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—
Chair

Mr. Fabian Manning

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• (0905)

[English]

The Chair (Mr. Fabian Manning (Avalon, CPC)): I call the meeting to order, now that we have a full crew.

I'd like to welcome the representatives of the department. My understanding is that the deputy will begin the discussions this morning. I think we're quite familiar with everybody around the table. It's not your first time to appear; you're becoming regulars here. That's a good sign.

Deputy, I'll allow you to start the morning.

Ms. Michelle d'Auray (Deputy Minister, Department of Fisheries and Oceans): Thank you, Mr. Chair.

I'm delighted to be here again today.

[Translation]

As you indicated, I am accompanied today by several departmental officials who will be able to help me answer your questions.

[English]

I'll just spend a few minutes introducing the colleagues we have with us: the associate deputy minister, Claire Dansereau, whom you've had the opportunity to meet a number of times now; George Da Pont, the Commissioner of the Canadian Coast Guard; Cal Hegge, assistant deputy minister of human resources and corporate services; Mr. Barry Rashotte, who is the acting director general of resource management operations; Ms. Michaela Huard, who is the assistant deputy minister of policy; and Madame Mimi Breton, who is the assistant deputy minister of the oceans, habitat, and species at risk secretariat. This is Madame Breton's first appearance before the committee since she joined us in November of 2007.

Before I ask Mr. Hegge to walk you through the documents we have provided the committee as a brief snapshot of the crosswalk between the estimates and the report on plans and priorities, I would like again to offer assistance to the committee to support your activities as you tour small craft harbours in different parts of the country. I believe your trip has been quite successful to date. If there is anything we can do to support you in your fact-finding activities, do not hesitate to call on us.

Turning to the main estimates, overall this year we're asking Parliament for \$143.4 million more than in the 2007-08 main estimates. That would bring our total projected expenditure for the 2008-09 fiscal year to \$1.68 billion.

The top three elements that drive this increase are the following. There is \$41 million for the integrated commercial fisheries initiatives on both coasts. You will recall that these initiatives are to increase the participation of first nations fish harvesters in integrated commercial fisheries. There is \$40.6 million for mid-shore patrol vessels under the coast guard. The renewal of the fleet will, as you can imagine, strengthen our capacity to protect fisheries and enhance maritime security. There is \$21.8 million for fisheries science research, directed towards stock assessment and ecosystem-based management.

There is just under \$20 million for permanent annual funding to the small craft harbours program. As you know, this offsets what would have been a loss to the program of the same amount because of temporary funding that was about to expire.

We've also set out in our report on plans and priorities the program priorities we have, and we would be quite pleased to speak to those.

I will now ask Mr. Hegge to take us through the financial elements of the estimates and the RPP.

I believe you will have received the document and the presentation that we sent to the committee.

Thank you.

• (0910)

Mr. Cal Hegge (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans): Thanks, Deputy.

Good morning, Chair and members.

I'm going to be speaking fairly briefly to the overview of the 2008-09 estimates.

I'm on page 3. You can see what the deputy has already mentioned, the increase between last year's estimates and the current year's estimates. The chart basically shows the information broken down between the two years by the various codes.

On page 4 the same information is presented somewhat differently, showing the increases and decreases again by vote, which overall shows the increase of \$143.4 million, main estimates over main estimates.

I'm not going to belabour page 5, because the deputy has already highlighted the areas of largest increase. It's with respect again to the various votes. All of this is basically the same information, just presented in a little different format.

Page 6 shows the decreases in main estimates. The net effect, of course, is the increase of \$143 million, but there are some increases and there have been some decreases. Page 6 speaks to the decreases. Among the main ones, the first item, which we're calling "Budget 2007 Cost Efficiencies", is basically code for the procurement reform initiative; all departments have to contribute from their reference levels to it.

Just as an aside, that number will go up progressively over the next three years, resulting in about \$17 million in savings by fiscal year 2011-12.

The employee benefit plan is essentially an adjustment, which reflects the government's needs in the areas of employee benefits, including CPP, employment insurance, etc.

"International Fisheries and Governance" shows a decrease, but we're actually getting that money back through budget 2008, which I'll speak to a bit later.

The last one I would just highlight is the IMIT consolidation. That's a sunsetted project for which we receive money from Treasury Board. The bulk of that project has been implemented, and so, comparing last year with this year, there's a reduction in that area.

On page 7 we show the main estimates by program activity. I think the committee is familiar with the program activity architecture of the department, which essentially has three strategic outcomes and nine activities. This chart basically shows the distribution of the main estimates among the nine activities.

I would highlight that these figures include the enablers. We've discussed this from time to time, but the enablers, including corporate services, finance, executive services, etc., are apportioned out to the various activities. You have the enabler amounts reflected in those activities on this particular chart.

Page 8 again shows the same basic figure of \$1,682.0 million. This chart shows the main estimates by sector and for the coast guard, and it shows the enablers separately. The enablers again, as I mentioned earlier, are communications, corporate services, executive direction, etc.

Small craft harbours directorate, which is of particular interest to this committee, is, as I think you're aware, organizationally under HRCS—Human Resources and Corporate Services—and we've shown the small craft harbours directorate separately on that chart.

Page 9 shows again the same basis, but distributed by region, including a fairly large amount for national programs. A big part of the national programs is the "major capital" segment, which basically over the year is allocated to the regions for the delivery of capital projects.

I'll dwell on page 10 for a couple of minutes. As the deputy indicated, it basically is the crosswalk between the main estimates and the report on plans and priorities and in that regard is a more accurate reflection of what we will likely be spending this year. If I take you to the bottom row, where we have the total planned spending, again you'll see the \$1,682 million, which is the figure for main estimates.

Then there is a column of adjustments, the largest of which is for the fleet renewal, which takes us to planned spending for this year, 2008-09, of \$1,738.4 million. Basically, these are expenditures that we have essentially negotiated with Treasury Board and that have come up after the main estimates were tabled.

So it's a bit of a moving feast in this regard, if you will, to try to get an accurate projection of what we're actually going to spend this year. This is a more realistic figure, adding the adjustments to the main estimates.

● (0915)

Then the third part of this, if you will, is the budget 2008 announcements, which are going to increase our planned spending again, but this is subject to our actually getting the appropriations from Parliament and the proper approvals. We've highlighted on page 11 the amounts we anticipate getting as a result of budget 2008 and over the three-year planning cycle.

If you would direct your attention to 2008-09, that figure of \$1,767.9 million, again, all things being equal that we get the proper authorities, is actually a closer reflection of what we anticipate spending for this fiscal year.

On page 12 we take the report on plans and priorities planned spending, that figure of \$1,738.4 million, and show that again by the activities within our program activity architecture. Again, in this chart the enablers have been distributed among the program activities. Then on page 13 we have again the planned spending by sector and the Canadian Coast Guard with the enablers shown separately.

Page 14 is a bit of an overview or a summary, if you will, where we take the main estimates figure, add in the adjustments that evolved after main estimates were tabled or in the course.... Anyway, the timing was out of sequence to be included in the main estimates. This gives us that total planned spending for 2008-09 of \$1,738.4 million, which again, does not include the money we anticipate getting as a result of budget 2008.

