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—
Chair

Mr. Fabian Manning

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• (0910)

[English]

The Chair (Mr. Fabian Manning (Avalon, CPC)): I'd like to call the meeting to order and welcome back our regulars again.

It's good to see you here. This will be our final session on estimates, committee members. We have the absence of Mr. Stoffer. He tripped or was tripped last night in the soccer game, so he's on the way to the hospital now to have things checked out. I saw him down in the lobby earlier this morning. It wasn't something we all planned; it just happened.

An hon. member: You're sure it was the soccer game?

The Chair: He may want a study into that before this is all over, but anyway, we'll see.

My understanding is that we don't have any opening remarks this morning. We're going to go right into questions. Would that be correct? Okay.

Just for the information of committee members, Minister Cannon's group is here. Minister Cannon is appearing here at 11 a.m. They need us out of this room at 10:50 to prepare for that. We also need about 20 minutes to devote to committee business before we adjourn. So I would ask all members to keep that in mind while we're proceeding this morning.

With that, I'd like to turn the floor over to Mr. Matthews, I believe, who will kick us off this morning.

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): Thank you very much. I don't know if "kick us off" is a good word this morning, if one of our colleagues is injured. Last year Mr. Simms was injured at soccer, so I think we should cancel the members' soccer game. It's interfering with committee work.

I just have a couple of quick questions, Mr. Chairman.

On the small craft harbours issue, I think a week or so ago, in answer to a question from one of my colleagues, Ms. Dansereau indicated that the small craft harbours recommendation list, I understood her to say, had gone to the minister. And then on Tuesday the minister appeared and indicated, or at least I felt that he indicated, that he had not yet received it. So could we have some clarification? I know I am getting calls now, as I'm sure other members of the committee are, from harbour authorities who are wondering when there may be some announcement about small craft harbours funding for reasons we quite regularly allude to—the short season and so on in our province for doing work needing to be done.

Could someone clarify where it is? Is it at the minister's office, or hasn't it reached there yet?

Ms. Claire Dansereau (Associate Deputy Minister, Department of Fisheries and Oceans): Thank you, and thank you, Mr. Chair.

Thank you also for the opportunity to come back and answer further questions. We'll do the best we can.

Often in our language we talk about things being with the minister, but in fact they're with the minister's office, as the minister said. And there's often, at that point, back and forth that goes on between the department and the staff to make sure the materials are as they should be.

So the announcements, we believe, are imminent, or the approvals are imminent. I can't give you a precise date or time, but we are working on it collectively across the department.

Mr. Bill Matthews: Thank you very much.

I have another question. I have a harbour in my riding that's in need of some dredging. I initially contacted Transport Canada, and they've come back to say that it falls under the coast guard or small craft harbours. I believe they said coast guard. So since Mr. Da Pont is here, I wanted to ask him about that, because it's an entrance to a harbour where there has now been a buildup and so on, and there have been some warnings issued by navigation people. I met with the harbour authority a few weeks ago and tried to pursue this issue. Of course, I originally went to Transport Canada, which I thought was where it would rest.

I was just wondering if you could elaborate on that. There are some dredging funding provisions within the department. I know that small craft harbours does some, but they never have enough money to do what they're required to do. So is the coast guard in any way involved in dredging? Could you tell me, please?

Mr. George Da Pont (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): The coast guard used to be involved in dredging, but we do almost none of it now because of program review decisions made about a decade ago. The only places where the coast guard still does dredging are on the St. Clair River and the St. Marys River, near Sarnia, Detroit, and Windsor, where we have obligations under international treaties, and on a full cost-recovery basis on the St. Lawrence. But that's the only dredging we've done since the time of program review, when what had been a more extensive dredging program in the coast guard was ended.

Mr. Bill Matthews: So you would have done nothing in the last number of years in Newfoundland and Labrador?

Mr. George Da Pont: No.

Mr. Bill Matthews: How about you, Mr. Hegge, on that issue? What would be your budget, say, for dredging small craft harbours this year?

Mr. Cal Hegge (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans): We don't have a budget per se that's allocated specifically for dredging. We consider the dredging requirements along with all the other competing demands for our budget.

If I recall, in previous testimony to this committee, we actually subsequently provided some information on dredging expenditures. If my memory serves correctly, we spend roughly \$10 million for dredging over any particular given year.

In answer to your question, I guess if the harbour you're referring to is a small craft harbour, then it would be the responsibility of the program to do the dredging. But we often, as you know, don't have sufficient funds to do all the dredging that's required.

• (0915)

Mr. Bill Matthews: Yes, it is a small craft harbour facility.

