



**HOUSE OF COMMONS
CANADA**

**SMALL CRAFT HARBOURS:
AN ESSENTIAL INFRASTRUCTURE MANAGED BY
AND FOR FISHING COMMUNITIES**

**Report of the Standing Committee on
Fisheries and Oceans**

**Rodney Weston, MP
Chair**

**DECEMBER 2009
40th PARLIAMENT, 2nd SESSION**

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THE STANDING COMMITTEE ON FISHERIES AND OCEANS

has the honour to present its

NINTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied the operation and maintenance of the small craft harbours and has agreed to report the following:

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SMALL CRAFT HARBOURS: AN ESSENTIAL INFRASTRUCTURE MANAGED BY AND FOR FISHING COMMUNITIES

“The Committee wishes to commend the extraordinary work of Harbour Authorities and the dedication and the passion of their volunteers since the inception of the program. Without them, harbours would most probably cease to operate and DFO’s Small Craft Harbours program could grind to a halt.”

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Introduction

In the fall of 2007, the House of Commons Standing Committee on Fisheries and Oceans (the Committee) began a study on the Small Craft Harbours Program (SCH Program) of Fisheries and Oceans Canada (DFO). The SCH Program is very important for many of the communities represented by Committee members. In fact for Members of Parliament representing these coastal communities, this program is among the most active files; as a result, members do a very large amount of work with, and for, fishermen, Harbour Authorities, and their communities at large.

The purpose of the Committee’s study was to examine all possible options for improving the SCH Program, and to present its findings in a report to the House of Commons that would give the Minister of Fisheries and Oceans the basis and the support for requesting more funding for the program. The Committee also planned to look at different aspects of the Harbour Authorities management model. Harbour Authorities are often made up of volunteers who do a lot of work above and beyond their normal duties to ensure that harbours are safe and functional. The Committee travelled across the country to look at harbour facilities, and heard concerns from people on the wharves.

In December 2007, the Committee presented an interim report on the SCH Program: *Safe and Well-Funded Small Craft Harbours: A Clear Priority*. In that report, the Committee focused on immediate funding needs for the program to meet the urgent needs of small craft harbours. The report’s presentation to the House coincided with the budgetary planning period prior to the presentation of Budget 2008. In its report, the Committee recommended:

- That the Government of Canada invest sufficient funds to bring the Small Craft Harbours core infrastructure up to a quality and safety level corresponding to approved engineering standards.

- That the Government of Canada immediately increase the budget for Small Craft Harbours maintenance and recapitalization to a level consistent with the principles of life cycle management.
- That the Government of Canada invest \$82 million over the next five years to complete the Small Craft Harbours divestiture program.
- That the Government of Canada follow through with its commitment to invest \$46 million over five years for the construction of the seven harbours in Nunavut and for project implementation. Furthermore, the Small Craft Harbours base budget should be increased to fund the future maintenance and repair of the Nunavut harbours.
- That the Government of Canada increase financial contributions to Harbour Authorities and to regional Small Craft Harbours branches to alleviate the excessive responsibilities of volunteers, and address training needs.
- That Fisheries and Oceans Canada undertake a study to determine the impact of changing fisheries, climate change, increased dredging needs and costs, wharf overcrowding and the need of emerging sectors such as Aboriginal fisheries, aquaculture and commercial sport fishing on the Small Craft Harbours infrastructure. This study should determine to what extent there is a need to enhance existing or build new facilities, as well as estimate any necessary funding requirements.
- That the department analyze the impact of departmental policies such as the vessel replacement rules on boat size and the current capacity of fishing wharves.

