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Chair

Mr. Rodney Weston

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•(1115)

[English]

The Chair (Mr. Rodney Weston (Saint John, CPC)): I call the meeting to order.

I'd like to thank Mr. Carey Bonnell from the CCFI, the Canadian Centre for Fisheries Innovation, for joining us today.

Mr. Bonnell, generally we have ten minutes allotted for presentations from our witnesses, and then we have specific timeframes allotted to our members for questioning. If you hear a little beeping noise up front here, it's the clock letting us know that time has expired. There are some specific timeframes that we need to adhere to, but if you hear that, don't be alarmed. Generally, I won't cut you off, but I might cut some of the members off. It's so we can stay as close to those timeframes as possible.

Once again, on behalf of the committee, I want to thank you for coming today. I turn the floor over to you at this time to make any presentations that you'd like to make. Thank you.

Mr. Carey Bonnell (Managing Director, Canadian Centre for Fisheries Innovation): Thank you, Mr. Chairman.

I'd like to thank you and the committee members here today for inviting me to appear on fairly short notice. I'm certainly honoured to do so. I've actually appeared before the Senate committee on several occasions in the past in a previous capacity, but it's my first appearance before the House of Commons committee. I'm quite happy to appear.

In the ten to fifteen minutes I have, I'd like to do three or four things.

I'd like to start by introducing you to the centre and telling you who we are, what we do, what our successes have been, and so on and so forth.

Then I'd like to provide you with a snapshot of our focus, the kind of work we undertake as a centre, and I'm going to focus primarily on lobster because of the topic of discussion here.

Third, I'm going to talk a little bit about the work we're doing in the lobster industry, both in terms of research and development activities and in terms of the recent work we've done with the lobster summit about a year and a half ago, and the lobster round table, which I understand you've heard quite a bit about.

Finally, and I guess perhaps most importantly from our standpoint, I'm going to touch briefly on where we are as an organization from a

funding standpoint and how that impacts on so many of the things we do, including our activities in the lobster industry.

I've provided the clerk of the committee with a copy of the presentation deck that I was going to go through, and I'm going to go through in brief, but unfortunately there wasn't enough time for translation, given the short notice. You'll get this material over the next day or two, but I will take you through it in brief.

The Canadian Centre for Fisheries Innovation was established in 1989 by the Marine Institute in Memorial University. If you think about it, 1989 and the subsequent years were a period of tremendous difficulty in the groundfish industry. The idea behind the centre was that the resources within the academic community—the largest flume tank in the world at the Marine Institute, as well as engineers, technologists, and biologists—weren't being applied in any meaningful fashion to solve the problems and identify opportunities in the fishing industry. So that was the concept. What we are, essentially, is....

Sorry.

•(1120)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Chairman, could Mr. Bonnell just slow it down a bit? I think the interpreters are having a hard time catching up.

No offence, buddy. Thanks.

Mr. Carey Bonnell: Will do.

The Chair: Thank you very much, Mr. Stoffer.

Mr. Carey Bonnell: I've already forewarned the translators that I tend to have a bit of a quick delivery, but I've been informed that it's quite common for your east coast visitors.

Mr. Peter Stoffer: Yes, sir.

Mr. Carey Bonnell: I'll do my best to slow that down.

Essentially, what we do as an organization is provide to industry the services of the colleges and institutions of Atlantic Canada in industrial and applied fisheries research and development. We are a university-owned, government-funded, and industry-driven research and development organization. We're known as an SIE, a separately incorporated entity, so we are driven, as an organization, by industry. What we do is provide solutions to industry problems and we meet new opportunities. It's about cutting costs and improving revenue to the industry, and looking at sustainability issues in the industry as well.

Over the last 20 years, as an organization we've funded 760 projects throughout Atlantic Canada at a total value of nearly \$86 million. That doesn't include the commercialization of a lot of that research and development. If you look at a multiplier effect, obviously the results would be much larger.

There's been a tremendous uptake in our mandate in the Maritimes. We expanded into the Maritimes in 2002. We opened an office in Bedford, Nova Scotia, that's responsible for all our Maritime activities, and that's been quite successful. I'm going to talk a little bit about that.

Essentially, as an organization we're catalysts for research and development. We have two or three key functions. Obviously, as an organization we provide seed funding to projects. Our leverage rate is tremendous in all the initiatives we undertake, and that's obviously a big part of our organization and our mandate. We also provide project management support. We like to use the term "from concept to cash register" as an organization. We take on initiatives. We take ideas from the drawing board and get them into the ocean or into the plant or into wherever they need to be to take on key research and development initiatives. That's a big part of the centre's mandate.

In terms of governance, CCFI has a board of directors that consists of 18 members, 16 of whom are drawn from industry. Two are our shareholders, one from the Marine Institute and one from Memorial University. I always make the point that it's not Carey Bonnell guiding CCFI; it's the industry that's guiding CCFI.

Our board of directors guides the centre. They are drawn from industry throughout Atlantic Canada, from the harvesting, processing, and aquaculture sectors. We also have an executive committee, which consists of the chairs of our various advisory committees, including the harvesting committee, the processing committee, and the aquaculture committee. They're responsible for the day-to-day operations, or help with the day-to-day operations, of the centre. As I mentioned, we have offices in St. John's, Newfoundland, and Bedford, Nova Scotia.

To give you a snapshot of the last six to seven years, I'm going to use the benchmark of our expansion into the Maritimes. In 2002 we expanded into the Maritimes. We secured \$6 million in funding under round one of the Atlantic Innovation Fund. This was our first foray into the Maritimes, and when we launched that program of R and D Atlantic-wide, we set a target of about \$12 million worth of R and D in total, so basically it was a two-to-one leverage rate. What we actually achieved was about \$24 million worth of research and development. We funded 195 projects throughout the Atlantic region.

Our R and D in the Maritimes was valued at about \$9 million. We had a target of 25% as a starting point, not knowing what the expectations would be. Of the R and D done by the centre over the last six years, 38% has been carried out in the maritime region, which I think is a testament to the success of the centre. I recently did an interview with a consultant on the AIF program, who asked what the best success of the centre has been. I said that the Maritimes expansion, the uptake, has been by far the best success. The issues facing the industry in the Maritimes, as you very well know, are the same as the issues facing the Newfoundland and Labrador industry.

Our project leverage rate under that program was one to five, so for every dollar the centre spent, we leveraged five dollars from other sources. In terms of our leveraged funds, industry contributes almost 50% of the project costs, so for every project we undertake, upwards of 45% of the funding comes directly from industry, in both direct and in-kind contributions. We recognize in-kind contributions. If a harvester donates his vessel to a boat, to the centre, that's a lost commercial opportunity, and it's relevant to mention.

Our administrative costs are extremely low as an organization, making up about 10% of our overall program.

We partner with 13 universities throughout the Atlantic region. We've been involved in a wide range of commercialization projects, including aquaculture expansion through emerging species development, vessel efficiency modifications, value-added product development, and so on. Significant long-term job creation and revenue generation have occurred in both industry and the academic community.

You can think of our organization as an industrial network. We have, over the last 20 years, partnered with over 200 organizations throughout the Atlantic region, ranging from associations and unions to individuals and vertically integrated companies. They include Clearwater Fine Foods in Nova Scotia, Island Fisherman's Cooperative in New Brunswick, Connors Bros. in New Brunswick, Ocean Choice International, the FFAW union in Newfoundland and Labrador, Cooke Aquaculture, and a whole range of other groups throughout the region. We work with everyone from individual owner-operators all the way up to vertically integrated multinational companies. We don't separate in any manner. As long as it's relevant research and it's industry-driven and it has a purpose, we are at the table as an organization.

• (1125)

As I mentioned, our academic network consists of 13 institutions. You'll all be familiar with every one of them, I would assume: the University of New Brunswick; UPEI and the AVC; Nova Scotia Agricultural College; Dalhousie University; Nova Scotia Community College; Coastal Zones Research Institute in New Brunswick; obviously, Memorial University and the Marine Institute; Acadia; Holland College; Cape Breton University; Huntsman Marine Science Centre; and St. Francis Xavier University.

