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Chair

Mr. Leon Benoit

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• (1100)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)):
Good morning, everyone.

We're here today, pursuant to Standing Order 108(2), to do a study in the first hour of the unique opportunities and challenges facing the forest products industry.

We have as witness, Cassie Doyle, deputy minister, Department of Natural Resources, and Jim Farrell, assistant deputy minister, Canadian Forest Service. Welcome to both of you.

Ms. Doyle, you will be giving about an eight-minute presentation, I understand.

Before we get to the presentation, I want to read a small section from pages 863 and 864, *House of Commons Procedure and Practice*:

Particular attention has been paid to the questioning of public servants. The obligation of a witness to answer all questions put by the committee must be balanced against the role that public servants play in providing confidential advice to their Ministers. The role of the public servant has traditionally been viewed in relation to the implementation and administration of government policy, rather than the determination of what that policy should be. Consequently, public servants have been excused from commenting on the policy decisions made by the government. In addition, committees will ordinarily accept the reasons that a public servant gives for declining to answer a specific question or series of questions which involve the giving of a legal opinion, or which may be perceived as a conflict with the witness' responsibility to the Minister, or which is outside of their own area of responsibility or which might affect business transactions.

I thought I would read that section so members can keep that in mind as we go through the questioning a little later.

Deputy Minister, if you would, go ahead with your presentation, and then we'll get directly to the questions.

Ms. Cassie Doyle (Deputy Minister, Department of Natural Resources): Good morning, and thank you, Mr. Chair.

I have with me this morning Mr. Jim Farrell, the assistant deputy minister responsible for the Canadian Forest Service. He will be joining me in answering your questions after my presentation.

It's a pleasure to appear before the Standing Committee on Natural Resources, and I welcome the opportunity to discuss the contribution that Natural Resources Canada is making to the long-term competitiveness and sustainability of the forest sector.

Mr. Chair, I won't read the entire statement but rather I will highlight some key sections in order to allow more time for questions. Also, with your permission, Mr. Chair, when we turn to

the second discussion on the Chalk River situation, I would like to provide just a very short update before moving into questions.

So to start, there is no doubt that Canada's forest sector is a major contributor to Canada's economy. Our vast natural forest endowment has sustained a global-scale forest industry. In hundreds of rural communities across Canada it provides employment in high-paid jobs. We are the world's largest exporter of softwood lumber, pulp, and newsprint. In 2006 the sector contributed \$36 billion to Canada's GDP and it constituted 10% of our overall exports.

Despite this, the forest sector faces serious challenges, with significant growth of new, low-cost competitors, a declining demand for newsprint in North America, and limited capital investment due to poor profitability. More recently, the collapse of the U.S. housing market, higher energy prices, and a strong Canadian dollar have accelerated large-scale structural adjustment of the industry, resulting in mergers and mill closures.

With the subprime mortgage crisis, American housing starts have declined 26% in 2007 and close to a 25% decline in Canada's wood products has been experienced in our exports to the U.S. We've also seen major price decreases, largely due to the high Canadian dollar. The result is reduced production and the closure of a number of facilities, job losses of close to 30,000, and the likelihood of more layoffs in the future, all of which signal the need for a transformation in this sector.

So what's needed? The future health of Canada's forest sector depends on innovation. We need to find new uses for wood fibre, products characterized by higher value rather than higher volume. Investing in innovation, emerging technologies, and new products have the potential to lead a transformation in the forest sector in Canada.

I want to turn now to actions under way at Natural Resources Canada. We have in the department been leading a long-term competitiveness agenda, working with all forest sector stakeholders, research institutes, academia, industry specialists, and provincial governments. Last year the \$127.5 million forest industry long-term competitiveness strategy was initiated. Innovation is the key to this strategy.

The central thrust is to consolidate a number of separate pieces of the national forest innovation system and align them to focus on competitiveness. This has led to the creation of the world's largest public-private partnership in research and development—FPInnovations—with world-class R and D capacity in the fields of pulp and paper and wood products transportation. Some 20% of its resources are dedicated to transformative technology, including bioproducts, nanotechnologies, and next-generation pulp and papers.

FPInnovations is the flagship of our competitiveness strategy, but we have a number of other initiatives under way in the department. The Canadian Wood Fibre Centre was created to generate value from Canada's forest fibre. We're working with the forest industry and with provinces on expanding Canada's overseas markets through the Canada wood export program, which is aimed at raising the profile of Canadian wood products offshore and increasing wood exports to new markets such as China and South Korea.

•(1105)

Here at home, NRCan is helping to develop the non-residential wood construction market in North America, one that is valued at up to \$25 billion annually. We're working with small to medium-sized enterprises in our Value to Wood program, promoting the transfer of technology from research institutes to the work floors of the secondary manufacturing wood industry.

The department is also working to increase international awareness and acceptance of Canadian sustainable forest products. The international forestry partnership program is providing information abroad on Canada's sustainable forest management practices.

Canada's forest ecosystems have always been subject to the cycles of change created by pest infestations and wildfire, and the department has a very long and proud history of undertaking forest science.

In response to the current mountain pine beetle infestation, the Government of Canada has provided \$200 million to mitigate the impacts and help control the spread of the pest. We are working closely with B.C. and Alberta to assess risk and address target efforts to reducing the eastward spread. Indications are that these efforts, along with an exceptionally cold winter, are having an impact.

Of course, an ongoing concern is the increased risk of wildfire. That is particularly the case for communities in infested areas. So we are working with first nations and communities in B.C. on strategies to mitigate this risk, both on reserves and on crown land that surrounds them.

Mr. Chair, to conclude, although our forest sector is facing challenges, it still has a tremendous potential for future success. The global and domestic restructuring of the forest industry will continue. NRCan is working with its many provincial or territorial and industry partners to support the transformation of Canada's forest sector, with a focus on innovation, higher-value uses of fibre, biomaterials, the inclusion of new players in the industry, and opening up new market opportunities.

Thank you very much, Mr. Chair. Jim and I will be very happy to respond to your questions.

•(1110)

The Chair: Thank you, Deputy Minister. I knew there was a reason I was enjoying the minus 42 degrees Celsius and minus 44 degrees Celsius nights we had on the weekend.

We'll go right to questioning, to Mr. Boshcoff for up to seven minutes.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Thank you, Mr. Chair.

Welcome.

Concerning your presentation, the recent news of the Community Development Trust, of course, is foremost in the minds of many on this committee and throughout the country. I'd like to focus on it for a bit, because from the details of the finances available, it seems not to be just for forestry. I'm wondering whether the forestry crisis wouldn't warrant more than the billion dollars for it alone.

The corollary of that is, why wouldn't you mention the Community Development Trust in your presentation, with all respect?

I'll just go through some questions to make it easier for you.

Why would the money be allocated on a per capita basis? I don't think every province is in the same situation. I guess one could say that Alberta's economy would be far from being in a crisis.

Mr. Chairman, with all respect, I know where your riding is.

I wonder how many workers would be applying for retraining from the forest industry in Alberta.

Also, we are led to understand that there are essentially no strings attached, or no signed guidelines with the provinces and territories, in the distribution of this money. I'm wondering how we can be certain that it will go to the forest industries.

Let's just start there, and then I'll continue. I have several pages.

Ms. Cassie Doyle: Mr. Chair, I thank the member for his question. I think the question relating to the Community Development Trust is a very important one. I think it reflects the concern the Government of Canada has about the impact of the forest sector restructuring on communities.

I'm probably not in a very good position to be discussing this, as it's not a program within my own department. It's a program that was initiated through the Department of Intergovernmental Affairs and Finance Canada. As you know, it was a trust that was established to work with provinces and territories to address the impact of restructuring—most particularly in the forest sector but not exclusively in the forest sector—on communities across Canada.

But concerning the deliberations on how the funding will be allocated and the amount of the funding, I'm not in a position to respond to those questions.

Thank you.

Mr. Ken Boshcoff: Does it not concern you, as the deputy minister, that one department may be at cross purposes...or that with the work you're doing, say with the forest industry associations, of which there are many, all of a sudden another branch of government is off on one tangent? Should there not be more coordination and focusing of direction and goals? That would be the obvious question.

Second, would that aspect of it not perhaps be used...? Say if you were making progress on the transportation front or the costs or some of the other issues in terms of international marketing that you mentioned, might that get displaced by the sort of ad hocery of it, where you as a deputy minister are unable to give me some base answers?

I say that with concern and respect for public service, that you have a job to do, and that right now, at this committee, which is a hearing on how to improve us, you probably should be one of the people who should know, really, what those answers are—with respect.

• (1115)

Ms. Cassie Doyle: Thank you, Mr. Chair.

I want to assure the member, first of all, that we are working in very close coordination. The role of the Government of Canada in relation to the forest industry is a fairly diverse one. I want, first of all, just to assure you that we work very closely together. Certainly, from the perspective of Natural Resources Canada, we are very focused on working with the industry on issues related to competitiveness and the sustainability of the forest resource.

There are other initiatives and other roles that are shared with the provinces that we are also, of course, engaged in, and one of those is in the area of adjustment and support to workers. But as you would appreciate, that's not an area that is focused on out of Natural Resources Canada, but rather in other parts of departments....

I feel that the work we are doing in the department in supporting the industry through the restructuring is very complementary to the Community Development Trust and its aims to support communities and workers while we go through a very difficult restructuring within the forest industry.

So I want to assure you that we are working in close coordination.

I would just say that I'm not in a position to be answering detailed questions on the Community Development Trust, but I would say it is entirely complementary with the thrust of my department, which is to ensure competitiveness and the sustainability of the sector.