In addition to that, in fairness, there is a Transport Canada wharf there that is not being used any longer by Transport Canada. But the water depth of the channel is decreasing and it's becoming a concern. It's to the point where there has been an advisory issued, so I'm just trying to...because one department told me it was another department's, and I thought it was their responsibility. That's the kind of dilemma you find yourself in sometimes.

Since you were here, I thought I'd ask you those questions. Thank you very much.

The Chair: Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): I want to follow up on what Mr. Matthews asked and the answers that were given.

Basically what we've heard as a committee is that the department has provided a recommended list based on safety needs, based on repair requirements, and the safe conduct of fisheries related to small craft harbours. They've sent that recommended list, based on the existing budgetary allocations that are available to it. It's now in the minister's office, and the minister's office is debating with the department as to the appropriateness of certain projects versus others. In other words, they're actually involved in assessing whether or not the department's recommendations—based on safety and

security of fishers and users and the needs of fishermen—were indeed appropriate. They're actually actively engaged in altering the list. That's basically what I've heard this morning.

Ms. Claire Dansereau: I wouldn't necessarily say altering the list. I would say the minister's office, as you know, receives information from a variety of sources. People write to the minister all the time. We use that information—which they will receive—to make sure the list we have is as accurate as possible. So it is that kind of a partnership, in terms of making sure we have the most appropriate level of information, to make sure our decisions are the best ones. So yes, there is that back and forth that happens, because different types of information come to different places within the department.

Hon. Gerry Byrne: Could you assure the committee that the original list that was forwarded to the minister is based on the professional opinion of engineers, technicians, and those involved directly on the ground in the small craft harbours program, versus the final list, which is actually announced in dribs and drabs over the course of the next summer? Do we as a committee actually have access to the original list that was forwarded by the department to the minister's office? Would you make that commitment to us based on transparency and accountability?

Ms. Claire Dansereau: I'm not sure I can at this point, because we provide advice of all types to ministers, and it's considered to be advice to a minister... The advice we finally give at the end of the day will be equally valid from a technical and engineering point of view. It's simply because there's new information that would come in.

I'm not sure I can, but I'm not sure I can't, give you that exact commitment. We can certainly look into what we can or can't do around that question.

Hon. Gerry Byrne: I think it would be very interesting, knowing that the professionals among the department itself, the engineers, supply this. You've got a heck of a lot more people on the ground throughout the country involved in the small craft harbours program, making these recommendations and assessing the safety and security needs of fishers and users of the wharf, of the harbour facilities; you've got an analysis of the demands. I'm really curious as to the whole process by which that could potentially change. Maybe your individual involved in corporate services...

If that were to be requested under access to information, would the original list be exempted by the department from a member as simply being advice to a minister?

Ms. Claire Dansereau: I don't think it's up to us to determine what can or can't be exempt, because the rules for that piece of legislation are fairly clear. So I don't know specifically, and I'm not going to pretend I know, but we can certainly get back to you with what the procedures are around that kind of information.

Hon. Gerry Byrne: Here is another thing—on transparency. I think one of the issues of concern throughout Canadian fishing communities is the designation of certain quotas and allocations that don't seem to receive a whole lot of publicity or attention. There is a thought, a feeling, out there that there's a certain level of secrecy about allocations that are given to certain groups.

Has the department considered putting postings on a website, for public review, all allocations given to various groups? I respect the fact that enterprise holders have a certain right to privacy, but when a public resource such as a fish allocation is given to a not-for-profit organization—whether it be a community-based coalition, a union, or an industry organization involved in science—has the department considered, or would it consider, posting that information on the Internet—exactly who got the quota, how much the quota was, what species the quota was for, and how long they got it for?

• (0920)

Ms. Claire Dansereau: As you know, David has been in the department a lot longer than I have, and I'm going to ask him to answer that because he understands the history of what we can and can't do.

Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans): We have, as you're aware, a situation where the minister has absolute discretion under the law to allocate fish and provide licences. Generally that's done as a result of advice received and other considerations. Those decisions are then made public. We provide press releases, and there are quota tables on the website. But I understand you're looking for all the details, specifically what individuals hold quotas. Now, we can't do that in certain situations because of the Privacy Act, but in other cases, when it's co-ops or organizations, we may be able to provide that.

But we have information on the website. We have catch data on the website as well, but we are looking at updating all our information. Our website is being updated because it hasn't been user-friendly, but we are modernizing it. The decisions of the minister are made public.

Ms. Claire Dansereau: It's certainly our intent and our desire to make as much of this available as possible, because in my view, if information would be made available under ATIP, why not make it available prior to it being ATIPed? So where we need to protect privacy, we need advice on when and how to do it.

These are questions we look at on a regular basis, but as you know, everybody's moving toward more and more disclosure, where individuals would not be harmed by that disclosure.