Although the Committee did not request a government's response in its interim report, Budget 2008 and DFO's 2008–2009 *Report on Plans and Priorities* could be seen as the federal government's response to the Committee's recommendations. The Committee had recommended an investment of \$82 million over five years to complete the

SCH divestiture program. Budget 2008 provided \$10 million over two years to enable the necessary harbour repairs and environmental clean-up that would permit more harbours to be transferred to interested parties.¹

The Committee noted that the 2008–2009 budget for the SCH Program—\$93.5 million²—was still short of the amount recommended by the Committee to bring the maintenance and recapitalization budget up to a level consistent with the principles of life cycle management. Based on its hearings, the Committee had stated in its interim report that \$114 million would be required annually for maintenance and recapitalization, out of a total SCH budget of approximately \$130 million.

The Committee also noted, however, that the recent investments provided in Budget 2009 announced the allocation of \$200 million over two years to repair core small craft harbours across Canada. Consequently, the SCH Program's budget will reach \$192.8 million in 2009–2010 and \$246.7 million in 2010–2011, up from \$99.8 million in 2008–2009.^{3,4} Capital spending is set to increase by \$53 million in 2009–2010 and another \$30 million in 2010–2011. The Committee is nonetheless concerned that DFO plans to return the SCH program's budget to its original base level for fiscal year 2011–2012.

The Committee pursued its study of the SCH Program further in 2008 by exploring a number of issues that are subject of the findings and recommendations of this report. The Committee concluded its hearings on the SCH Program in the spring of 2008. Its final report on this matter was delayed by the 2008 general election as well as time-sensitive studies of the Canadian lobster fishery, and amendment to the Northwest Atlantic Fisheries Organization Convention.

1 Although Budget 2008 announced \$5 million per year for this purpose in fiscal years 2008–2009 and 2009–2010, there are indications that the government is prepared to invest more for completing its divestiture program. Both before the Committee (May 6, 2008; Meeting No. 32) and in the House of Commons (May 27, 2008; Sitting No. 99), the Minister of Fisheries and Oceans mentioned that \$45 million over five years would be invested to deal with divestitures. Information presented by DFO during Committee hearings on Estimates in May 2008 states that, assuming Treasury Board and *Appropriation Act* approvals, \$5 million in each of 2008–2009 and 2009–2010, and \$15 million in 2010–2011, would be spent on SCH divestiture. On October 29, 2009, Mrs. Huard confirmed that there was “a four-year, \$45 million initiative to accelerate the divestiture of recreational and non-core commercial fishing harbours.” As of the time of her testimony, and approaching the completion of the second year of this initiative, 13 harbours had been divested so far. The bulk of divestitures was planned for the third and fourth years of the initiative. In total, 75 to 95 harbours could be transferred to local communities across the country, relieving financial pressures on the SCH Program.

2 This is the updated planned spending amount indicated in DFO's 2008–2009 *Report on Plans and Priorities* (RPP). The total budget for the SCH Program included \$15.2 million for program enablers (internal services), for a total of \$108.7 million.

3 Fisheries and Oceans Canada, 2009–2010 *Main Estimates*, Report on Plans and Priorities.

4 The difference of \$5.3 million between the 2008–2009 \$93.5-million budget for the SCH program announced in the 2008–2009 RPP and the \$99.8 million identified for 2008–2009 in the 2009–2010 RPP is unexplained.

The Small Craft Harbours Infrastructure Deficit

In December 2001, the Committee had released its report, *Marine Infrastructure (Small Craft Harbours)*, addressing the problem of chronic underfunding of DFO's SCH Program. The Committee recommended an infusion of \$400 million over five years to bring the remaining core harbours up to an acceptable state of repair, and an additional \$28 million annually thereafter to ensure that harbours would be maintained. The figure of \$400 million was based on estimates from the SCH program, which in 2001 had conducted an internal assessment of the costs to repair facilities in poor or unsafe conditions at all its active fishing harbours. SCH field staff had reviewed active harbours individually, and compiled and priced all repair requirements. In 2004, SCH updated those 2001 estimates to reflect inflation (an additional \$50 million), and continued deterioration of facilities since 2001 (an additional \$25 million). Given the ongoing deterioration of harbour infrastructure, the amount needed today to address the infrastructure deficit would more than likely exceed the 2004 estimate of \$475 million.