Then, finally, on pages 15 and 16 we have the planned spending broken down by program activity over the three-year planning cycle, including this fiscal year right up to 2010 and 2011.

That concludes my presentation, Mr. Chair.

The Chair: Thank you, Mr. Hegge.

We'll open the floor now for questions.

Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.): Thank you, Mr. Chair.

Thank you to all our guests today. We appreciate you coming, familiar faces yet once again. Thank you.

I have a couple of quick questions off the top. It says here "the life cycle asset management services". That was as recommended by the Auditor General, is that correct? Mr. Da Pont, this question is for you, I guess. Explain to me, was that a recommendation coming out of the Auditor General in 2007?

Mr. George Da Pont (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): Yes, it's part of our response to the Auditor General's recommendation, where she raised issues regarding our maintenance functions and whether we had the appropriate accountability structures and so forth in there. So this change reflects putting in one place all the investments we are making in life cycle management and in our asset management. Previously, these figures were spread out and buried within all our other activities. We have simply now separated them out for clarity and accountability in the expenditure.

Mr. Scott Simms: The internal reallocation of \$23 million, that's to establish a fleet refit capital budget. Is that correct?

Mr. George Da Pont: Yes, that is also one of the other adjustments we're making in response to the report. Previously, we were funding maintenance and refit activities from actually three different authorities, depending on what actual work was being done, some in major capital, some in minor capital, and some in operating. We've now secured a new authority from the board, and we've grouped and moved all those expenditures into one authority under major capital. That, again, will facilitate better planning and management.

Mr. Scott Simms: I guess more accountability, more transparency, is that what...?

• (0920)

Mr. George Da Pont: Absolutely, so we don't have to juggle different authorities for different things and mix three pots of money for one project, where one part of it is funded from this, another part from that. So now it will all be in one bundle and with one clear authority.

Mr. Scott Simms: A new polar icebreaker for \$720 million, and the *Louis S. St-Laurent* decommissioned by 2017—am I correct?

Mr. George Da Pont: Yes.

Mr. Scott Simms: It seems to me that the *Louis S. St-Laurent* would probably be expired well before that, would it not?

Mr. George Da Pont: No. The vessel is very dependable. We did a mid-life work and extension of the vessel. We're quite confident that it will be able to stay in service until that period of time. Like any vessel that gets older, it will need more maintenance over the next ten years than it has had in the last ten years. We obviously will be planning for that.

I think we're confident that if we can procure the new vessel in that timeframe then we will not have any negative impact on our operations.

Mr. Scott Simms: On the planned transfer from Nova Scotia to Newfoundland and Labrador, when is that to take place? What is the plan for that? How much will that cost, approximately?

Mr. George Da Pont: We are transferring, as I think the committee is aware from previous discussions, the *Terry Fox* and the *Louis S. St-Laurent* from our maritime region to the Newfoundland and Labrador region. The transfer of the *Terry Fox* took place effective as of April 1 of this year. The transfer of the *Louis S. St-Laurent* is scheduled to take place on April 1 of next year.

In terms of the actual cost, as I've explained to the committee, the primary reason we're transferring the vessels is that we would have

to spend at least \$10 million in additional upgrades to our facilities in Halifax to accommodate those vessels at the Bedford Institute of Oceanography, when we feel we can accommodate them in facilities in Newfoundland without that type of a cost.

The *Terry Fox* will operate out of our base in St. John's, so we are not expecting any additional costs there. We're planning to home-port the *Louis S. St-Laurent* out of Argentia. We've estimated about \$100,000 or so as a cost for electrical hookups and minor work of that nature.

I think the other point I'd like to make in relation to the transfers is we have agreed to a five-year transition period, to facilitate the interests of the crew, so no one would be forced to move, and that would give us time to ensure that anyone who didn't want to move was placed in other vessels in the maritime region. We have a committee involving the bargaining agents that's doing that work, and we're making pretty good progress, given our demographics.

In a nutshell, I think that is the current situation.

Mr. Scott Simms: I understand that. It takes five years for a transition; otherwise, the chair would have to open up a bed and breakfast.

I'd be remiss if I didn't ask you about the *Acadien II* tragedy. I know it's a sensitive issue. For you, I'm sure it weighs heavily. I just wondered if you could update the committee on how far the investigation has gone at this point.

Mr. George Da Pont: Thank you for giving me that opportunity.

The first thing I'd like to say is that my heart goes out to the people who were lost, to their families, their friends, to the community. It was truly a tragedy. It was also a tragedy for the coast guard. Our motto is "safety first, service always", as you know. It's weighed very heavily on the crew.

Like everyone else, I'm anxious to know what happened, how it happened. Obviously we have to await the investigations. There are three investigations. One is by the RCMP, which is still under way. They are determining whether or not there's any cause to proceed with any criminal investigation. The Transportation Safety Board, as I'm sure the committee knows, is investigating. They have the primary responsibility to determine the causes and the underlying factors. I can't predict how long either of those investigations will take.

We have an internal investigation under way that is focusing on assessing whether our internal policies and procedures were followed. That has started, as Minister Hearn has indicated. He's engaged an outside investigator to lead that investigation. We are hoping this investigation will be finished in the early fall, but it obviously will depend on how comfortable the investigator feels that he has a full handle on everything that he thinks appropriate to look into.

• (0925)

Mr. Scott Simms: I could ask more, but I think my colleague will probably get into that a little later, so I'll defer to him.

In the meantime, let me just update this again. Is the \$20 million per year for small craft harbours now a permanent part of the A-base budget?

Ms. Michelle d'Auray: That's correct.

Mr. Scott Simms: Okay. I know Parliament has passed \$35 million, and the numbers have been higher, certainly, but obviously we have grave concerns about that.

With respect to the \$10 million over two years in divestiture, I guess that also falls short of any need as well, at least in our opinion and in what we have seen.

At this point I guess I'm done for this round. How much time do I have?

The Chair: One and a half minutes.

Mr. Scott Simms: A quick snapper.

Hon. Lawrence MacAulay (Cardigan, Lib.): Well, a quick snap on invasive species. The Commissioner of the Environment and Sustainable Development audited the federal government a year ago and then did another assessment and indicated quite clearly in fact that there has not been enough done.

We know the problem we have in Prince Edward Island, which is noted for the blue mussel. What has been done to protect the base species from these other types of species that come in? It is killing the industry. What is planned to be done to protect the mussel industry, which is so important for so many jobs?

Ms. Michelle d'Auray: I think the report of the auditor for environmental issues asked us to look at developing national frameworks and whether we had a rapid response plan. We have all of the core elements for that.

Our plan is to develop frameworks and to help people cope and deal with them; it's not a plan to actually implement eradication. We have the building blocks for that. We are working very closely with the province of P.E.I. on this front. In fact we have just announced, with ACOA, an additional source of funds in order to help the industry deal with the clubbed tunicate problem on the island.

Hon. Lawrence MacAulay: This is not an ACOA problem; it's a fisheries problem. It's my understanding that it's getting worse instead of better.

Ms. Michelle d'Auray: The activities that the industry—

Hon. Lawrence MacAulay: Is there enough money involved?