Mr. Ken Boshcoff: On the aspect of a summit, as proposed by the CEP union or the steelworkers, or last year by Stéphane Dion, in terms of bringing all the parties together so that we could do this, would your department be in favour of some kind of national effort to bring the heads together so that we really were hearing and understanding what other people were doing?

Ms. Cassie Doyle: Mr. Chair, thank you for that question.

I believe the only way through the current restructuring is to ensure strong partnerships. That's been the basis of our work at NRCan, to be working in very close cooperation with the provinces, with research institutes, and with the industry. So I would support

any initiative that pulls together the partners that are impacted and have an influence on the restructuring of the forest sector.

Mr. Ken Boshcoff: I have a technical question on the amount available for the pine beetle. I was under the impression that it was more than \$200 million, but you used that figure. Has it all been used for pine beetle research, and have we had any success in killing any bugs or saving any trees?

Ms. Cassie Doyle: I'll ask my ADM of the Canadian Forest Service to respond.

Mr. Jim Farrell (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources): Thank you, Mr. Chair.

In Budget 2006 there was an allocation of \$200 million committed by the government for the mountain pine beetle. Approximately half of that was used to undertake control efforts designed to slow the spread, to look at ways to generate more value out of the affected trees, and to work with communities around protecting communities—hazard trees in some schools and parks and communities.

The other \$100 million was dedicated to essentially dealing with the reality of economic impacts after the pest infestation has passed. We've worked closely with Western Diversification and Transport Canada on infrastructure projects as well as community economic development programs.

There was a very small portion of the \$200 million used for research; however, it was relatively small. One of the areas we did invest in was expanding geoscience in terms of exploration of other opportunities, perhaps in mineral resources, in the affected areas, again to stimulate exploration with a view to offering other economic development opportunities in the affected area.

The Chair: Thank you, Mr. Farrell, and thank you, Mr. Boshcoff.

We will go now to the Bloc Québécois, to Madame DeBellefeuille for up to seven minutes.

Go ahead, please.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Thank you, Mr. Chairman.

Thank you, Ms. Doyle, for your presentation.

Discussing forestry resources is no simple matter, because this natural resource falls almost entirely under provincial jurisdiction. Therefore I can understand why it would be difficult for you to answer certain questions.

The federal government is involved extensively in R&D. These days, Quebec's forestry industry maintains that companies are shutting down their forestry operations because they are not profitable. When a company cannot make a profit, it has no money to invest in modernization or in R&D. Furthermore, when a company isn't making any profits, tax credits are more or less ineffective. To remain competitive, companies must invest extensively in R&D.

Aside from the forestry industry's long-term competitiveness initiative, how does Canada compare to other countries in terms of R&D? Do we compare favourably, less favourably, or not all favourably? How do we rate? Do we have a lot of ground to make up in order to sustain forest industry related R&D?

• (1120)

[*English*]

Ms. Cassie Doyle: Thank you for that question. It really speaks to what I think is at the heart of this sector's future, and that is investments in innovation and R and D. I will say that I believe that FPInnovations, which is the new aligned partnership between all research institutes and which sets very strong and well-coordinated priorities across the country, positions Canada as being one of the best in the world in terms of ensuring that we have a cohesive strategy on promoting innovation in the forest sector.

On the question of other countries, perhaps I'll just ask Jim if he could comment on that as he's more familiar with the international situation.

Mr. Jim Farrell: I would say that in terms of R and D spending in both public and private, Canada is about in the middle of the pack if you compare it to other countries. However, as the deputy has mentioned, I should go back to FPInnovations, which was an undertaking that was coordinated with provinces and the industry in the country to consolidate and focus our R and D investments to in fact make them more effective. Headquartered out of Pointe-Claire, just on the edge of Montreal, they have offices from Vancouver to Quebec City, as well as smaller offices all over the country.

It's relatively early days. It's been about a year since the consolidation occurred, but I certainly see a lot of interest. I was at an international conference in Montreal a week or so ago, and there is considerable interest in Canada's setting a new path in terms of focusing investments in innovation and R and D. I'm hopeful that the structure now is in place and now it's time to actually generate more and more results out of that new structure.

[*Translation*]

Mrs. Claude DeBellefeuille: Mr. Farrell, this is the first of six meetings on the forestry sector. How does Canada's forestry industry compare to that of other countries? If I understood the interpreter correctly, you stated that some countries invest more than others in R&D. I could have told you much the same thing.

Could you give the committee some specific details about the state of R&D in this sector? It would be important to have that information for our study.

[*English*]

Mr. Jim Farrell: There are a number of ways that people measure investments in R and D: as a percentage of GDP, or in terms of total investments, or R and D embedded.... I'm not trying to be evasive, but a lot of Canada's R and D, particularly in pulp and paper, is actually acquired through technology as opposed to being performed itself. Perhaps I could offer, Mr. Chair, to bring back some specific information on this to help advance the discussions of the committee, as opposed to speculating right now on some of the various measures we have out there for measuring R and D.

The Chair: Mr. Farrell, will you send that to the clerk of the committee then?

• (1125)

Mr. Jim Farrell: I will.

The Chair: Thank you.

[*Translation*]

Mrs. Claude DeBellefeuille: Consideration is being given to ways of diversifying activities in the forestry sector, of promoting very specific programs aimed at producing energy or ethanol from forest byproducts. We call this cellulosic ethanol. This type of energy would be greener, but the industry argues that it does not receive enough financial support from the federal government to build cogeneration plants. More plants like this could be built, because the resource is plentiful, but the industry needs various incentives. I know that some incentives are available, but probably not enough to ensure the success of such a venture.

What do you think the federal government should be doing to support a program to produce energy, specifically ethanol produced from forestry byproducts?

[*English*]

Ms. Cassie Doyle: Thank you very much for the question. It addresses a very important area, the diversification of the overall industry and enhancing the value of forest products.

We do have two recent programs in place that address the member's interest. One is ecoENERGY for renewable power. For the first time, it was expanded in the last announcement to include support for electricity produced from biomass to make it accessible to the forest industry.

Secondly, in the last budget there was an announcement that there would be a half-a-billion-dollar fund through Sustainable Development Technology Canada to advance next-generation cellulosic ethanol, to be available for both agricultural-produced cellulose as well as forest-based cellulose.

So we do have two programs in place now that we think have the potential to move to more creation of electricity from biomass in the forest sector, as well as to the next generation of cellulosic ethanol in the forest sector.

The Chair: Thank you, Mr. Minister.

Merci, Madame DeBellefeuille.

Now to the New Democratic Party, Ms. Bell, for up to seven minutes. Go ahead.

Ms. Catherine Bell (Vancouver Island North, NDP): Thank you, Mr. Chair.

And thank you to the deputy minister and Mr. Farrell for attending today.

We're pleased to get started on the study of the forest sector because of the problems I know you're very well aware of.

Just before I get to my questions, I'd like you to clarify something in your statement, Ms. Doyle. You said that there were job losses of close to 30,000 in 2007. I was reading from the Library of Parliament brief that just over 27,000 jobs were lost from January 1, 2003, to October 5, 2007. Were those another 30,000 jobs lost in 2007, or was that a cumulative number?

Mr. Jim Farrell: It is a cumulative number.

Maybe I could just add to that. We have a database tracking the job losses, and in any week there are mills that close and open. So those numbers are pretty close.

Ms. Catherine Bell: Okay, thank you. I just wanted to clarify that.

I come from Vancouver Island north, of course, where we just had an announcement last week that another mill is closing, putting 257 mill workers out of their jobs. Attached to that, or right next door, is a fibre mill. They make very high-quality paper for magazines, and we're concerned about the future of that mill once the contract to supply fibre runs out for the mill company. So there's huge concern all over the place.

We're seeing lots of logging happening, which is great, but the problem is the logs aren't being milled in our communities. And there's more and more concern that we're becoming a nation of exporters of raw resources, and the value-added is not there.

So I'm glad to hear you say there is hope for the forest industry—some in British Columbia have written it off, or are writing it off. I'm an optimist and I think we can turn this around.

I'm really curious to know about the value-added. First I want to know what percentage of the softwood lumber we export. We have the dollar value here, but does that include raw log exports, or are those separate? What incentives are there for value-added in the fibre portion of it and also in the wood products?

I think I'll just leave it there for now, because that will take a few minutes.

• (1130)

Mr. Jim Farrell: As I am sure you're aware, Mr. Chair and Ms. Bell, there are federal and provincial restrictions and tests that must be met in the export of raw logs from public as well as private lands. I'm the first to admit I'm not an expert in that area; it's managed by the Department of Foreign Affairs and International Trade through their import-export bureau. The committee may want to gather a bit more information on that, but there are certainly requirements to get permits and meet tests.

In the recent past, from what I recall on the statistics, the volume of raw log exports has increased. But it is a relatively small percentage of the volume of softwood lumber we export, not only to the U.S. but offshore as well.

On incentives for value-added, if I've understood the question right, you're wondering whether or not the department has programs and provides incentives for value-added manufacturing.

Ms. Catherine Bell: Are you aware of any?

Mr. Jim Farrell: Yes. We have the Value to Wood program, and it has two dimensions to it. It moves research that relates to secondary manufacturing to the shop floor more quickly, and it provides expert

advise in the mill to mill owners and operators about how to improve their efficiency. It's a partnership between ourselves, most of the provinces, the regional agencies, FPInnovations, and four or five universities across Canada.

It has been in place since 2002, and we have over 35 industry advisors. They are people who have spent a lot of time in the forest products and wood products business. They go out to visit these small operations, which generally have between 10 to 50 employees, to give them advice on how to improve their productivity. It has proven to be quite an effective program, and we've had a lot of feedback in the evaluations we've done about its effectiveness.