The Committee believes that it is imperative that the department have an accurate and comprehensive estimate of all minor and major repairs, as well as expansion projects, needed to address the current fishing harbour infrastructure deficit. This exercise should be accompanied by a multi-year investment plan with clear goals and priorities. This information is necessary to develop a business case for major federal investments in fishing harbours that can be presented to Cabinet, the Minister of Finance, Treasury Board, and the House of Commons. At hearings in October 2009, the Committee requested an updated estimate of the cost of bringing the core harbours to an acceptable state of repair. At the same hearings, the Committee learned that the department had a 5-year investment plan, referred to as the long-term capital planning exercise. The plan is updated every year. While it identifies the major capital projects (those valued at more than \$1 million), it does not seem to account for the minor and major repair projects valued below the \$1 million threshold.⁵

Therefore, the Committee recommends:

RECOMMENDATION 1

That Fisheries and Oceans Canada update its estimate of the cost of bringing the core harbours to an acceptable state of repair.

RECOMMENDATION 2

That Fisheries and Oceans Canada prepare a plan to bring the core harbours to an acceptable state of repair.

5 Micheline Leduc, *Committee Evidence*, October 29, 2009.

Safety Issues

Safety has been a recurrent theme throughout the Committee's hearings. The issue has many facets. Witnesses have referred to safety when addressing landward access to and safe use of wharf infrastructure, safe access to harbours at all times and under all circumstances, and safe moorage. According to the former Director General of the Small Craft Harbours program, Mr. Robert Bergeron, 28% of the SCH core infrastructure is in a poor or unsafe state. Mr. Bergeron told the Committee that "a large majority of those structures must therefore be fenced, or their use must be restricted in order to ensure people's safety," adding that "those structures need to be rebuilt."⁶ Mr. Bergeron's assessment pertained to the core infrastructure; it says nothing of the non-core, derelict facilities across the country that await transfer or demolition and that represent a safety hazard to coastal communities. The Committee notes that this situation has only been marginally improved since that comment was made.⁷

RECOMMENDATION 3

That Fisheries and Oceans Canada incorporate a requirement for maintaining safe facilities when preparing its plan to bring the core harbours to an acceptable state of repair.

Siltation, Dredging and Breakwaters

Safe access to harbours depends on adequate water depth at all times. In many locations, it is also assisted by the presence of a breakwater that allows safe navigation into the harbour during stormy weather. Access can be limited by siltation of the harbour basin or its access channel. For example, in Prince Edward Island the Committee heard testimony concerning Naufrage Harbour, where at low tide the harbour access is blocked by a sandbar. According to Mr. Lewis Miller of the Naufrage Harbour Authority, the sand has always accumulated in the same place over the years. It appears worse nowadays because today's vessels are drawing more water than before. Mr. Miller explained:

Certainly when I started, perhaps with a foot and a half of water we could have sailed over the bar. Mind you, that's in good weather. It was always dangerous. There have been lives lost away back and in my time. But now we require more water—some people over three feet. We're towing boats off there all the time at different times of the year. It's common to be out fishing when the wind comes up, but even with no wind we're calling ahead [...] wondering what the tide is there and who hit last going in. It's just common talk on the radio throughout the season now.⁸

In a typical year, the Naufrage Harbour entrance channel has to be dredged twice. Here, as everywhere else, the cost of dredging has increased significantly in recent years, mostly due to environmental requirements for the disposal of dredged material. At

6 Robert Bergeron, *Committee Evidence*, May 29, 2007.

7 Micheline Leduc, *Committee Evidence*, October 29, 2009.

8 Lewis Miller, *Committee Evidence*, April 16, 2008.

Naufrage Harbour, the problem is compounded by the deterioration of the wharf, which prevents the truck access that is needed for the disposal of the dredge. At the time of the Committee's hearings (April 2008), the dredging project had been delayed to the point where several boats had already been towed off the bar and harbour managers were very concerned about the safety of fishermen.