Ms. Michelle d'Auray: I'm sorry?

Hon. Lawrence MacAulay: Have you got enough money to do what needs to be done to save this very important industry?

Ms. Michelle d'Auray: I think the premise and some of the science around this needs to be further developed, because all the tools and activities we have done to date have had an impact, up to a point. Now we have to look at additional and more innovative ways of dealing with this. I think the industry investments we are supporting with ACOA are in fact to help industry purchase and develop tools to cope with this invasive species, which is not easily eradicated.

The Chair: We will be back to you, Mr. MacAulay.

Mr. Blais.

[Translation]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Thank you, Mr. Chairman.

Good day, ladies and gentlemen. I would like to focus on the Coast Guard, in light of recent events.

What have you undertaken to do to deal with this tragedy? I have heard about all kinds of undertakings to date, but I would like to know what you intend to do?

Ms. Michelle d'Auray: The Commissioner and the Minister have ordered an investigation that will be conducted by an independent investigator. This will be a Coast Guard investigation. We have undertaken to review the incident and all of our procedures and to ask this independent investigator—and independence is important in this case—to determine if our policies and procedures need to be changed.

The Transportation Council, which is a regulatory body, is also conducting an investigation.

• (0930)

Mr. Raynald Blais: That is not what I wanted to know. I am not asking about the various investigations under way. I and everyone else is aware of these investigations. Certain government representatives made some promises. For example, Minister Lawrence Cannon promised at the church to get to the bottom of what happened. I want to know what you have undertaken to do.

Ms. Michelle d'Auray: We intend to make public the findings of the investigation now under way. Our investigator has already met with the victims' families and with some of the crew members. Mr. Da Pont will be able to tell you more about that. For obvious reasons, any observations and findings will be shared with the families before they are released to the public. This is what we and the government have undertaken to do.

Mr. Raynald Blais: Is there something more you would like to say, Mr. Da Pont?

Mr. George Da Pont: We are committed to doing the same thing. We want to find out what happened and why. Once the investigations have been completed, we will make the necessary changes.

Mr. Raynald Blais: The first thing the committee asked to see was the Safety and Security Manual. Right before the start of the meeting, I advised Mr. Da Pont that someone had removed several pages from one of the chapters of the Safety and Security Manual. The chapter should have 32 pages in all, but there were only 8 pages. A total of 24 pages were missing.

At this time, I would like you to promise that you will supply us with the missing pages so that we have a complete copy of the manual. Otherwise, we are not off to a very good start, from the standpoint of transparency.

Mr. George Da Pont: I completely agree with you, Mr. Chairman. I welcome the opportunity to find out what happened to these pages.

The manual contains several chapters, but the committee was only sent the one on towing. It was a mistake. Of course we can provide you with a complete copy of the manual.

Mr. Raynald Blais: I'm not saying that entire chapters are missing, only certain pages in one chapter.

Mr. George Da Pont: I will look into this and if it's true, than I am certain it is a mistake. Since this is a public document, the Safety and Security Manual is available on our website. If a few pages are missing, it's surely a mistake, one that we will rectify.

Mr. Raynald Blais: The mistake was intentional because written on the document is the following: "Intentionally omitted".

From a financial perspective, you note that for the Coast Guard, security is of paramount importance. Let's look at one concrete example, namely the small craft harbours file. Security is of paramount importance, but money must be in short supply because safety problems at ports are increasing.

Are the financial means available to the Coast Guard for search and rescue operations...Sometimes, to save money, people cut corners and make more sacrifices. How does the Coast Guard operate?

Mr. George Da Pont: Right now, we have the funding we need to successfully carry out search and rescue operations. As I have stated several times to this committee, our search and rescue operations are among the best in the world. A few weeks ago, we concluded an analysis of search and rescue requirements and several recommendations were made. We are currently discussing these recommendations with our partners, in particular the Coast Guard Auxiliary and DND. If this analysis revealed that we need to improve our operations, then we will certainly take steps to do that.

• (0935)

Mr. Raynald Blais: I only have a few seconds left.

I'd like to discuss another matter that also concerns the Coast Guard, namely air cushion vehicles. Two such vehicles were based in Eastern Canada, and one of them recently broke down because of a problem of some kind.

What do you intend to do about this?

Mr. George Da Pont: Again, thank you for your question. I am happy to announce that we will be acquiring a new air cushion vehicle. Delivery is slated for this fall.

[English]

The Chair: Thank you, Mr. Blais.

Mr. Stoffer.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Thank you very much, Mr. Chairman.

Thanks, all of you, for appearing today.

My first question for you, Mr. Da Pont—and I'm sure you know this is coming—is on marine service fees.

The last time we spoke, you indicated that a decision or some kind of an answer would be made fairly soon. That was well over a month ago, and I'm just wondering if you can answer the question. Have those fees north of 60 now been eliminated?

Mr. George Da Pont: No, the fees north of 60 have not yet been eliminated.

Mr. Peter Stoffer: May I ask why?

Mr. George Da Pont: I think the minister has indicated that he will try to make a decision prior to the start of the shipping season in June, and there is still a bit of time yet before then.

Mr. Peter Stoffer: Okay. If you're speaking to the minister, you can remind them that there was a motion passed out of this committee and out of the House of Commons to remove those fees.

The second question I have for you is on the Larocque decision. Prior to the Larocque decision, how much money did DFO estimate was being received by various groups and associations across the country in that regard? Do you have a ballpark figure?

Ms. Michelle d'Auray: I'll ask Ms. Huard to respond to that.

Mrs. Michaela Huard (Assistant Deputy Minister, Policy Sector, Department of Fisheries and Oceans): I couldn't give you the total. We figured that there was potentially \$23 million worth of projects. That included our amount, and that included the amount that companies were putting into it. That's roughly what it was.

Mr. Peter Stoffer: Are some of the estimates of that money—the new money that's coming in—to cover the Larocque decision?

Mrs. Michaela Huard: We received \$10 million last year. We'll have \$12 million this year. That's instead of the \$10 million. So it's an addition of \$2 million, but we have gone through all of the projects, and we believe we will have enough money to cover the projects that need to continue. There are only two projects that won't be continuing, but we have found other ways to deal with them. A lot of them didn't require financial solutions.

Mr. Peter Stoffer: So is it fair to say then that DFO is adhering to the letter of the law when it comes to Larocque?

Mrs. Michaela Huard: I sure hope we are. I believe we are. We have gone through all 206 projects, and I believe we are, absolutely.

Mr. Peter Stoffer: All right. Thank you.

Madame, there was a question of a report being done or a study being done on the Freshwater Fish Marketing Corporation. I'm wondering if you could tell us if that report is complete, and if it is, whether it is possible to get a copy, or if it is still ongoing.

Ms. Michelle d'Auray: The report is complete. We wanted to be able to share it with the members of the board, and the provinces that have an interest in this—which we are about to do—and afterwards it will be made public.

Mr. Peter Stoffer: Do you know approximately when that may happen?

Ms. Michelle d'Auray: I'm not sure of the timeframe, but it wouldn't take very long. It's maybe a question of a month or so, at the utmost.