Hon. Gerry Byrne: Thank you.

The Chair: Mr. Blais.

[*Translation*]

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

Good morning. We do not want to have to wait for the Auditor General to come to the same kind of conclusion as the one she reached about the Prime Minister's residence at 24 Sussex Drive. For wharves, it is even worse. I have already mentioned that the heart of a community, the heart of a village, is its wharves, and there is no

other option. If we had to, we could find other options for the Prime Minister's residence. We do not want the Auditor General to find that the wharves are in ruins, we want something done. They are in ruins because the situation has been deteriorating year after year.

For 2008-2009, we see nothing but divestiture: \$10 million over two years, up to 2009-2010. But in concrete terms, there is no more money than there was last year. I can only conclude that the situation is not going to get better, it is going to get worse, and it will cost a lot more to improve it or stop it getting worse yet again.

I was wondering what your intentions are about all that, so that we can avoid such a situation. We are telling you, but if the Auditor General told you, perhaps things would move forward to a greater extent. I hope that this is not the case, I hope that you will take our representations as seriously as you would if they came from the Auditor General. I would like to hear what you have to say about the matter.

Ms. Claire Dansereau: Thank you. As you can imagine, we take it very seriously. There is a limit to what we can do. Just yesterday, we completely revised our action plans for small craft harbours, internally at least, to make sure that we are as organized as we can be so that we can do the best job possible with what we have.

We always start by planning. Do we have enough information? Are we working closely enough with the communities? I feel that this is one of those areas where we will never have as much money as we need. So it becomes a matter of setting priorities. We have to do our best with what we have.

I do not know if Cal wants to add anything, but I have to say that we take this very seriously.

• (0925)

Mr. Cal Hegge: We have discussed the situation a number of times. Our approach as a department is to spend our small craft harbour money where the needs are most urgent from the point of view of health and safety.

As you know, we are going to receive more money in the 2008 budget for divestiture and for a new harbour in Nunavut. That will help us, but it is a fact that we lack the resources that will let us improve the situation.

Just as before, we will continue to work closely with central agencies to make sure that they are really aware of the small craft harbour situation.

Mr. Raynald Blais: What answers have you given, especially to the people in Quebec? If I am not mistaken, it was last February when they sent the message that they were fed up. Moreover, if nothing significant is done, they are considering ways to no longer contribute to the deterioration of the infrastructure. How do you respond to that now?

Ms. Claire Dansereau: It is the reality in Quebec, but it is also the reality everywhere, I think. There is certainly a level of frustration. We continue to work with them, and we continue to make them a priority. That is all we can do.

Mr. Raynald Blais: This year, in Quebec specifically, the sum of two million dollars was set aside for dredging. To my knowledge, this is the highest amount for dredging ever. Usually, it was about a million dollars each year.

Several examples occur to me, like Pointe-Basse at Havre-aux-Maisons, in the Magdalen Islands. Each year, they need to dredge there. The almost never-ending effort could be stopped by a longer pier or breakwater.

Because you have inadequate financial resources, do you, in fact, have to think in the short term rather than in the medium or long term?

Ms. Claire Dansereau: As in any planning situation, short term things, the immediate ones, always have to be done. If we are well organized, we can ensure that not all our money goes to the crises and that, little by little, we can fix the problems that will help us in the long term.

Our investment plans are built on that. I cannot say if the individual cases that you mentioned would be priorities. Each year, our priorities are based on health and safety, the environment, and, we hope, on a long-term investment that will allow us to save money.

Mr. Raynald Blais: Could you explain the reply that you gave to the Auditor General about maritime fees? I had the opportunity to ask her about that a few days ago. How do you see the Auditor General's criticism, or opinion, on maritime fees?

Mr. George Da Pont: As we said in our response, we accept the criticisms that have been made. We are in the process of discussing the future and the fees with the industry. We have been trying to negotiate the major issues for over a year. The Auditor General's criticisms dealt more with our information base and the improvement of the links between the costs of our services and the fees. We will continue to make improvements for several years, but we would like to negotiate with the industry that pays the fees.

● (0930)

[English]

The Chair: Thank you, Mr. Blais.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair, and welcome to our guests again this morning.

I'm going to start off on small craft harbours. I'm reading on page 26 of the report on plans and priorities. Under small craft harbours it talks about previous benefits. It says:

These benefits have not yet been fully realized. DFO will therefore pursue, as one of its priorities, the sustainability of the SCH Program. To that end, DFO will develop and implement a SCH strategic planning framework....

—and so on.

I am wondering if that is a work in progress. If so, as you know, this committee is studying small craft harbours, and I would hope

that whatever strategic plan was there would take into consideration recommendations that were made from the report of this committee. Could you let me know where that's at and whether or not as administrators you're waiting for the recommendations from our small craft harbours study.