More generally, I know that some provinces have put in place policies that offer opportunities to value-added manufacturers. There are also some timber allocation policies around making timber available to secondary manufacturers. For the details on that I'd have to defer to my provincial colleagues, but there is quite a preoccupation with increasing the value of production out of the forest products industry in the country.

Ms. Catherine Bell: I've heard from sources that once the Campbell River mill closes, 112 sawmills will have closed in this country. That creates a problem. They make lumber out of raw logs. That's not quite value-added, but it's manufacturing, and it's those jobs that we're losing.

If we're talking about value-added and we don't have any sawmills left, what do I tell these people? What hope is there for them if we continue to see more and more mills close? There's a mill down island that's in jeopardy as well, and this is something that's happening across the country. I want to know how we turn that around. What kinds of programs or anything are you looking at?

Mr. Jim Farrell: I have a lot of compassion for people in small communities and forest-dependent communities. I started my career in 1975 in a mill town of 800 people in northern Manitoba, and, remarkably, it is still operating. Since then I've lived in a number of places in northern Saskatchewan and northern Ontario where the mills have closed, so I certainly understand how important they are to rural communities.

As the deputy mentioned at the front end of the presentation, a number of global issues have conspired to fundamentally create economic shocks in the global industry. But we're hearing more locally about the housing market in the U.S. That market, unfortunately, is forecasted to remain soft through 2008 but to pick up again in 2009.

• (1135)

Ms. Catherine Bell: Why is there a market for raw log export and not lumber?

The Chair: Thank you, Ms. Bell. Your time is more than up for questioning for now.

Just before we go to Mr. Harris, Mr. Farrell, you mentioned you're tracking job losses. We're just starting this study, and it would be interesting to get this information, if you have it, Ms. Doyle or Mr. Farrell. Are you also tracking how many people who've lost their jobs in the forestry industry obtain jobs either in the forestry industry or elsewhere? Can you track where they obtain those jobs when they are re-employed and how long these workers remain unemployed?

Mr. Jim Farrell: We have been tracking closures, and we have also been tracking the numbers of employees who have been affected as a result of those closures. We have not tracked any parallel study, in terms of tracking those individuals as to where they've ended up in terms of the economy. We can provide the committee with that data on the front.

You may well be inviting representatives from Human Resources and Social Development Canada. I know they tend to keep a very close eye on the labour market and labour market statistics. They might be able to give you a better view of what that looks like over time, over the last 24 months or so.

The Chair: Thank you very much.

We go now to Mr. Harris, for up to seven minutes.

Mr. Richard Harris (Cariboo—Prince George, CPC): Thank you, Mr. Chairman.

Mr. Farrell and Ms. Doyle, I'll ask a pine beetle question, just to clear up a misconception that may be present, and it's a result of your brief, Ms. Doyle, where it says the government is providing \$200 million.

I think you will recall or confirm that the Prime Minister made a \$1 billion commitment over 10 years to combat the spread of the pine beetle as well as to mitigate the damage. In the 2006-07 budget, the government did make the first installment of \$200 million on that \$1 billion, which was over two years. One would expect another commitment in this upcoming budget.

The government has provided a commitment of \$1 billion and has provided \$200 million of that commitment. Do you agree with that?

Ms. Cassie Doyle: Mr. Chair, I do agree. And just to clarify, the \$200 million figure is the amount provided in Budget 2006.

Mr. Richard Harris: That's what I said, yes.

As well, there was \$200 million—

[*Translation*]

Mrs. Claude DeBellefeuille: I didn't understand the witness's answer, Mr. Chairman. The interpretation did not come through.

[*English*]

Ms. Cassie Doyle: Yes. To clarify, the \$200 million figure is the amount provided in Budget 2006.

Mr. Richard Harris: As part of the \$1 billion commitment.

Ms. Cassie Doyle: The \$200 million is provided in Budget 2006, and I am aware of a commitment that was undertaken of \$1 billion.

Mr. Richard Harris: Thank you.

In the 2006-07 budget, another \$200 million was provided for ways to better manage our forests, to combat forest disturbances, to look at innovative other ways. You know that \$200 million?

• (1140)

Ms. Cassie Doyle: Yes.

Mr. Richard Harris: How much of that has been spent? Is any of it left?

Mr. Jim Farrell: Mr. Chair, the \$200 million Mr. Harris refers to was designed to target three broad areas. One was innovation, a second area was markets, and the third area was an allocation made to HRSDC around an older worker pilot, a national pilot. I can say all those funds are committed. The funding continues into next fiscal year, 2008-09, and then wraps up at the end of 2008-09.

What is unspent, I would offer, are the allocations that have been dedicated to the next fiscal year, but they are committed funds on those three areas.

Mr. Richard Harris: Right. Thank you.

In your presentation you've correctly identified the reasons why we're in this forestry crisis—certainly the rising Canadian dollar, the housing market, higher energy costs, etc.—but also in there, as I'm sure you know, is the fact that many sawmills and pulp mills in Canada kind of sat back on their technology over a number of years. When the cost-of-production crunch started to come, they were the ones that were most affected. So the mills that kept ahead of the technology can now process wood far more effectively and more cheaply than those that didn't.

Ms. Bell knows that on Vancouver Island—and I'm not being critical—those mills were not technologically upgraded for many years, unfortunately. Had they been, they may still be operating now. So that would be a really good thing to push on the island, to have those mills brought up to the technology standards of some of the interior mills.

I have one other thing. Did you say that this new program is a \$127 million forest technology program?

Ms. Cassie Doyle: Mr. Chair, it's the long-term forest sector competitiveness strategy. One big component is innovation.

Mr. Richard Harris: So it would have some similarities with respect to the \$200 million that Mr. Farrell just described to us—research and development, innovation, things like that?

Ms. Cassie Doyle: Yes, that's right.

Mr. Richard Harris: Okay. I'm always curious about...

Well, let me ask you another question. Would you say that universities—not naming any—right in the heart of the forest industry, say, or right in a forest-dependent community, capable of being a leading edge in forestry research, whether it be in B.C., Alberta, Quebec, Ontario, or wherever, would probably be in a favourable position to receive some of these innovation and research funds, as opposed to traditional universities in the city that tend to receive that type of funding?

Mr. Jim Farrell: If I understand your question, Mr. Harris, I believe many of those universities—half a dozen or so in British Columbia, I believe—for the most part have been engaged in the R and D program around the mountain pine beetle. For example, the University of Northern British Columbia has some very fine researchers in and around the mountain pine beetle. I know they've been working in collaboration with my own staff out of our facility in Victoria.

So the universities have been heavily engaged in both the biological side of the issue as well as the utilization side in terms of what happens after the trees have died.

Mr. Richard Harris: Okay.

As a last question, is there going to be an easy way for members of Parliament to track the spending of these funds for these different programs—to try to determine if there's going to be a measure of success, where the money is being spent, how it's been spent, what private sector companies might be involved in it?

For so many years, money has gone out in these different programs, but trying to find out whether it's actually working or not is a chore that many of us don't have the time to spend on. We need an easy tool to be able to zero in on government spending—in this case, in forestry research, technology, combatting the pine beetle, things like that.

Is there going to be an easy way for us to do that without it taking up all of our time?

• (1145)

Mr. Jim Farrell: For the mountain pine beetle program, as for all of the \$200 million, we are required to do an evaluation that talks about performance measures and effectiveness. As a matter of fact, in both the mountain pine beetle as well as the competitiveness strategy, the evaluation will start next year. When it's completed, it will be on the Internet, publicly available.

Mr. Richard Harris: There are other programs as well, though.

Ms. Cassie Doyle: Mr. Chair, that's true for the entire \$400 million that was announced in Budget 2006.

The Chair: Thank you, Mr. Harris.

We go now to the official opposition for the second round. Mr. Boshcoff, for up to five minutes.

Mr. Ken Boshcoff: Thank you.

I'll be sharing my time with the honourable member from Mississauga-Erindale.

The reason we're having these hearings is that we as a committee sense a crisis, a need for urgency, and the need to develop a national strategy. We're looking for the federal government to show leadership, with passion. The initiatives that you've described in your presentation bother me a lot—you're aiming about a billion dollars in a relatively unknown direction. We don't even know if this money is going to go to forestry. I feel that you two, as deputy minister and assistant deputy minister, aren't being armed with the details to form a national strategy. We're thinking silos, when everybody is asking for a coordinated national strategy.

In this process, if it's Intergovernmental Affairs, if it's Finance, should you not be meeting eye to eye with your provincial counterparts, so that your strategies of competitiveness and innovation strategy could be coordinated rather than at cross-purposes?

Ms. Cassie Doyle: I think this is a very important question. Because of the complexity of the federal-provincial jurisdiction of forestry, it is important that we have this coordination. The Canadian Council of Forest Ministers is a forum that pulls together all the forest ministers—federal, provincial, and territorial. We meet regularly at the minister, deputy minister, and ADM levels to ensure that we have strong coordination in the areas under the council's mandate: innovation, pest management, and the sustainability of the forest ecosystem.

We also are working within the federal government to ensure that our efforts are well coordinated with those of other departments that have pieces of the forest mandate, whether those pieces pertain to international trade or community adjustment and support to workers.

The Chair: Mr. Alghabra.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Thank you

Madam Deputy Minister, is it fair to assume that the Department of Natural Resources is the lead department when it comes to planning and facilitating the long-term health and competitiveness of the forest industry?

Ms. Cassie Doyle: I believe that is accurate, when it comes to competitiveness and sustainability.