According to the Naufrage Harbour managers, wharf extensions would prevent the sand from accumulating at the entrance channel by moving the access further offshore into deeper water. The proposed solution would greatly reduce the requirement for annual dredging, saving money in the long run. It would also provide a safe entrance for fishermen experiencing a similar dangerous situation at harbours, both east and west of Naufrage Harbour.

During the Committee's hearings across the country, it was also often suggested that breakwaters would reduce harbour basin siltation, and thus the need for frequent dredging.

Dredging needs are not the same in all DFO regions. The harbours that the Committee visited in Newfoundland and Labrador are built on rocky shores where siltation is not a problem and where natural features of the landscape can often be used as protection against storms. On the coast of British Columbia, however, harbours on the Fraser River have significant problems with maintaining adequate water depth because of the accumulation of silt in the river's access and secondary channels.

The SCH Program's mandate with regard to dredging is limited to harbour basins and entrances. Dredging and other channel maintenance beyond the confines of the harbour are often mentioned as problematic by small craft harbour users; but Harbour Authorities and DFO's Small Craft Harbours personnel have little say and no responsibilities in this matter. In British Columbia, witnesses expressed concerns over dredging of secondary channels of the Fraser River, in particular in Ladner and Steveston. The Fraser River's main channel is dredged regularly, but this is often not the case for secondary channels, where adequate depth of water is not maintained. Vessels using these channels must therefore be very careful. Mrs. Elizabeth McLeod of the Harbour Authority Association of British Columbia (HAABC) stated:

Dredging, as I'm sure you've heard everywhere you've come in B.C., is a major operational issue in most of our Pacific coast harbours, especially those on the Fraser River. Our larger-draft fishing vessels can only access our harbours at high tide and are unable to move while in berth, which creates a serious safety concern in our harbours. In the case of a fire at low tide, we would be unable to move these larger vessels away from the dock, resulting in disaster for our vessels and facilities.⁹

9 Elizabeth McLeod, *Committee Evidence*, May 26, 2008.

Dredging of the Fraser River's main and secondary channels comes under the responsibility of the Vancouver Fraser Port Authority. The Vancouver Fraser Port Authority was established as a result of the January 2008 amalgamation of three port authorities: the Fraser River Port Authority, the North Fraser Port Authority and the Vancouver Port Authority. The amalgamation was overseen by Transport Canada under the *Port Authorities Management Regulations* of the *Canada Marine Act*. Witnesses told the Committee that the Vancouver Fraser Port Authority is primarily interested in shipping and trade, and that dredging activities are thus focused on the main channel of the Fraser River downstream of the New Westminster Harbour. Little attention is given to the need of secondary channel users. In fact, one witness pointed out that the method used to dredge the main channel resulted in an increased siltation of the downstream secondary channels.¹⁰

Mr. Hugh Fraser (Deputy Director, Engineering, Corporation of Delta) explained that a long-term sustainable funding solution for secondary channel dredging was needed to ensure continuous and safe harbour access. For that, better liaison between Harbour Authorities and the larger Vancouver Fraser Port Authority is required.¹¹