We've worked with them all at one point or another. They have tremendous talent that they can apply to this fishing industry, and they are applying it largely due to the support that's provided by our organization. Very much they're complementary resources. We've built a bit of an inter-institutional model as well. Where universities have had different skill sets, we've brought them together on strategic initiatives throughout the region, which I think is important.

One point that I always hype about the centre is our industry contribution. Nearly 50% of our funding on projects currently comes from industry. When we started in 1989, we had an industry leverage rate of about 14%. That has grown over our mandate, over the last 20 years, to almost 50%. That speaks, in my view at least, to the relevance of the centre and to the great work we're doing.

I'll talk very briefly about the areas of focus of the centre. We consider ourselves an "ocean to plate" organization. That term is popular these days, but we've been doing it for 20 years. Basically, we take on projects from resource and harvesting through processing and aquaculture.

The key areas that we focus on include improved selectivity and bycatch avoidance; sea-bottom-friendly technologies; stock assessment and surveys for emerging species; safety technology, which is so important; vessel design work; fuel efficiency; energy efficiency through improved gears and designs; and facilitating industry efforts to achieve and maintain sustainability certification, a new and emerging area where this industry requires support. On the processing sector, we do work in product quality enhancements, processing automation, value-added production, marine biotechnology, and waste management. On the aquaculture side, we do a lot of research on productivity enhancements for established species and various initiatives for developing emerging species.

In the last few minutes I have, I want to talk a little bit about the work we're doing on lobster, given the focus of these committee proceedings right now. We've done work on the R and D side and as a facilitative body as well, so I'll touch on both.

In terms of lobster research, we've done a whole range of things on sustainability over the years. This includes looking at the consequences of lobster larval settlement, and providing further insight on lobster population dynamics and developing new tools to improve future management. We've done work in terms of reviewing global lobster enhancement efforts throughout the Atlantic region.

We've also done successful lobster conservation enhancement projects with the Eastport Peninsula Fishermen's Association in Newfoundland and Labrador. That research itself actually led to an individual harvester receiving a Governor General's award for responsible fishing operations. We were looking at closed area trials, v-notching, and a whole range of other things. We were one of the catalysts involved in that research as well.

Some of our more recent work is focused more on the processing sector and efficiency. I'm sure during your trip to the Maritimes you've heard a lot about some of the challenges facing the industry, the need to look at product development and at redefining and reprofiling lobster in the marketplace. In the last year, we've focused quite a bit of our work on that area. I'll touch on a couple of projects.

We've done work on value-added products utilizing injection technology with Baie Sainte-Anne Co Op in New Brunswick. We've also done work on the development of protocols for food service use of hyperbaric processed lobster with Ocean Choice PEI. Both projects were carried out and facilitated by us, with the academic partner of the Culinary Institute of Canada, located in Prince Edward Island. They have tremendous expertise in this area and they do great work.

We've also been involved in the successful development of lobster splitter technology for Ocean Choice PEI. We've recently been involved in the exploration of live lobster holding to expand market opportunities. That's been a project with a truck owner in Newfoundland and Labrador. It was initially done with the Marine Institute in Newfoundland, and has since expanded to AVC's lobster science centre, where they're looking at opportunities to extend the shelf life of live lobster to expand market opportunities perhaps into the western seaboard of the United States. So that's an exciting piece of work as well. Significant technology has gone into that.

Moving to a new focus of the centre, more frequently in recent years we've been called upon to play a more strategic role in the industry. We're the independent broker, as we like to call it; the honest broker. People look at us as independent, given our mandate and given that we work with everyone.

We've done a range of projects in the last three years. We had a haddock conference in Yarmouth, Nova Scotia, two years ago, looking at the strategic issues related to the recovery of that resource and how we're going to exploit that research. We brought market experts in from around the world to talk about that industry and how best to prosecute it from the ocean to the plate, resource harvesting, processing, and marketing.

• (1130)

We further built upon that, and in October of 2007 we hosted an Atlantic lobster summit. I'm going to talk about that in a moment. That's been a real success story for the centre, and I'm sure you heard quite a bit about it in your deliberations in the Maritimes. Just last January, following up on that, we hosted an international shrimp conference in St. John's, Newfoundland. Over 250 industry experts and leaders from throughout Atlantic Canada, Europe, the U.S., and Asia attended. They looked at addressing some of the key issues facing the international coldwater shrimp industry. We've had all kinds of positive praise for that work, and it's really been a huge success, and there have been research initiatives drawn from that research as well.

I'll just focus in a little bit more on the lobster summit activity as well. We hosted a lobster summit in the fall of 2007. The theme for that summit was market realities, market challenges, and market opportunities. The objective was to develop approaches to maximize value of the resource for all participants in the Atlantic lobster industry. We had over 250 people attend that conference. The feedback has been tremendous, and it's led to a whole range of new initiatives.

There were five key conclusions from that summit. I think it's important to briefly touch on them. The first was the need to collaborate to tackle key issues in the industry: sustainability, supply issues, cashflow, and market intelligence. They recommended the establishment of a stakeholder organization to move that forward. The second was to manage for sustainability. The third was to become proactive in addressing emerging market issues. The fourth was to explore new market opportunities particularly in expanding beyond the United States. The fifth was to look at improved product and product development initiatives, which is what we've been doing certainly quite a bit of.

In terms of the next steps following up on the lobster summit, there was a request to establish a stakeholder organization to move these key recommendations forward. CCFI was asked to play a lead role on that research. We formed a lobster round table in the fall of 2008. The purpose of the round table essentially was to provide a forum for stakeholders to build and implement joint action plans for industry success. There were four key objectives. The first was to create a shared understanding of key market challenges and opportunities facing the sector. The second was to set goals and targets to strengthen the sector's competitive position. The third was to build agreements on coordinated action plans. And the fourth was to improve returns to the industry through identification and implementation of changes that will improve the value chain. This round table consists of the entire Atlantic industry, with Quebec interest as well. It's all about consensus building. We've had three meetings over the last three months.

I just want to finish with one final point on the round table.

There was a recommendation made at the last meeting, which was about two and a half weeks ago, and that was that immediate action be taken to form a lobster development council to look at the generic marketing campaign for lobster and sustainability certification options in the industry. The second recommendation was to establish a steering committee from the round table to serve as the provisional board for that organization. The third was that the lobster round table continue to serve as an advisory body to that council. CCFI has been asked to lead the charge on moving that initiative forward, again as the honest broker in the industry. The challenge we face as an organization is that we are in a situation now where we're facing the prospect of closure in the coming weeks. We were supposed to have this steering committee up and running, but it's something we haven't been able to do because unfortunately we're too busy trying to breathe some life into the centre to continue its operation.

To finish off today, I would like to give you a short overview of the current status of the centre. Last year, as a condition of funding through ACOA's innovative communities fund, we were asked to complete—

The Chair: Mr. Bonnell, I let it go quite a ways beyond the timeframe. Possibly we can get into some of that information through the questioning the members have.

Mr. Carey Bonnell: Absolutely.

The Chair: Could I just ask you to conclude at this time?

Mr. Carey Bonnell: Sure.

We completed the operational sustainability review of the centre, and we submitted a renewal proposal in June of 2008. We presented a cost-year approach that involved provincial, federal, academic, and institutional support. In February of this year we received a \$400,000 commitment from the four provincial Atlantic Canadian governments. That joint letter was sent to the three federal ministers on February 17. We've been endorsed as an organization by the Atlantic premiers as well. We have 70 to 80 letters of support on file from industry and the academic community, and we have even had recent letters of support from Conservative, Liberal, and NDP members of Parliament. Unfortunately, the provincial support we've been given is subject to federal commitments from ACOA and the Department of Fisheries and Oceans. Unfortunately, as an organization we received a letter of rejection from ACOA on March 3 of this year, and we received a second letter of rejection on April 2 of this year.

