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Chair

Mr. Rodney Weston

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• (1540)

[English]

The Chair (Mr. Rodney Weston (Saint John, CPC)): We'll call this meeting to order.

I apologize for my tardiness. It's House duty day.

I'd like to take this opportunity to welcome our guests this afternoon. Thank you very much for appearing before the committee. We've had small craft harbours on our minds for some time, and we look forward to your comments today.

I'm sure you understand that with committee business there are certain time constraints around presentations from our guests. Those same time constraints apply to our members as far as questions and answers go.

You will hear a beeping noise up here. That's the timer. It will go off on a ten-minute basis. That's what we generally allow for presentations from our guests. I'd ask you to try to adhere as closely as possible to those timeframes so we can get in as many questions and answers as possible.

Generally we don't cut our guests off. However, if you do hear the beeping noise, I'd appreciate it if you could start to bring your remarks around.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): And we won't cut off the clerk.

The Chair: Yes, we cut off the clerk....

I don't know what that meant, but I appreciate your comments, as always, Mr. Byrne.

So I'll let you begin your presentation. Perhaps you would start by introducing yourself and your associate.

Thank you.

[Translation]

Mrs. Michaela Huard (Assistant Deputy Minister, Infrastructure and Information Management, Department of Fisheries and Oceans): Mr. Chair, members of the committee, good afternoon.

I would like to thank the committee for the invitation to appear today and for your ongoing interest in the Small Craft Harbours Program, a nationwide program which both the committee and the Department recognize as being very important to the ongoing success of Canada's commercial fishing industry.

It is equally important to the many communities and broader interests that are supported by DFO harbours.

My name is Michaela Huard.

[English]

As you know, this is not my first appearance before you. It is, however, the first time I appear as assistant deputy minister for infrastructure and information management, and thus responsible for the small craft harbours program.

With me today is Micheline Leduc. She's the director general of small craft harbours. She also has appeared before the committee.

[Translation]

I intend to keep today's opening remarks quite brief by touching on the most important developments affecting the program since we last appeared before the committee in November 2007.

I am pleased to report that these developments have resulted in increased resources and have been positive for the program.

[English]

Budget 2008 contained two funding initiatives for small craft harbours. The first was the provision of a four-year, \$45 million initiative to accelerate the divestiture of recreational and non-core commercial fishing harbours. This important funding allows the department to more quickly arrange for the necessary repairs and maintenance to harbours before transferring to their home communities.

Upon transfer of ownership, these harbour facilities can continue to serve marine-based users by providing the home community with an opportunity to expand local services. Transferring ownership also allows communities more flexibility in integrating the facilities into larger community development plans and partnerships. As we near the completion of the second year of this initiative, I can report that the work is progressing well and that 13 harbours have been divested so far, with the bulk of divestitures planned to occur in the third and fourth years of the initiative.

Over the four-year period, we anticipate that approximately 75 to 95 harbours will be transferred to local communities across the country. There are several important variables in successfully transferring ownership of these harbours. They include cost, size, aboriginal land claim considerations, and perhaps even more importantly, successfully concluding agreements with local communities. Consequently, we cannot be more precise in estimating the final numbers. This accelerated divestiture effort is certainly being welcomed by the communities concerned and will relieve some financial pressures on the program in the longer term.

The second funding item from budget 2008 was that for construction of the first small craft commercial fishing harbour in Nunavut, located in Pangnirtung on Baffin Island. This community of approximately 1,300 people currently has a healthy local fishery and an existing fish-processing plant. Nunavut has repeatedly made the case that this infrastructure is critically needed to allow communities to expand their near and mid-shore commercial fisheries to their economic benefit.

Our harbour plans will directly support the interests of the local fishery, further the Government of Nunavut's development plans for this renewable resource, and be an important asset to support broader community transportation needs. The completion of the harbour is scheduled for 2011-12, and we expect the harbour will be fully operational and under the management of a local harbour authority in the summer of 2012. This is a large and important harbour project. It's our first construction project in the Arctic. It comes with special challenges of mobilizing supplies and equipment to the community by limited sealift. It is also complicated by the fact that we must work with a very short construction season and build a harbour capable of dealing with severe ice and weather conditions and very substantial tidal ranges.

In addition to the approximately \$11 million in capital funding for the project at Pangnirtung, the budget also provided for ancillary funding for hydrographic charting and aids to navigation to support the harbour development. As part of a broader initiative, budget 2008 also provided additional departmental resources to bolster our efforts in science and fisheries resource management to support Nunavut's interest in further developing the emerging fisheries in the territory. This broad initiative was funded as part of the government's northern strategy efforts.

More recently, the small craft harbours program has also been identified as a significant contributor to the government's interest in providing economic stimulus through Canada's economic action plan, budget 2009. This budget provided an additional \$17 million over two years to accelerate the harbour construction at Pangnirtung. The harbour will have two important benefits for the community. It will provide an infrastructure base for the long-term sustainable growth of regional fisheries and will provide local employment during the harbour construction period.

A larger element of the economic stimulus funding provided to DFO in budget 2009 was an investment of \$200 million over a two-year period to fund repairs and maintenance at core commercial fishing harbours. These funds will enable the program to undertake more than 250 priority projects at some 225 core fishing harbours across the country. This work creates immediate local jobs, and

improved harbours help to ensure that those who depend on the fisheries will have improved infrastructure for years to come.