In Quebec, the importance of dredging is demonstrated by the proportion of the region's operations and maintenance budget spent on this activity. According to Mr. Gervais Bouchard, Quebec's SCH Regional Director, the proportion has been between 30 and 40%. On average, \$1.5 million a year is spent on dredging, out of a total regional operations and maintenance budget (which varies slightly from year to year) of approximately \$3.5 million. Mr. Bouchard added that the Quebec Region receives a special allocation of \$400,000 each year from the SCH Program at the national level to manage the dredging problem in the region.¹² In recent years, however, the situation has become worse because of the increased frequency and severity of storms, as well as the increasing costs of dredging. According to Mr. Luc Legresley, Vice-Chair of the National Harbour Authority Advisory Committee, the proportion of the region's operations and maintenance budget spent on dredging increased steadily between 2005 and 2008. He explained that "in 2008, 60% of the budget for minor capital expenditures will be devoted to dredging [... therefore] 40% of the budgetary envelope [remains] for minor projects, and minor projects only. There is not much left for the maintenance of the 52 fishing harbours."¹³ Mr. Legresley blamed bad weather for this situation. At hearings in November 2009, Mr. Legresley provided an update of this information. In 2008-2009, 66.8% or \$2.3 million of the regional minor maintenance budget of \$3.4 million was spent on dredging, leaving less than \$10,000 per harbour for the rest of minor maintenance.¹⁴

10 Gary Williamson, *Committee Evidence*, May 26, 2008.

11 Hugh Fraser, *Committee Evidence*, May 26, 2008.

12 Gervais Bouchard, *Committee Evidence*, May 31, 2007.

13 Luc Legresley, *Committee Evidence*, November 21, 2007.

14 Luc Legresley, *Brief*, November 26, 2009.

For many in the Quebec Region, the impact of dredging requirements on the SCH regional budget calls into question the adequacy of the current funding formula for the regions. According to a document tabled with the Committee by DFO in 2006, the SCH program allocates funds for operations and maintenance, and for minor capital projects, using a formula that has been in effect since 2001–2002. The following criteria are used: replacement value of core fishing harbours (50%); commercial fishing fleet (25%); number of harbour authorities (10%); number of core fishing harbours (10%); and number of harbour sites (5%). According to Mr. Robert Bergeron, the formula “does not recognize recurring dredging.” He added that “each year in the spring we do have to redredge several harbours in order to provide access to the harbour. [...] In fact, one of the regions that is probably the most affected by this, because of the need to redredge annually in proportion to the budget, is Quebec. The funding formula does not recognize that need.”¹⁵

Annual dredging is part of the maintenance and repair obligations of the SCH program. As dredging is often considered essential to harbour operations, it is usually the first priority at the beginning of the year.¹⁶ The SCH Program considers dredging on the same basis as any other urgent repairs. Accordingly, DFO does not have a dedicated budget for this activity—a situation that the Committee would like to see addressed by the department.

One final issue related to dredging is the disposal of dredged material. All across the country, witnesses told the Committee that it is difficult and costly to dispose of such material in accordance with increasingly stringent environmental standards and regulations. Harbour managers have to take this increasing burden into consideration when planning harbour dredging budgets.

The Committee recommends:

RECOMMENDATION 4

That Fisheries and Oceans Canada ensure that there are adequate funds in both its operations and maintenance, and its capital budgets for recurrent dredging and related activities. The amount of this funding should take into consideration the increasingly stringent environmental standards and regulations that apply to these activities, especially with respect to the protection of the fish habitat.

RECOMMENDATION 5

That Fisheries and Oceans Canada adopt a longer-term approach to solving dredging problems that could be addressed by permanent structures such as breakwaters.

15 Robert Bergeron, *Committee Evidence*, May 29, 2007.

16 Robert Bergeron, *Committee Evidence*, May 30, 2006.

RECOMMENDATION 6

That, where there is a need to dredge beyond the harbour basin and the entrance channel for which the Small Craft Harbours Program is responsible, Fisheries and Oceans Canada coordinate with the authorities responsible for dredging these waterways to ensure safe access to the harbour at all times.

Protection from Storms

In all regions visited during the course of its study, the Committee was told that storms are both more frequent and increasingly severe. HAABC's Mrs. Elizabeth McLeod discussed the impact of changing weather patterns and more severe coastal storms on harbour infrastructure. She said:

These storms are resulting in wind, wave, debris, and flood damage to our facilities, which jeopardizes the safety of our vessels and our harbour users. Many of the stop-gap measures used in the past in many of our harbours, such as floating breakwaters, are no longer adequate to protect our harbour infrastructure and need to be replaced with permanent rock structures.