I would make one final point, Mr. Chairman. As many of you have dealt with the fishing industry quite a bit over the last number of years, I'd ask the group here where else you would find an issue for which you have unanimous support amongst harvesters, processors, the aquaculture industry, provincial government officials, industry experts, and so on related to one issue. That issue is the Canadian Centre for Fisheries Innovation. I don't think you'll find it anywhere else given the widespread acrimony that exists in this industry. I think it's a testament to the need for the continuation of this centre.

Thank you very much.

• (1135)

The Chair: Thank you very much, Mr. Bonnell.

Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you very much to our witness. What you had to say was a little in-depth, but it was worth hearing. Some people say things that, quite frankly, aren't worth listening to.

We have heard information during the course of our study. There is near-unanimous support. Everyone our committee spoke to who raised the issue of the CCFI related to the lobster industry expressed strong support for the CCFI. I asked them directly whether, since this organization has its roots in St. John's, Newfoundland and Labrador, they felt comfortable with it being involved in issues outside, in New Brunswick, P.E.I., Nova Scotia, and potentially Quebec and other places. The stakeholders all said they completely supported and appreciated the fact. In fact, Mr. Bonnell, they told us that this was the very first time they had gotten together as an industry in the Atlantic, and that it was very worthwhile.

Could you describe for the committee some of the relationships? I know, for example, that some of the largest fishing organizations in Atlantic Canada, and the Maritime Fishermen's Union, right down to individual harvesting committees for various areas, endorse the CCFI specifically on the lobster initiative.

Could you get into some details about the relationship CCFI has established with harvesting organizations?

Mr. Carey Bonnell: Absolutely. We were approached initially two years ago by the Fisheries Council of Canada on this particular initiative, based on the fact that they knew we had hosted recent events. They said they couldn't lead it. They needed somebody who was independent to lead such a thing, given some of the issues in the industry. We immediately got the provincial agencies involved, identified key harvesters, processors, and live shippers throughout the Atlantic region who could participate in such an initiative. We brought them to the table. We facilitated the entire process.

I should mention that the Quebec industry and government have been actively engaged in this work as well.

We looked at consensus building. Our focus was on consensus building and an industry-driven approach. It's a simple concept really. That's why, when you travelled around the maritime region, you heard what you heard about our centre. It was because they trust us, because we are a trustworthy organization. We've had Clearwater at the table talking to the Ashton Spinneys of the world, talking to the Craig Averys of the world. People have been getting along and building consensus on key issues. If you think about the recommendations we've brought forward as an organization, as part of the round table, they are really issues of market development on which we can all agree, and issues of moving forward and addressing such things as sustainability certification, which, as a group, we can all agree on.

Yes, the support is there for that very reason. It's been open and transparent.

Hon. Gerry Byrne: I understand spokespeople for the Atlantic Canada Opportunities Agency have said there is no need for your organization, that fishing organizations and fishing enterprises within the industry now self-collaborate. There is no need for a guiding network or mechanism to be able to establish this research.

Let me raise a particular example. There was a major aquaculture announcement on the south coast of Newfoundland, which was heralded by this government as being a major initiative that was going to advance the cause of aquaculture on the south coast. Who prepared that application? Could you speak to whether or not there is another organization that fish processors and harvesters could tap into to do the work that you do?

Mr. Carey Bonnell: The short answer to that is no. There is not an organization that can be tapped into to do the kind of work that we do.

On the recent announcements on the cod aquaculture, it is important to note—and I've noted it previously—that a good portion of the leading edge that initially went into cod aquaculture in Newfoundland and Labrador was led by the Canadian Centre for Fisheries Innovation going back to our first year of operation in 1989 when we got engaged in this research. In fact, it was CCFI that led the business plan that was launched in 2004, which led, in large part, to the announcement a couple of months ago. We hired a consultant at the school of business at Memorial University. We led that research with the Province of Newfoundland and Labrador and with industry. Certainly the announcement that was made two weeks ago was accelerated, and that research and that commitment were accelerated by the leading-edge R and D that was led by the

Canadian Centre for Fisheries Innovation. There is no doubt about that. No one can argue that.

• (1140)

Hon. Gerry Byrne: I've heard it said by others that there was no application for approval before any funding agency from the CCFI. Is there any substance to that allegation whatsoever?

Mr. Carey Bonnell: No, absolutely not. Actually we tabled a submission to ACOA back in June of 2008. It was submitted formally to senior officials in ACOA Newfoundland and Labrador. I have a copy of the submission as well as the correspondence here, if there is a requirement to table such a document. It's on the file. It's on the record. It was submitted to ACOA, to the Department of Fisheries and Oceans, and to the four provincial agencies as well.

Hon. Gerry Byrne: The other statement I've heard is that there really wasn't much uptake for the CCFI. I've heard it said by officials that the proposal by CCFI to establish this network of fishing-related stakeholders to engage in innovation and R and D did not take hold. The committee itself has heard substantial evidence to the contrary.

Could you relate to the committee any cause or reason why the CCFI may not be funded at this point in time? Do you have insights you can offer us?

Mr. Carey Bonnell: I think we're shaking our heads a little bit on this. We haven't been given what we would call a credible reason not to continue the centre. As for some of the issues raised recently in terms of the centre having outlived its usefulness, well, that couldn't be further from the truth; the 60 to 70 or 70 to 80 letters of support from industry dictate otherwise. The support from the Atlantic provinces dictates otherwise. There is broad-based support for the centre.

It's important to note here as well that the comparison has been made to the Atlantic Innovation Fund and how it could replace the loss of CCFI. AIF is a great program, but it focuses on large-scale, multidisciplinary commercialization research. It's a multi-million-dollar project. So the \$60 million in R and D that's been referred to maybe funded 10 to 15 projects. And that's good stuff; don't take anything away from that. But we take a million dollars as an organization, leverage that at a five-to-one rate, and fund 50 to 70 projects overall as an organization on a yearly basis. What industry often needs are short-term projects that solve existing challenges in the industry or identify new opportunities—generally projects less than \$200,000 to \$300,000. They don't have the resources or the interests to pursue these large-scale initiatives. Certain groups can, and that's a great thing, but you can't take away from what we do as an organization. There will be a void without us. There's no organization out there to fill the void in the absence of the centre.

Hon. Gerry Byrne: Based on the information we have collected from you here today, as well as information from evidence in our hearings, I have submitted to the clerk of this House the following notice of motion, which will be subject to review by the committee at a later date:

That the following be reported to the House at the earliest opportunity:

Pursuant to Standing Order 108(2), the Standing Committee on Fisheries and Oceans recommends that the Government restore full funding to the Canadian Centre for Fisheries Innovation to enable this organization and its partners to pursue its mission to make available to the fishing industry the largest and best-equipped body of experts in fisheries-related science and technology in the country for the benefit of the industry's long-term competitiveness and sustainability.

Mr. Bonnell, I hope all members of this committee unanimously endorse that motion when it becomes available to us for a vote in the coming days.

You've done great work. The lobster industry certainly appreciates the fact that they now have an organization that can establish a network for them to get them together; they did not have that before. Not only have you established that network, but you have also actually started to produce results within the network itself. So I certainly hope you get unanimous support.

Finally, on one last point, have provincial governments from outside of Newfoundland and Labrador actually come to the table with financial contributions to the CCFI?

Mr. Carey Bonnell: Yes, we've actually received over \$400,000 in commitments from Atlantic provinces. That includes, as a ballpark figure, about \$140,000 or \$150,000 from the maritime provinces combined. So it's a significant contribution.

Hon. Gerry Byrne: Have other members of Parliament written to you or anyone else that you know in support of the CCFI? Whom would they be?