Mr. Omar Alghabra: We're talking about an aid package to the forestry industry—at least that's how this billion dollars has been labelled. I find it surprising that the lead department is unable to identify the objectives and the benefits of this aid package. Is it fair to consider this just another transfer to the provinces, rather than an aid package for the forestry industry?

Ms. Cassie Doyle: This is a very important question. The package that was announced and passed in the past week does not go to the forest industry, nor would it be appropriate for the Government of Canada to provide such a level of assistance, given our trade obligations under the Canada-U.S. Softwood Lumber Agreement. The assistance is aimed at communities that are affected by restructuring in the manufacturing sector, with a particular focus, as I understand it, on forestry.

We at NRCan work in close partnership with the industry on issues of competitiveness, sustainability, and forest ecosystems. The aid package, which is very much on the minds of members today, is aimed at communities, not at the industry itself.

•(1150)

Mr. Omar Alghabra: It's labelled as an aid package for communities affected by the forestry industry, or the decline in forestry competitiveness. At least, that's what I understand it to be. If it's anything different, please enlighten us. I continue to find it surprising that there is no coordinated strategy for helping the employees, the workers. We're not talking about subsidies to the industry itself. We're talking about maintaining the long-term health and competitiveness of the industry's workforce. That's what this package is supposed to be. Regardless of where it originates, from Intergovernmental Affairs or wherever, I find it surprising that you're unable to answer questions about the details and that you're not informed of the details. Maybe it's just another transfer to the provinces.

Ms. Cassie Doyle: Mr. Chair, I want to first of all clarify that I certainly am informed of the program. There is a distinction between the work we are undertaking in our department with industry, and the provinces, which as everyone understands play a really important role in forestry management and assistance to vulnerable communities affected by the restructuring. We are very well coordinated within government, but it is a complex issue. We play one particular role, and that is working with provinces and industry in the area of innovation, opening up markets, and ensuring the long-term competitiveness.

The Community Development Trust is targeted towards vulnerable communities to support them in adjusting to this transition we've been discussing this morning, which is a very difficult transition for many communities. Our contribution in NRCan is towards the long-term competitiveness of the industry. We do not play a direct role in supporting vulnerable communities. The community development trust is targeted towards that community adjustment part of this very complex issue.

The Chair: Thank you, Mr. Alghabra.

Now to Monsieur Ouellet, for up to five minutes.

[Translation]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you, Mr. Chairman.

As you know, forests are critically important in many respects in terms of GHG emissions. In light of climate change considerations, do you have a mandate to do research with a view to reducing GHG emissions associated with forestry practices?

[English]

Mr. Jim Farrell: Thank you, Mr. Chair.

The Canadian Forest Service has had a number of activities around climate change and greenhouse gases. For example, we have had a team of scientists who worked domestically and networked internationally to look at this question as to whether Canada's forests are in fact a sink of CO₂. We work very, very closely with the provinces to get information around tree growth and forecasting growth over time. We also included forecasts around what we think the impacts of infestations might be—for example, the mountain pine beetle outbreak in western Canada and the spruce budworm in Ontario and Quebec over the next couple of years. We also did some forecasts of what the increase in forest fire risk might be.

[Translation]

Mr. Christian Ouellet: I wanted to focus my question more on innovation and forestry development. As you know, according to some studies now under way, if buildings were heated with green energy produced from forestry byproducts, more energy would be generated and perhaps less CO₂ would be emitted than if ethanol were produced from the same byproducts. On the one hand, it's simple if only one place is being heated. CO₂ can be eliminated from furnaces. Or heat can be generated through electricity. However, when ethanol is produced, it is impossible, as you know, to capture the CO₂ from each exhaust pipe, which means that large quantities of CO₂ are emitted, both during the production process and during actual usage.

Have any studies been done that might help the government make some decisions? Forestry companies will continue to be paid the same price for forest byproducts, whether or not they are used to produce electricity or ethanol. We know this for a fact.

Do you help the government make decisions about innovative initiatives to deal with climate change?

•(1155)

[English]

Mr. Jim Farrell: As a department, we have quite a capacity around developing more energy efficient technologies, both within our own laboratories as well as in collaboration with universities and the private sector. More specifically, with respect to the forest industry, about 20% to 25% of the funds we identified in the innovation envelope of the long-term competitive strategy are around bio-products and bio-refining. It's this whole idea of being able to produce, out of wood inputs, energy chemicals like ethanol, as well as other products, rather than just market pulp.

[Translation]

Mr. Christian Ouellet: You have not answered my question. It concerned CO₂ emissions, not energy. You always come back to energy and energy efficiency. That wasn't my only question. I realize that you are doing some research on energy efficiency. I'm asking if you are researching ways of eliminating GHG gas emissions.

[English]

Mr. Jim Farrell: The forest products industry, by reducing energy consumption of classical energy sources and converting to biomass, have dropped their GHG reductions over the last number of years substantially. So there is certainly work going on to reduce their consumption of classic fossil fuels and convert that to bio-energy, and, as a result, reduce the greenhouse gas emissions.

Yes, there is work going on within the department as well as in collaboration with FPInnovations.

[Translation]

Mr. Christian Ouellet: Could you be more specific about the type of work, or types of studies, that are being done?

[English]

Mr. Jim Farrell: I can, but I could offer, Mr. Chair, to provide the committee with some of the projects and some of the studies that are ongoing, both within the department and in collaboration with FPInnovations around this issue of reducing GHG emissions from the forest product sector.

The Chair: Thank you, Mr. Farrell. I appreciate that.

Your time is up, Monsieur Ouellet.

We will go now to the government side, to Mr. Allen, for up to five minutes.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for appearing today.

I'd be interested to get your numbers on the changes in the forestry industry, because I was presented with a pre-budget brief from the president of the New Brunswick Forest Products Association who said there's a study referenced by APEC saying that there were 8,000 jobs just in Atlantic Canada that were lost in the forestry industry between 2004 and 2006. That does not include 2007, in which a number of sawmills as well as large pulp and paper mills in New Brunswick closed down, including those in Miramichi, Bathurst, and Dalhousie. I'd be interested to know what's going on there. As well, with the dollar exchange, every penny it goes up costs the industry about \$5 million in Atlantic Canada.

One of the comments that was made was that some of the forest innovation side has been traditionally delivered by ACOA, through the Atlantic Innovation Fund. The challenge with that fund is that you apply once per year, and it's slow on the innovation side. One of the questions was whether, given the challenges, there would be the possibility of a dedicated fund for innovation.

I see that FPInnovations is like that. What is the delivery mechanism for these funds from the innovation program, and is it based on initial individual applications or is it based geographically, or how is that delivered?

• (1200)

Mr. Jim Farrell: Thank you for the question.

The funds are delivered through FPInnovations and through their own staff. For example, they are expanding their presence in Atlantic Canada, and more specifically through some of the universities, like the University of New Brunswick.

For example, the UNB wood products research group is actively engaged in our Value to Wood program. In that Value to Wood program we see experts. Many of these industrial advisors actually locate in smaller communities and go out and actually visit facilities and give advice to owners. So there is no allocation per se, but provinces like New Brunswick and Nova Scotia have been very active in terms of making contributions as well, and universities, again, specifically UNB, are actively involved in this program.

As I say, there's no regional breakdown in terms of allocation, but there certainly has been pretty active engagement from places like Atlantic Canada, and more specifically the University of New Brunswick.

I believe we just recently got notice of a joint project that was submitted by the FPInnovations' Paprican to the Atlantic Innovation Fund around some research to be undertaken in collaboration with UNB. I can certainly get you more information on that, Mr. Allen.

Mr. Mike Allen: One of the comments in the presentation that was made concerned the transportation of wood products and the fact that if anything moves in New Brunswick, it typically moves by truck, because we have very limited rail. What are some of the details with respect to wood products transportation that we're investigating?

Mr. Jim Farrell: FPInnovations is made up of four divisions, and one of those divisions is the Forest Engineering Research Institute of Canada. Their focus is harvesting and transportation. They're looking at all kinds of ways to essentially reduce the cost and minimize the environmental impact of transportation. That includes things like how you put bigger loads on trucks without having a negative impact on the roads and the highways they go across, by using variable tire inflation and tire sizes. It's all designed around how you actually get fibre to the mill in the most cost-effective way.

They've also looked at biodiesel in trucks in various configurations that meet safety requirements, but, again, that are able to get your unit cost, delivery cost, down.

Mr. Mike Allen: Do I have any time left?

The Chair: You have about a minute.

Mr. Mike Allen: Here is a last question, then.

We recognize that a significant number of the issues in this are provincial. Energy cost, wood supply, and those types of things are all provincial jurisdictional issues.

Concerning some of the programs we've talked about involving biomass, generation, and those types of things, how are we succeeding in reconciling the challenges between the provinces and the federal government with respect to delivery of these and the frustration from local people who are trying to access these funds? I see, as part of any programming we do, that it's always a challenge to deliver when we get into a battle of wills with the provinces on it.

How are we reconciling some of those challenges between federal and provincial jurisdiction?

Mr. Jim Farrell: Perhaps I could talk about FPInnovations as a model.

The board of directors is made up of representatives of most of the provinces as well as many of the primary and secondary industries, plus the federal government. There's a great deal of discussion at that level to try to reconcile the most effective way to deliver regional value and regional programs. That's a model we use through FPInnovations in setting priorities, which is a national process that involves all the regions of the country.

