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## **REPORT**

on the proposal for a Council regulation establishing measures for the recovery  
of cod and hake stocks  
(COM(2001) 724 – C5-0693/2001 – 2001/0299(CNS))

Committee on Fisheries

Rapporteur: Catherine Stihler

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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## PROCEDURAL PAGE

By letter of 21 December 2001 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty, on the proposal for a Council regulation establishing measures for the recovery of cod and hake stocks (COM(2001) 724 – 2001/0299(CNS)).

At the sitting of 16 January 2002 the President of Parliament announced that he had referred this proposal to the Committee on Fisheries as the committee responsible (C5-0693/2001).

The Committee on Fisheries appointed Catherine Stihler rapporteur at its meeting of 24 January 2002.

It considered the Commission proposal and the draft report at its meetings of 20 February, 16 April and 22 May 2002.

At the last meeting it adopted the draft legislative resolution by 18 votes to 2, with 0 abstentions.

The following were present for the vote: Struan Stevenson, chairman; Brigitte Langenhagen, vice-chairwoman; Catherine Stihler, rapporteur; Elspeth Attwooll, Brian Crowley, Arlindo Cunha, Nigel Paul Farage, Michael John Holmes, Ian Stewart Hudghton, Salvador Jové Peres, Heinz Kindermann, Carlos Lage, Giorgio Lisi, Patricia McKenna, James Nicholson, Camilo Nogueira Román, Juan Ojeda Sanz, Neil Parish, Marit Paulsen (for Niels Busk), Manuel Pérez Álvarez, Fernando Pérez Royo and Daniel Varela Suanzes-Carpegna.

The report was tabled on 23 May 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## LEGISLATIVE PROPOSAL

### Proposal for a Council regulation establishing measures for the recovery of cod and hake stocks (COM(2001) 724 – C5-0693/2001 – 2001/0299(CNS))

The proposal is amended as follows:

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

#### Amendment 1 Article 1, paragraph 1

1. The purpose of this Regulation is to establish a recovery programme for the fish stocks identified below to rebuild the quantities in tonnes of mature fish to values equal to or greater than those specified for each stock:

<b>Stocks concerned</b>	<b>Target level</b>
Cod in the Kattegat	10500
Cod in the North Sea, Skagerrak and Eastern Channel	150000
Cod to the west of Scotland	22000
Cod in the Irish Sea	10000
<b>Hake – northern area</b>	<b>165000</b>

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*(This amendment applies throughout the draft regulation under review; its adoption will require technical adjustments to the entire text)*

#### Justification

*The Commission has acknowledged that the situation as regards hake stocks is not exactly the same as that of cod and that the scientific reports are more contradictory than conclusive. In view of the irreversible nature of the drastic measures which the Commission is proposing, and which are nevertheless not accompanied by a detailed study of the enormous economic and social impact of these proposals, the most reasonable course of action appears to be to exclude hake from the proposal and apply alternative conservation measures (such as TACs, technical measures, rules on size, biological rest periods, fishing days, etc.) until such time as the scientific reports have been confirmed and an assessment has been made of the economic, social and regional impact of the measures in a new proposal for northern hake.*

<sup>1</sup> OJ C 75 E, 26.3.2002, p. 362.

Amendment 2  
Recital 1a (new)

***(1a) Account needs to be taken of the fact that there are other types of scientific report which enjoy international prestige and which indicate that overfishing is not the sole factor influencing the state of stocks, since stocks are also influenced by aspects linked to natural fluctuations in the marine environment, climate change, the northward drift of biomass and pollution.***

*Justification*

*Self-explanatory.*

Amendment 3  
Recital 1b (new)

***(1b) Bearing in mind the explicit acknowledgement in the Green Paper on the future of the CFP regarding the shortcomings in scientific assessment and information in Community waters, the conclusion must be drawn that full data is not available on all zones in 2002 and no analyses have been made of the economic aspects of multi-species fishing, nor of the correlation between fishing effort and fishing mortality rate, nor of the appropriate level of total allowable catches.***

*Justification*

*The Green Paper on the CFP acknowledges the lack of sufficient studies.*

Amendment 4  
Recital 2a (new)

***(2a) The current system of TACs does not resolve the problem of discards nor the impact on stocks of some multi-species fleets, which in turn affect the fishing fleet.***

*Justification*

*Self-explanatory.*

Amendment 5  
Recital 9

9. The conditions for granting public aid for the renewal and modernisation of ***the*** vessels ***concerned*** should be ***made more restrictive***.