The program's success in implementing the first year's plan has been such that we are seeking approvals to move forward \$20 million of 2010-11 funding into this year's budget so that additional projects can be undertaken as quickly as possible this year. I would like to take this opportunity to acknowledge the considerable help that has been provided to us since the beginning of the year by such groups as Public Works and Government Services Canada, our own local harbour authorities, and the consulting and construction sectors generally. Without their cooperation and support, our success in implementing the stimulus works just wouldn't be possible.

• (1545)

I really would be remiss if I didn't say the same appreciation should be extended to our own small craft harbours personnel, who have been absolutely tireless in their efforts to plan and deliver these important projects in a very short time. The overall effort has really been remarkable.

The infusion of this \$200 million investment in core fishing harbours, together with our regular maintenance and repair budget of approximately \$73 million per year, will assist in addressing the most pressing but growing backlog of repairs to small craft harbour facilities. At present our efforts are focused on meeting the economic action plan deliverables. Improvements to the conditions of our facilities will also have the effect of reducing some pressures on those volunteer harbour authorities, which have benefited from this new investment. The department's 2008 decision to augment the program staff levels has also resulted in our ability to increase the number of staff dedicated to providing business support to the harbour authorities. This measure, together with an annual investment of \$500,000 for training and other advisory services, has been helpful, but there continues to be some concern as to the long-term sustainability of our volunteer base and the ability of harbour authorities to meet their critical responsibilities for our core harbours.

Overall, our harbour clients are very pleased with the recent additional investment in our harbours. They do recognize that these funds will help address many of the most pressing repairs, but not all harbours will benefit. As previously mentioned, we planned to undertake more than 250 projects at some 225 harbours. This means that some of the most pressing work will occur at approximately one-third of our core fishing harbours. This is certainly helpful, as we move forward with the assistance of our departmental colleagues in the fisheries resource management section of the department to update our long-term infrastructure planning, to meet the industry's evolving harbour service needs and help support broader community interests where possible.

[Translation]

Thank you again, Mr. Chair, for this opportunity to appear before the committee. I and my colleagues will be pleased to try and answer Members' questions.

[English]

The Chair: Thank you very much.

Mr. Byrne.

Hon. Gerry Byrne: We are ready to go. All right.

Thank you very much to our witnesses, and thank you again. It is recognized that this is not the first time you have appeared before the committee, and we appreciate it.

Michaela, you mentioned that in the economic action plan there are some things related to small craft harbours. Is this a government report or a Conservative Party of Canada report?

Mrs. Michaela Huard: I can't see it from there, but there is a Government of Canada report.

Hon. Gerry Byrne: So anything in here you are responsible for in terms of the information, not the Conservative Party of Canada, I take it, as to dealing with small craft harbours.

Mrs. Michaela Huard: With respect to small craft harbours.

Hon. Gerry Byrne: One of the projects highlighted was a project in Goose Cove, Newfoundland and Labrador. It says that \$1.25 million was spent on a particular project there, and it was highlighted specifically in Canada's economic action plan. Yet for the project itself, the contract was let to a contractor by the name of Bing Pelley Ltd. It was valued at \$700,000, which is not \$1.25 million. What happened to the other half-million plus?

• (1550)

Mrs. Michaela Huard: I don't know if my colleague has more details on the specific projects. There are 250 projects that we have through this—

Hon. Gerry Byrne: But only one is highlighted in this book.

Mrs. Michaela Huard: Yes, and there are 230 under way, I might note.

There is money spent in the engineering and the development of specifications before construction actually begins. Sometimes there is more difficult work that's required, whether it is geo-technical work or other things required before construction can begin. I would have to look into the specifics of that particular case to tell you, but I expect it is the result of that. There may be further work, some other element to the project that's required further.

Hon. Gerry Byrne: You are pretty confident—this is the only small craft harbour project, really, that's highlighted for Newfoundland and Labrador in this book—that indeed the total cost at the end of the day will be \$1.25 million or thereabouts, within probably \$10,000 to \$50,000, no more than that.

Mrs. Michaela Huard: These are estimates as to what the projects are likely to cost. As we go to tender sometimes we're happy to see the costs are going to be slightly less or substantially less even. Sometimes they are more.

Hon. Gerry Byrne: The tender for this particular project was done in September 2008.

Mr. Kennedy, you might be able to provide some information. This book was published in January or February 2009. That tender was out in September 2008. Really what I am wondering is could the people of Goose Cove and the harbour authority there expect \$1.25 million, or really, that cheque that was cut actually should be discounted by 45%?

Mrs. Michaela Huard: No, I don't think that's the case. I think they can expect that the work that we announced that we would be doing, the work that we anticipated doing, that we worked on with the harbour authority to undertake—if there is one there, and I couldn't tell you specifically—will be done. And we expect it will cost in that order of magnitude. All of the projects for the two years of the economic action plan have been announced. So we are dealing with estimates in many cases.

