

SHARON BOWLES MEP

FELDEN HOUSE, DOWER MEWS, HIGH STREET,
BERKHAMSTED, HERTFORDSHIRE, HP4 2BL, UK

TEL: +44 (0)1442 875962 FAX: +44 (0)1442 872860

Neelie Kroes
European Commissioner for Competition
European Commission
Brussels B-1049
Belgium

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Dear Neelie,

I am writing to make a formal complaint over the distribution of quotas under the Common Fisheries Policy by the UK government, which I believe has effectively created a cartel for the purpose of monopolising fishing waters in favour of large boats under Producer Organisations.

The UK has since 1998 administratively divided fishing into large and small vessels, with boats under 10 metres being in the latter group. At that time it was stated that the Fisheries Commission would not require detailed information from small boats and that they would be allowed to be ignored for quota purposes. The small boats were also required to relinquish quota. Despite the initial assurances, small boat fishermen have subsequently been brought back into quota, but have remained under constraints of denial of proper representation and allocation of almost derisory proportions of quota.

In 1998 the UK government at the same time set up 'Producer Organisations' for the fishing industry which deliberately excluded small boats. The Producer Organisations are represented at UK level by UKAFPO, an umbrella group. It has been made clear that small boat fishermen will not be permitted to form their own Producer Organisations.

Since that time there has been continuing discriminatory treatment against the small boats, which has been to the advantage of the Producer Organisations. The distribution of quotas by the UK government has been of 3% to small boats, and 96% to large boats under the Producer Organisations. Small boats have also been excluded from representation on Regional Advisory Councils, which were set up by the Common Fisheries Policy in 2004 for the purpose of involving stakeholders in the management of the CFP.

From my discussions with small boat fishermen in my constituency, I am concerned that the distribution of quotas, the exclusion of boats under 10 metres from being allowed to form Producer Organisations, and the deliberate exclusion of boats of this class from representation on Regional Advisory Councils, have created a cartel in favour of large boats under Producer Organisations, to the exclusion of boats under 10 metres. It is my belief that it is the intention of the UK government to make small boat fishing uneconomical and to starve out these small boats in favour of large boats, which are easier to monitor and control.

Sharon Bowles MEP
Liberal Democrat

Member of the European Parliament for South East England
E-mail: info@sharonbowles.org.uk Website: www.sharonbowles.org.uk

This has recently become a current issue in the establishment of a new cod fishery in the English Channel (ICES Division VIId). In this area the number of small boat fishermen number 83% of the total number of fishermen employed in the area; small boats number 93% of the area's fleet.

The dominance of small boats in this area is due to geographic conditions of inland waters and bays which make it impossible for large boats to fish in many parts of the VIId fishery. For this reason small boats have historically caught up to 90% of cod in this part of the English Channel. However despite these factors, the distribution was ultimately determined in March at 30% to small boats, and 70% to Producer Organisations. This was a reversal of announced original plans to distribute 70.3% of the quota to small boat fishermen, which was seen as a reasonable, if not wholly proportionate, allocation. To all intents and purposes it appears as though a change of plan came after intervention from the larger and well-represented Producer Organisations.

Because the large boats represented by Producer Organisations are unable themselves to fish in the area due to the geographic conditions I have mentioned, much of the 70% proportion of quota which they have been allocated will be rented out at high rates to small boats. This is referred to as 'armchair fishing' in the industry. For established fisheries this is justified on the basis of 'expectation' and already happens to a large extent because of the inequitable quota distribution. For a new fishery, however, such 'expectation' cannot exist.

I should in addition inform you that a number of the small boat fishermen involved in this issue intend to take up legal proceedings against the UK government on the grounds of discrimination, and have been advised that they have a very good case. However they have the might and money of both the government and Producer Organisations against them.

I am enclosing a copy of the letter that I have sent to the UK Minister responsible for Fisheries, Huw Irranca-Davies MP, on the matter of the new fishery. For information purposes I have copied this letter also to Commissioners Borg and McCreevy.

I ask that you investigate this issue and provide your opinion as to whether you share my assessment that this is a cartel, and as such should be the subject of action by the Commission under Article 81 of the Treaty of Rome.

With best wishes,

Sharon Bowles MEP