9. The conditions for granting public aid for the renewal and modernisation of vessels should be ***applied, as a priority, to vessels belonging to states which meet the criteria laid down by the MAGPs. The granting of this aid should also take account of improvements to safety and living conditions on board vessels, with the goal of reducing the high accident rate found in this segment of the fleet.***

*Justification*

*Some states are already fulfilling the MAGP objectives, whilst others are still failing to do so. The former should have priority as regards Community aid.*

Amendment 6  
Recital 11

(11) To reduce fishing on dense accumulations of juvenile fish of the threatened stocks, a system ***for*** the rapid closure to fishing of areas of limited geographical extent and temporal duration needs to be established.

(11) To reduce fishing on dense accumulations of juvenile fish of the threatened stocks, a system ***enabling the Council, on the initiative of the Commission and on the basis of scientific criteria, to order the rapid and exceptional***

closure to fishing of areas of limited geographical extent and temporal duration needs to be established.

*Justification*

*It is necessary to determine who should take the initiative and who should take the decision on the exceptional closure of a fishing ground, which must be based on scientific reasons.*

Amendment 7  
Article 2, point (a)

(a) “Kattegat” means that part of ICES Division ***IIa*** bounded on the north by a line drawn from the Skagen lighthouse to the Tistlarna lighthouse and from this point to the nearest point on the Swedish coast and on the south by a line drawn from Hasenore to Gnibens Spibs, from Korshage to Spodsbjerg and from Gilbjerg Hoved to Kullen.

(a) “Kattegat” means that part of ICES Division ***IIIa*** bounded on the north by a line drawn from the Skagen lighthouse to the Tistlarna lighthouse and from this point to the nearest point on the Swedish coast and on the south by a line drawn from Hasenore to Gnibens Spibs, from Korshage to Spodsbjerg and from Gilbjerg Hoved to Kullen.

*Justification*

*Area IIIa is the correct designation.*

Amendment 8  
Article 3, paragraph 4

4. In the event that the process indicated in paragraph 2 would lead to a Total Allowable Catch which is more than **50%** less than the Total Allowable Catch of the current year the Council shall adopt a Total Allowable Catch which is no more than **50%** less than that of the current year.

4. In the event that the process indicated in paragraph 2 would lead to a Total Allowable Catch which is more than **30%** less than the Total Allowable Catch of the current year the Council shall adopt a Total Allowable Catch which is no more than **30%** less than that of the current year.



### *Justification*

*Given the decreases in TAC already implemented over recent years, the maximum TAC reduction may be safely limited to 30%.*

#### Amendment 9 Article 4, paragraph 1

1. Each year, the Council shall decide on the basis of a proposal from the Commission on the maximum level of fishing effort in the forthcoming year for relevant fishing vessels of each Member State.

1. Each year, the Council shall decide on the basis of a proposal from the Commission on the maximum level of fishing effort in the forthcoming year for relevant fishing vessels of each Member State. ***It shall do so primarily by adopting technical measures such as temporary cessations of activity during certain periods, temporary closures of areas containing juveniles and breeding specimens, restrictions on mesh size and minimum sizes, in preference to other decisions such as compulsory scrapping of vessels and drastic reductions in TACs.***

### *Justification*

*Measures for the recovery of stocks must also take account of the interests of fishermen and of the regions affected, for which reason priority should be given to technical measures which will ensure the continuity of fishing activities rather than focusing exclusively on the objectives of protecting stocks of the two species concerned.*

#### Amendment 10 Article 6, paragraph 4

4. Each vessel involved in industrial fishing for sandeels and/or Norway pout which has an average annual landings of the species indicated in conformity with Article 5(2)(c) of zero tons shall be reduced in its fishing effort by **5%**.

4. Each vessel involved in industrial fishing for sandeels and/or Norway pout which has an average annual landings of the species indicated in conformity with Article 5(2)(c) of zero tons shall be reduced in its fishing effort by **10%**.