Hon. Gerry Byrne: Given the fact the contract was indeed awarded in the fall of 2008 and this book didn't come out till.... We know that the exact moment the contract is awarded, it's awarded. So we know what the contracts will cost. This book here, which was published in 2009, says it was \$1.25 million. That's a difference of 45%. That being the case, I wonder what other projects need to have a certain amount of scrutiny by this committee.

Let me go on to another question. The small craft harbour regions in Canada have been noticing a certain amount of money. There's a normal pattern of funding that the Department of Fisheries and Oceans, the small craft harbour section, provides to the various regions' small craft harbour offices throughout Canada. For example, in Newfoundland and Labrador region, it's about 28%.

Will you commit to the committee today that there is no objective or plan to change the normal distribution of funding?

Mrs. Michaela Huard: Do you mean with respect to the economic action plan?

Hon. Gerry Byrne: No, the overall funding envelope for small craft harbours. It's been a long-standing process, a long-standing objective here, to make sure that each region has a transparent and easily budgeted figure so they know what they're getting. In the case of the Newfoundland and Labrador region, for example, they are getting approximately 28% of the overall small craft harbour budget.

Are there plans within the department to change that percentage or distribution?

Mrs. Michaela Huard: No, I don't believe there are plans to change the percentage. It's stayed relatively stable. I couldn't speak to how many years it's been stable, but I know it has been relatively stable. I know it continues to be stable. I certainly have no plans to change it. I think from time to time, we do hear from our colleagues that they have particular pressures, but overall the formula has—

Hon. Gerry Byrne: Exactly.

I'm going to pass my time over to my colleague, Mr. MacAulay.

We look forward to finding out where that other \$500,000-plus is going in Goose Cove.

Thank you. I appreciate it.

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): I just want to follow up on my colleague's question. Thank you, Mr. Chair.

Is it then true that there's actually a project in the economic action plan update that was approved before the economic action plan was started? How could it be put out to tender in September 2008?

Mrs. Michaela Huard: Did you say it was put out to tender in September 2008?

•(1555)

Mr. Gerard Kennedy: That's correct, because the money was not even asked for until January 2009.

Mrs. Michaela Huard: I'd have to look at that, because we have our regular budget and then there are projects under the economic action plan. I would have to see what part of it.... Perhaps there was something that was already funded.

Many times we have multiple requests from one particular harbour for a wharf.

Mr. Gerard Kennedy: Could you undertake to get back to this committee in writing on the status of this particular—

Mrs. Michaela Huard: Sure.

I would just like to add, if I could, that sometimes people will ask for a project for a breakwater, and they will also look for a project for a wharf for the following year, and they may also need replacement of an electrical panel as a third project. So perhaps there was one project in 2008 that was already entrained, and the rest is the economic action plan. I'd have to check.

Mr. Gerard Kennedy: Sure. I didn't want to put you on the spot to speculate, but I assume we have the right person here and that you would have been responsible for this information. It seems to be a bit at variance with other information. So could you undertake to get back to this committee in writing and verify if this project belongs in this book? Because I think right now a question has at least been raised about that. Okay?

Mrs. Michaela Huard: Sure, no problem.

The Chair: Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much.

Welcome.

On the stimulus funding, how many dollars went into small craft harbour repair? And do you have it broken down by region? My interest would be in the Atlantic region—or the maritime region, in fact. But do you have the figures for what extra dollars were put in by the stimulus package? I ask because of the situation in Prince Edward Island, with the infrastructure that we have there. Of course, you're not going to know about different harbours right off the bat, but we have harbours like Annandale, Red Head, and Mink River, and these are in desperate shape for funding. We have the stimulus funding that's supposed to come in place to create work. So I just wonder what its standing is, what dollars were allotted and where.

Mrs. Michaela Huard: There are over 250 projects, as I say. If I look at the economic action plan funding by the Department of Fisheries and Oceans, for instance, starting with Newfoundland and Labrador, there's \$52 million over two years—that is, from the \$200 million over two years. For the Maritimes and gulf region, including Prince Edward Island, there is \$87 million; for Quebec, \$22 million; for our central and Arctic region, \$7 million; and for the Pacific region, \$22 million. Now, those are rough numbers; I haven't given you the decimal points.

Hon. Lawrence MacAulay: Okay. What you're telling me is that there's \$87 million for the gulf region?

Mrs. Michaela Huard: For the Maritimes and gulf.

Hon. Lawrence MacAulay: For the maritime region and the gulf.

Mrs. Michaela Huard: The Maritimes and gulf. I'm using the DFO terminology.

Hon. Lawrence MacAulay: Can you supply to this committee, if you don't have it now, where the dollars were allocated, what wharves they're allocated to, and what dollars were spent?

Mrs. Michaela Huard: There have been announcements made with respect to the specific projects. We can provide those.

Hon. Lawrence MacAulay: Can you also inform the committee what has been announced and where we are in terms of progress?

Mrs. Michaela Huard: We know the number of projects under way. I believe my colleague has the specific breakdown. We know that of the 250 projects, we anticipate—

Hon. Lawrence MacAulay: But that's Canada-wide.

Mrs. Michaela Huard: Yes

We know that 230 of these projects Canada-wide are under way. They've either been tendered, or some of them have been finished, and some of them are in the engineering and planning phase.