Ms. Claire Dansereau: Cal will speak to the specifics, but I can say that in all of our programs—and you heard me say this when I came to introduce myself to the committee—I view myself as a work in progress all the time, and I view the work of the department as a work in progress all the time, so all of our programs ought to be forever in a state of improvement. We look forward very much to the recommendations that will come from the work you're doing. It will be of great assistance to us. The work you have done in the past has been of great assistance to us.

It is an important source of information and will certainly continue to be added to the base of our work.

Cal, do you want to add some specifics?

Mr. Cal Hegge: Yes. It definitely is a work in progress, and I agree with Claire's response. We are certainly going to be receptive to both your first report and the ultimate report to give us some guidance in that regard.

We are going to be looking at things in response again to the long-term funding shortfall of this program. What can we do to ensure the money we are spending is going where it's most needed? I think we need, in that regard, to look at the condition of our asset base. We need to look at the impacts of some of the factors that have been mentioned by this committee, notably climate change, overcrowding caused by additional usage, say, of the aquaculture industry, and others. So we're working together with our colleagues in the department with respect to that.

We are also looking at some internal cost efficiencies, and I'll just highlight one. We have been working for the last couple of years with Public Works and Government Services Canada, which does a lot of the contracting, and in collaboration with them over time, we're going to accept additional responsibility to manage contracts up to \$400,000 a year, which is actually going to save us money and enable us to turn that around and enhance the program delivery capacity of the department.

These are just some of the things we're going to be looking at in the development of this strategic plan.

Mr. Blaine Calkins: Thank you.

I'm going to move on now to aquatic animal health. My question is general, and it was brought on by looking at some of the tables and so on, on page 49, and taking a look at the budget information on page 46 insofar as aquatic animal health goes.

Is that the budget allocation for taking a look at sea lice, for example, on the west coast? Would that come out of there?

Mr. Serge Labonté (Senior Director General, Science Renewal, Department of Fisheries and Oceans): No. We have research programs on sea lice on the west coast as part of the regular science program.

Mr. Blaine Calkins: How much money is DFO spending every year on an ongoing basis researching the effects of aquaculture and sea lice? It's not out of the aquaculture budget; it's out of the science budget, you say. Even though it's a kind of hand-in-hand issue, I'm just trying to get an idea of what the plans and priorities are for DFO in terms of researching sea lice to see if there is any impact on natural and wild stocks.

• (0935)

Mr. Serge Labonté: I cannot give you the number, but I can come back to you with a specific answer on that.

Ms. Claire Dansereau: I can tell you it is ongoing. It's a very high priority for us, as you can imagine.

Mr. Blaine Calkins: I think it's a high priority for everybody who has a vested interest. Obviously, I think there are some tensions around this particular issue, and I would be curious to see what DFO is doing about that.

Ms. Claire Dansereau: We agree there's tension, and we certainly agree that the science we've been doing up to now has not given us the indication that the fears people are talking about are materializing. But it requires further work, and we are absolutely committed to doing that work.

Mr. Blaine Calkins: I'll let you guys decide who should answer my last question. I would imagine it's probably for Cal, although I'm not sure. It deals with management priorities, human resources modernization.

There were a couple of comments on the Public Service Modernization Act and so on, and it says the department is pursuing initiatives that will...and then it lists a bunch of bullet points. It's on page 27.

One point is to reduce employment equity gaps and the other is to improve union-management consultations and increase the use of informal conflict resolution. I'd be curious to know what some of those union conflict situations are. I don't know where they are in the department. I'd also be curious to find out what the department is doing in terms of addressing employment equity gaps.

Ms. Claire Dansereau: As you know, employment equity is a very real issue across the public service. None of us feel that we are attaining the objectives we think we should be attaining. I can tell you, every department across government is focusing on this.

Each of the ADMs has within their performance contract some focus on ensuring that the employment equity targets that we've set are actually going to be met, because it's clear that we need to be much more reflective, even at the more senior levels, in Canada as a whole. So that's ongoing.

In terms of labour relations, we have a number of unions, and we have a very active relationship with all of them. Just a couple of months ago, certainly since my arrival, I and the deputy and the whole of the senior management team attended a labour-management forum in which we spent one day together talking through various issues to make sure our working environment is the most productive, so that we're not trapped in little irritations that actually stop productivity.

We do that at the national level, but we do it also at the regional level. I can say that as in all labour-management relations, there are

days when things go well and there are days when things don't go so well. And there are days when there are more grievances than others. But by and large—and, as you know, I have varied experience having come from other places—my analysis or view of the department at this point is that it has a very healthy labour-management relationship, which means that productivity is maximized, which is clearly our goal.