### *Justification*

*Industrial fisheries in this category should be reduced by more than 5% given the impact such fishing has on depleted stocks and on the general ecosystem.*

### Amendment 11 Article 17, paragraph 3

3. Where public aid is granted for the scrapping of a vessel, the scales referred to in Article 7(5)(a) of Regulation (EC) No 2792/99 are increased by **20%**, on condition that the application for the grant is made within two years of the date of entry into force of the present regulation.

3. Where public aid is granted for the scrapping of a vessel, the scales referred to in Article 7(5)(a) of Regulation (EC) No 2792/99 are increased by **30%**, on condition that the application for the grant is made within two years of the date of entry into force of the present regulation, **and by 20% if it is made during the third year.**

### *Justification*

*If it is necessary to give priority to the voluntary cessation of activity, it appears more logical that this should apply particularly during the first two years of the programme's duration.*

### Amendment 12 Article 17, paragraph 4

4. Public aid shall not be granted for renewal of the vessels, except in ***the case of vessels of less than 12 metres overall length and only in*** order to bring ***such*** vessels into conformity with safety requirements.

4. Public aid shall not be granted for renewal of the vessels, except in order to bring vessels into conformity with safety requirements.

### *Justification*

*Safety is of paramount importance and is not only of great concern to vessels under 12 metres; if need be, extra control measures should be put in place to ensure that funding to increase safety is not used as an excuse to increase capacity.*

### Amendment 13 Article 17, paragraph 5

5. Community co-financing of compensation to fishermen and owners of the vessels for the temporary cessation of activities as provided for in Article 16(1)(c) of Council Regulation (EC) No 2792/99, may be granted for a period of up to **one year** after the entry into force of this Regulation.

5. Community co-financing of compensation to fishermen and owners of the vessels for the temporary cessation of activities as provided for in Article 16(1)(c) of Council Regulation (EC) No 2792/99, may be granted for a period of up to **three years** after the entry into force of this Regulation.

#### *Justification*

*Three years is appropriate to compensate for the severe socio-economic hardship which the recovery plans will undoubtedly cause and to coincide with the proposed three year review period.*

#### Amendment 14 Article 17, paragraph 8 (new)

***8. In the event of temporary cessation of activity by fleets fishing in these fishing grounds, economic compensation shall be laid down in accordance with the following criteria:***

- ***aid shall be fully paid by the EU;***
- ***aid shall involve wage-type payments and full social protection for the time spent without work;***
- ***aid shall be paid during the corresponding month of cessation;***
- ***holidays and rest periods shall be regarded as being independent of periods of compulsory tying-up.***

#### *Justification*

*The need for economic compensation during periods of compulsory cessation of activities.*

Amendment 15  
CHAPTER VIII  
DURATION OF THE RECOVERY PLAN AND SOCIO-ECONOMIC IMPACT (a) (new)

***CHAPTER VIII. DURATION OF THE  
RECOVERY PLAN AND SOCIO-  
ECONOMIC IMPACT***

*Justification*

Amendment 16  
CHAPTER VIII  
DURATION OF THE RECOVERY PLAN AND SOCIO-ECONOMIC IMPACT (a)(new)

- 1. A review of the progress made in achieving the recovery levels set out in Article 1 of this Regulation shall be undertaken annually after its entry into force.***
- 2. A socio-economic impact assessment of the effects of the present recovery plans on the fisheries sector shall be carried out by the Commission and presented to the European Parliament and the Council not less than one year after the entry into force of this Regulation.***
- 3. Member States shall supply all necessary information to the Commission in order to allow it to carry out this task.***

*Justification*

*Given the likely duration of the recovery plan, an annual review of the progress achieved would seem reasonable. Considering the hardship which the scheme will undoubtedly cause, a socio-economic assessment should be carried out so as to evaluate whether further measures will be necessary in order to alleviate its negative effects.*

## **DRAFT LEGISLATIVE RESOLUTION**

**European Parliament legislative resolution on the proposal for a Council regulation establishing measures for the recovery of cod and hake stocks (COM(2001) 724 – C5-0693 – 2001/0299(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2001) 724<sup>1</sup>),
  - having been consulted by the Council pursuant to Article 37 of the EC-Treaty (C5-0693/2001),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Fisheries (A5-0177/2002),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  4. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> OJ C 75 E, 26.3.2002, p. 362.