Another mechanism we have, in terms of dealing with such broader policy issues as the wildland fire strategy or the national forest pest strategy, is through the Canadian Council of Forest Ministers. All of the provinces and territories are involved in it. Taking into account the various ways they collect information and deliver their services, we try to create a model for the country that reflects those regional interests, because the provinces and territories are at the table, and we actually do that.

The Chair: Thank you, Mr. Allen.

Thank you very much, Deputy Minister and Mr. Farrell, for coming for this first hour.

Of course, Deputy Minister, you'll be back for the second hour right away. You may start now to get prepared for the second session and have your appropriate officials come to the table. Thank you very much for your presentations and for answering the questions in the first hour.

Committee members, we will continue.

We have to deal with the budget to provide funds for witnesses who require their costs to be paid for this forestry study. I'll read the motion. You have in front of you the sheet that outlines the amount requested, \$39,000.

Is there any discussion on that motion, or can we just go to...? I'll read the motion:

That the proposed operational budget in the amount of \$39,000, for the period of 2007 to 2008 in relation to its study on the unique opportunities and challenges facing the forest products industry, be adopted.

If someone would move that motion, then we can have a discussion.

Mr. Allen moves it.

Is there any discussion on the motion?

Seeing none, is it agreed?

(Motion agreed to)

●(1205)

The Chair: I can see that we have at the table the deputy minister.

Deputy Minister, would you introduce your official to the committee?

I understand we have a very short presentation, so we'll get right to questions. If the official opposition is ready with questions, Mr. Alghabra, we'll start with you.

But first, Ms. Doyle, your presentation, and again, please introduce your official.

Ms. Cassie Doyle: Thank you very much, Mr. Chair.

I'm happy to introduce Sue Kirby, who's the assistant deputy minister of the energy sector at NRCan.

As you know, I was here on January 16 with my minister, so I just want to give you a bit of an update of what has happened since that time, really, on how we're moving forward.

It's obvious from the events of last November and December that the earliest possible notification to the Government of Canada of a potential interruption in the supply of medical isotopes is essential. I want to let members know that we now have in place a communications protocol that will assure timely communication at the appropriate levels among AECL, NRCan, and Health Canada. I believe that copies of the protocol have already been tabled at this committee.

Under the terms of the protocol, AECL has agreed to inform both NRCan and Health Canada of any situation with the NRU reactor at the Chalk River laboratories, which is, in general, both planned or unplanned, any situation that would affect the supply of isotopes. AECL will immediately inform me, as deputy minister, and my colleague, the deputy minister of Health Canada. So this protocol establishes a clear line of accountability and a responsibility between NRCan, Health Canada, and of course AECL. With this in place, I'm confident that the situation that occurred in November and December will not be repeated.

I also want to touch on the restructuring that is under way, the review of the restructuring of AECL, which was announced by the government on November 29. During the period of this review, it was deemed important that there be very close communication between the shareholder—the responsibilities of the shareholder are vested in the Minister of Natural Resources—and AECL. To that end, I and the deputy of Industry Canada have been appointed to the board of AECL, to ensure strong communication during the period of this review and good governance, of course all in the aim of creating a strong future for AECL.

Those are my opening comments, Mr. Chair. I understand there's been a considerable amount of discussion by this committee. As you know, I was here on January 16 and answered questions at that time, but Sue and I would be very happy to answer further questions from the committee.

The Chair: Thank you very much, Deputy Minister.

We are, of course, in the second hour back to the study of nuclear safety issues, including the safety issues at the Chalk River nuclear reactor.

Mr. Alghabra, you have up to seven minutes of questioning. Go ahead, please.

Mr. Omar Alghabra: Thank you, Mr. Chair.

Again, thank you, Deputy Minister, for coming back. You are right, this has been an important topic that this committee has taken a considerable time in examining. We still have some questions, and I'm happy you're back here to help us understand some of the pending issues.

You were appointed to the board of directors of AECL on December 3. Is that correct?

●(1210)

Ms. Cassie Doyle: Mr. Chairman, that is correct.

Mr. Omar Alghabra: When were you notified of the intention of that appointment? When did you know that was going to happen?

Ms. Cassie Doyle: I was aware of the government's intent to appoint me to the board perhaps about a week ahead of the actual appointment. I wasn't aware of when the actual appointment went through exactly.

Mr. Omar Alhabra: So what does that make it, November 25?

Ms. Cassie Doyle: Yes. I'm not certain. I could provide you with the exact date, but it would have been some time in late November.

Mr. Omar Alhabra: Did it have anything to do with the NRU issue?

Ms. Cassie Doyle: No, Mr. Chair. The intent of my appointment, as I explained, was to ensure that there would be close communication around the review of AECL, during the review of AECL, which was announced on November 29.

Mr. Omar Alhabra: So your appointment to AECL had nothing to do with what happened with NRU at the time of the discussions? We heard, from previous testimony, from other stakeholders, that this issue had become an urgent issue on November 22, and obviously your admission today of this change of communication is a reflection of that reality.

So your appointment had nothing to do with the NRU issue?

Ms. Cassie Doyle: Mr. Chair, my knowledge is that there was absolutely no connection between the NRU issue and my appointment to the board of AECL.

Mr. Omar Alhabra: Okay.

You also told us that you were with the minister on two occasions, in conversation with Ms. Keen—I think on December 5 and December 8. Is that correct?

Ms. Cassie Doyle: That is correct.

Mr. Omar Alhabra: Did you let Ms. Keen know that you were also a member of AECL's board of directors at that time?

Ms. Cassie Doyle: I did not.

And I would mention that my role in all matters related to the portfolio is to be the senior advisor to the minister. My role on the AECL board is to represent the shareholder, which is the Government of Canada. The share is held in trust by the Minister of Natural Resources.

Mr. Omar Alhabra: Do you understand, though, that there might be a perceived conflict of interest here, especially on these conversations with Ms. Keen, on whether you are representing the interests of the department or AECL?

Ms. Cassie Doyle: I take a very different view on that. I don't in any way perceive any conflict in my role.

I do have a very wide portfolio. I am the senior advisor to the minister on all matters within the portfolio, and that's the role of a deputy minister, to serve the public interest on all aspects of the portfolio. So I don't perceive of it as any conflict.

Mr. Omar Alhabra: But AECL has a certain narrative or agenda. The regulator is regulating AECL, and the minister is supposed to be ensuring that AECL performs well and also complies with the regulator. You don't see at all that your presence in this conversation between the minister and the regulator, or the

commissioner or the president of the nuclear safety regulator, puts you in any position of at least perceived conflict of interest?

AECL certainly was lobbying for restarting the reactor, and the commissioner was saying, "No, you are violating your licence." The minister was trying to find a way—at least he told us—to bring these two sides together. But your appointment to the AECL board certainly creates a perception of conflict of interest.

Ms. Cassie Doyle: I think I've canvassed this point, but I will just say that the purpose of the calls that I attended—they were organized calls with the CNSC—was, one, to gather information on what was possible in terms of resolving the situation, and two, to ask that there be urgent action taken on the part of CNSC, just given the issue as it emerged across Canada as quite a serious medical emergency. I don't in any way perceive that there was a conflict in my role as the senior advisor to the minister on all matters within his portfolio.

Mr. Omar Alhabra: Do you know in history whether there has ever been a deputy minister of natural resources appointed to the board of directors of AECL?

Ms. Cassie Doyle: I think it's a 50-year organization. I'd have to check that. I do not have that information, but I could provide it.

• (1215)

Mr. Omar Alhabra: I'm curious. Based on the research I've done, I haven't seen that at all, but I could be wrong. I'm very interested in finding whether this is the first time ever that a deputy minister of natural resources has been appointed to the AECL. Could you please get back to the committee with that information, if you can? Your sources are much more reliable than mine.

It's still an issue that I felt it was important for you to at least let the committee know, when you were here on January 16, that you were on the board of directors. We found out only through order in council reports that you were on the board of directors. Neither you, nor the minister, nor anybody else from the government side let us know that you were appointed to the board of directors. Don't you think that was a valuable piece of information that we needed to know?

Ms. Cassie Doyle: The issue is an important one. It relates to the role a deputy minister plays.

As to the information on my appointment to the board of AECL, for one thing, it is a relatively recent appointment, and I felt that most members of the committee would actually be aware of it, because the OIC had been made public. But as I mentioned, I do believe it's consistent with the role I play.

I should note for the record that many deputy ministers serve on boards of crown corporations, so there has been a long practice that deputy ministers are assigned. It's particularly relevant at times when there may be changes anticipated or may be reviews under way. So the intent of the government in appointing me to the board of the AECL was to ensure that there was close communication between the shareholder—the Government of Canada—and the AECL following the announcement of a review of the structure.

The Chair: Thank you, Mr. Alhabra.

Now we'll go to the Bloc Québécois.

Madame DeBellefeuille, you have up to seven minutes.

[*Translation*]

Mrs. Claude DeBellefeuille: Thank you very much, Mr. Chairman.

Thank you, Ms. Doyle, for joining us today to give us a clearer picture of what really happened. I have to admit that the more witnesses we hear from, the less clearer things seem to be. I do not want to trouble you with timeline issues, but I think it is important to talk about this.

I was rather surprised to learn from the testimony of MDS Nordion officials and from several newspaper reports, that MDS Nordion had implemented their emergency protocol as early as November 22 and that the company had even assessed the potential shortage. They had assessed that shortage at 30%. Ultimately, it was deemed to be 35%. On November 30, they even notified their shareholders that in the event of an extended shutdown, there could potentially be some financial repercussions.

I was rather surprised to learn this and to hear the minister's comments. I would like to quote a passage from the minister's testimony on January 16 last. I believe you accompanied the minister to that meeting. At the time, he said this:

There was an urgency to this situation, we should make no mistake, as the events unfolded on December 3, once that urgency started to materialize.