Mr. Carey Bonnell: We've had letters of support, obviously, from you and other members from Newfoundland and Labrador. We've had a letter of support from Mr. Peter Stoffer. We've also had a letter of support from MP Gerald Keddy from Nova Scotia as well. So there's support.

The final point I guess I'd like to make on this is that this is not a political issue. This organization has been supported for 20 years by Conservatives, Liberals, and the NDP alike. It has always been the case. It does good research, and we're not here to knock the federal government. We're not here to knock ACOA. What we're asking for is a sober second thought on the need for this centre's continuation, nothing more, nothing less. Getting the leverage or bang for your buck from \$1 million a year from the centre is a good thing, and there's nobody there to fill that void without us.

So that's really the key point I want to make on this. There is broad-based support for the centre. And I would say that among those we've talked to, everybody but ACOA right now supports the need for the continuation of this centre. It's very strong.

• (1145)

Hon. Gerry Byrne: I couldn't have said it better.

Are there are questions?

Mr. Scott Andrews (Avalon, Lib.): How much time do we have left?

The Chair: Ten seconds.

Mr. Scott Andrews: Ten seconds. Okay, I have one question.

When you look at the partner contributions over the years and the question of getting the fishing industry to buy into some organization, in your first mandate the fishing industry contributed

15%. In your second mandate it contributed 30% to 35%, and now the fishing industry is contributing over 45% itself to this organization.

Could I get your comments on the fishing industry buying into something? It's not easy to get anybody in the fishing industry to buy into a concept alone.

Mr. Carey Bonnell: We make it a requirement, which is why we're getting it, as an organization, that when industry comes to us with a concept that we'll take and run with—and you have to think about this in context. Our industrial liaison officers are the brains behind our centre. They spend a lot of time out in the field. When they go and sit down with an industry, fishermen in St. Mary's Bay or otherwise, they're bringing the entire academic community of Atlantic Canada with them, in terms of their knowledge base. When these ideas get formulated, and they have merit, we have one key requirement from that industry client, and it's that he contribute to the project cash and in-kind contributions. In that case, he takes ownership of it.

We're seeing more and more...we have projects now where we have an industry client contributing \$25,000, \$30,000, or \$40,000 in cash to a project, which was almost unheard of maybe 10 years ago. So I think it speaks to the testament of the centre and how we're able to leverage these funds and bring industry to the table. If you look at other initiatives through other programs, that leverage rate just isn't there. We take a great deal of pride in that, so we focus on it in every initiative we undertake.

The Chair: Thank you, Mr. Bonnell.

Monsieur Blais.

[Translation]

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

Welcome. I represent the Bloc Québécois, along with my colleague, Yvon Lévesque. My riding is that of Gaspésie—Îles-de-la-Madeleine. It is perhaps worth mentioning to you that the Bloc Québécois, as a member of the Standing Committee on Fisheries and Oceans, is very interested in all of the issues involving fisheries. I was not aware of your situation; this is the first time I have heard talk of it.

We are currently facing the same problem with regard to another file, that of the Economic Development Agency of Canada for the Regions of Quebec. The funding for organizations devoted to economic development or research has been questioned. Fortunately, thanks to various interventions made by Quebec, we succeeded in somewhat changing the government's opinion or way of doing things. In the end, it came back on its decision to put an end to the funding of these organizations. I would not say that the battle is completely over, but I am seeing that the problem exists elsewhere. In other words, we have seen the same thing crop up in other circumstances.

In order to help me defend you, I would like to know more about your organization. If I do not know who you are, I will not get anywhere.

What does your annual funding amount to? How many people work with you? You stated that you receive funding from other sources. What amount or what percentage does this other funding account for? From what I understand, you cover several provinces. Do you have offices spread about the area? Do you only have offices in St. John's, Newfoundland? How do you go about covering such a vast territory?

• (1150)

[English]

Mr. Carey Bonnell: Thank you very much.

There are a couple of points on that. First, we have two offices. We have an office in St. John's, Newfoundland, where under normal circumstances we have two industrial liaison officers, me, and an executive assistant and secretary. So there are five people in that office. We have an extension office in Bedford, Nova Scotia, where we have one industrial liaison officer. That gentleman is responsible for all of our efforts in Nova Scotia, New Brunswick, and Prince Edward Island. All the administrative work is done out of St. John's, obviously, to lessen the burden for him.

In terms of going more broadly, we have had some general discussions with the Quebec government on exploring options for the broadening of the centre into Quebec. I've spoken briefly with Minister Lessard and his officials in the past on this. We've also had discussions with the B.C. industry, and we've had strong support from the B.C. industry on broadening our mandate nationally to the west coast, which we'd like to explore as well, and the eastern Arctic. I lived and worked in Nunavut for a period of time, and we've had discussions. There's an interest in taking this centre on a Canadian scale.

We've done some limited work in Quebec. The Quebec industry and government worked with us on the lobster initiative and the lobster round table. We hosted a snow crab workshop in Moncton last year, and the Quebec industry was actively involved in that, as well as government officials. We actually submitted a proposal to ACOA three years ago through the Atlantic Innovation Fund. We wanted to broaden our mandate—50% of our R and D into the Maritimes—and we were going to open a bilingual office in Moncton. The hope was that this might be a catalyst to expand into the Quebec region. Obviously, that hasn't happened yet. We've been of the opinion that we have to get our base in Atlantic Canada secure before we can broaden our mandate into other regions. But it's something we would love to do as a centre, broaden it, because there is support for it amongst industry from a broader scale. Those that have been introduced to us in the last couple of years see great merit in this work outside of Atlantic Canada.

I'm not sure if that answers your question.

[Translation]

Mr. Raynald Blais: Not completely. You did not discuss your funding.

[English]

Mr. Carey Bonnell: In our current proposal to ACOA and the other agencies, we have proposed a total of approximately \$1.9 million a year. We've secured funding of over \$400,000 from the Atlantic provinces. We also have institutional support through some

overhead reductions through the academic community; we project about \$171,000. That support is there. What we don't have is the million dollars asked of ACOA as well as a \$300,000 request to the Department of Fisheries and Oceans. That's a \$1.3 million federal request.

I should mention as well that we had proposed a five-year mandate for the centre. We have struggled over the last couple of years. We've had short-term funding arrangements. Unfortunately, I've had to become a lobbyist in many ways. I'm spending too much of my time on this—unsuccessfully, right now, unfortunately.

You mentioned briefly some of the work and changes in opinion in Quebec on certain issues. Perhaps we could get some of those individuals to give us a hand, because we're certainly having some challenges from the advocacy standpoint.

[Translation]

Mr. Raynald Blais: There are operating budgets and project budgets. The latter provide for the hiring of additional people or the carrying out of certain projects.

What impact will the answers you get from ACOA this year have on your operating budget and on the budget for projects?

[English]

Mr. Carey Bonnell: That's a great question.

It will have a huge effect because the provincial funding that's been committed is subject to the federal funds. They look at it from a leverage standpoint, obviously. We've secured the vast majority of the funds required for our operations. That's about \$500,000 to \$600,000. If we include our advisory committee membership, it's about \$600,000. Our direct operating is about \$500,000. We had a \$1.3 million request for projects to leverage that money at a five- to six-to-one rate. Without that commitment, there is no provincial commitment. Without the federal commitment, there likely won't be a centre. That's what we're faced with right now as an organization.

The Chair: Mr. Stoffer.

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

Thank you, sir, for coming today and helping us understand your organization a little better.

Have you personally had a chance to meet with Mr. Ashfield, the Minister of ACOA?

• (1155)

Mr. Carey Bonnell: I presented to both Minister Ashfield and Minister Shea, I believe it was in February. I had what I would call good discussions. I took them through the centre, explained who we are, what we do, the importance of it, and stressed the point that without federal support, the centre does not continue. It was a cordial meeting. It was a good discussion. I think Minister Ashfield recognized and generally appreciated the success and merit of the centre and said he would take it under advisement and would make a decision in the coming weeks.

