | 5,349            | 18            | 7,656            | 41%      | 0%          | 59%      |
| <b>TOTAL</b>            | <b>414,530</b>       |                        | <b>55,056</b>    | <b>20,443</b> | <b>339,028</b>   |          |             |          |

| Area         | UK Catch       | Percentage  |
|--------------|----------------|-------------|
| EU Zone      | 55,056         | 13%         |
| Elsewhere    | 20,443         | 5%          |
| UK Zone      | 339,028        | 82%         |
| <b>TOTAL</b> | <b>414,530</b> | <b>100%</b> |

*Table 2 – UK fleet pelagic catch (2011-2015) tonnage and percentages of catches in the UK EEZ, EU EEZ and elsewhere.*

The following is an SPFA analysis of where the UK fleet could potentially catch pelagic quotas, by species, currently taken in the EU EEZ, in other areas outside the EU EEZ, using fishermen's knowledge based on their experience gained over recent decades. The focus will therefore be on the darkly shaded column in the table.

### Mackerel

The UK pelagic fleet caught 33,500 tonnes of mackerel on average in the EU EEZ during the period 2011-2015. This represents 16% of the total UK mackerel catch.

*Option to catch elsewhere –*

- ♦ **UK EEZ:** Removal of the current EU TAC & Quota regulation 'of which' provision requiring vessels to land at least 40% of their quota allocation outside of area 1V would negate the need for the UK fleet to catch mackerel in the EU (Irish) EEZ. The quarter four mackerel season would be extended to ensure all the UK mackerel quota is caught within the UK EEZ.
- ♦ **Norwegian EEZ:** A reciprocal mackerel access arrangement for an agreed tonnage would be beneficial for both parties to take into account any inter-annual stock migration between respective zones.

**Conclusion –** Removal of the current TQR 'of which' provision would mean that the UK fleet would not be reliant on access to the EU EEZ to fulfil its mackerel quota. This is a zero cost option.



## Atlanto Scandian Herring

The UK pelagic fleet is not reliant on EU waters to catch their ASH quota, but Norwegian sector access is important.

*Option to catch elsewhere –*

- ◆ **Norwegian EEZ:** It will require a continuation of the current access arrangement to enable the UK fleet to catch ASH at the most profitable time. It shouldn't be too difficult to achieve an access arrangement given Norway requires access to the UK EEZ to catch North Sea herring.
- ◆ **International Waters (NEAFC):** It is possible to catch ASH in International waters, however this might not be the most economical or profitable utilisation of this quota.

**Conclusion –** Ideally a reciprocal ASH access arrangement should be agreed with Norway at no cost, given Norway requires access to UK waters for North Sea herring. This is a zero cost option.

## North Sea Herring

The UK pelagic fleet caught 69 tonnes of North Sea herring on average in the EU EEZ during the period 2011-2015. 56,738 tonnes were caught on average during the reference period representing 98% of the total UK North Sea herring catch.

*Option to catch elsewhere –*

- ◆ **UK EEZ:** The entire UK North Sea herring quota can be caught in the UK EEZ.

**Conclusion –** The entire UK North Sea herring quota can be caught in the UK EEZ.

## V1aN Herring

This analysis assumes that in the coming years ICES will be in a position to provide separate herring advice for V1aN and V1aS, V11b, c.

The UK pelagic fleet caught 8,653 tonnes of V1aN herring on average in the UK EEZ during the period 2011-2015. This represents 100% of the total catch.

*Option to catch elsewhere –*

- ◆ **UK EEZ:** The entire UK V1aN herring quota can be caught in the UK EEZ.

**Conclusion –** The entire UK V1aN herring quota can be caught in the UK EEZ.

## V1aS, V11b, c Herring

This analysis assumes that in the coming years ICES will be in a position to provide separate herring advice for V1aN and V1aS, V11b,c.

**Conclusion –** The UK pelagic fleet has no share of this fishery, therefore no catch and no exposure.

## V11aN Herring

The UK pelagic fleet caught zero tonnes of V11a herring on average from the EU EEZ during the period 2011-2015.

**Conclusion –** The entire UK V11aN herring quota can be caught in the UK EEZ.

## V11aS, V11g, h, j, k Herring

**Conclusion** – The UK pelagic fleet has no quota share of this fishery, therefore no catch and no exposure. Given that 36% of the EU fishery takes place in UK waters there may be an opportunity to argue for a quota share post-Brexit.

## V11d, e & f Herring

The UK pelagic fleet caught 1,494 tonnes of herring on average from the EU EEZ during the period 2011 - 2015. This represents 42% of the total UK herring catch from this area.