Mr. Peter Stoffer: Thank you.

The other concern is, as you know, CPAWS was on the Hill the other day, concerned about marine parks and some of the delays, especially on the west coast. Near Haida, there is one project that has been on the books for almost twenty years, and they were rather concerned that twenty years is a long time to take to designate something as a park.

I know it's not just DFO. You also have to deal with Parks Canada, Transport Canada, and all kinds of issues, and of course with provincial and aboriginal concerns as well. But can you please tell me—if Sabine were here she'd ask the question—how soon will that get done, so we don't have to have another King Neptune with his trident showing up on the Hill again?

Ms. Michelle d'Auray: Thank you for the question. I'm not going to preclude CPAWS's ability to bring Mr. Neptune back onto the Hill, but I would say—I believe you're referring to the PNCIMA area—it is very complex, and there are many intervenors, many stakeholders. We do have a fairly good working group. We have a number of agreements now with first nations about how to proceed in the discussions and the integrated approach, but it is taking a fair amount of time, and I believe it will take us some time yet to come to a conclusion.

• (0940)

Mr. Peter Stoffer: As you know, a few years ago on the Georges Bank there was a moratorium placed on oil and gas exploration until 2012, I believe. Lately we've been hearing rumours—speculative, of course—that this may be reviewed to be lifted. I'm wondering if you could elaborate. Are there any decisions or discussions within DFO about lifting the moratorium, or will it stay until 2012?

Ms. Michelle d'Auray: There is no expectation or intention to change the existing date. As part of the process, though, before the timeframe or as the time comes to an end, there is a requirement to review. That is a normal part of the process.

Mr. Peter Stoffer: Okay, but there's no intention—

Ms. Michelle d'Auray: But there's no intention to review before the timeframe.

Mr. Peter Stoffer: Thank you.

Thank you, Mr. Chair.

The Chair: Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

I certainly appreciate the witnesses being here today to go through the estimates.

My first question is one that piqued my curiosity as the committee travelled throughout Atlantic Canada a couple of weeks ago on our study of small craft harbours. While it's not perhaps directly related to anything in the estimates, and I'll get on to that after this first question, I've had a couple of opportunities to talk to people.

I think in Georgetown, as an example, there was a Transport Canada facility and there was a small craft harbour. I know that when we went to Gaspé—and I apologize, I don't recall the name, but we could go back through the transcripts and look for it—there was someone there who brought up the fact that there was a Transport Canada wharf in very good working condition and small craft harbour facilities that were basically in derelict condition and they were unable to tie up to the Transport Canada wharf. I'm wondering why the government can't put two and two together and maybe let the fishermen use the Transport Canada harbour, which was basically slated for divestiture.

I'm wondering if anything like that has happened in the past, if the Department of Fisheries and Oceans has taken over a Transport

Canada facility that's in better working condition to facilitate the more effective use of government resources for our fishermen. If it has happened, I'd be curious to know what the process is and how that would come about.

Ms. Michelle d'Auray: I'll ask Mr. Hegge to respond to that.

Mr. Cal Hegge: I'm not familiar with the one you're referring to specifically, but I guess an answer to your question is yes, it can happen. I think the Digby harbour is one I would put forward as an example of that. It's still not resolved, but that was originally a Transport Canada harbour and could very well come back to the department. There's a lot of negotiation still under way. So it can happen, depending on the circumstances.

Mr. Blaine Calkins: All right, good.

I have some questions with regard to the budget increases that happened for aquaculture and for science. Can you highlight to the committee any new investments? Whether it's through the aquaculture spending or whether it's through the science spending, is there going to be any more done insofar as looking at the effects of sea lice?

Ms. Michelle d'Auray: In terms of aquaculture, in the most recent budget the government did announce additional investments in aquaculture, and the reasons for those investments are actually to improve or enhance, if you will, our regulatory science.

We have to make the request through the supplementary estimate process for the funds to be allocated, but predicated on that approval, some of the funds would be directed toward improving the regulatory framework around, for example, sea lice and to enhance the science capacity.

Some of the funds are also going to be directed to work with industry in terms of technology innovation in order to be able to promote and enhance the capacity of the industry as well.

• (0945)

Mr. Blaine Calkins: Thank you.

The report on plans and priorities has identified species at risk. Obviously, we're dealing with species at risk. We've talked about this before at this committee, and I know we've talked a little bit about some of the reports that have come up there.

My recollection is... I think it was about 13 out of 40 or something like that the last time we spoke. There had actually been recovery strategy for 13 out of the 40 species at risk. Is there an increased number of species at risk? Are we still dealing with 40, and where are we insofar as recovery strategies? Are we still at 13?

Ms. Michelle d'Auray: I was going to turn to Madame Breton for the responses to those questions.

Mrs. Mimi Breton (Assistant Deputy Minister, Oceans and Habitat Sector, Department of Fisheries and Oceans): With pleasure.

In terms of aquatic species, there are actually 120 species that are at different stages and an extra 36 that are pre-COSEWIC. So it's an increasing workload.

You are asking whether we are progressing and if we are doing things differently to increase progress. I'm happy to report that with the resources we have in SARA, we built the monitoring system, we built

[*Translation*]

a leadership system for each region to ensure that each species is monitored as part of the process. We have put in place measures to monitor progress. Of course, because some species are more complex than others, additional consultation is required, but I can tell you that we did take into consideration the Auditor General's comments. Rather than simply coordinating activities, we are in the process of structuring the system in a manner that resembles a program so that responsibilities are clearly identified.

[*English*]

Mr. Blaine Calkins: Do you think there is sufficient funding now to take care of the problem?

Mrs. Mimi Breton: As I said, it's an increasing burden, because there are always new species being listed. Also, at different stages of the process you need different expertise. At one stage it would be science. At another stage it would be enforcement. So we need to look at how we allocate resources to keep that flexibility so we can put the effort where it's needed.

Mr. Blaine Calkins: Okay, good.

Ms. Michelle d'Auray: Mr. Chair, what I would add, if I may, is that as we're finding approaches, as we get better at developing recovery strategies, at understanding how we need to build in the science, and at understanding the economic impacts, I wouldn't say that is becoming easier. But at least we have a better context in which we can start applying these across the country, rather than having to reinvent the wheel in terms of approaches and methodologies every time. We are learning quite extensively from the approaches we have taken to date. And we are now able to put in place a more consistent approach across the country, which will enable us, to the extent we can, to accelerate on the methodology.

Mr. Blaine Calkins: Thanks.

How much time do I have left, Mr. Chair?

The Chair: You have two and a half minutes.

Mr. Blaine Calkins: Oh, good, there is lots of time.

My last question deals with Bill S-215. I'm sure the department is aware of Bill S-215. We heard testimony, obviously, about the potential impacts on the budget, and there is a lot of speculation as to what that will be. I understand that nobody can nail that down, because we won't know. Given the timeline, should the bill receive royal assent, and given that we know that there is a scheduled, clockwork type of progression through the process of the bill to designate lighthouses as heritage lighthouses, what plans has the department made at this point in anticipation of that bill coming to pass, which it looks like it will?

Ms. Michelle d'Auray: Thank you for the question.