Unfortunately, the decision was made, but it wasn't the one we were looking for.

Mr. Peter Stoffer: Thank you. I heard the argument privately that some folks within the bureaucracy of the DFO think the FRCC could be doing some of the work you're doing. Could you try to explain the difference between your organization and the FRCC in that regard? I know the FRCC is made up of fishermen and other organizations of that nature. Explain the difference between the two.

Mr. Carey Bonnell: I guess its mandate is largely advisory. It doesn't conduct research and fund research. The argument has been made by Minister Ashfield as recently as last night in the House of Commons that the CCFI does not do research. That's true, but we're a catalyst for research. Without that catalyst this research doesn't get done. You can't debate that other sources of funding can fill the void, because it's not true.

We've undertaken 60 to 70 projects over the last year. Some projects will continue, probably at a lesser level, but there's a whole range of multi-year projects that we're engaged in that are going to fall. We're already seeing the results of that in spring projects for this field season. They are just not going to happen, because the centre doesn't have either the funding for leverage or the facilitative support these projects need to move them forward.

Mr. Peter Stoffer: How long have you been in the organization?

Mr. Carey Bonnell: As of this month I have been with the centre for four years. My first two years were spent as industrial liaison officer, and the last two years I have been managing director.

Mr. Peter Stoffer: You've had the chance to travel throughout Atlantic Canada quite extensively.

Mr. Carey Bonnell: I've made it one of my purposes as managing director—even prior to that—to build relationships in the Maritimes, because we wanted to move on that and establish.... Our industrial liaison officer, Andy Chapman, and I have spent a tremendous amount of time throughout the region.

Mr. Peter Stoffer: I'll ask you to think very carefully about your answer to my next question; it's very important.

When we were in Yarmouth, two of the finest ladies in the industry, Norma Richardson and Nellie Baker—unprovoked by me and with no leading questions—told us in no uncertain terms that the very best lobsters in Canada come from the eastern shore of Nova Scotia.

As an organization that has an umbrella group, can you verify if that's true?

Mr. Carey Bonnell: Can I plead the fifth on that one?

Mr. Peter Stoffer: I just want to verify what we heard.

Go ahead.

Mr. Carey Bonnell: I have had great relationships with Nellie and Norma through the lobster round table. I always hype the round table because it's one of the few experiences I've had where you get such a broad and diverse group in the room. I made the point at the last meeting that there's been no major acrimony whatsoever.

People see the need, the merit, and the role we play, and they are productive in their discussions. Any criticism of a harvester versus a processor or live shipper is very productive; it's a great exchange. In my view—and don't just take it from me but from Norma, Nellie, and the other members out there—this process needs to continue. It's

great work, and it's probably the first time in the history of the Atlantic lobster industry that you have this coming together of resources and interests. It's a great thing.

Mr. Peter Stoffer: Mr. Chair, please note that the witness failed to answer the question.

Thank you very much.

The Chair: Thank you, Mr. Stoffer.

Mr. Kamp.

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

I appreciate you coming, Mr. Bonnell, to help us understand this issue. I'm sure you agree with me that the government is all about making choices. We're here to understand the choice the government has made in this case and get your perspective on it. For us to understand that, we need to understand CCFI as well as we can. Please don't take anything we say as questioning the good work CCFI has been involved in over the last 20 or so years.

Although I think Mr. Blais asked, I didn't completely hear the answer to how your non-profit organization runs. I heard a reference to an industrial liaison officer, and I think I heard a number on the administrative overhead, and so on. Can you tell me about your employees? We've heard about your board and so on, but how many people actually receive salaries from CCFI? What do they do, what are their qualifications, and so on?

● (1200)

Mr. Carey Bonnell: In our St. John's office, under normal circumstances, we would have two officers. We've been down to one for much of the last year or two. We've had funding challenges for the last couple of years, and we've been operating on a very lean budget.

Under normal circumstances, though, the centre would have two industrial liaison officers. One would probably be involved in the harvesting sector and the other in the processing and aquaculture sector in St. John's, and one would be in Bedford, Nova Scotia. So that's three industrial liaison officers, me as managing director, an executive assistant, and a secretary. That's the contingent of staff we would have.

Normally it's a requirement for anyone who works for the centre, certainly at the industrial liaison level, to have a good, broad-based background in industry, because this is—I say it too much, but it's for a reason—an industry-driven organization. We want industrial liaison officers who can deal with industry, who know how to work with industry, but who have great knowledge of the academic community as well, and can match those areas of expertise in a timely and relevant manner.

That's the contingent we have in terms of our operational structure and organization.

Mr. Randy Kamp: None of those people are biologists or academics or bring that kind of...

You mentioned that you're "catalysts" and so on. In what way are CCFI employees catalysts? How are the industrial liaison officers providing this catalytic role that you refer to?

Mr. Carey Bonnell: Our ILOs might sometimes be biologists. We've had industrial liaison officers with biology backgrounds. It's not uncommon. They could be academics, in some cases. But they have to have good expertise in terms of their knowledge of the industry and working with industry.

Generally, it would work like this. Let's say an industry client or an individual has a problem or efficiency issues with his boat and he wants to look at designing a new bulbous bow for his operation. He will call up the industrial liaison officer, because he's aware of the centre, and he will say, "Listen, this is my problem. Do you know anybody who can help with this? Is there any funding available for this?" The ILO will go out there, take a look at the issue, and say, "Yes, we have an engineer at Memorial University who has great expertise in this area; let's go have a chat." Then he will come back, call the academic researcher, and bring them together to sit down and talk about the issue. If there's a project there, the ILO will facilitate the development of that proposal by the academic lead. He will go out and talk to the NRC/IRAPs of the world and the provincial agencies and solicit funding support, get the project proposal in place, get the project up and running, manage it right through to make sure that all the milestones and all the deliverables are being met, make sure the accountability is there, which is an important consideration as well, and then do any follow-up work required.

So he is the catalyst for that. Without him, that work doesn't happen. And I would debate anyone on that. Some of it will happen, but largely it won't. The key reason is that industry is busy. They don't have time to run with this. In many cases, they don't know where to run with it.

In the academic community, their expertise is doing research, and that's their focus. For them, time spent liaising with industry and trying to drum up work is time away from research. That's time they largely don't have.

The catalyst role is essential, but don't forget the funding role as well. There aren't many other agencies out there that fund fisheries development. The Department of Fisheries and Oceans doesn't do it anymore, not on the development side.

I hope that gives you a bit of a clearer understanding.

Mr. Randy Kamp: I appreciate that.

Any responsible government, of course, should always be looking at programs to see if they still have a valid role to play. Sometimes the world changes. In this case, is it possible that the world has changed, that in 1989, when this started, there was very little interaction between industry and academics, that problem-solving wasn't happening then but is happening better now, and that they have a different kind of relationship and work together better now? Industry is certainly much more scientifically interested than they used to be. I think there's no denying that. Is it possible that the government's money perhaps could be better spent, then, on directly

funding some of these things rather than going through a third-party funder, which CCFI appears to be?

I'd just like your comments on that.

• (1205)

Mr. Carey Bonnell: The quick answer is no.

Yes, the industry has evolved and changed over the last 20 years, but it's changed and focused on different areas that still require the support of the centre. Again, ACOA has made the point that there has been \$60 million through the Atlantic innovation fund over the last seven years. It's a great thing, but as I mentioned, \$60 million funds 10 to 15 projects—large-scale initiatives—for 10 to 15 clients. Most of the applied research that's undertaken in the Atlantic fishing industry is on a much smaller-scale basis. So to suggest that the industry has evolved and no longer requires the Canadian Centre for Fisheries Innovation, frankly, is not accurate for that very reason. Many of the 60 to 70 projects or the 200-plus we've conducted over the last five years or the almost 300 over the last seven years would not have been done.

As for the successes there, if you think about return on investment, I can give you an example of one project we've undertaken that would give you the return on our \$1.5 million budget instantly. If you look at it from a return-on-investment standpoint, the federal government is getting a fabulous return on investment from the centre's research in terms of the commercialization of our R and D.