Mr. Blaine Calkins: It says “improve”, so I'm certain there are some issues there. Is the department considering things like final-offer binding arbitration? What is it right now? Is it basically just the simple union-administration negotiation process that you would normally find, or are we moving on to some of these more innovative ways of conducting negotiations?

Ms. Claire Dansereau: Cal has more experience, so he'll answer this.

Collective bargaining for the government is done by the Treasury Board Secretariat. It's done across the whole of government. So we don't make those kinds of decisions; we would participate as a whole. What we do is manage our relationships within our departments.

Mr. Blaine Calkins: I see.

Mr. Cal Hegge: I'd just add that like all government departments we have a grievance process in place, with first, second, and third levels. It's rare that we don't solve these issues at the third level—in other words, they don't go to arbitration, they don't go to the Human Rights Commission, etc.

What we try to do, though, when we get complaints or allegations, such as harassment, for example, is to resolve them through internal conflict resolution. We have a very effective program in place in the department. We try to work with the employees who are represented by the unions through negotiation and consultation as much as possible, as opposed to going through the formal grievance process. But occasionally we're required to go through those steps.

• (0940)

Mr. Blaine Calkins: Thanks, Mr. Chair. I think that does it for me. I don't know how much time is left, but if there is any time we'll share it.

The Chair: There are 33 seconds. Do you want to share that with anybody?

Mr. Blaine Calkins: I'm a very generous person and I'd be happy to share that with someone.

The Chair: By the time we talk for 33 seconds your time is going to be up anyway.

Mr. Blaine Calkins: That's true, Mr. Chair. Perhaps we should continue with this and we'll use it all up.

The Chair: I echo your comments.

Mr. Simms.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Thank you, Mr. Chair. It is very generous of you.

I want to touch on an issue in Newfoundland following the fisheries renewal strategy. Of course, the question there now is about financing. I guess with the rules about how you can acquire bigger boats, the combining of licences, people are having a hard time finding financing or securing financing to re-engineer their operations.

I am wondering what is the latest on that issue, to assist fish harvesters with accessing the necessary funding to purchase another licence.

Mr. David Bevan: We have had discussions with banks and blended institutions, provinces, and of course the fishers about changes to policies regarding how licences are reissued. That's the vernacular for licence transfer.

In the past it has been up to the fisherman whose name is on the licence to name the person to whom they wish to have that licence reissued. There's been no other possible intervention in that process. So the practice is that if the person the fisherman is naming meets the qualifications to hold that licence, they always get it, and nobody can intervene in that.

What we've done with preserving the independence of the inshore fleet in Atlantic Canada and trying to get at the whole issue of trust agreements is to work with the banks to see if there's a way they can lend money and then have some ability to have a say in the actual reissuance of the licence. In the event the person to whom they've loaned money to purchase that enterprise defaults and the bank forecloses, the bank has to have some ability to avoid having the licence sold from underneath them, leaving them with no ability to cover their losses. So we've worked out an arrangement where the bank and the person who holds the licence would both have to sign the documents to have the licence reissued.

The banks were looking for a bit more. They wanted to have a say in who got the licence. We haven't gone there yet.

Mr. Scott Simms: That's what they're asking.

Mr. David Bevan: That's what they're asking.

Mr. Scott Simms: And your position is?

Mr. David Bevan: We haven't gone there yet. That's something that could be considered at some point in the future, but we aren't doing that at this point. We are simply seeing now whether what we have provided to the lending institutions will be adequate to provide capital for this combining of enterprises.

I would say as well that so far we've had 30 requests since we've moved ahead with the change in policy to allow the combining of enterprises, and these are early days. That means 30 requests involving 60 enterprises. So people are finding capital to move ahead with the combining process, and hopefully the steps we've taken will provide the comfort needed to the lending institutions to be a part of the process.

• (0945)

Mr. Scott Simms: Mr. Bevan, one of the things that was discussed in the Fisheries Act—and maybe you can add some more detail to

this—was that the 15-year clause in the new Bill C-32, which was also in Bill C-45, talked about how it is possible to secure financing.

Because I'm having a heck of a time trying to wrap my head around this one, could you explain where the length of time is strengthened, such that it allows the ability to easily finance for bigger operations, say?

Mr. David Bevan: Right now the minister issues a licence each year. There's no legal status in that licence beyond one year. The practice has been to reissue, of course, but legally that licence only lasts for a year.

If you're a lending institution, you're being asked to lend somebody money on an asset that only lasts a year, and is issued at the absolute discretion of the minister. There's nothing in law that says the minister has to reissue that licence. Therefore, lending institutions have some nervousness about that kind of process.