Yes, we are aware of Bill S-215. I believe that a number of our colleagues have appeared before the committee and have provided quite a bit of information.

I believe that with the amendments that were proposed we are in a better position to also transition once the bill is put in place. There are some timelines that will enable us to get ready for the discussion and analysis that needs to be undertaken. Part of that will also depend, I would suggest, on the number of lighthouses that are brought forward and on the interest. There is a fairly consistent process we will be going into and discussing with a number of potential hosts of some of these lighthouses, for divestiture purposes. We will be taking, I would say, a pretty in-depth look at and analysis of the financial implications and the ways in which we would be working with them. But we have not necessarily, at this moment, done any financial analysis.

Mr. Hegge, would you like to add anything to that? No. Okay.

● (0950)

The Chair: Thank you, Mr. Calkins.

Mr. Russell.

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chair.

My first question has to do with small craft harbours. The total budget is \$108.6 million, but the planned spending is \$93.5 million. The discrepancy is about \$15 million. The \$15 million is to deal with enablers—executive direction, strategic policy, and all that kind of stuff. So really, what's going into maintenance and recapitalization and that kind of thing is \$93.5 million. Is that right?

Ms. Michelle d'Auray: That's correct.

Mr. Todd Russell: That falls short of what the committee had recommended, I believe, which was a minimum of \$114 million.

Have any harbours and ports been added to small craft harbours over the last two or three years?

Ms. Michelle d'Auray: As Mr. Hegge mentioned, the only element that we are considering is the Digby harbour. And the budget, as the 2008 budget indicated, has funding or proposed funding for a harbour in Nunavut.

Mr. Todd Russell: I raise this because there have been outstanding requests from at least three harbours in my riding—Mary's Harbour, Pincent's Arm, Williams Harbour. Some that were on the schedule came off and they want to be back on. They meet the criteria. So that's an outstanding request that we're going to continue to push with the department.

Is it basically just the minister's recommendation? If the minister says to do it, it shall be done—is that the way it is?

Ms. Michelle d'Auray: There are some criteria and there are also some issues around whether or not we have the funding capacity to take these on. There are a number of harbours, as the committee is well aware, that have some challenges—if I can put it that way. The idea of adding more to our responsibilities without the necessary funds would require us to increase our priority-setting challenges.

Mr. Todd Russell: On that logic, then, you wouldn't want to add any more harbours until you got more money. The only reason we're going to get harbours added is if we put more money in, and that's up to the minister to do.

I want to move on to the icebreakers, or the coast guard. I have some concerns about some \$20 million coming out of operations and going into the capital side of the ledger, given some of the challenges that we face.

Would the ideal situation be not to shift money within the budget itself, but to have that money for operations and extra capital undertakings? It's nice to have the boats refitted, but you have to have the operational money to run things efficiently. We're talking about personnel, and we're talking about making sure you can maintain a certain level to meet performance indicators. Would that be the ideal situation?

Mr. George Da Pont: I don't see it as taking money out of operating. Yes, we are changing money from one boat to another, but that money has always been used on refit and will continue to be used on refit. All we're doing is consolidating the money that we have been spending on refit. We have added to the refit budget from the major capital side, not from the operating side. We have increased the refit budget.

I think it's crucial. Given the age profile of the larger vessels, they require more maintenance now than they did eight or ten years ago. This trend will continue until we get some of the new vessels that the last three budgets have provided for.

I see it simply as consolidating expenditures, not reducing money that we otherwise would have been spending on other parts of our programs.

• (0955)

Mr. Todd Russell: I was very disappointed to see the cancellation of the northern access initiative, which was announced in November of 2005. Do you have either a home port or a coast guard base above the 52nd parallel in the north? I say this because so much emphasis is now being put on the north, seabed mapping, and Arctic sovereignty. All these types of buzzwords are being thrown out by the government.

Is there any permanent coast guard base above the 52nd parallel?

Mr. George Da Pont: Mr. Chairman, I would have to refresh my geography. Our most northern base is Prince Rupert, which I think is relatively close to the 52nd parallel. I don't know if it's below or above.

Mr. Todd Russell: So there's nothing on the east coast.

Mr. George Da Pont: On the east coast, obviously St. John's would be the most northerly.

The Chair: Thank you, Mr. Russell.

Mr. Blais.

[Translation]

Mr. Raynald Blais: Thank you, Mr. Chairman.

If I have any time left, I would like to share it with Mr. Lévesque.

I have another question for Mr. Da Pont about the Coast Guard. Regarding Coast Guard revenues, I was wondering about the status of the negotiations—or the agreement—between ocean carriers and the Coast Guard on fees for services such as icebreaking. According to the latest news, an agreement has yet to be reached and the

existing fee structure is still in place. I just wanted to check on the status of the negotiations.

Mr. George Da Pont: You are correct in that the existing fee structure is still in place. As you stated, we are having discussions with the industry. Together, we are considering several options. For now, we cannot agree on any one option in particular. However, discussions are progressing smoothly and I hope that we can find a solution that is amenable to us and to the industry.

Mr. Raynald Blais: Is it normal, in your opinion, to have an unlimited timetable for holding these discussions? To my knowledge, negotiations with the marine industry have been going on for at least five years, and perhaps even longer. That seems unusual to me.

Mr. George Da Pont: There is nothing out of the ordinary about this situation. Fee negotiations are always difficult. Negotiations actually began a year or a year and a half ago, not five years ago. Considerable progress has been made. Obviously, we have yet to come to an agreement, but for the first time in many years, we are having discussions. It is quite common to discuss fees from time to time, as per the act, with the parties who pay the fees. These negotiations are not straightforward. However, we are making progress and I hope that we are able to come up with a solution.

• (1000)

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Good day, ladies and gentlemen. I see that men are in the minority this morning.

An hon. member: Hooray!

Mr. Yvon Lévesque: There is one thing that has been bothering me this morning, further to our hearings in the Maritime provinces. My colleague Mr. Calkins proved that he did pay close attention to the discussions. He raised this issue, but I would like to come back to it.

Carleton and Gaspé are having problems with their small craft ports which are jointly administered by Transport Canada, the Coast Guard and Fisheries and Oceans. Most of them have been condemned and shut down. Aquaculture farms are looking for locations to conduct their operations. They are tolerated on the docks. I used the word "tolerated". They feel equally rejected by the Coast Guard and by Transport Canada. As I see it, there are three departments involved: two of them oversee wharves, while the third is the Department of Fisheries and Oceans.

Given the state of repair of small craft ports, I'm wondering if there isn't some way of agreeing to make room for the fishers who need a place to unload and transfer their gear.

Ms. Michelle d'Auray: This is something that I think we can discuss with our colleagues from the different departments. I think that in some cases, an amicable agreement can be worked out, as you suggested, as a temporary solution. The responsibilities of the departments must also be taken into consideration. Discussions are being held and options explored.

Mr. Yvon Lévesque: Isn't there some way of negotiating a permanent arrangement that would automatically apply in similar cases?