Mr. Gerard Kennedy: Just very quickly, can you tell us how many jobs have been generated by those projects under way?

Mrs. Michaela Huard: I'd have to get back to you specifically. Actually, with respect to the specific number of jobs, we didn't ask contractors to tell us how many jobs they have created in particular, but we do have a number overall.

Mr. Gerard Kennedy: So you're not tracking the jobs? You're not tracking the jobs created by your projects?

Mrs. Michaela Huard: The centre who has prepared these reports has used economic analysis to determine the number of jobs created.

Mr. Gerard Kennedy: I'll take that as a no, but thank you.

The Chair: Monsieur Blais.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Good day. It is always a pleasure to speak to two women representing the department responsible for small craft harbours. This is a sign of progress and hopefully, a reflection of the department's new approach to doing business.

This brings me to my first question. In May 2007, the former Director General, Mr. Robert Bergeron, informed us that 28% of infrastructures deemed essential to the Small Crafts Harbour Program were in a poor state of repair or even unsafe.

That was back in May 2007. What percentage of harbours would be in this condition today?

• (1600)

Mrs. Michaela Huard: I'll ask Mrs. Leduc to explain the situation to you. The percentage is more or less the same, but where the numbers differ is...

[English]

the condition of the facilities versus the condition of the actual wharves and harbours.

Micheline.

[Translation]

Mrs. Micheline Leduc (Director General, Small Craft Harbour, Department of Fisheries and Oceans): The figure of 28% quoted by Mr. Bergeron referred to the performance rating of the harbour. I believe that's what it is called. It takes into account two factors: the harbour's functionality and the condition of each separate infrastructure.

By functionality, I am referring to whether or not the harbour is deep enough, whether it affords crafts adequate protection and whether it has a sufficient number of berths. This indicator takes into account the functionality and condition of each separate infrastructure.

Today, 28% of ports still have a poor rating and ..

Mr. Raynald Blais: ...and are considered unsafe.

Mrs. Micheline Leduc: And are considered unsafe.

As Mrs. Huard was saying, the condition of our facilities was rated at 19%. Today, according to reports, nearly 16% of our individual facilities are rated dangerous or unsafe. The overall situation has improved a little.

Mr. Raynald Blais: Figures are just figures. It comes down to a question of appreciation and interpretation. However, conditions are worse at some ports than they are at others and the truth of the situation is there for all to see. When the committee visited a number of ports, it saw firsthand these varying conditions. Unfortunately, there are some horror stories and cases where the safety of port users is in danger.

At some point, we heard some numbers corresponding to the sum of money that would be needed to repair small craft harbours. The last official figure I saw, during questions and answers, was about \$600 million. If I'm not mistaken, that was in 2007 when the program was being analysed.

Can you update the numbers for me? If you can't do that today, perhaps you could send the information to the committee later. I think it's important to have some idea of the amount of money needed.

Mrs. Michaela Huard: If memory serves me well, I believe the figure was more in the order of \$500 million.

[English]

What's the source of the \$600 million? My understanding was that it was \$500 million.

It's hard to compare, if I might say. With the passage of time, the \$200 million in the economic action plan will make a big difference. The fact that we're going to divest further harbours and have more money to divest we think will reduce some of the pressures on it. There's also inflation.

I don't have an updated figure to tell you, because—

[Translation]

Mr. Raynald Blais: Could you possibly give us some numbers? It would be important to have the most accurate figure possible as we prepare to table our report. The only figures that we have at this time were the ones announced to us in 2005 and 2007. This is 2009, and 2010 is almost upon us.

[English]

Mrs. Michaela Huard: I really can't overstate enough how much we have been putting all of our efforts into the projects under the economic action plan. I don't have that number and it would take some work for us to develop that number.

It's something that we recognize is important to the committee. You have taken great interest in what would be required, but I would also caution that the number... We are talking about facilities that have a life of 20 or 30 years, so that number, as I understand it, when I looked into it—which I did because I am relatively new to the program—was based on all of the things that would need to be done this year, the next year, five years, and ten years down the road. So I'm a little hesitant about saying with any precision what that number would be. But it is—

• (1605)

[Translation]

Mr. Raynald Blais: If we were able to get some figures in 2006 and 2007, surely we can get up-to-date numbers today.

Moreover, I would just like to point out that where this matter is concerned, the figures are very relative. You have to look at how storms can impact the infrastructure in question. For example, if you don't fix a leaky roof, that roof could collapse. Many of the facilities are in danger of collapsing and the solution, unfortunately, has been to erect safety fences. We are seeing more and more such fences.

Of course, I could always inquire as to the number of safety fences erected in 2009 and that would give us some idea of the situation today. However, I'm interested in the figures given to us in 2005 and again in 2007. An evaluation needs to be done. It needs to be done on a day to day basis, because the situation can change. I think it's important for your department to update us on the estimated cost of the repair work.

The Chair has been generous enough to give you a few additional minutes to respond.

Mrs. Micheline Leduc: The \$500 million seems quite fair. You have to understand that this is a maximum amount needed to bring all of our infrastructures up to speed. Furthermore, our immediate needs cannot be overlooked. The \$200 million would address our more immediate needs.