What we have in Bill C-32, and had in Bill C-45, was to provide more duration in law to the licence, which in many cases is the biggest asset in the enterprise, and provide it with a legal status where it lasts for enough time to allow the debts to be amortized over that period of time.

The Chair: Good questions, Mr. Simms, but with two seconds, you don't have much time for follow-up. I'm sorry.

Mr. Scott Simms: Thank you, sir, for the little time you've given me.

The Chair: I try my best.

Mr. Blais or Mr. Lévesque.

[*Translation*]

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

I would like to come back to the subject of small craft harbours. Earlier, I mentioned the short term and the medium term. But I would now like to talk about the long term. I feel more comfortable talking to you about the long term, because, for us, the long term can come to an end very quickly after the next election, whereas it is different for you.

Looking at the matter of small craft harbours in the long term, as the manager responsible... If we were a private company, we would be heading into bankruptcy. How do you see the matter in the long term, in 10 or 15 years? Today, repairs may cost \$600 million, but they are going to cost more later. Eventually, the only way to reduce the investment will be to do away with the inventory of infrastructures. They are not just going to be in ruins; they will be too dangerous, too unsafe. That "long term" concerns me a lot. I understand that you are all fiscally responsible, but on the other hand, I imagine that the situation sends you looking for long-term solutions. What are those solutions, if they exist?

Ms. Claire Dansereau: I will ask Cal to talk to you about our planning system.

We live in the long term, the medium term and the short term. We do plans and analyses for the long term, to show us where we want to go, and we deal with the short term by handling specific and immediate crises.

The long-term plan mostly depends on our close cooperation with community volunteers who agree to take on a lot of responsibilities. Those relationships are very important for us and are an integral part of our long-term planning. This is not just about cement and nails. The relationships with people in the neighbourhood enable us to protect the long term. So we make long-term investment plans for infrastructure and for capital. We look at the short term too. But, as everyone knows, we do not have enough money.

No government will ever have enough money to handle all the priorities. So, each year, we make choices.

Mr. Raynald Blais: I assume it was a slip of the tongue when you mentioned working with people in the neighbourhood.

Ms. Claire Dansereau: Yes. I meant to say in the communities, but still, small towns have neighbourhoods too.

Mr. Raynald Blais: Let us say that it was a slip of the tongue, because we could have another debate about that.

Ms. Claire Dansereau: Fine.

Mr. Cal Hegge: I would like to support what Ms. Dansereau said. Every day, we work in close cooperation with revenue-generating harbour authorities. The revenues that these authorities generate have increased. They have agreed to work with us to solve the problem of insufficient resources. To do that, we have to increase the capabilities of harbour authorities. That is part of our strategy.

We are going to continue to work with other departments. We have discussed infrastructures with the Department of Transport and with bodies that look after economic initiatives, like MACO, in order to find solutions within government.

We are going to keep working with central agencies in order to find ways to get the biggest budget possible. Clearly, it is not enough, but we are going to do what we can.

• (0950)

[English]

The Chair: Thank you, Mr. Blais.

Mr. Kamp.

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

Thank you, again, for coming.

Let me begin with a fairly broad question. I think the popular perception, at least, is that any bureaucracy will continue to expand and become less efficient over time. What processes does the department have to make sure you're as efficient as you should be, that you meet your operational goals in the most effective and cost-effective way? Are there things you do in the department—regular reviews, and so on—that help in that regard?

Ms. Claire Dansereau: Thank you for the question.

You're right. Bureaucracies could keep growing to just satisfy themselves if they were not held in check. It's always a matter of checks and balances.

As you may know, in the public service there's a very rigorous performance management assessment of what we call the EX cadre that goes on every year, meaning all the people in the management

side, versus the union side. The managers are held to a very rigorous performance management assessment, and within that, of course, their own human resource management practices are analyzed and measured to determine whether they're adequate.

The systems within the public service are in fact very rigorous, making it very difficult to actually hire people, as you know. It's one of the complaints that Canadians have about the public service, that it's very difficult to get in. One of the reasons it's very difficult to get in is that we're very careful about bringing on any new employees if we're not fairly confident that the money for the programming is there to actually support those employees.

So there are checks and balances at all levels of what we do, and great care is paid to that very question.

Mr. Randy Kamp: So that review takes place once a year, and it's conducted by a superior to determine how the managers score.

Ms. Claire Dansereau: It's conducted at all levels within the EX system and at the final stage. So it starts with the supervisor, to the next in line, and then the whole of the EX cadre is reviewed by the whole of the management team. So the ADMs and the deputies sit together once a year and review the performance of every one of the managers in the department.