## **EXPLANATORY STATEMENT**

### **INTRODUCTION**

In November 2000 the International Council for the Exploration of the Sea (ICES) indicated that the cod stock in the North Sea and West of Scotland and the Northern hake stock are at serious risk of collapse. At the Fisheries Council meeting on 14-15 December 2000 the Council and the Commission expressed their concern at the critical state of these stocks and concurred that, in addition to TAC reductions for 2001, more long-term conservation measures were necessary. The Council therefore invited the Commission to submit proposals for multi-annual recovery plans for the relevant stocks.

During 2001 the Commission adopted various emergency regulations to restrict the fishing of these species and in June 2001 it issued a communication outlining its strategy for rebuilding cod and hake in Community and adjacent waters.<sup>1</sup> The current proposal for a multi-annual recovery programme for cod and hake follows on from that communication and covers, in addition to the stocks mentioned above, cod in the Kattegat and in the Irish Sea which are also considered to be in danger.

### **SUBSTANCE OF THE COMMISSION PROPOSAL**

The advice supplied by ICES estimates that cod stocks in the North Sea are at their lowest level since 1963 and that technical measures and TAC reductions alone will not be sufficient to restore them to within safe limits. It indicates that severe action is required if any improvement is to be achieved in the short term. The situation appears to be similar for cod in the Kattegat, Irish Sea and West of Scotland.

For hake, the decline in stocks has been less dramatic and therefore the scientific evidence is less clear cut and indeed the subject of some dispute. However, stocks are considered to be at around only 50% of their 1980 levels and the last four recruitments have been very low.

The Commission has thus devised, on the basis of this advice and its mandate from Council, a strategy aimed at removing these stocks as rapidly as possible from danger of collapse. The recovery plan contains the following elements:

- biomass targets in tonnes for each of the stocks concerned equal to the precautionary values (Bpa) currently indicated by ICES; stocks would have to rise above these levels for 2 consecutive years before being removed from the scope of the recovery plan;
- TACs are to be selected to provide for an annual percentage increase of 30% for cod stocks and 15% for hake with an upper and lower limit to the permitted change in the TAC from one year to the next of 50%; this is however subject to precautionary fishing mortality rates for each stock (Fpa) never being

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<sup>1</sup> Commission communication to the Council and the European Parliament on rebuilding stocks of cod and hake in Community and adjacent waters (COM(2001) 326).

exceeded;

- a system of fishing effort limitation expressed in "kilowatt-days" i.e. the number of days annually each vessel is permitted to be absent from port calculated in relation to the desired reduction in effort, the vessel's engine power and its catch/days at sea during a 1998-2000 reference period; a relaxed regime is applied to vessels taking less than 100t per year;
- enhanced controls, in particular relating to satellite tracking (VMS) for vessels over 15m in length, position reporting, landing conditions, retention on board and conditions for weighing and transport;
- increasing the maximum level of the premium for scrapping under the Financial Instrument for Fisheries Guidance (FIFG) by 20% during the first 2 years of application of the regulation; Community co-financing for the temporary laying-up of fishing vessels is relaxed in order to provide Community financial support during the first year of implementation of the recovery plan;. The conditions for granting aid to vessel modernisation are made more restrictive;
- under market measures, each producer organisation shall draw up a detailed catch plan for cod and hake even if those species do not represent a significant share of the landings of its members;
- on request from a coastal Member State temporary closed areas may be established for a maximum duration of 60 days and shall apply to a geographical area of no more than 4000 square nautical miles.

## COMMENTS ON THE COMMISSION PROPOSAL

No one seriously any longer denies the requirement for stock recovery strategies for cod and hake. Disagreement occurs over whether the two species should be treated together, the speed at which recovery should be attempted and hence the severity of the measures necessary and what precisely those measures should be.