This observation leads me to believe that some officials at AECL and at Natural Resource Canada did not inform the minister as early as November 22 of the need to implement his emergency protocol. We were informed by MDS Nordion that Ms. Guindon represented NRCan at a meeting during which the reactor shutdown was discussed.

What did Ms. Guindon subsequently do with this information? Did she share it with you, the Deputy Minister who has a duty to inform the Minister, as early as November 22?

[*English*]

Ms. Cassie Doyle: It is a very important question, and I understand the time the committee is taking in reviewing these timelines. It's one that I have spent a considerable amount of time reviewing myself.

I can tell you that the meeting of November 22 was one that was scheduled to address another issue. This was not the purpose of the meeting. The official who attended that meeting did receive information that was not at that time considered to be serious enough to report to anyone else in the department, and indeed it wasn't conveyed to anyone else in the department.

The reason for that was because in the discussion at the meeting there was also the very strong sense from AECL that their one-pump solution would be successful in getting the reactor up and operational and that the extended outage was temporary. That's the review I've undertaken in my department. The results of the November 22 meeting were not conveyed or shared with anyone in the department. It was seen as being information that was in no way urgent or of importance to report up to more senior people in the department, including myself.

• (1220)

[*Translation*]

Mrs. Claude DeBellefeuille: Thank you, Ms. Doyle.

Nevertheless, it is still surprising that the chief supplier would implement his emergency protocol, while the department would not see the need to or would delay doing so.

I have carefully read the protocol on information sharing. I find it very interesting. However, is this really the first such protocol? In 2005—and Mr. Trost attended that meeting—problems with the Chalk River reactor were identified. Are you telling me that this is the first official protocol on information sharing between NRCan, AECL and Health Canada? Is that what you're saying?

[*English*]

Ms. Cassie Doyle: We have regular communication, almost all the time, between members of the portfolio, including AECL, but it's only coming out of the situation last November and December and the seriousness of it that we've put in place a formal protocol. So this is, to my knowledge, the first time it has been formalized, and particularly at the deputy minister level.

[*Translation*]

Mrs. Claude DeBellefeuille: Ms. Doyle, we know that the reactor first went on line 52 years ago, that it will need to be replaced one day and that Canada is one of the world's leading suppliers of isotopes. However, you are telling me quite frankly that there was no official communication protocol in place to deal with shortages or other problems. I am rather disturbed to find out this morning that an organization of this magnitude did not have a protocol in place, when many other organizations, especially those that have major responsibilities, are required to have a communication protocol in place from day one.

According to the protocol, communication measures are implemented when there is a perceived risk of a shortage of isotopes. When the crisis started, when the reactor was shut down, people did not seem to take things too seriously, in my opinion. No one was advised of plan B, should problems arise.

Do you agree with me that NRCan and AECL are primarily to blame for the situation?

[*English*]

Ms. Cassie Doyle: Mr. Chair, I have spent many weeks reviewing this situation in my own mind. I can tell you that I believe my department acted responsibly with the information it had on any given day. The information was insufficient. There was, at times, uncertainty as to the duration of the outage. From day to day there were great efforts made on the part of all agencies, and certainly my department, to resolve the situation early on. When it became apparent that the outage could extend well into December, then we were certainly seized, at my level and at the ministerial level, in a very intense way to try to resolve the situation.

Could there be improvements in the way we did it? Absolutely. That's why what's crucial from my perspective is that there will be lessons learned. One of the key lessons is that we do need a formal communications protocol to ensure that our communication is timely and at the appropriate level—that it's not done as a tag-on to a particular meeting that was scheduled for another purpose, that it's not done through emails sent to junior officials within the department, that the notification be at the appropriate level.

I consider the appropriate level to be the deputy minister level. It is my responsibility to debrief the minister.

• (1225)

[*Translation*]

The Chair: Thank you, Ms. DeBellefeuille.

[*English*]

We go now to the New Democratic Party.

Ms. Bell, for up to seven minutes.

Ms. Catherine Bell: Thank you, Mr. Chair.

Again, thank you to the witnesses for appearing.

As I was third on the question list, some of my questions have been asked—and successfully answered, I might add.

One of the things I've been struggling with from the beginning is the communications piece of it. It seems to me that's where it all fell down. What I'm hearing from all witnesses is that the communications could have been better.

I'm pleased to see this new protocol. Was that developed with the other departments, with AECL, with MDS Nordion, and Health Canada? I'm assuming it probably was, so that everyone would be aware of this protocol.

Ms. Cassie Doyle: Yes.

Mr. Chair, the protocol is signed by AECL, Health Canada, and NRCan.

Ms. Catherine Bell: We heard that a day in the life of an isotope is pretty short, two or three days, so it's essential to have, as you said, the earliest possible notice in the event of a shutdown.

I struggle again with what was in place before. I'd heard there was a labour dispute at Chalk River a number of years ago, and it was deemed to be an essential service, basically, because it was so important to maintain isotope production.

I'm wondering if there were any protocols in place at that time that could have been used, and if there were, why weren't they? If not, then I guess it's a moot question.

Ms. Cassie Doyle: As I've responded to the previous member, there was not a formal communications protocol in place. We now have it in place, and it has been signed by the deputy ministers of Health Canada, NRCan, and the CEO of AECL to ensure that this will not happen again.

But looking backwards, I don't believe there was a protocol in place.

Ms. Catherine Bell: You're on the board of AECL. Mr. McGee was here previously and he mentioned some documents describing a worst-case scenario. I'm just wondering if we could get those documents tabled for the committee, for our information.

Ms. Cassie Doyle: I'm happy to follow up with Mr. McGee on that. We'll follow up on that.

Ms. Catherine Bell: Thank you. I'm running out of questions on this topic.

The Chair: You're finished, Ms. Bell? Thank you very much.

We go now to the government side, to the Parliamentary Secretary to the Minister of Natural Resources. Mr. Anderson, go ahead, please.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): One of the things I'm realizing from this is that hindsight, with the opposition, is good enough that they can see a gnat at 100 yards, but when it comes to accuracy, I doubt if they could hit an elephant at that distance.

I've got some concerns about a couple of issues here. I want to ask about MDS.

MDS said they had brought up that there was a potential of a shortage at the November 22 meeting. They said they pointed out the implications at that time of an extended shutdown, but I don't think anybody at that time thought an extended shutdown would go into December.

The opposition and some of the media have tried to leave the impression that MDS was saying there was an urgent situation. Did MDS Nordion follow up with your department at all? Did they come back to you in the next few days and say, "There is an emergency here; we have to do something"? Did you get any contact with them beyond what was at this meeting?

Ms. Cassie Doyle: No, there was no follow-up on the part of MDS Nordion to our department following the November 22 meeting.

Mr. David Anderson: So that would seem to say they brought it up, left it on the table, and it was left there as one item in a meeting, but I would make the point that they didn't see it at the time as an absolute emergency either.

• (1230)

Ms. Cassie Doyle: I have spoken to the official who attended the meeting. We have talked to others who were at the meeting as well. There is a sense that there was no reference to any emergency. In fact, on November 22, there was indeed the possibility that the reactor would come on before the end of the month, and that was I think what everyone at that meeting considered to be important. The reason MDS Nordion raised this issue was to ensure that AECL was working flat out to try to get the reactor back on line, which of course they had been doing, but at that time they felt that the one-pump option would prevail.

Mr. David Anderson: I want to come back to one other issue that we've covered a couple of times, because it seems the opposition wants to play with timelines here. We've heard time and again that everyone had the impression that the shutdown would end in late November or early December. It was only on the weekend of November 30 that there began to be a realization that that shutdown could be extended quite a bit longer than that.

Is that information accurate? Generally, the expectation was that the shutdown could go to the end of November, or a little bit into December, but there was no sense that there was going to be a longer shutdown until that November 30-December 3 weekend.

Ms. Cassie Doyle: We certainly have studied the timelines fairly carefully on this. I can tell you that the first time I had a briefing with AECL—where information was presented that this shutdown could extend even as far as into January—was on December 4.

So up until November 30, the information we had in the department was that it was temporary and that they were working to try to bring the reactor back on as early as the first days of December.

Mr. David Anderson: Mr. Chairman, I am going to split my time with Mr. Trost, but I'd like to ask one other question.

Is there a place in the communications protocol with AECL for CNSC? We know that it's an independent regulator, but is there a place for them to communicate as well? I'm wondering what the structure of that is.

Ms. Cassie Doyle: Thank you, Mr. Chair.

The communications protocol is between the two departments and AECL as the operator of the NRU reactor. But I would add that the minister has written to the president and chair of CNSC to reinforce the communications protocol and say that if there is any licensing issue or any information the CNSC has at their disposal that would indicate a shutdown on the reactor, the minister's office and the minister himself wish to be advised directly.

The Chair: Thank you.

We'll go to Mr. Trost now for up to three minutes. Go ahead, please.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair.

I have just a couple of brief questions regarding the December 5 and, I believe, December 8 meetings with CNSC. Mostly, I'm interested in your characterization of them.

It's my understanding that on December 5 the minister, you, and CNSC had a teleconference. Could you go through your view of what was accomplished in that meeting? What was the tone of the meeting—was it professional, etc.—and what was accomplished in it? That's from your perspective, the December 5 teleconference meeting.

Ms. Cassie Doyle: The December 5 teleconference was held with the chair and president of CNSC and the minister. I was in attendance, as were a couple of other officials from the department, and I believe there were officials from CNSC. So it was a formal call.