I respect the position and the discussion, but the reality is much different. I can take the 60 to 70 letters of support from industry and the outcry from the Nellie Bakers of the world and everyone else as demonstrations of the need for the centre and its relevance today more so than in 1989. I would vehemently argue that the relevance is much greater today than it was in 1989 given the tsunami of issues facing this industry this year, certainly, and we haven't seen some of the things that will be on the horizon over the next 12 months given the global economic circumstances we're facing. The relevance is clear.

Mr. Randy Kamp: You might be aware of the Auditor General's 2001 report on ACOA, in which she actually looked at ACOA and what it funds and so on. It's a pretty in-depth report. She referred specifically in that report to the business development program policy against providing core funding beyond three years to not-for-profit organizations. It's that kind of report that provides some direction for ACOA when it looks at funding contributions for things such as CCFI.

Do you agree that the kind of funding you get from ACOA is core funding? How much of what is provided by the federal government goes towards projects? That question has already been asked and answered, but this is one of the issues that obviously would concern us.

ACOA is not in the business of providing that kind of core funding for not-for-profit organizations. You will have to make the case that the kind of funding you've been receiving falls outside of that.

Mr. Carey Bonnell: I can respond to that fairly clearly.

I actually read Treasury Board guidelines because of the issues that have been raised. I went through them cover to cover. The key issue with respect to Treasury Board is accountability. There are many examples today—and I can cite dozens—of the federal government providing funding to organizations like CCFI on a third-party-delivery basis. I can use the example of Springboard Atlantic, which is funded by ACOA, which has a model similar to CCFI's.

I respect that opinion, of course, but we have an accountability structure in place in our organization that's second to none. We've been audited for the last 20 years. We've had two independent audits from ACOA in the last three years. We have a good governance structure. We follow the ISO procedures through the academic institution at Memorial University. There is no issue of public accountability.

I respect the position, but Treasury Board guidelines have sections on third-party delivery of transfer payments. We clearly fall within that arena. I understand it, but there is a clear response. If you look at it from a practical standpoint, when you have an organization like ours that's accountable and does the work we do, there's no reason not to continue that support. That's certainly my position on it.

The Chair: Thank you.

Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much, Mr. Bonnell, and welcome.

We're in a difficult time in the lobster industry, and we're very concerned about stocks declining. I'd like you to comment on that and on some of the areas you've been involved in. Also, you talked about the liaison officers and their involvement in industry, on both sides—in the fishery and in the processing. I've seen some of the work that Ocean Choice has done on the extraction of lobster meat.

I'll just give you a couple of minutes to elaborate on the price of fish and the problems we have and what's on the horizon. This is the core of the problem we're dealing with at the moment.

To think that we're going to lose you.... You did not get a letter from me, but I can tell you that you have my full support in every way possible, because at this time we need you and your people and the work that you do.

Am I correct in understanding that with most of the federal dollars, for \$1 you actually end up with \$5 or \$6? Is that right?

I'll leave it that, but don't talk too long, or my colleague will be annoyed with me.

• (1210)

Mr. Carey Bonnell: I have a very quick response to that.

Our leverage rate is about five to six to one. Actually, I didn't present this, but if we look at the last year, where we had short-term funding through the Innovative Communities Fund, our leverage rate was seven to one. Because we had such limited funds, we were aggressively leveraging. So yes, we do have a very strong leverage rate.

On the lobster industry side, there are huge challenges on the horizon. There's no doubt. There are huge challenges now. One of our committee members said it best. He said, our group, the lobster round table, is sowing the seeds for the future. We're looking at marketing issues...[*Technical difficulty—Editor*]. We're looking at addressing certification issues...[*Technical difficulty—Editor*]...coming upon us very hard and quick in the global community. It's not going to deal with the problems come May 1. We understand that. But we're sowing the seeds to make sure that in the years to come we have a strategy and a plan and we're at the table together developing a strategy for the future of this industry. It will make us a better industry down the road, there's no doubt about that.

Hon. Lawrence MacAulay: Thank you.

Mr. Andrews.

Mr. Scott Andrews: Mr. Carey, thanks for coming in.

I want to put this into perspective so that we see what the ask is to ACOA. I know we heard it; you mentioned it briefly. What is the ask to ACOA, and over what time period?

Mr. Carey Bonnell: The request to ACOA is \$1 million per year. We've requested this for the next five years. If somebody comes back and says, listen, five years is not realistic, we need to look at a three-year arrangement, those are issues that you can discuss legitimately. We'd like to have some stability as a centre, because for the last five years almost now we have been going from year to year, and in some cases from month to month. It's a drain on the centre and it takes away....

We had a board meeting recently, and one of our members said, geez, we're doing great work, this is great stuff. My response was, yes, but imagine if I and some of my employees could put 100% of our focus into development work how successful we would be as an organization.

We'd like to have some stability as a centre, so the request is \$1 million per year for five years from ACOA. Last year the point was made by ACOA that funding is a challenge, there's not a lot of money available right now, there are huge liens and requests—and that was a legitimate argument. Today we have a \$40 billion stimulus package on the table. There's not a lot in that stimulus package specifically identified for fisheries. Other resource sectors have had a significant amount of focus. There are elements of that package that talk about resource-based economies where the fisheries certainly could apply. In our view, we would be a great catalyst for the fisheries component of that stimulus package. If there was an opportunity there, we'd obviously want to pursue that.

Mr. Scott Andrews: How much funding are you getting from the Department of Fisheries and Oceans right now?

Mr. Carey Bonnell: We had a request in to DFO for \$300,000 per year for the next five years. We have no commitment in place. What I will say is we have had very productive discussions with Minister Shea. My position, based on my discussions, is that DFO is supportive of the centre. Her position in my most recent meeting with her was that the total \$1.3 million federal request would be best served coming as part of the federal stimulus package. But we have no commitments from DFO, other than those comments and discussions.

Mr. Scott Andrews: Are you getting any money from DFO right now?

Mr. Carey Bonnell: Occasionally, we get funding on projects, but nothing towards the renewal of the centre. We have no commitment at this point.

Mr. Scott Andrews: Okay.

I have two other questions.

Minister Ashfield continues to say that your organization was notified last year of this decision, giving you some time to wind down or find other opportunities of funding. It's been reported out there—and I'd like you to clear the air on that particular question—that your board has known this for some time. I notice in your presentation you mention you completed in 2008...and your first rejection letter was just recently.

Maybe you could clear the air on that, just to set the record straight.

Mr. Carey Bonnell: There are two key points on that.

Overall, this “he said, she said” is not what this is all about. This is about the loss of a highly valued fisheries, research, and development organization—or the potential loss. We shouldn't be debating who said this sort of stuff.

There are two key points. One is that CCFI was never told. We had a contract in place last March through the Innovative Communities Fund that called for us to do an operational sustainability review. It made no mention or reference to the fact that there would be no further funding from ACOA. That's clear. CCFI, its executive, its board, was not told. That's a fact.

The second point, which I think is also an important point, is that then federal Fisheries and Oceans Minister Loyola Hearn, in discussions both with us as a centre and with the Atlantic Council of Fisheries and Aquaculture Ministers...and the ministers can attest to this, because there was a strong advocacy moving forward from the ministers to Minister Hearn to support the centre. His comment was, yes, we're going to support the centre now, but going forward, why don't the provinces come to the table and support a renewed mandate for the Canadian Centre for Fisheries Innovation to come on board with us. That was the comment that was directly made to the ministers and to us. Now, Minister Hearn has since retired, so obviously that's not on the table. But his comments were clear: he wanted the provinces to come to the table. There's no doubt.

We were not told. We were told to bring the provinces on board, which is why I spent much of last year travelling the beautiful Maritimes, talking to the provinces, ministers, bureaucrats, officials in industry, and getting them on board. We went out and did what we

were asked to do, which is what makes this a little bit frustrating from our standpoint in terms of where we are today.