Earlier, we heard how nearly one third of facilities would benefit from the budget. However, even though \$500 million seems like a big number, we recognize that this is more than what we need at this time to turn the situation around. This estimate is based on long-term requirements and fluctuates according to needs and the changing situation within the fishery.

We also cannot say exactly how many fences were erected over the past year. Obviously, fences are erected as a last resort. However, some have been put up, including one at Baie St. Georges. That said, rarely does the situation degenerate to the point of our having to erect a fence, because we must be diligent and assume our responsibilities. Generally speaking, fences are erected at ports that are not deemed essential. Consequently, they arouse fewer emotions. The fact remains, however, that load restrictions are applied and we realize that this doesn't help the situation either.

[English]

The Chair: Thank you very much.

Mr. Stoffer.

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

I have a few questions for you—and I want to thank François, the researcher, for those questions.

A few years back, Mr. Hearn, the minister, made an announcement regarding the seven small craft harbours for Nunavut. What is the status of those harbours now, and what is the status of the commercial harbour in Pangnirtung?

Mrs. Michaela Huard: I think I mentioned in my statement, and I won't take the time to repeat, regarding the money that was assigned to Pangnirtung, Pangnirtung is the first of the harbours that the study had recommended. There has been quite a bit of work done to advance that project this year. We have let a contract with the Municipality of Pangnirtung to start the first phase of the work, which includes some inner harbour dredging, some floats, a breakwater, and I'm missing the fourth component. But there is work in that first construction contract that has been let.

We've determined that in order to construct the breakwater we have to bring some material from a quarry in the town across to the harbour location. So we've had a contribution agreement signed with the town to allow work to proceed with repairing the road and bridge that are needed to get to the site. The work on that started this past Monday. It's getting cold. It's starting to freeze up there, but the work is progressing so that we're in a good position next construction season to start. The equipment has been pre-positioned by sealift. These are all extra elements that have to be taken into account in such a project.

So work is under way. The bulk of it will be over the next two years, but I can actually say that things started as of Monday.

•(1610)

Mr. Peter Stoffer: That's the one harbour. What about the other six?

Mrs. Michaela Huard: We have money announced for Pangnirtung. There have not been decisions with respect to future harbours. We have been talking and continue to talk to Nunavut about its priorities for the other six.

To be very honest, this is new for us, to be building a harbour in the Arctic. There are new elements around it. We're testing, for instance, design options: Should it be this type of wharf or another type of wharf? I think there will be some lessons learned in that, so we don't have immediate plans to jump into—

Mr. Peter Stoffer: Obviously this isn't a question directly for you, but I can only assume that a minister of the crown would announce seven harbours and allocate x number of dollars based on research, based on advice, based on all kinds of things. I don't think he just wakes up one morning and says "Seven harbours and \$46 million". He must have some facts to back it up.

After that announcement, I went up there and I guess there was a jaundiced view about seven harbours being done.

I'm glad to see that the Pangnirtung work is being done, but it's rather disappointing, I guess, for the people of Nunavut that the other six are still in an exploratory stage in that regard. But that's just a comment.

When we were out in Prince Rupert a few years ago, some of the small craft harbours had problems with derelict vessels, people who had vessels parked at a harbour and then just walked away. They were talking about there being some legal problems in getting rid of those vessels.

Obviously you might be aware of the situation. What is the department able to do to assist these small craft harbours in removing these derelict vessels?

Mrs. Michaela Huard: The harbour authorities have raised the issue of derelict vessels. There are a number of issues that are common to harbour authorities right across the country. If I were to think of the top three, one of them would be derelict vessels. We have been working with them. I don't know if Micheline has more detail, but we have been working with them to see if there are ways we can help them deal with the issue. It is a recurring problem, which we are aware of.

Mrs. Micheline Leduc: It appears to be more of a problem in the Pacific. As a matter of fact, the Harbour Authority Association of British Columbia has taken the lead to work with us to look at solutions. As Madam Huard was saying, it is one of the issues we continue to work on from a national perspective that, if we resolve it, will help the viability of harbour authorities.

The Vice-Chair (Hon. Lawrence MacAulay): We'll go to Mr. Allen.

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

Thank you for being here today.

You indicated that there's \$200 million. To the point that funding is going so quickly, you've asked to draw forward the \$20 million from next year into this year's budget. Considering the time of year we're in, I would suspect, and I just want clarification, that most of those dollars being pulled forward would be mostly for engineering and planning as opposed to actual construction.

Mrs. Michaela Huard: I'll let Micheline reflect on which it is. We identified this really quite early.

There are pros and cons to having lots of work to do. Our regions are very well placed to say that they have this work and all these projects. They actually came to us very early, in June, and told us that they could do even more. So we asked for that approval quite early.

There are a number of projects that we want to be able to have ready to go next year. I expect that a lot of it is in that area, but I don't know that the majority of it would be.

Mrs. Micheline Leduc: Actually, the construction market is responding very positively. I wouldn't be able to give you the breakdown of the \$20 million that goes towards engineering versus construction, but I would think that a good portion of it goes towards construction. We were out there early with the tendering process, which led to getting contracts in place early in the game. I would suspect that a lot of the \$20 million is going towards accelerating the pace of the construction work.