That means that in order for the ADM to be able to bring the information to the table, they will have had to work closely and do performance management analysis throughout the course of the year. So it's something that culminates in a once-a-year meeting around the performance, but it's managed on an ongoing basis.

Mr. Randy Kamp: On a totally different topic, I understand that for a number of years our ports were closed to Greenlandic and Faroese ships. I understand they're now open. I wonder if you could just explain why they are, and that whole 3L shrimp issue there.

Mr. David Bevan: It involves 3L shrimp and an objection by Denmark with respect to the Faroe Islands and Greenland. They set a unilateral quota, and that would therefore result in a catch that was higher than the agreed upon TAC. Because of that, we closed the port some years ago.

We've been having discussions to try to resolve outstanding objections at NAFO. There are two left: one related to 3M shrimp, where Iceland has objected to the effort day scheme that exists there, where you don't have a TAC and quota but rather an effort day; and the other was the unilateral quota by Greenland.

In order to hold discussions in good faith, the ports were opened to allow discussions to take place. We had those discussions last week. We were unable to close the gap between Faroe Islands and the rest of the organization. That doesn't mean those discussions are over. There's an opportunity to revisit them in a couple of weeks when ministers from the North Atlantic will be meeting, and that provides an opportunity for a side discussion on that whole shrimp issue. I guess it was a situation last week where the mandates of the various negotiators didn't allow enough movement, but ministers may be able to overcome that and find a way to solve it.

The Scientific Council made it clear that the status of the stocks in question...they're in fairly good shape. In 3L the stock is expanding, and while prudence is being recommended, the levels of catch right now are not impacting the health of the stock.

In 3M there are some concerns, but the level of catch there is very low, relevant to the scientific advice. And that's just economics: the cost of fishing is very high and the value of the fish is not adequate in some cases to cover off those costs, so effort has been down. But as I said, the ports were open to facilitate discussions, and those discussions took place last week, and there may be further discussions before the end of the month. So it's a matter of then seeing where all that takes us before any other decisions are made.

• (0955)

Mr. Randy Kamp: Thank you very much.

The Chair: Thank you, Mr. Kamp.

We're going to another round of five minutes. Mr. Byrne, you're on.

Hon. Gerry Byrne: I'll just follow up on my previous point.

Claire, you mentioned that basically the discussions related to the small craft harbours budget now are based on information that the minister's office would have that was not available to the department. Every piece of correspondence that comes in to the minister's office would be logged in the correspondence unit, put in a file folder, and sent down to the branch of the department responsible, and the department itself would be generating a response.

The only information the minister's office would have available to it, but that the department would not already have had, would be that of a political nature. Private discussions, all related correspondence from any harbour authority that was sent to 200 Kent Street, 15th floor, addressed to the minister or the minister's office, is flagged.

Is that agreed? The only input the minister's office would have, but that you don't have, would be of a political nature.

Ms. Claire Dansereau: No, it's not so much that.... Ministers' offices would receive the same information, obviously, because it goes to the minister, but they would interpret it possibly in a different way, and there needs to be room in the process for the discussion to happen. As you know, people in ministers' offices have a lot of local knowledge as well and may interpret information that comes in, in a way that might be different from the way the department might interpret it. It requires that the two sides talk to make sure we can get to the bottom of the questions.

Ministers' offices have the absolute right to ask a lot of questions, as they should, because that's the system we work in. There's a kind of analysis that goes on in the department that can be and should be questioned by people in the minister's office. So that's the kind of back and forth that goes on. It's the political nature of things that has nothing to do with us. We don't engage in those discussions, nor should we.

Hon. Gerry Byrne: So if a fire destroys a particular harbour, there's not much interpretation about that particular aspect. It pretty well stands on its own merits.

Ms. Claire Dansereau: It depends on whether there's an investigation or not.

Hon. Gerry Byrne: The Auditor General had a very serious report about the state of affairs in the Canadian Coast Guard and fleet renewal. We really haven't seen a lot of money put into the Canadian Coast Guard relative to the Auditor General's expectations. The minister was very clear, George, that he will repair all of this before he's gone.

Facing his comments very specifically and directly, what's going on about fleet renewal within the coast guard?

• (1000)

Mr. George Da Pont: Thank you for the question. I'm extremely encouraged by the investment in the coast guard in the last few years.

In the last few federal budgets we received funding of almost \$1.4 billion, and the vast majority of that is for fleet renewal. We now have the authority to replace 17 of 40 large vessels. That is the first significant investment of that nature in the coast guard since the 1980s, so I'm very encouraged by that.

Working one's way through the procurement process takes more time than I would like. We're obviously at that stage, but I hope that in the next few months we'll enter into a contract to build the first 12 of those vessels, and the others will be in contracting within another year.