*Option to catch elsewhere –*

- ◆ **UK EEZ:** Not sure if more herring can be caught in the UK EEZ.

**Conclusion** – Not enough information to provide an analysis.

## Blue Whiting

The UK pelagic fleet caught 13,026 tonnes of blue whiting from this stock on average from the EU EEZ during the period 2011-2015. This represents 78% of the total UK blue whiting catch.

*Option to catch elsewhere –*

- ◆ **UK EEZ:** Traditionally the UK pelagic fleet has put most effort into the blue whiting fishery when the stock is in Irish waters (Porcupine Bank). It certainly is possible to increase fishing effort when the stock is in Scottish waters. Depending on the quota level it may be possible to catch the UK pelagic quota in the UK EEZ. If the quota level is high this may prove to be a challenge.
- ◆ **Faroe Islands EEZ:** It might be possible to catch some of the blue whiting quota in the Faroese EEZ if a bi-lateral reciprocal access arrangement can be agreed. Although the UK has already a modest pelagic quota entitlement under the present arrangement this has not been utilised. In addition, there is already a lot of pressure from other external fleets such as Iceland and Russia on the blue whiting fishery within the Faroese EEZ. The fishery is not very economical or profitable during the period. It's difficult to gauge what level of interest there would be in fishing blue whiting within the FI's EEZ.
- ◆ **International Waters:** There is the possibility to start the season earlier and fish in International waters as Norway and Russia currently do. However, there may be overlap with the mackerel fishery which may make this a challenge.

**Conclusion** – This is the one stock where the UK fleet may be exposed to underutilisation of this quota, if alternate catch arrangements are not in place. There are options to increase catch in the UK zone and International waters, coupled with an opportunity to potentially fish in Faroese waters at no additional cost. In stating that SPFA is not of the view that an agreement has to be struck with the EU on access if it impacts on other more important pelagic fisheries negotiations for the UK such as mackerel or herring.

## Horse Mackerel

The UK pelagic fleet caught 5,349 tonnes of horse mackerel on average from the EU EEZ during the period 2011-2015. This represents 41% of the total EU horse mackerel catch.

*Option to catch elsewhere –*

- ◆ **UK EEZ:** It may be possible to increase catch in UK waters but that's likely to be limited given the current poor state of the stock.

**Conclusion –** Unsure of the overall impact. As the stock is in poor shape it's unlikely that catches could be increased in UK waters. SPFA is not of the view that an agreement has to be struck with the EU on access if it impacts on other more important pelagic fisheries negotiations for the UK such as mackerel or herring.

## Summary

In an ideal scenario a new quota sharing arrangement between the UK and the EU would be concluded just after the UK leaves the European Union. The reality is that may take several years to accomplish, recent pelagic quota share negotiations indicates that may be the case.

The assumption is then that the UK departs the European Union with its current quota shares, but that the UK is now in control of access to its EEZ. That means control over which third country vessels have access to the UK EEZ and how much fish they can catch of each species.

From this analysis it suggests that the UK is not reliant on the access to European Union waters to catch pelagic quotas. With the removal of the legislation "of which" provision will mean that all the UK mackerel quota can be caught within our own EEZ. In the case of blue whiting it will mean adjustment to current fishing patterns but SPFA believes the quota can be fully taken without requiring access to EU (Irish) waters.

The situation for the European Union fleet is wholly different. From this analysis it's clear that the EU fleet is unable to catch its current share of pelagic quotas without having access to UK waters. This particularly acute in the case of mackerel and North Sea herring.

There is no doubt that in the short term the EU will push for a rollover of the current access arrangements at no cost to the Union. This can not and must not happen. What Industry and Government needs to think about now is what price to extract from the EU in return for granting access to fish in the UK EEZ. As an initial thought, discussions could begin from a starting point that for every tonne of access quota required by the European Union for a certain species, that in return the EU transfer a tonne of fish of that same species to the UK.