•(1615)

Mr. Mike Allen: You might not have those numbers today, but are they available?

Mrs. Micheline Leduc: We have the distribution of the \$20 million and how it applies to the different regions. I could say that our Atlantic region—the Maritimes and the gulf and Newfoundland—is where the bulk of the \$20 million is being advanced, because there has been more readiness to take on more money.

Mr. Mike Allen: One of the frustrations we heard during testimony, when we were going around, was with respect to the long lead time to get some of this stuff approved. It sounds to me as if you must have found a way to get lead-time approvals and have gotten a little bit better at that. Have you done things with respect to sign-off levels? What else have you done to speed this up? In the future, could we benefit from new processes that have actually made this process faster?

Mrs. Michaela Huard: I have to confess that I'm not as familiar with what it was. I know that now it takes a matter of weeks with respect to tendering. I know that we've worked very hard to try to ensure that our budgets are in place. Our deputy minister, for instance, is very keen on ensuring that our regions have their budgets at the beginning of the year so that they know what they're going to be doing and building and they're not finding out later.

I don't know specifically. There have been some special authorities we sought with respect to the economic action plan to ensure that we would be able to move projects quickly. But I can't compare the previous process to the current one.

Mrs. Micheline Leduc: Maybe I can add a couple of additional elements. The contracting authority is one. Many regions were well positioned in that a lot of the planning and engineering work was

already done. It was "Take it off the shelf, dust it off, and let's move on." So that was very good.

We're also getting very good assistance from the Department of Public Works. In that regard, it's helping us move our projects along quite nicely. Also, as part of the initiative, we have more engineers and technicians helping out. That's allowing us to advance the pace more quickly. Of course, we have to abide by contracting rules and regulations, but maybe through standing offers we're able to tap into consultants. Everything that is available to us we are tapping into, and so far it has been quite successful.

Mr. Mike Allen: The next question I'd like to ask before I turn it over to Tilly concerns the volunteer frustration. Of course we heard a lot about that in the testimony of the local people. A lot of it was because of not being able to get the projects done and what were they doing all this work for, and they were constantly being beaten up by their clientele. You commented just briefly on some of those dollars.

How much was that? And what is the reaction on the ground to that, and what is the reaction on the ground by the people in these harbours, based on this influx of money that we've seen?

Mrs. Michaela Huard: First of all, I'd say I haven't been to a lot of harbours yet. To be honest, I was supposed to be in Newfoundland today to see some harbours. But the ones I've been to, it's really amazing to see the pride in the faces of the people who belong to the harbour authorities, and the harbour managers. They were very anxious to show me what they had and what was going to be happening, and they were really pleased. It did a lot for morale just to be able to say they had a project coming. To be very honest, I've seen that firsthand.

There are a number of other things. One of the things they complained about, which I think Micheline referred to, was the lack of staff. We have hired more staff—I think approximately 30—and I believe 25 of them are in the region, working with the harbour authorities and clients. We understand that's quite positive.

There are a number of things we've tried to do in providing better advice to them, harbour authority manuals, trying to pull people together to work on common issues like the derelict vessels issue. There has been the addition of money for grants and contributions. I think \$500,000 has been added to that. I think \$100,000 per region had been provided before that, if I haven't mixed that up.

So there are a number of things we have done that are being positively received. I will be meeting with them for the first time on the 24th to 26th of November, which will be my first opportunity to sit with representatives of them. So I may hear other things from them then, but that's the reaction I've personally seen.

•(1620)

Mr. Mike Allen: I appreciate that very much.

Tilly.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Thank you.

I want to welcome you here.

Coming from the Miramichi in New Brunswick, I certainly have lots of small craft harbours in my area, and I appreciate the work of the harbour authorities. As you said, it's nice to see the pride they take in that.

I just have a question. Do you know what the current size of the small craft harbour infrastructure deficit is?

Mrs. Michaela Huard: That was similar to the question that was asked with respect to what we need to do to keep it up to date. We don't have a precise number. We really have been trying so hard to get on with the projects. We have money to spend, which is nice. I don't mean to call it a problem, but it's a nice situation to have. So we're trying to do that as much as possible.

We know that isn't enough, but I don't have the figure. We have not put aside that work to recalibrate what that would be or to update it. I'm sure once the \$200 million has been spent—actually, before it's spent—we will have to do that, but I don't have it today.

Mrs. Tilly O'Neill-Gordon: Does the department have a multi-year investment plan with clear goals and priorities?

Mrs. Michaela Huard: Absolutely. Micheline is more familiar with the details of how it works, but it is a five-year plan. It does look at what projects are going to be done this year and into the future.

When I have been visiting in regions, people on the ground have amazed me that they know precisely that this project is this year, this one is next year, and this one is three years out. They know precisely the order and the priority in which they have to go.

So yes, and it's updated on an annual basis.

Micheline, do you want to add details?

Mrs. Micheline Leduc: They're a bit technical. We refer to it as our long-term capital planning exercise. It identifies what we call our major capital projects, those that are valued at more than \$1 million. So yes, we update it every year. It's for a five-year period. We also identify the project needs beyond that.