Naturally, the socio-economic hardship which any such strategies will cause is a prime concern, which makes it particularly surprising and disappointing that the impact and effects of the Commission's proposals are not addressed in the draft regulation. Nevertheless, it must be recognised at the same time that the range of management tools available is limited and that each in its own way is less than perfect. Successful recovery of the stocks must be the priority and therefore what is needed is a package of measures which first of all works and secondly minimises the pain to the sector. There is no point inflicting a lesser degree of pain or indeed any degree of suffering at all if the measures implemented do not bring about the desired result. If recovery is not achieved the outcome will be increased socio-economic hardship in any event.

In this light a number of comments may be made on various aspects of the Commission proposal:

**Biomass Targets:** The proposed recovery levels for cod have been generally accepted. However, with regard to hake and following discussions in the STECF, there seems to be some evidence to suggest that the level for Bpa of 165000t proposed by ICES might be too high. On this basis an amended level of 145000t is proposed. However, the Commission should follow the most recent scientific evidence in its proposal. Moreover, given the limitations of scientific advice, the requirement should be maintained that stocks remain above Bpa for two years before recovery is deemed complete.

**Setting TACs:** As time goes on and stocks improve it will become increasingly difficult to achieve a fixed annual percentage increase in biomass. This should be reviewed after 3 years (a minimum for assessing effects) with a view to a modulation of the figures. A 30% starting percentage appears to be appropriate for cod. However, given the lower Bpa for hake suggested above, an initial figure of 10% could be envisaged.

The upper and lower 50% limits for changes to the TAC are fairly arbitrary. Your rapporteur would thus suggest that the proposed 50% limit to TAC increases in Article 3(3) should be retained. However, the maximum TAC reduction could, given the decreases in TAC already implemented, be safely be capped at 30%. The Commission should also seek further scientific advice so as to better predict the likely changes in TAC over the coming years.

**Effort Limitation:** This is undoubtedly the most contentious element of the Commission's proposal. Nevertheless, as the Commission has previously pointed out, scientific work carried out in the North Sea last year indicates that the newly modified technical measures will only produce about 20% of the desired results. Moreover, it is clear that there will never be 100% compliance with quotas. This only leaves some form of effort reduction.

However, the scheme as currently proposed by the Commission would be extremely difficult to administer and enforce and does not contain sufficient safeguards of proportionality. For example, while some 129 Belgian boats would come under the plan, around 2400 would be affected in the UK. In Ireland, which has only 2% of the cod and hake TACs, almost every vessel takes some of these species and therefore practically the whole Irish fleet would be subject to the scheme.

Thus the method for achieving effort limitation must be refined. No amendments are presented on this aspect of the proposal. Rather, the Commission should continue its discussions with Member States in order to find a fair and workable system of effort control.

**Control:** The enhanced control conditions should be welcomed and in particular the extension of VMS to vessels of 15m in length supported.

**Structural measures:** The increased level of Community financial participation for scrapping is also welcome and indeed could usefully be further raised to 25%. It should be permitted for the three years up to the proposed review. Co-financing for temporary cessation of activities should be available for the same period. However, your rapporteur would recall and emphasis that it is essentially up to national and regional authorities to take up the possibilities available for assisting the sector during this difficult process.

**Closed Areas:** This is potentially a useful tool, but it is important to ensure that the measure



cannot be applied in a manner that is discriminatory.

**Duration of the Recovery Plan and Socio-Economic Impact:** This is not addressed in the proposal. However, the Commission has indicated that it is likely to take around 5 years for cod and 7-8 years for hake. In these circumstances, it would appear reasonable to conduct a review of progress after 3 years.

Similarly the Commission should carry out a socio-economic impact assessment of the recovery plans on the basis of information supplied by the Member States and make appropriate proposals to mitigate any negative effects at the time of this review.

## CONCLUSIONS

The Commission's decision to treat cod and hake together has been questioned. However, this would seem an acceptable approach, provided that sufficient account is taken of the specific situation of the two species. With regard to the measures proposed a relaxation in the targets for hake and the percentage stock increase expected should be allowed in the light of new scientific evidence.

Annual percentage increases in biomass should be modulated after an initial period and variations in TAC subject to a reduced possibility for change. Effort limitation, while necessary, must be simplified and made proportionate. Community structural participation could usefully be further extended.

Finally, while the success of the recovery plans must be the priority, a review of their progress and socio-economic impact must be undertaken so as to minimise the inevitable hardship imposed on the sector.