In addition to that, we have received a permanent addition to our funding of about \$33 million or \$34 million for operations. So there have been very significant investments that have helped the coast guard significantly, although until we get the new vessels, the full benefit of them won't be apparent in many of the areas.

Hon. Gerry Byrne: Do I have more time?

The Chair: You have 23 seconds, but just for the record, I'll say goodbye.

Hon. Gerry Byrne: Thanks.

The Chair: Mr. Lévesque.

[*Translation*]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you, Mr. Chair.

Thank you, ladies and gentlemen.

I have not been on this committee, learning about the department's activities, for very long. I have realized that, despite increases in assistance year after year, the department has not been able to stop the wharves deteriorating nor to meet related needs. But you are hoping for more volunteers.

Do you have the feeling that the increases in your budget do not even meet increases in operating costs, indexed salaries and expenses that the department has to meet? Would it not be appropriate to look beyond indexing and to ask for a budget that would put an end to the deterioration of the wharves?

Ms. Claire Dansereau: That is a question for the government as a whole. The government has to deal with a number of priorities. There are gaps everywhere. We will always have discussions like this. What is a priority for someone today is not a priority for someone else. Health and safety are priorities, and we are dealing with them. We keep doing our jobs and we will keep on doing them. You will keep doing yours, and together, we will keep making progress.

Mr. Yvon Lévesque: Do you agree that your budget increases scarcely cover rising operating costs?

Ms. Claire Dansereau: That is difficult to say on a yearly basis because we still manage to get a lot done with the funding at our disposal. We think that we do quite a good job. It will never be perfect. Like you, I have not been in office very long, so I really do not know.

• (1005)

Mr. Yvon Lévesque: Thank you.

Thank you, Mr. Chair.

[English]

The Chair: Mr. Keddy.

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

Welcome to our guests and witnesses.

My question will deal with the far north and the high Arctic. I realize we've announced that we'll be building a high Arctic icebreaker in the near future, but that near future is about four years away when you look at the estimates. Has any consideration been given to leasing an icebreaker or a ship with icebreaking capability for the short term—a fishing vessel or a vessel that's no longer used—from another nation or a Canadian company? I'm talking about a modern vessel, not a piece of junk.

If we did that, where would the icebreaker be placed? There's been a lot of discussion about the need for a harbour facility in the Arctic. Many of the existing 15 harbours don't have the wharfage capabilities.

Mr. George Da Pont: Thank you very much. That's a very good question.

Before seeking funding and approval for a new polar class icebreaker, we assessed options, including long-term leasing and long-term contracting. The reality is there isn't anyone to lease from. Worldwide, I believe the last significant build in icebreakers was in the 1980s. The only place where there might be a lease possibility is Russia. They have been leasing some of their old, heavy nuclear icebreakers, which are way too big, expensive, and old. So that's not a consideration.

We're quite confident that the icebreakers we have now—the *Louis St. Laurent*, the *Terry Fox*, and our four medium icebreakers—will be able to do the job until we have a new polar class icebreaker. So we looked at other options, but there just isn't a market out there.

As to where one would be placed, when a polar icebreaker arrives—and we're aiming for 2017—the decision will have to be made then, depending on a variety of considerations. If that sort of decision were being made today, it would have to be south of 60, because north of 60 there are no facilities in place for maintenance and other regular work. So the home base would have to be south of 60, as is the case with our current icebreakers. I won't speculate on what the situation might be 10 years from now and what the options might be.

Mr. Gerald Keddy: On our requirements for Arctic sovereignty and under-sea mapping, how close are we to having that completed?

Mr. George Da Pont: I think our science colleagues are better placed to answer that.

Mr. Serge Labonté: There is progress being made on the Atlantic side, and all the data will be collected by 2009. In the Arctic now, a lot of work is being done with the Department of Natural Resources and colleagues from other countries in acquiring the data. Work has been ongoing since last winter on capturing data under the sea ice. There is a plan to accelerate the collection of data, with the new resources that were provided to government, to make sure all of it is there so we can make our claim by 2013.

• (1010)

Mr. Gerald Keddy: Do I have a little time left?

The Chair: Zero is zero, whatever province you're in.

Thank you, Mr. Keddy.

We have finished our round now and talked to all members. That will close our consultations here this morning.

On behalf of the committee, I want to thank you for not only this morning but for the several times you've appeared before us to take care of our questions and concerns. We wish you all the best. If we need to call you back we will, but I don't see the necessity of that before the summer break, so don't worry.

Ms. Claire Dansereau: Thank you to the committee. We really appreciate your questions and keeping us on our toes. We believe it's a good partnership, so we hope we have been of assistance to you in your work.

The Chair: Thank you.

[Proceedings continue in camera]

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