**Financial Implications EU Fleet**

| Stock          | Tonnage        | 2016 £/tonne | Value              |
|----------------|----------------|--------------|--------------------|
| Mackerel       | 125,531        | 895          | 112,350,245        |
| Herring N Sea  | 186,706        | 719          | 134,241,614        |
| Herring WoScot | 8,653          | 719          | 6,221,507          |
| Blue Whiting   | 48,726         | 252          | 12,278,952         |
| <b>TOTAL</b>   | <b>369,616</b> |              | <b>265,092,318</b> |

## NAFC Pelagic Data

| <b>UK Fleet</b>       | <b>Area</b>       | <b>UK EEZ</b> | <b>EU EEZ</b> | <b>Elsewhere</b> | <b>TOTAL</b>   |
|-----------------------|-------------------|---------------|---------------|------------------|----------------|
| <b>Mackerel</b>       | All Areas         | 173,843       | 33,500        | 2,640            | <b>209,983</b> |
| <b>Horse Mackerel</b> | All Areas         | 7,656         | 5,349         | 18               | <b>13,023</b>  |
| <b>Blue Whiting</b>   | All Areas         | 3,333         | 13,026        | 369              | <b>16,728</b>  |
| <b>Herring</b>        | ALL Areas         | 77,100        | 1,590         | 8,708            | <b>87,398</b>  |
|                       | II                | 11            | 0             | 7,786            | <b>7,797</b>   |
|                       | IV                | 55,421        | 69            | 908              | <b>56,398</b>  |
|                       | VIaN              | 14,056        | 0             | 14               | <b>14,070</b>  |
|                       | VIaS, VIIb,c      | 393           | 3             | 0                | <b>396</b>     |
|                       | VIIaN             | 5,142         | 25            | 0                | <b>5,167</b>   |
|                       | VIIaS, VIIg,h,j,k | 4             | 0             | 0                | <b>4</b>       |
|                       | VIIId,e,f         | 2,073         | 1,494         | 0                | <b>3,566</b>   |
|                       | Elsewhere         | 0             | 0             | 0                | <b>0</b>       |
| <b>UE Fleet</b>       | <b>Area</b>       | <b>UK EEZ</b> | <b>EU EEZ</b> | <b>Elsewhere</b> | <b>TOTAL</b>   |
| <b>Mackerel</b>       | All Areas         | 125,531       | 80,742        | 6,437            | <b>212,711</b> |
| <b>Horse Mackerel</b> | All Areas         | 34,414        | 132,312       | 467              | <b>167,192</b> |
| <b>Blue Whiting</b>   | All Areas         | 48,726        | 64,887        | 5,155            | <b>118,769</b> |
| <b>Herring</b>        | ALL Areas         | 216,166       | 45,831        | 260,322          | <b>522,319</b> |
|                       | II                | 25            | 0             | 33,603           | <b>33,629</b>  |
|                       | IV                | 186,706       | 7,901         | 9,853            | <b>204,460</b> |
|                       | VIaN              | 8,653         | 162           | 5                | <b>8,820</b>   |
|                       | VIaS, VIIb,c      | 383           | 2,302         | 0                | <b>2,685</b>   |
|                       | VIIaN             | 33            | 12            | 0                | <b>45</b>      |
|                       | VIIaS, VIIg,h,j,k | 7,494         | 13,434        | 22               | <b>20,950</b>  |
|                       | VIIId,e,f         | 12,869        | 17,272        | 0                | <b>30,142</b>  |
|                       | Elsewhere         | 2             | 4,748*        | 216,838†         | <b>221,588</b> |

*Table 3 – Breakdown of the estimated weight of selected pelagic species landed by UK fishing boats (top) and EU boats (bottom) from the UK EEZ, the EU EEZ and elsewhere in the North East Atlantic (FAO Area 27). (Annual average landings from 2011 to 2015.)*

\* mostly in Skagerrak & Kattegat

† includes all landings in Baltic.

## Appendix 2

Table 1 – UK and Scottish shares, initial allocations and end of year allocations for key Scottish and UK demersal stocks in 2016.