I don't know if it was mentioned but also as a recurring or annual process we do prepare an expenditure plan, which also encompasses O & M, or operating projects, as well as capital projects.

Mrs. Tilly O'Neill-Gordon: Thank you, Mr. Chair.

The Chair: Thank you very much.

We'll move on to the second round at this time.

Mr. Byrne, two minutes per party for this round.

Hon. Gerry Byrne: Thank you.

I was just wondering, of the \$200 million that was allocated under the stimulus fund, how much of that was actually used for administration and overheads? Was there additional staff hired by the small craft harbours branch included in those overheads?

Mrs. Michaela Huard: Of the \$200 million, \$192 million has been spent on projects, or will be spent on projects, over the two years. The remainder of that, approximately a little less than \$8

million, will be spent with respect to project management and other support for getting the projects done.

Hon. Gerry Byrne: Does project management include engineering services from Public Works, or is that part of the \$192 million?

Mrs. Michaela Huard: Not from Public Works, but we have extra staff. I can't remember the precise number. I believe it's 12, but I may be wrong, new engineers we are bringing on to enable us to carry out these projects.

Hon. Gerry Byrne: The publicity surrounding the projects themselves, the nice green signs that sometimes appear, is that included as part of the project cost, or is that part of the administration, the overhead cost?

Mrs. Michaela Huard: I believe we pay for it through the administration costs.

Hon. Gerry Byrne: Could you confirm that, Micheline?

Mrs. Micheline Leduc: In terms of the purchase, we did pay it out of the administration costs.

Hon. Gerry Byrne: What about the installation itself? Is that part of the operational costs or the administration, the overhead costs?

Mrs. Michaela Huard: I think in some cases they were actually installed by harbour authorities, but I'd have to check precisely. As I said, there were 250 projects. It varied by project.

Hon. Gerry Byrne: Would you be able to provide to the committee a detailed breakdown of exactly what the cost of purchasing and affixing that signage is to the program?

• (1625)

Mrs. Michaela Huard: I know we have the figure on purchasing. I'd have to check with respect to the installation. As I said, some of that will have been done by our staff or by volunteers.

The Chair: Thank you very much.

Monsieur Blais.

[*Translation*]

Mr. Raynald Blais: Thank you.

Mrs. Huard, the Gaspé region and the Magdalen Islands are lovely locations for visiting wharves. I'd like to formally invite you to visit my region of the country. You will see some cases of divestment, some fences that have been erected and some facilities that are in need of major repairs, but you will also see some success stories.

Sometime in the next few days, could you tell us how you go about identifying priority cases and how you act on these priorities? What are the different stages of the analysis process? For example, you receive requests concerning ports at different locations across Canada. Do you proceed on a regional basis? Do you encounter competition? You have never provided us with this type of information in the past, but it would be important for us to have it for the purposes of our final report.

Mrs. Michaela Huard: It will only take us a few minutes to explain things to you. Each region has its own priorities.

[*English*]

Each of the regions prioritize their projects based on need and based on safety. Safety is actually the first one.

With respect to need, we look at the number of fishers that use the particular port. There are a number of criteria that the regions use in coming up with their list of priorities. It's something they're quite used to. Then there are meetings to look at the sum of the projects for the country.

The Chair: Mr. Stoffer.

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

Ladies, thank you very much for coming again.

If possible, could you send this committee the seven harbours that were slated for Nunavut, and how much money has been spent of the \$46 million to date? When can we anticipate completion of the other six in that regard, if that's at all possible?

The other one, of course, is the dredging. Does dredging fall under your bailiwick as well?

Mrs. Michaela Huard: Do you mean dredging with respect to operations within a harbour? Yes, it does.

Mr. Peter Stoffer: Okay.

I have one question regarding P.E.I. I thought I'd ask it because Lawrence didn't ask, and he'd kick himself for not doing it. Again I thank François for this.

What's the current situation with respect to dredging Naufrage Harbour in P.E.I.? That's the specific harbour. If you don't have the answer, you can send it to us later; that would be great.

Once again, thank you for coming.

Mrs. Michaela Huard: I believe Naufrage in P.E.I. is dredged on an annual basis. There may have been some done recently because of the tuna fishery. I would have to check specifically. I believe it's normally done in the spring as well.

Mr. Peter Stoffer: Okay. Thank you.

The Chair: Thank you, Mr. Stoffer.

Mr. Kamp.

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

Thank you for coming. You obviously have a challenging job, with a lot of assets that need to be maintained. We in this committee are well aware of the deficit you're faced with. I'm assuming, though, that you were pleased with the additional \$200 million over two years to try to at least make a dent in it. Am I right in that?

Mrs. Michaela Huard: Very much so; it's nice to be able to move the projects forward.

Mr. Randy Kamp: There's obviously more to be done.

Here is a question I would ask across the country. I think some of our witnesses in various places have found me a little annoying for asking this, but it seemed to me that I saw a wide variety of abilities of harbour authorities to generate income from additional things. I have to say that in British Columbia, many harbours I visited were quite good at it, but I didn't see that same level across the country.

Is the program actively involved in helping those who actually manage the harbours figure out how to charge the right rates and run other revenue-generating activities?