Ms. Michelle d'Auray: I'd like to discuss this further with my colleague from Transport Canada before I commit myself, or him, to anything. His department has its own legislation and regulations. I think this option is worth exploring. In some cases, we have worked out an arrangement. Each situation is fairly unique and port usage is set out in Transport Canada regulations and procedures. What we can undertake to do is to review our workable options.

[English]

The Chair: Thank you, Mr. Lévesque. Sorry, time flies when you're having fun.

Mr. Stoffer.

Mr. Peter Stoffer: Thank you, Mr. Chairman.

Mr. Da Pont, I know that for estimate purposes the budget of the coast guard and all of that has to be within the DFO framework. But being a separate operating agency, is it not possible in the future to get a side brochure showing the coast guard's own budgetary items—wages, salaries, benefits, all that kind of stuff—separate from DFO, just to make that more clear?

Mr. George Da Pont: It certainly is. We actually try to provide all that detailed information in our business plan, which we share with the committee. Within a few weeks I anticipate we will be sending the committee our business plan for 2008, and you'll see all those specific breakdowns.

Mr. Peter Stoffer: Thank you.

There is an old saying that you hope for the best and prepare for the worst. It appears, at least on the surface, that the Fraser River run in 2008 will not be very good. A lot of people are quite nervous about that, as you know, especially the first nations people.

I've been speaking to a couple of fishermen from Washington State about some of the concerns they have. So I'd like to know, are there any negotiations going on through the Pacific Salmon Treaty about a reduction of catch on the American side and also within the Canadian side?

It appears that the 2008 run may not be very good at all, so there is going to be a lot of pressure on DFO regarding sport fishing, first nations fishing, the constitutional right they have for food, social, and ceremonial purposes, plus the previous treaty with the Americans and their catch as well. Can you please tell us what deliberations or conversations are going on, in order to alleviate the fears and the pressures that may come within a few months?

•(1005)

Ms. Michelle d'Auray: Certainly. Thank you for the question.

Discussions on the issues around the salmon runs—and I will put the species, salmon, as plural—have started and have been going on for quite some time with, I would say, all the stakeholders along the coast and within the river system, because the returns last year were so low and the predictions for this year are in fact fairly low and in a critical situation. The discussions have been going on now for some months with first nations, commercial fishers, and harvesters.

Obviously our intent is to develop and to continue to develop, as we have in the past, what we call “integrated fisheries management plans”, in order to be able to deal, as we always do, with

conservation as the first priority; the second element, which is the constitutionally protected food, social, and ceremonial purposes; and then look at what availabilities there might be, if at all, for commercial and recreational activity, which is not likely to be the case in many instances for species this year.

The discussions have started. They have been started now for close to three months. They started, actually, almost as soon as the season ended.

With regard to the Pacific Salmon Treaty, the discussions have in fact been going on throughout the fall. We believe that in the next two months, at the outset, we will be coming to a conclusion on those fronts. There are a couple of issues on which we are still in discussions with the U.S., but we are all very concerned, and it is a partnership approach that we are taking with regard to the management of the species.

I don't know if Madame Dansereau would like to add to that.

Ms. Claire Dansereau (Associate Deputy Minister, Department of Fisheries and Oceans): No, that's good.

Mr. Peter Stoffer: A few years ago there was a big concern about mustard gas that was dropped off the east coast, and other emissions by DND in the 1950s. I know DND and DFO worked cooperatively to find these sites and estimate what could be done. I don't know if they could be removed. Is any of this mapping going on, assisting the identification of where these sites are? I know there are folks in Cape Breton and others who are quite concerned about the ongoing search for these sites and where they are and what can be done to mitigate any possible damage in the future.

Ms. Michelle d'Auray: Thank you.

I believe a number of issues were raised by the Commissioner of the Environment and Sustainable Development in the recent report, and we are working with the Department of National Defence on these sites. We are working and helping them in the mapping and the identification. I do not believe all the mapping has been completed. Some of those issues were raised in the commissioner's report, but we are working extremely collaboratively, and much of the mapping requested by the Department of National Defence is being done by the department with them.

The Chair: Thank you, Mr. Stoffer.

Mr. Keddy.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

Welcome to our witnesses.

I'd just like to make an opening comment on the loss of the sealers in the gulf. I know that's been a difficult issue, certainly for the families first of all, but for the coast guard and DFO as well. I'd like to say on the record that from what I can see from what you've done so far to have an internal investigation led by an independent person, a full investigation by Transportation Safety Board, and another investigation by the RCMP, so three investigations ongoing, is the right thing to do. It's important for clarity. It's important for transparency. Most of all, it's important for the families who lost loved ones in that accident. The results will be made public.

However, all that being said, I have heard some discussion that there may be some review with coast guard of how we tow vessels. There's some discussion that there may be the possibility that the skippers and the crew members of vessels will not be allowed to be on the vessels when they're under tow, and that I think is an issue that would require careful review. I'd like to think there would be a very careful review before any captain or skipper of a vessel is ordered off that vessel, because they are in command of the vessel.

•(1010)

Mr. George Da Pont: Again, thank you for those remarks.

As you would normally expect, when we've had an incident of this nature, we certainly will review policies. But I'm not entirely sure where you heard the discussions or the reference to the discussions that you mentioned, because I think our review will be very much informed by the outcome of the investigations. I think it's obviously appropriate to wait and take those into account before anyone makes any significant changes, and that is our approach.

Mr. Gerald Keddy: Okay. Thank you for that.

Another issue that was brought up already was on COSEWIC. There are a number of species that are listed now under COSEWIC and there are a number of those species that could be listed under SARA. I've got two points to my question.

First, I would hope that before any species is listed, there is additional science done, that the science is repeated, and that you look to the fishery itself, to the fishermen themselves, to see if that species is actually out there or not. Where I'm headed with that is on cusk. There is some discussion that cusk could be listed under SARA.

When you speak to the fishermen themselves, they will tell you that there is a fair amount of cusk on the east coast in areas that cusk tend to inhabit.

The trawl survey that was done—the dragger survey—didn't find any cusk because cusk crawl into holes on the bottom; they get under rocks and they tend to inhabit areas that any dragger fisherman wouldn't put a drag in, because it's too rocky and too rough.

However, the longline fishermen are catching cusk, and the lobster fishermen in certain areas get some cusk in their lobster traps. So if this species were to be listed under SARA, you would shut down a longline fishery, which is certainly a most non-invasive fishery, and you would shut down a trap fishery, which is a non-destructive fishery, in all possibility on science that was done.... And someone has to ask the question: was it done deliberately so they wouldn't find cusk? Why did you use gear that traditionally never catches cusk?

Ms. Michelle d'Auray: Thank you for the question.

The listing of species under the Species at Risk Act is in fact a fairly extensive process where we do have a number of opportunities—when there is an interest or an intent established by COSEWIC—for us, for DFO, and for our scientists to be able to provide additional information when we are uncertain as to whether or not the listing should be done, and if so, under which of the headings. We have very extensive and fairly lengthy processes

before we actually get to the point of making a recommendation for a listing.

In this particular instance, we have taken note of the issues around the trawl survey. We have also indicated—as for all species—that there is a certain amount of additional analysis yet to be made. The other element that we also consider is a socio-economic analysis before a species is listed. If there are commercial interests, that also gets factored in before any decision is made.