[...]

Safety is our primary concern. If our vessels are damaged from storms because they're breaking away from our docks, this is a whole group of people who are out of work for that season. So these are things we do have to pay attention to.¹⁷

The presence of a nearby safe harbour in case of storm is thus increasingly important. The Committee heard two important points with respect to protection (of facilities, vessels and people) from storms. First, the presence or absence of a breakwater can significantly affect the deterioration of harbour infrastructure. Second, some harbours that have been designated non-essential can still represent assets worth keeping in the harbour inventory and maintaining because of their value as safe havens in case of bad weather conditions.

The Committee recommends:

RECOMMENDATION 7

That Fisheries and Oceans Canada help Harbour Authorities to recognize and respond to the local effects of climate change.

RECOMMENDATION 8

That Fisheries and Oceans Canada analyze harbours scheduled for divestiture or decommissioning, with a view to identifying those that

17 Elizabeth McLeod, *Committee Evidence*, May 26, 2008.

could remain in the department's inventory and be maintained because of their value as safe havens in case of bad weather conditions.

Safety and Capacity

Safety is also linked to the question of harbour capacity, which in turn is constrained by the observed increase in fishing vessel length in recent years. The limitations of wharfage space have forced Harbour Authorities to allow boat owner/operators to tie up three, four, and in some cases five boats abreast. This has consequences in case of emergencies and during storms. Vessels' safety cannot be guaranteed. Mr. Mario Desrape summed up the problem as follows:

Clearly, it is all about safety, whether it is within the harbour or on the approach to it. It must be safe, and for that to be the case there must be water under the keel. The harbours were built many years ago; some are even more than 35 years old. Moreover, they were built to accommodate the boats of that time. Since then, boats have gotten bigger. If the boats get bigger, more space is required. Several of the harbours have become quite dangerous when you are inside. As I was saying earlier on, there is no more leeway in the harbour, and sometimes there is not even any place to moor. We have gotten to the point where they are using floating docks. As there is no more room on the fixed wharfs, they add these little floating wharfs, as we say. Unfortunately, they are not very stable. We now have rather large boats and several other boats around these small floating docks. In the wind, or in a storm, they don't hold. We are running the risk that the dock will come [loose] and the boats will find themselves on the rocks, on pieces of cement as we say. We fear that a great deal.

I will give you an example of the safety problem. In some ports, if we don't get there early enough in the day, there is no more room to moor on the fixed wharf. You therefore have to moor on one of these floating docks. There is no way to get there with a vehicle, we have to go on foot. Fishermen have to transport their baits, as they did [in] 1940, on trolleys and with two men dragging baskets weighing 150 to 200 pounds every morning and night. I do not think that is acceptable in 2007. It is archaic, but that is what we are experiencing every morning and every night in the Magdalen Islands.

The boats have a huge value. They are an enormous investment for fishermen. If the boats are not safe in the harbour, they lose them. You have to understand the fisherman.¹⁸

Management of Essential Harbours by Harbour Authorities

Federal harbours and wharves are operated by both Transport Canada and DFO. For its part, DFO operates and maintains a system of harbours indispensable to the commercial fishing industry. Fishing harbours are frequently the only visible federal presence in rural and remote communities, and in many locations these facilities offer the only public access to waterways.

18 Mario Desrape, *Committee Evidence*, November 28, 2007.

The SCH Program is one of nine program activities at DFO; it serves one of the department's three strategic outcomes: Safe and Accessible Waterways. SCH has also recently been identified as a program priority for the department, thus satisfying a recommendation formulated by the Committee in its interim report. DFO describes SCH as the "operation and maintenance of a national system of harbours critical to Canada's commercial fishing industry." Until fiscal year 2008–2009, the SCH Program had three program subactivities: operations, maintenance, and divestiture.