The purpose was really to obtain information from CNSC as part of our strategy on what actions were available to resolve the situation. So it really was a call that was focused on questions being asked of the chair and president on the status of the issue at that particular time. We realized that part of the call was on a licensing issue pertaining to the NRU reactor.

So that first call was really information gathering.

Mr. Bradley Trost: So the purpose was purely information gathering, very professional, and there was no attempt to pressure CNSC or anything like that, in any bully-like fashion?

Ms. Cassie Doyle: Mr. Chair, that is correct.

Mr. Bradley Trost: On December 8 there was another conference call between the minister and CNSC. According to CNSC officials, their view is that the minister wanted CNSC to immediately approve the restarting of the reactor. After the minister left the phone conversation, she says the officials—and I'm assuming this would include you—were aggressive and showed significant frustration at the answers.

In your opinion, did you and the officials and the minister behave appropriately and professionally, and was there any untoward pressure put on the CNSC in the December 8 conference call?

● (1235)

Ms. Cassie Doyle: Mr. Chair, I did respond to this question on January 16, so I will just reiterate that I believe everyone on that call conducted themselves in a professional way. The purpose of the call was to canvass Ms. Keen for information on the earliest possible date on which the commission could be convened. The question was how quickly the commission could be convened in order to hear the case that was creating the continued shutdown at Chalk River.

Also, there were specific questions asked all around on information as to the overall safety of the reactor, whether the reactor, should it be started up again, would be any less safe than it was when it was taken out of operation; indeed, whether if one pump was installed before the restart it would in fact be safer than it had been prior to the shutdown on November 18.

That was the subject of the call. It was a very professional call. Officials attended on both sides, along with the minister and Ms. Keen.

Mr. Bradley Trost: I could be wrong, but their characterization is that you were aggressive. You don't strike me as very aggressive, but maybe it's different on a phone conversation.

The Chair: Thank you, Mr. Trost. Your time is up.

We go now to the second round, starting with the official opposition.

Mr. St. Amand, for up to five minutes. Go ahead.

Mr. Lloyd St. Amand (Brant, Lib.): Thank you very much, Mr. Chair.

Good day, Ms. Doyle and Ms. Kirby.

When was it, Ms. Doyle, that you were appointed as deputy minister?

Ms. Cassie Doyle: Mr. Chair, I was appointed in June 2006, and I took up my duties in July 2006.

Mr. Lloyd St. Amand: All right. So as of November-December 2007, you'd been deputy minister for 17 to 18 months. As I understand it, it was on November 22 that someone else at the department became aware of the situation vis-à-vis Chalk River. Is that correct? It was Sylvia....

Ms. Cassie Doyle: Yes, that's correct.

Mr. Lloyd St. Amand: Within a few days of November 22 you were appointed to the board of AECL. Is that correct?

Ms. Cassie Doyle: Mr. Chair, that is correct. On December 3, I was appointed through GIC.

Mr. Lloyd St. Amand: What was the date of the press release with respect to your appointment? Do you know?

Ms. Cassie Doyle: Let me just check that....

Mr. Chair, I believe it was about a week later. Let me get back to you with the exact date.

Mr. Lloyd St. Amand: It's my understanding that from the time you were deputy minister, this was the first board appointment that you were offered and that you accepted. Is that correct?

Ms. Cassie Doyle: Yes, Mr. Chair, that is correct.

Mr. Lloyd St. Amand: Yet—and I don't mean this disrespectfully, Ms. Doyle—you want us to believe it's merely a coincidence that you were appointed to the board of AECL within a few days of your department's becoming aware of the situation at Chalk River.

Ms. Cassie Doyle: Mr. Chair, I understand that this seems to be a coincidence, but in fact the nuclear file within—

Mr. Lloyd St. Amand: No. Actually, we're saying it's not a coincidence.

Ms. Cassie Doyle: I just want to say that I disagree with the premise that there is any connection between the reactor shutdown at Chalk River and my appointment to the board of AECL. I do want to reiterate that on the nuclear front there are other things going on, particularly the restructuring review. That was announced on November 29. It was made public by the minister on November 29. So I just want to reiterate that this is a very active file because of the renaissance in the nuclear area.

Mr. Lloyd St. Amand: We understand.

I take it, Ms. Doyle, that you regularly would watch or follow the proceedings in question period?

Ms. Cassie Doyle: Mr. Chair, I usually follow the transcripts after the fact.

•(1240)

Mr. Lloyd St. Amand: So you became aware of the fact that on December 3 Minister Lunn said in the House of Commons that the Canadian Nuclear Safety Commission is “absolutely independent of...government”. You became aware of his saying that on the floor of the House of Commons on December 3.

Ms. Cassie Doyle: Mr. Chair, I can't recall that reference, but if it was in the question period transcripts, then I likely had seen it.

Mr. Lloyd St. Amand: Then you had a briefing on December 4 with respect to Chalk River.

Ms. Cassie Doyle: That's correct.

Mr. Lloyd St. Amand: On December 5, then, knowing what Minister Lunn had said on December 3 and knowing that you had very recently been appointed to the board of AECL, did you contact PCO to see whether or not you were in a conflict of interest when you sat in on the calls on December 5 and December 8?

Ms. Cassie Doyle: Mr. Chair, I had advice prior to my appointment to AECL, but again I will reiterate that I provide advice to the minister. I am his principal advisor on all matters within his portfolio. In the role I played throughout the period of time, which was a role of trying to resolve an issue that was creating a very urgent health situation in the country, I don't believe I had any conflict of interest. No, I did not seek advice.

Mr. Lloyd St. Amand: Did you or anyone, to the best of your knowledge, receive an opinion from PCO about the minister's intervention with the quasi-judicial body—CNSC—by way of his initiating phone calls on both December 5 and December 8? Was PCO contacted about the propriety or the appropriateness of that?

Ms. Cassie Doyle: Mr. Chair, the central agencies involved were very much aware of the formal call that was undertaken between the minister and the head of CNSC.

Mr. Lloyd St. Amand: When you say the “central agencies”, do you mean the PCO...?

Ms. Cassie Doyle: Yes, I do mean the PCO, and I mean that we received advice from other areas as well.

Mr. Lloyd St. Amand: Do you know the name of the person at PCO from whom you received advice?

Ms. Cassie Doyle: I just want to clarify, Mr. Chair, that it was not advice that we were seeking. The work that was undertaken to resolve a very urgent health situation in Canada was a strategy that was being developed day by day, so there were a number of individuals at PCO who were aware that we had been in touch with CNSC, that this type of communication on administrative matters was provided for under Canada's Nuclear Safety and Control Act, and that we intended to continue to be working away at trying to resolve this situation, which, as you know, was not able to be resolved. We instead brought forward legislation into the House during that week.

The Chair: Thank you, Mr. St. Amand.

We'll go now to Monsieur Ouellet for five minutes.

[*Translation*]

Mr. Christian Ouellet: Thank you, Mr. Chairman.

Ms. Doyle, the committee heard testimony from Mr. Malkoske, an MDS Nordion official. He said that November 22 was a memorable day for them because a state of emergency already existed. You just said that there was no urgency until December 3, when the minister was apprised of the situation. I find that odd. Do you have any contact with MDS? Mr. Malkoske also told us that AECL was his communications link.

[*English*]

Ms. Cassie Doyle: Thank you for the question.

As I have mentioned, the only contact that MDS Nordion had with the department prior to the end of November was a reference made at a meeting on November 22. At that time the outage was characterized as being temporary and possibly extending into December. The impact on the supply of isotopes was presented as a possibility and wasn't yet confirmed.

I go back to the fact that at the time there was a plan in place on the part of AECL to resume the reactor with one pump, and that was the focus of attention. But to repeat—I think I've answered this question—MDS Nordion was not in touch with our department outside of raising this in a meeting on another subject matter on November 22.

[Translation]

Mr. Christian Ouellet: On November 22, you were not aware of the potential risk. MDS was the only party in the loop. However, MDS is not part of the protocol. If the State does not ensure that people are made aware immediately of the potential risk, then the protocol will not be implemented. Consequently, the next time an incident occurs, if people are not any more aware of the potential risk, then the protocol will not be implemented. We will be in the exact same situation as before. Just because there is a protocol doesn't mean that it will automatically be implemented. That decision is up to you.

• (1245)

[English]

Ms. Cassie Doyle: I think it is a really important issue you raise about risk. This whole situation was about the management of risk.

The protocol we have in place is with AECL, which runs the reactor. So the intent of the protocol is to ensure that when there is any shutdown of the reactor, planned or unplanned, we are immediately notified so that we, within the department and with our colleagues at Health Canada, can assess the risk. We would go to the commercial supplier to seek information at that time, but the responsibility in the protocol is with the agents of the Government of Canada.

[Translation]

Mr. Christian Ouellet: I have one last question for you, Mr. Doyle.

On December 10, Enercan participated in a conference call with European officials. It was disclosed at this time that Europe could supply only between 10% and 15% of the isotopes needed, although this represented 50% of MDS's market share. This 10% to 15% corresponds to all of Canada's requirements. The official in charge of the reactor in Belgium clearly said that he can meet all of Canada's needs—not the needs of MDS, but Canada's needs. Yet, it was reported that they could supply only between 10% and 15% of the isotopes required.

Are you aware that this figure represents all of Canada's needs?

[English]

Ms. Cassie Doyle: I'm not aware of that particular conference call, which I understand was led by the Department of Foreign Affairs and International Trade.

Perhaps Sue can comment on that.

[Translation]

Mr. Christian Ouellet: It says here that EnerCan participated in a conference call. Who in fact participated?