So we have taken note of what COSEWIC has put forward, but there is a fairly extensive and lengthy review that is under way at this point.

The Chair: Thank you, Mr. Keddy.

Mr. Russell.

Mr. Todd Russell: Thank you, Mr. Chair.

On sealing, of course this is a much-maligned industry by so-called animal rights groups, and they have certainly unfairly targeted our sealers, our families, and our communities.

I'm just wondering, within the budget itself.... I know there are snippets of money spent on maybe some information, some management matters, and even some of the coast guard budget gets used up in terms of assisting our sealers, like it would other types of fisheries. Is there a separate budget item or is there any targeted money that goes into assisting our sealers and the sealing industry? Because those who oppose it are of course spending millions—if not tens of millions—of dollars trying to eradicate this important traditional cultural and economic industry.

So is there any line item whatsoever in these estimates I could point to and say yes, you use that money to assist our sealers?

•(1015)

Ms. Michelle d'Auray: Mr. Chair, there is no—as the question has been posed—budget line, so to speak, for sealing. There are a number of instances when throughout the department activities are supported in terms of research under science; support to undertake fish management plans and surveys; discussions with the industry and stakeholders; support to the actual sealing activity, the hunt itself, either through search and rescue, icebreaking, and sometimes even taking some ships.

We also have a significant investment in terms of international activities with the ambassador, Mr. Sullivan, who I believe has appeared before the committee a number of times.

So there is no line item per se, but there are a number of instances throughout the department and with the coast guard when would say there is in fact fairly significant expenditure made in a number of these areas.

What we do not do is fund the activity per se, as we do not fund the harvesting activities of fishers commercially.

Mr. Todd Russell: I think the misinformation campaign out there must be combated in some way, shape, or form. One of the suggestions that was relayed to me was that maybe for every person who goes to Europe or comes from Europe—because this is where the focus is right now—there should be some information relayed at customs, a pamphlet or an information sheet talking about the realities and the facts of the seal hunt. I'm just offering that suggestion.

My last question is on the turbot quota and the 1,800 tonnes of turbot off the coast of Labrador and off of Baffin Island up into the Davis Strait that were allocated to Barry's fisheries. The minister allowed a sale of that quota to Clearwater Seafoods. It was all in the water and they just took that turbot and allowed it to be sold to another processor or harvester.

Were any conditions attached to that transfer, that there had to be some local benefits, some processing of it within Newfoundland and Labrador? I have a lot of communities with some turbot plants that could have certainly used a portion of that. How did this happen that you could take 1,800 tonnes of turbot in the water, just transfer it, and a company gets \$30 million? That's what some of the stories have reported, anyway.

Ms. Michelle d'Auray: I believe that the requests for transfers were done under the Atlantic fisheries policy and that these were enterprise allocations that could be transferred under that policy. I don't think there have been any requirements with regard to landings. That is not in fact a regulatory capacity of the department.

I don't know if Mr. Rashotte would like to add anything to that.

Mr. Barry Rashotte (Associate Director General, Resource Management Branch, Operations, Department of Fisheries and Oceans): Just to clarify, it was 1,900 tonnes and the transfer involved two companies. You mentioned one of them. There was another company from the Labrador area, I believe.

As the deputy said, this is part of the existing system that has been in place for 15 years or so in the offshore fisheries, where the companies have gone to EAs. There are guidelines and restrictions on how they can transfer that among themselves, either on a permanent or temporary basis. Obviously, a permanent transfer would require a minister's approval, and in this case there was one. This was just business as usual and was allowed under the guidelines the deputy referred to.

• (1020)

Mr. Todd Russell: Am I finished?

The Chair: You are for now.

Mr. Blais, five minutes.

[Translation]

Mr. Raynald Blais: Mr. Chairman, with respect to small craft harbours, is it possible to review the required levels of funding over the next fiscal year? The last official projections pegged funding requirements at about \$400 million and that was in 2004-2005. Since then, the figures keep changing. Are there any plans to review the financial requirements?

Ms. Michelle d'Auray: Mr. Chairman, there are no plans to review the requirements or do any kind of in-depth study. By

extrapolating and doing some basic analyses of the extent of the deterioration of the wharves, we can get a fairly good idea of our financial requirements. We can adjust our figures on the basis of certain events or specific activities. We do not expect a new in-depth study to be done. We will simply extrapolate using the figures we already have.

Mr. Raynald Blais: The deterioration of the infrastructures is due to two highly complex factors: climate change and changes to the fleet. It is relatively difficult to put a figure on this. To say that we need \$550, \$600 or \$700 million really doesn't make much of a difference. Because you are a professional, I thought that you would want to review these requirements, since this is a priority for our committee. I would imagine that this is a priority for you as well.

Ms. Michelle d'Auray: Thank you again for your question. Without committing to do an in-depth study of the two questions that you and other members of the committee have raised, I will say that we have started to consider the impact of climate change. However, that impact cannot easily be translated into numbers. It isn't necessarily easy to anticipate what the effects will be.

Regarding fleets, further to a series of announcements by the minister in April 2007, the department began looking at fisheries management reform and how this impacts the size of the fleets. Because we are now starting to see the effects of reform, I think we will still need more time to come up with some figures, as they relate to climate change as well as fleet size.

If someone were to ask me if, within the next year, we will have done an in-depth study and come up with a figure, I would have to admit that we won't have a clear idea of the financial impact. However, we could start to observe some trends.

Mr. Raynald Blais: Mr. Russell, my fellow MP from Newfoundland, also broached the subject of the seal hunt. I am very interested in finding out about the department's strategy and action plan for addressing the disinformation campaign. The actions of the department are being called into question. People are criticizing the department for being irresponsible and for mismanaging a resource, namely seals.

One of the new tools that we now have to counter this campaign is a film called *Seals, The Movie*. As it so happens, this documentary was filmed by a resident of the Magdalen Islands and co-produced by a New Brunswicker. If the department bought the rights to this documentary, it could eventually use this production to inform people about the seal hunt. While I think embassy officials can do a good job informing people, I also believe that we need some information tools. Pamphlets are all well and good, but they are not enough. We need visual tools, because we are fighting a war of images.

Have you considered buying the rights to this documentary? If so, where do things stand? If you haven't considered doing this, why not?

• (1025)

Mme Michelle d'Auray: I believe we did consider doing this, and we discovered that the film rights were rather costly. However, I would need to get more information before giving you an exact answer.

The only other comment I would make, Mr. Chairman, is that this debate is, up to a point, one that is based on emotions. The European Commission and parliamentarians will need to come to an agreement by looking at the facts, at scientific findings, at how the department manages the hunt and how the industry is responsible for this hunt and its activities. These are the issues that need to be addressed, because it is never a good thing to consider commercial interests from an emotional standpoint. It is important to always look at the facts, at how the department and the industry manage the hunt. We are very confident that the steps that we and the industry have taken this year are sound and that they in fact address the concerns raised in various European Commission reports.

[English]

The Chair: Thank you, Mr. Blais.

Mr. Stoffer.

Mr. Peter Stoffer: Thank you, Mr. Chairman.