| Species  | Zone  | C                                     | D                                     | E&F  |             | G&H   |             | I&J  |             | K&L   |             | M&N  |                       | O&P   |                       |
|----------|---|---------------------------------------|---------------------------------------|--|-------------|---|-------------|--|-------------|---|-------------|--|-----------------------|---|-----------------------|
|          |   | EU TAC from official journal (tonnes) | UK TAC from official journal (tonnes) | UK sector Initial allocation (Relative stability) (tonnes) | % of EU TAC | Of which Scottish sector Initial allocation (Relative stability) (tonnes) | % of EU TAC | UK sector Final allocation (normal end or year outcome) (tonnes) | % of EU TAC | Of which Scottish sector Final allocation (normal end or year outcome) (tonnes) | % of EU TAC | UK quota estimate based on Zonal Attachment approach for 2016 (tonnes) | % of (current) EU TAC | Scottish quota estimate based on Zonal Attachment approach for 2016, assuming FQA system remains unchanged (tonnes) | % of (current) EU TAC |
| Monkfish | VI, Vb, XII, XIV IV; Union Waters of Iia; part of | 6,375                                 | 1,962                                 | 1,954  | 31          | 1,292   | 20          | 2,798  | 44          | 2,247   | 35          | 4,335  | 68                    | 3,481   | 55                    |
| Cod      | Illa not covered by Skag & Kat                    | 27,930                                | 13,107                                | 13,451   | 48          | 8,091   | 29          | 16,278   | 58          | 10,928  | 39          | 16,758   | 60                    | 11,251  | 40                    |
| Haddock  | Vb, VIa IIIa; IV. Union waters of Ila,            | 6,462                                 | 4,881                                 | 5,126  | 79          | 4,026   | 62          | 4,990  | 77          | 4,271   | 66          | 5,622  | 87                    | 4,812   | 74                    |
| Saithe   | IIIb, IIIc, Sub Div 22-38                         | 31,284                                | 5,232                                 | 5,158  | 16          | 2,750   | 9           | 8,689  | 28          | 4,678   | 15          | 14,391   | 46                    | 7,748   | 25                    |
| Saithe   | VI; union waters of Vb, XII, XIV                  | 5,948                                 | 2,987                                 | 3,086  | 52          | 1,949   | 33          | 2,836  | 48          | 2,342   | 39          | 4,996  | 84                    | 4,126   | 69                    |
| Whiting  | IV; union waters of Ila                           | 12,610                                | 8,438                                 | 8,107  | 64          | 5,809   | 46          | 9,112  | 72          | 6,769   | 54          | 9,962  | 79                    | 7,400   | 59                    |

**Columns E and F show** the UK sector initial allocation in tonnes and as a proportion of the EU TAC respectively.

**Columns G and H show** the Scottish sector initial allocation in tonnes and as a proportion of the EU TAC respectively.

**Columns I and J show** the UK sector final allocation in tonnes and as a proportion of the EU TAC respectively. The difference between the initial allocation and final allocation is the trades and swaps that take place with the EU.

**Columns K and L show** the Scottish sector final allocation in tonnes and as a proportion of the EU TAC respectively. The difference between the initial allocation and final allocation is the trades and swaps with the rest of the UK and the EU.

**Columns M and N show** what tonnage the UK could expect if fishing opportunities for 2016 had been set in accordance with the zonal attachment approach, as per the data provided in the Aberdeen University study.

**Columns O and P show** what tonnage Scotland could expect if fishing opportunities for 2016 had been set in accordance with the zonal attachment approach, as per the data provided in the Aberdeen University study, assuming our own internal relative stability mechanism (FQAs) remained unchanged.



**SCOTTISH  
FISHERMEN'S  
FEDERATION**

Table 1 gives data on UK and Scottish shares, initial allocations and end of year allocations for key Scottish and UK demersal stocks in 2016. For West Coast monkfish, for example, relative stability gave the UK 1,954 tonnes, with 1,292 tonnes going to Scotland. The UK POs collectively managed to acquire from the rest of the EU an additional 844 tonnes, while Scottish POs acquired 955 tonnes from the rest of the UK and the EU. This gave the UK a final allocation of 2,798 tonnes and Scotland a final allocation of 2,247 tonnes. The cost to Scottish industry of swapping and leasing that fish in was well over £3 million. If our quotas were set in accordance with the zonal attachment approach outlined in the Aberdeen University study, the UK quota in 2016 would have been (around) 4,335 tonnes (68% of the current EU TAC). Assuming intra-UK relative stability remained untouched, Scotland would have had received 3,481 tonnes, 55% of the (current) EU TAC.

One option is that the UK maintains existing relative stability shares for the first few years and uses access to the UK EEZ as leverage to achieve increases in quotas beyond existing relative stability shares. That would be akin to agreeing to a starting point that equates with columns E-H and suggests the UK gives away access to negotiate upwards of that. However, under 'common access' the UK usually ends up with an outcome similar to that in columns I-L, which is achieved through in-year swaps with EU Member States and quota swaps and leases between UK Producer Organisations. Therefore, the columns I-L in Table 1 represent the actual status quo outcome under the CFP. Logic dictates that the UK should not cede any access to achieve the same fishing opportunities as would have been delivered under CFP status quo. Rather, at the first Coastal State negotiation, the UK should announce that relative stability is no longer relevant and instead start negotiating from a point similar to the UK final allocation of the preceding few years - using a suitable reference period. That would be the UK declaring a starting point equivalent to it being no worse off than under the CFP. It certainly shouldn't cost the UK anything to do that. Then, if the EU wants access to the UK EEZ, which of course they do, they need to offer the UK additional opportunities beyond that point. In essence, columns I and K are the bare minimum that UK negotiators should claim without ceding any of the UK's negotiating capital.