[English]

Ms. Sue Kirby (Assistant Deputy Minister, Energy Sector, Department of Natural Resources): Yes, a staff member participated in the conference call. The discussion was around the theoretical possibility of augmenting supplies from reactors. These were not isotopes that were currently available that could be diverted to meet the needs of Canada at the time. The discussion was that given the other reactors in the world that could potentially produce isotopes, was there a possibility of either preventing scheduled maintenance planned at that time, or augmenting supply. There was a discussion that it might be possible at that time with some lead time, but the lead time would have been too long to deal with the crisis that was seen in Canada.

[Translation]

Mr. Christian Ouellet: Yet, Mr. Ponsard, a Belgian official who participated in the conference call, said that he could supply Canada with the isotopes it needed by December 18. The reactor came back on line on December 16. We are talking about a difference of two days. He maintained that he could supply all of the isotopes needed. If an official from your department participated in the conference call, you should be aware of the conversation that took place.

[English]

Ms. Sue Kirby: We can provide some additional information if the committee wishes, but it is not my understanding that supplies would have been available in Canada on the 18th. That was not my understanding of what was presented on that call. However, I was not a participant.

We can get some additional information.

[Translation]

Mr. Christian Ouellet: Was the conference call recorded?

Ms. Sue Kirby: No.

Mr. Christian Ouellet: I see.

[English]

The Chair: Merci, Monsieur Ouellet. Your time is up.

We go now to Ms. Gallant for up to five minutes.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chairman.

Through you to the witness, first of all, please forgive my opposition colleagues who through innuendoes about your appointment to the board of AECL are attempting to smear a woman who has served in the public service for over 30 years.

The CNSC had staff on site at Chalk River for well over a year when...and in the entire 50 years of that reactor being in existence, it was safer than ever before. Now, recognizing that MDS Nordion did not contact the department during the week of November 22 to November 30, through your subsequent conversations with AECL, MDS Nordion, and CNSC, was there some other threat, something else, that all of a sudden was having the CNSC declare that reactor unsafe?

• (1250)

Ms. Cassie Doyle: Mr. Chair, it is accurate that there is staff from CNSC on site at Chalk River. Certainly we had canvassed, both through independent experts as well as the CNSC staff itself, the fact that the reactor itself was as safe as it had been before the shutdown, and would in fact be safer with the connection of one safety pump hooked up to the emergency power system.

As to the position of the CNSC, I'm really not in a position to answer that.

Mrs. Cheryl Gallant: Okay. So what we still haven't determined here—perhaps through being involved in different conversations and meetings with the people I mentioned before—is why at the end of November, beginning of December, the CNSC deemed the AECL Chalk River site to be less safe than it was in October, when they had made all these improvements subsequent.

Ms. Cassie Doyle: Mr. Chair, I guess that is the question that we were working on attempting to resolve for a number of days as it became evident that this was going to create a very urgent health situation in the country. It is a matter of the licence of the AECL, and it is, I think, a point of disagreement between the two agencies.

I'm not really able to comment on the position of CNSC. I think it's best they comment on that themselves.

Mrs. Cheryl Gallant: So as far as you're concerned, there is no indication that the CNSC, for whatever reason, could have been using that specific point in time as leverage to get them to do something. There was nothing else, using that point in time, to get them to do what they wanted to do, or not that you're aware of.

Ms. Cassie Doyle: Not that I'm aware of, Mr. Chair.

Mrs. Cheryl Gallant: Okay.

Now, you're part of the AECL board. Have you sat in on a meeting yet?

Ms. Cassie Doyle: I sat in on my first meeting in January. So I have attended a meeting.

Mrs. Cheryl Gallant: What sorts of decisions are made by the board of AECL—strictly financial, sales, legal? Is there licensing oversight on the part of the board? Are operational matters discussed? What are the responsibilities of board members?

Ms. Cassie Doyle: Mr. Chair, it's an important question. It's like the governance of any crown corporation. The board itself is responsible for setting the overall policy and plan for the corporation, the financial accountability of course, and for taking major decisions that relate to the overall commercial prospects of the corporation. Those would be the general responsibilities of the board.

Mrs. Cheryl Gallant: In the brief time you've been a member of the board so far, is there any indication that a good working

knowledge of the nuclear industry would be required to be a member of the board?

Ms. Cassie Doyle: Mr. Chair, I would say that you can make more of a contribution the more you know about the industry itself, although there are members of the board who bring in some very strong background from the financial sector, for instance, or from the corporate sector, and who perhaps bring in a different skill set to the board. It's a mixed board.

Mrs. Cheryl Gallant: Thank you.

The Chair: Thank you, Ms. Gallant.

We go now to the official opposition, and Mr. Alhabra.

Mr. Omar Alhabra: Thank you, Mr. Chair.

We have the benefit of hindsight now and might want to take advantage of that hindsight to understand what happened and why it happened and to challenge the decision to fire an independent tribunal commissioner, because it's an unprecedented and, in my opinion, inappropriate intervention.

For the benefit of those independent institutions that protect Canadians, this decision, this extraordinary action, has to be tested before future governments—in fact, the current government or the future government, if the Conservatives are in opposition—can know whether it's a good decision or a bad decision.

These are important discussions that are taking place, and I know the Conservatives are not usually comfortable with questions, but this is part of our job. We have to ask these questions.

Deputy Minister, you're familiar with the guide for ministers under the title, "Accountable Government: A Guide for Ministers and Secretaries of State"?

I'm going to quote an excerpt from it. It says:

Ministers and their staff are also expected not to intervene, or appear to intervene, on behalf of anyone, including constituents, with quasi-judicial tribunals on any matter before them....

Being the principal advisor to the minister, did you advise the minister on these two phone calls or the firing and on the fact that it would appear to be in contravention of this guideline?

• (1255)

Ms. Cassie Doyle: I would agree that the importance of this kind of discussion is to ensure that we learn from the experience. That certainly has been the approach of my department.

But I can tell you that the guidance document you refer to speaks against intervening in a particular case and on behalf of an individual constituent or an individual interest group. I want to be very clear that the calls that were made by my minister to the head of CNSC were in the public interest. It was not to direct in any way the outcome of the decision, but instead to encourage action because of the urgency of the health situation in Canada. There was no pressure to make a particular decision, and the guidance refers to intervening on a particular decision.

There is room for communication always between ministers and quasi-judicial tribunals on the administrative matters of how efficiently the overall system is working. In this case, the issue was whether we could expedite a convening of the commission to secure—

Mr. Omar Alhabra: I'm sorry, Ms. Doyle, I understand that. I'm asking whether you advised the minister on this matter before he made the calls.

Ms. Cassie Doyle: Mr. Chair, I advised the minister, I attended the call, I helped schedule it—it was a scheduled call—and I certainly... I advise the minister on any areas in the portfolio, and I certainly—

Mr. Omar Alhabra: So you advised the minister that it was appropriate to make that call?

Ms. Cassie Doyle: I certainly did.

Mr. Omar Alhabra: Okay.

You just also told us that the press release announcing your appointment was issued a week after you were appointed, give a day here or there. But obviously it was probably a few days after the first phone call that was done with the commissioner, the nuclear safety regulator.

Don't you think it would have been appropriate that—

The Chair: Excuse me, Mr. Alhabra.

Is there a point of order, Mr. Anderson?

Mr. David Anderson: I don't know whether everyone else is getting as tired as I am of this line of questioning, but the member has had this question answered half a dozen times. He continues to try to basically, I would say, smear the deputy minister. I think it's inappropriate. He's already had the question answered a number of times. I think she's been clear on that.

The Chair: Mr. Alhabra, the point of order is valid. This question has been answered, and for you to be repeatedly calling for the same question to be answered is not appropriate.

Mr. Omar Alhabra: Thank you, Mr. Chair. I'll take that under advisement.

Deputy Minister, I'm sure you realize that there's no attempt to smear you at all. This is an attempt to get to the facts.

Again, is it fair to assume that the commissioner would not have known on December 5 that you were on the board of AECL. Is that correct?

Mr. David Anderson: A point of order, Mr. Chair.

The Chair: You have a point of order, Mr. Anderson.

Mr. David Anderson: The deputy minister has already pointed out that the order in council was public, as every other one is. If Mr. Alhabra, as evidenced earlier, didn't know about this, it's because he was not paying attention, not because the government hasn't done its job in notifying the public of the appointments.

The Chair: Thank you.

Mr. Alhabra, if you'd get to a line of question that you haven't...

Mr. Omar Alhabra: This is a question I haven't asked, Mr. Chair.

The Chair: That you haven't asked before?

Mr. Omar Alhabra: I haven't asked this question before.

The Chair: Go ahead, Mr. Alhabra.

Mr. Omar Alhabra: Is it fair to say that the president would not have known on December 5 that you were a member of the AECL board of directors?

Ms. Cassie Doyle: Mr. Chair, that's accurate.

Mr. Omar Alhabra: Don't you think it would have been appropriate for you to at least let the commissioner know, or to recuse yourself from that phone call until that piece of information was known?

● (1300)

Ms. Cassie Doyle: Mr. Chair, I think I have canvassed this question a couple of times. I am the principal advisor to the Minister of National Resources on all matters within his portfolio. As such, I sit in...and I provide advice on all aspects of the portfolio. I don't believe there was any necessity, or that it would have been in any way useful or made any difference to bring that information to the attention of the head of CNSC.

Mr. Omar Alhabra: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Alhabra.

The time for this meeting is up. I know the deputy minister has a meeting at 1:15.

So thank you very much, Deputy Minister and Ms. Kirby, for coming today.

Thank you all for your great questions.

The meeting is adjourned.

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