• (1630)

Mrs. Michaela Huard: I'm sure Micheline will correct me if I'm wrong, but I believe I mentioned earlier that if I were to think of the top three areas harbour authorities have asked us to help with, one is how to collect revenues and how to ensure that they're able to raise the funds they need. That is an area, one of the three, that we are working with them on.

I haven't had the opportunity yet to see the B.C. examples, but I am aware that they probably have investigated things that could be of use to others as well.

Mrs. Micheline Leduc: The harbour authorities are actually generating \$24 million per year in revenue. You're quite right; it's an uneven distribution. It seems to be easier for the harbour authorities out west to increase their revenue bases. This is indeed one of the initiatives we're working on.

Harbour authorities are sometimes running into issues with fee collection. There are delinquent users out there. It doesn't help the cause of the harbour authorities when users are not receptive or not willing to pay their due. Again we're helping the harbour authorities address that problem.

Mr. Randy Kamp: Good. Thank you very much.

The Chair: Thank you.

On behalf of the committee, I'd like to say thank you once again for taking the time to appear before the committee this afternoon. We appreciate your time and efforts.

We will take a short recess before we move to other business. Thank you.

[Proceedings continue in camera]

• _____ (Pause) _____
•

[Public proceedings resume]

• (1650)

The Chair: I'll call the meeting back to order. We are now meeting in public.

I'll ask the clerk to distribute the subcommittee report, which you have and to which there is one addition. The change would be, subject to the availability of Mr. Hearn, that on November 16 we would meet from 11 until 1.

I would ask for any discussion on the subcommittee report.

Mr. Kamp.

Mr. Randy Kamp: Just for clarification, does it mean there's no meeting on November 19, if we're having meetings on November 16 and 17, or are we having three that week? If we have disposed of the report on November 17....

The Chair: Is what you're suggesting that we might do it on Tuesday, November 17, and dispose of the November 19 meeting?

Mr. Randy Kamp: I'm easy on that; I'm just asking.

The Chair: Mr. Byrne.

Hon. Gerry Byrne: My preference would be to keep November 19 available. I hope we don't have to use Thursday, November 19. I more or less tried this before, and I don't want to rub salt, but maybe what we could do is pass a motion to say that by 4:30 on November 17 the question has to be put.

An hon. member: Yes, that's fine.

Mr. Peter Stoffer: We're not going to filibuster, I don't think.

The Chair: Mr. Stoffer, did you want to speak?

Hon. Gerry Byrne: Procedurally, let me ask the clerk to provide some advice. Can I add another layer to this and ask whether, in addition to actually having the question put by 4:30 on Tuesday, November 17, it can be specified that it cannot be amended? Is that procedurally...?

Some hon. members: No.

Mr. Mike Allen: You just had to go the extra step.

Some hon. members: Oh, oh!

Hon. Gerry Byrne: That's right.

The Chair: Order.

Hon. Gerry Byrne: I think there's a good reason why I asked the question, but....

The Chair: Mr. Stoffer, you have the floor.

Mr. Peter Stoffer: Let's not necessarily cancel November 19 right away, because something may pop up and we may need that time for something else. But if we find on November 16 and 17 that we're done and don't need it, then we can cancel it at that time.

My question was about December 8 and December 10. It says, "to be determined". I believe last time I asked that, if possible, those dates be reserved for Fraser River sockeye.

• (1655)

The Chair: That's a good point. That was on a previous work plan, which the subcommittee discussed but which we never approved. The original plan was to set aside one sitting day, whether December 8 or another, to develop a work plan on the B.C. aquaculture industry, and specifically the Pacific salmon issue and the Fraser River, or along that line—we had the proper wording there.

I'm sorry, that was dropped from a work plan that was never adopted. So we will amend the work plan to add the December 8 date to include that. Thank you.

Mr. Byrne, you wanted to say something.

Hon. Gerry Byrne: We are juggling a whole lot of topics right now. I was wondering whether we wanted to use it for the small craft harbours program, just to get this thing moving and finalize it.

The Chair: Which date are you talking about? Is it November 19?

Hon. Gerry Byrne: It's November 19.

The Chair: Yes, we have several dates set aside for the small craft harbours report as well.

Why don't we hold November 19 at this point, and the committee can decide on November 17 what they want to do for November 19? If they want to forgo that meeting at that point, if they decide.... Let's just hold that one in abeyance for now; we'll keep it here for NAFO, should we need it or want it.

Mr. Stoffer.

Mr. Peter Stoffer: Thank you, Chair.

I don't want to put a fly in the ointment, but François, help me out again. When do the estimates come out?

Randy, do you know? Isn't it usually in November?

Mr. Randy Kamp: The supplementary estimates do, yes.

Mr. Peter Stoffer: Normally what happens is when they come out we ask officials to come in and then we ask a whole bunch of questions. I didn't mean to put a fly in the ointment here, but....

The Chair: We'll check on that. We'll try to establish it.

We have a subcommittee report here that's been amended drastically. If everyone's in agreement, we'll adopt the subcommittee report.

It is moved by Monsieur Blais and seconded by Mr. Stoffer that we adopt the report of the subcommittee.

(Motion agreed to)

The Chair: Thank you.

The meeting is adjourned.

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