Another saying is that you never allow the facts to get in the way of a good story. The reality is that if Europe does impose a ban, even despite the best efforts of our ambassador or DFO, with pelts a few years ago at \$90 and now down to around \$30, if the market falls out, it's going to be very difficult to maintain the seal harvest as we know it.

So one of the concerns will be that these sealers and their communities, through no fault of their own, are going to suffer economically because of it. Are there any plans afoot—plan B, I would call it—that if the ban does take place and it has a devastating effect on the seal harvest, DFO or the advice from DFO to government will somehow appropriate some funds to help these folks mitigate their financial losses?

The same question can apply to the west coast. If, indeed, the salmon runs are as poor as they appear, an awful lot of sporting operators and commercial fishermen are going to lose an awful lot of ability to earn some money. Will there be any assistance at all planned for those people in that regard?

Ms. Michelle d'Auray: With regard to the first part of the question, I would say we are convinced and working very hard to preclude a ban. The ambassador has been before this committee a number of times, and I'm sure he would be willing to appear again as he undertakes another series of meetings in the next couple of weeks. We have not contemplated any measures because we are not contemplating a ban.

With regard to mitigation for any fishery where we have resource allocations, reductions, we are not contemplating any measures at this point for compensation of losses.

Mr. Peter Stoffer: Thank you.

Mr. Da Pont, I personally want to thank you and the minister as well for hauling Paul Watson's ass into Cape Breton. He deserved it. Their mission is not to monitor the hunt; their mission is to kill the hunt, period. So good job on that.

On that question regarding the investigations that are ongoing with the incident in the gulf, is the union involved at all in terms of not only protecting the interests of the coast guard crew...? And I know, speaking to some of their families, that they're very concerned about this. That's the last thing they ever expected to happen. But is the union involved in these investigations and discussions as well, as an equal partner in terms of the role you play as well?

• (1030)

Mr. George Da Pont: Again, thank you very much for the question.

Yes, there is some union involvement, but not in the investigation per se. One of the unions, the guild that represents the officers, has provided the officers with legal advice and support, as has the union representing the crews. In fact I went just a couple of weeks ago to meet with the crew with John Gordon, the head of the Public Service Alliance, and with Mike Wing, the head of the component that represents the crew. So there has been significant union support for the crew in the situation.

Mr. Peter Stoffer: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, ladies and gentlemen, for coming today.

Understanding these numbers is a little bit elusive sometimes, and I would appreciate your help in trying to make sense of them. Let me just start then with the biggest number, which is the approximately \$1.768 billion. I think I understand how you got there. You take the main estimates, and you add what is identified in plans and priorities, and then you look at the most recent budget and see what might possibly or probably be added from those commitments, and I think that's the figure you come up with.

I'm not sure I see anywhere here in your document what that compares to for 2007-08. I see a comparison of main estimates to last year. If this is what we think we will probably spend in this fiscal year, what did we spend in the last fiscal year?

Ms. Michelle d'Auray: If I may, I think the final numbers for the expenditures in 2007-08 are still being compiled. We will have them, I would imagine, fairly shortly. They are generally published in the public accounts.

I would say, if you're looking at a basis of comparison in terms of planned spending and estimates for last year, there is a significant increase in the order of probably close to \$200 million, assuming that the supplementary estimates are also accorded to the department between the mains and the final planned expenditures that we would be looking at for this fiscal year. It's probably just under a \$200-million increase, I would say.

Mr. Hegge?

Mr. Cal Hegge: The only thing I would add is that if you look at the report on plans and priorities on page 12—and the deputy is quite right, the final figures aren't in yet—it shows the planned spending figure. It would include the supplementary estimates A and B. Our total planned spending figure for 2007-08 is \$1,721.9 million. It wasn't reflected on the presentation I provided, but it is in the report.

Ms. Michelle d'Auray: And then if you add the elements that would be decreased and then increased, we end up with a net, probably, once we take all of the various adjustments, in terms of an increased capacity.

Mr. Randy Kamp: I think in your presentation and in the other documents it says that some of the increases in operational spending are going to be assisted by some decreases in certain areas—cost efficiencies and so on. Can you just explain a bit more what that process is, what some of those areas are that are going to be decreased, and how they might affect programs that we see on the ground?

Ms. Michelle d'Auray: I would say at the outset that in terms of program changes, the only elements with regard to program changes would be with regard to some of the activities under international fisheries and governance. But under the 2008 budget, those funds were reconfirmed, so while they will show as a decrease in terms of the planned, they actually will be reinstated as a result of the budget announcements and the supplementary estimates.

In terms of actual program delivery, I would say that would be the major change, per se, and some of the other elements are dealing with reprofiling. It really is on the operational elements of the department that we are seeing the shifts.

I'll ask Mr. Hegge to add to that.

• (1035)

Mr. Cal Hegge: Again, if we look at slide 6 of the presentation, there's an item there on the 2007 cost efficiencies. That relates, as I said in passing, to “The Way Forward”, the Public Works and Government Services Canada procurement reform. These savings have been booked right across government. This is the portion that's been allocated to DFO.

Of course, we're never happy to see money come out of our reference levels. To be fair, some of this will be achieved through some of the savings in the procurement process—not likely all, in our view; there will be some residual impact on program delivery, if you will, but it's spread out across the full department. The approach

we took was basically to apply a tax based on budgets across the department.

The other one I would highlight is “Expenditure Reduction Committee—Departmental Savings”. The ERC process took money out of our reference levels over a period of time. This one relates to some reductions that were achieved through coast guard initiatives. I think that's probably close to the end of the savings we're going to see come out of our reference levels with respect to the ERC initiative.

Mr. Randy Kamp: Thank you.

The Chair: Thank you, Mr. Kamp.

We're going to finish up with this round now. I'd like to thank our guests this morning.

My understanding is that the minister is appearing before us on Tuesday. I don't know if all the committee members have been notified yet, but the minister will be appearing for two hours, starting at eight o'clock on Tuesday morning.

Mr. Scott Simms: Eight o'clock? Whose fault is that?

The Chair: Mine. You wanted two hours, but you didn't say when you wanted them.

Some hon. members: Oh, oh!

The Chair: It was either that or Sunday morning, and I didn't think you'd be interested in that.

I'm sure some of our witnesses will be returning with the minister. On Thursday of next week we'll be discussing, after our get-together here this morning...

Our plan is to bring back some of you people from the department to discuss a couple of special topics. We haven't decided those yet, but based on our discussions this morning, we'll decide on a special topic or two. We will be informing you, hopefully later today, of that. So we'll be looking forward to seeing you again next Thursday.

I think the deputy minister has a few more remarks.

Ms. Michelle d'Auray: Thank you very much, Mr. Chair.

While I would be pleased to come back next week with the minister, unfortunately I will be out of the country. My colleagues will be supporting the minister in that regard. I wanted to take the opportunity to let you know that.

Thank you for the opportunity to come before you today to respond to your questions.

The Chair: Thank you, and we'll look forward to seeing some of you again next week.

I'll ask the committee if they want to take a five-minute break to clear the decks, and then we'll come back. We have some committee business to deal with.

[Proceedings continue in camera]

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