• (1215)

The Chair: Thank you, Mr. Bonnell.

Monsieur Lévesque.

[*Translation*]

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

Welcome, Mr. Bonnell. Are you familiar with the Institut Maurice-Lamontagne? It is situated in Mont-Joli, in the Lower St. Lawrence area.

[*English*]

Mr. Carey Bonnell: A little, yes.

[*Translation*]

Mr. Yvon Lévesque: How would you compare to this institute, at least based upon what you know of it?

[*English*]

Mr. Carey Bonnell: I don't know a great deal about the centre. What I will say is that two weeks ago I attended a meeting at NSERC, the Natural Sciences and Engineering Research Council of Canada, on capture fisheries and some of the support they're providing to those fisheries. There was a gentleman there from Quebec, who was doing work on gear technology and energy efficiency in the industry. That expertise also exists at the Marine Institute in the flume tank. We had a lengthy discussion with those individuals—I forget their names now—about opportunities to form collaborative partnerships, because they're doing work that's very similar to what's going on in Newfoundland and Labrador, and there's no need to reinvent the wheel with some of this research. So if there were an opportunity to collaborate and to bring these institutions together and merge those partnership, we'd love to explore that, as it's something that CCFI has done and continues to do.

We had an initial discussion, and my comment to him was that if we were to have a life beyond the next few months and CCFI were to get a new mandate, we'd like to start some serious discussions with him as an institute to see if we could get some good partnerships up and running, with meaningful results both for the Atlantic industry and Quebec industry.

[*Translation*]

Mr. Yvon Lévesque: If I understand correctly, it might be possible for you to take some time to negotiate with research centres such as this one in order to obtain funding from them and pursue your work within a collaborative partnership. There must also be in your area centres that could support you financially, and for which you could carry out research or whose research work you could complete. While you did that, the people in those centres could perhaps concentrate their efforts on something else.

[English]

Mr. Carey Bonnell: Absolutely, that's something we would most definitely love to pursue, and it would certainly fit within our scope and mandate.

[Translation]

Mr. Raynald Blais: Did you see ACOA's decision with regard to funding cuts coming?

[English]

Mr. Carey Bonnell: I think it's important. Obviously, to be fair to ACOA, we've had a good working relationship with them—certainly at the officials level, and even at the senior management level. Of course, that relationship has been strained a bit in the last couple of months; but that's normal when these sorts of things happen. We met with ACOA officials on our proposal in June of last year, and most recently in December. We discussed the proposal, went through it in detail and had very productive discussions. Issues were cited in terms of funding availability and the points that have been made on third-party delivery and programming. We've addressed all those issues, as I've done here today, but they did cite funding challenges, as well as other things.

One of the points I made to ACOA in December when the stimulus package was being prepared was that there might be an opportunity there, if something were being prepared for the resource-based sectors, to support CCFI. I didn't get a yes, but I didn't get a no either. It was more, "We'll see." We have been struggling, and we know it is a challenge, but we've had struggles like this before, going back in our 20-year history. Before my time, we've had issues where we've been close to the edge but never gone over.

I think it's good that an organization like ours has been kept accountable. So every four or five years, it's great to have to come to the table and justify your existence; it keeps you on your toes, so I don't mind that. But we didn't expect a "no" from the minister. No, we didn't expect that.

• (1220)

[Translation]

Mr. Raynald Blais: People often wonder why this type of organizations exists, why such organizations have to come back year after year and why they are not self-sustainable, but people do come to the realization that the work that they accomplish could not be done otherwise, or at least it would be much more difficult. In those regions deemed remote, businesses have trouble making ends meet most of the time. There are not always large corporations able to fund research and development projects.

Indeed, even Bombardier, a large corporation, does R&D work for which, from what I know, it receives government funding.

Were the work accomplished by your organization not funded, it would never be done, especially not by the industry. Might that be a weighty argument in your favour?

[English]

Mr. Carey Bonnell: If I understand your question correctly, there is a lot of work that would not get done if the centre doesn't continue. I think there's no doubt about it. There are certain things that will continue. I can't say that everything will fall, but there are significant

portions.... If we do 60 to 70 projects a year and we're the catalyst for a good chunk.... We're not always the catalyst; in some cases we come in where others might be doing some management work, but in the majority of the cases we are the catalyst for that research and we bring the funding to the table. So if the funding is removed and the catalyst for that research and from a management standpoint is removed....

The comment was made I think by Minister Ashfield last night in the House of Commons that it won't affect the Fisheries and Marine Institute or Memorial University or any other academic institutes, and there's AIF funding. For example, in Newfoundland and Labrador, I can think of maybe two to three AIF contracts since 2002. If an Andrew Daley or a Dwight Spence, or another fisherman in the northern peninsula, wants an initiative related to challenges in his industry, AIF is not the answer to that sort of work. It's an organization like us, and without us that work doesn't proceed. I think that's clear.

The Chair: Thank you.

Mr. Stoffer.

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

I always thought that government would like to have peace on the water, if at all possible, regardless of the government. And any time Clearwater and Ashton Spinney can sing out of the same hymn book, that's a good day. You have a big corporate organization that's integrated and then you've got Ashton Spinney, and anyone who knows Ashton—if Greg Kerr was here, he'd be able to highlight a bit more—knows they don't see eye to eye on very much, but in this particular regard it appears that they do.

So instead of making it an expenditure, I think it would be a wise investment. If you can get those groups talking together, working together—let's face it, for the betterment of all of them, because you have to protect the resource, you have to protect the environment, you've got to improve markets and you've got to coordinate all of those efforts, and if your organization is willing to do it, I think that would be a good thing.

My question to you is, when is the drop dead day? When do you have to know for sure if funding is going to be rethought or they're going to say no, that's it, you're done?

Mr. Carey Bonnell: We're rapidly running out of time in terms of our existing funding. We're still going through the final stages of all of our year-end funding and crunching numbers on a daily basis. Right now, we have operating funds for the next couple of weeks to a few weeks and that's it. So it's this spring, certainly not beyond the spring.

Mr. Peter Stoffer: By May 15 or something?

Mr. Carey Bonnell: May would be a very accurate timeline, unless there's something forthcoming from the federal government or we find some other avenues. May would certainly be a very realistic timeline for us, and probably not the end of May as it stands right now.

Mr. Peter Stoffer: Have you planned a plan B in any way? I understand it's quite possible that what the government may be thinking is, why can't industry do this? If it's industry driven, if it benefits industry, shouldn't they be paying for all of it and let government out of there? As Mr. Kamp said, these are choices.

Obviously, we would disagree with that choice, but it is a choice that at least they've made up to this point. Is there any plan B that you have in this regard?

Mr. Carey Bonnell: I think the suggestion that industry could fund this is challenging. Industry, and all of the members probably know this, is under a tremendous crunch right now. We've got major viability issues in the harvesting and processing sector. Industry will contribute the projects, and you've seen those numbers, which is a great testament to the work they do, but to suggest they can fund the centre is not realistic.

The point I want to make, again, on the ACOA funding, is that we reduced the ask to ACOA from \$2 million a year three years ago down to \$1 million a year, which is a 50% reduction. We went from a request that had 100% of ACOA funding for most of the last 20 years to a request now that's a little over 50%. We looked at our sustainability review as an opportunity to reduce the burden on ACOA and to bring the request down, which we did. But to walk away from the centre cold turkey—and this is a discussion I've had with ACOA—when we're trying to reduce the burden on ACOA, to explore other options.... Stage one is to bring the provinces in. Stage two might be some sort of industry support down the road. You need time for these types of plans and programs to evolve.

In terms of other plan Bs, we've had general discussions, but there is no active plan B right now for this organization, because we're focused on an Atlantic-wide initiative. We've got great support throughout the Maritimes and in Newfoundland and Labrador, and our focus is to keep that. If what we did wasn't good work and it wasn't successful, and if we didn't have support, we'd be happy to walk away. Carey Bonnell will be fine and our staff would likely be all right at the end of the day. We've got a good group of people. But when you've got the support and endorsement that we have as an organization and the need and the merit—you can't debate it; somebody might say otherwise, but you can't debate the success of the centre. That's why we're so vehemently opposed to closing the centre and we've so assertively advocated for the need for the continuation. It's about industry and it's about the need for this industry.

• (1225)

Mr. Peter Stoffer: Have you attended the Boston Seafood Show over the years?

Mr. Carey Bonnell: Yes, I have.

Mr. Peter Stoffer: Do any other countries, states, or areas have a similar arrangement as yours, working with industry, individuals, scientists, and academics to promote their particular industry? You

talked about shrimp, but do Scandinavian countries or the States have something?

Mr. Carey Bonnell: That's a good question. The best example I can give you is the Sea Fish Industry Authority in the U.K. We've done a bit of work with Sea Fish. They actually wrote a letter of support for the centre—they support us that much. We partnered with them on some workshops recently, and they attended an energy efficiency workshop we hosted in October in St. John's, Newfoundland.

We do a lot of complementary work, and we've been talking about forming some level of collaboration in global energy efficiency in the harvesting sector. They have a model with a levy-based system. That system has been around for 30 to 40 years now, and the Canadian industry in some ways pays for it, because when we export product to the U.K. there's a levy on it. It's a very small amount, but it goes toward supporting the Sea Fish Industry Authority. It's a good model and something we'd love to consider down the road, but it's hard to implement or impose new levies. This was implemented in the early stages of the industry. It's a great model. It's very similar to ours.

Mr. Peter Stoffer: Do the States have anything?

Mr. Carey Bonnell: There's a lot of government funding in the U.S. I'm not aware of a model that's parallel to ours, but a lot of public support, public funding, goes into research and development in the United States.

Mr. Peter Stoffer: Thank you.

The Chair: Thank you.

Mr. Allen.

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

Thank you, Carey, for being here today.

I'm trying to explore how this whole thing happened, and I'd like to get my head around this as well. I don't want to get into a "he said, she said", but I can't help doing that a little in trying to figure this out.

It has been stated that in March 2008 the centre was informed that 2008-09 was going to be the last year. It's interesting if you don't agree, because it was said that it was "formally" advised, and you had to develop a self-sustainability plan that did not involve ACOA support. So the statement is that the plan never came in.

Did the centre take that seriously, or did it come back with a plan? When you put your proposal back to ACOA, did you talk about sustaining a million dollars for five years, as opposed to what a plan B would be, engaging the provinces over the next time? You said the industry is tight, and I understand that. So engaging the provinces... because they haven't done much in the centre for the last 20 years, and maybe they should be taking a bigger role.

Did you address plan B and say it was a non-starter, or did you throw the idea out and say, “We could probably do this, if you do this for three to five years”? I’m not hearing whether that plan ever came in, and I’d like to understand the background in those discussions from your perspective.

Mr. Carey Bonnell: That’s a very good question, but there are two key points on that. Again it’s the “he said, she said”, but it was never said to the CCFI. The talk is that there was a discussion between ACOA and the Marine Institute, where an ACOA official said this was it and there would be no further funding. A decision as significant as that should have been given in writing to the Canadian Centre for Fisheries Innovation, or told to the centre or the executive verbally. If you’re going to make such a strong decision about an organization that’s been around for 20 years, it should be stated to the centre directly.

Second, at the same time that statement was made between ACOA and the Marine Institute—not CCFI—Minister Hearn was telling the provincial ministers and me to come on board in a new, future-renewed model for the centre. So we developed a plan, based on that recommendation, to bring the provinces to the table and reduce the burden on ACOA. I had discussions with ACOA and said we were committed to continuing to explore options over time to further reduce and, if possible at some point, completely eliminate the need for ACOA support. But you can’t go from 100% one day to zero the next. It takes time to develop such a strategy. Going from 100% down to a little over 50% in terms of the request is a significant step in the right direction.

To be fair, we did explore other models and options for the centre—other scenarios. We brought our board and some of our industry together to go through some options. They’re presented in the proposal we gave them. The clear direction from industry and our board members was that if you have a model that’s not broken, why fix it? If you have a centre that’s been so successful, industry-driven, and a tremendous model, it’s hard to argue.

There has been some discussion lately on merit. But you can’t debate the merit of this centre. Perhaps that’s why we don’t have ACOA here today—I wouldn’t be here either, for that matter. You can argue about third-party delivery; there’s a response for it. You can argue about available funds, but you can’t argue about merit. I’d debate anybody on that point.

I hope I’m answering your question in that sense.

• (1230)

Mr. Mike Allen: I have a couple of quick questions, too, and I’m not sure if there will be any time left.

Has there been, in these discussions with the provinces, any thoughts that the provinces would be prepared to ramp up their funding?

I ask that question because in your discussion in response to the questions from Mr. Blais and Mr. Lévesque, you talked about your future plans and expansion, and possibly bringing it into Quebec. Would you be expecting ACOA to pay for that, as you kept expanding outside the region? There are other organizations in the country, in other regions, that do things similar to what you do, and you have a barrier as to how far you could go.

Mr. Carey Bonnell: Of course, we wouldn’t be looking to ACOA to fund research or development work in either Quebec or B.C. We would pursue other avenues and other funding mechanisms for such a model.

In terms of the provinces contributing larger amounts, whether or not they would consider such an option, you can’t have the discussion when you don’t have the other party at the table. So would they consider it to a certain degree? The provinces are under tight constraints. You’ve seen some of the budgets that the provinces—New Brunswick and others—have gone through recently. It’s a challenge. It’s a testament that we’ve received the contributions that we have, but if the federal government were at the table talking about this and looking at.... We’ve said, “We want a champion. We need a champion for the cause. Come to the table. Let’s find solutions together. Let’s work our way through the federal system. Maybe there are other avenues for support, but recognizing the need to do that.” Then perhaps there would be further funding there from the provinces—I don’t know—to a certain degree, or in time you could build that and other avenues. But they’re not at the table right now, which is what makes this so challenging, I guess, from our standpoint.

The Chair: Thank you, Mr. Bonnell.

On behalf of the committee, I want to thank you for taking the time to travel here today to meet with the committee and answer the questions the committee has had. We do certainly appreciate your efforts here today. Thank you.

Mr. Byrne, I believe you have a point you want to raise.

Hon. Gerry Byrne: Yes, Mr. Chair.

The chairman of our committee has taken the liberty to go into a public forum to express his dissatisfaction with members of this committee, in particular Liberal members from Newfoundland and Labrador, and our perceived lack of support for the seal hunt. He did so through the issuance of a statement. He was on the *Fisherman’s Broadcast* on Tuesday of this past week, identified as the chairman of this Standing Committee on Fisheries and Oceans, and was interviewed as such. He indicated that he was extremely dissatisfied that Liberal members from the province of Newfoundland and Labrador did not stand up in support of the seal hunt satisfactorily, despite the fact that, of course, this committee has produced several unanimous reports on this issue and has engaged in intensive study.

That being the opinion of our chair, that he feels it is important for this position to be re-announced, I would like to present to the committee a motion pursuant to Standing Order 108(2):

The Standing Committee on Fisheries and Oceans acknowledges that the Committee fully endorses the harp seal hunt, that it approves of current regulated killing methods, approves that the harvesting of harp seals of the age cohort known as “beaters” and older is fully acceptable, and that the Canadian harp seal hunt is humane, responsible and sustainable and should continue for generations to come; and

That information of the Committee's position along with the results of the recorded vote be made immediately available to the general public through media advisories prepared by the Clerk and distributed throughout Canada, and that this resolution be reported back to the House as well.

●(1235)

The Chair: Thank you. Notice has been served.

There being no further business, the meeting is adjourned.

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