SCH is a decentralized program: national coordination is provided by SCH staff in Ottawa, and program operation is managed by five regional offices. Day-to-day management and operation of the majority of commercial fishing harbours are assumed by independent Harbour Authorities representing users and local communities. Harbour Authorities are typically local not-for-profit incorporated entities, controlled by local harbour users. As of October 2009, there were 574 Harbour Authorities managing 701 fishing harbours. All the fishing harbours visited during the course of this Committee's study were managed by Harbour Authorities. The Committee was impressed by the diversity of Harbour Authorities. Some were sophisticated organizations run like enterprises; others were smaller operations more akin to a community centre. In all cases, the people belonging to these organizations who met with the Committee were dedicated to their harbours and communities.

The Committee heard that when the Harbour Authority Program was implemented in 1987, harbour users felt that the federal government was downloading its responsibilities onto them, and many felt they were forced into accepting new responsibilities for fear of seeing the control and management of the harbour facilities, that were so important for their communities, pass into the hands of people who did not share their concerns and needs.

With the financial restrictions experienced by the federal government in the 1990s, a significant change in harbour management and maintenance was introduced. Fishermen at first were skeptical, but eventually were either urged or forced to enter into a port authority system.¹⁹

When the port authorities were created and forced on us, we had the choice of either creating a port authority committee or closing the wharf. So the government pushed the wharves onto us. [...] The wharves were in very bad condition, and they still are. We are only volunteers and we are doing our best to manage these wharves. The fishermen are putting pressure on us to get us to do one thing or another. We're doing our best, but without any funding, our hands are tied.²⁰

However, 20 years have passed since the Harbour Authorities management model was introduced, and the program is now perceived as an asset for coastal communities.

19 Bobby Jenkins, *Committee Evidence*, April 16, 2008.

20 Marc Paulin, *Committee Evidence*, April 18, 2008.

Going way back when, we created our first harbour authorities 20 years ago. Most of our harbour authorities were formed in the early nineties, after the freeze was lifted. It was a long process, and decisions weren't made overnight. It's a matter of consulting with the community, not just once but on many occasions, to look at harbours within the broader area, to look at the fishing activity, and to try to determine what is best, not from a government standpoint but from a community standpoint, insofar as where there are concentrated activities and how we can best support the critical needs of the fishery with the infrastructure available. As time has moved on, fast forward 20 years later, we've been operating with our core for the past 10 years, if you will. It was a long process—a lot of consultation, and frequent consultation. At the end of it, I like to believe it was a community decision.²¹

The Committee met with many Harbour Authority representatives during the course of this study, and most have described their relationship with SCH regional staff as very good or excellent.

Harbour Authorities operate under lease agreements with SCH; the relationship between the federal government and the Harbour Authorities is thus one of lessor/lessee. The current common practice is that DFO leases harbours to the Harbour Authorities for a minimal amount of money. Harbours listed in DFO's inventory²² are leased pursuant to section 8 of the *Fishing and Recreational Harbours Act*; regulation-making powers with respect to the terms and conditions of leases can be found in section 9 (k) of the Act.

The Harbour Authority management model acknowledges that individual communities are best positioned to make decisions about which services are most appropriate to their own use. It is also viewed as an efficient way of offering services, strengthening public investment and providing opportunities for communities to participate fully in the planning, operation and maintenance of harbour facilities. At the national level, Harbour Authorities are represented by the National Harbour Authority Advisory Committee, which maintains a dialogue with, and provides advice to, the SCH Program on matters of national interest. Over the 20 years of the Harbour Authority Program, Harbour Authorities and the federal government have come to a mutual understanding of their respective responsibilities with respect to the management of small craft harbours. These responsibilities are identified in Table 1, below.

21 Jackey Richard, *Committee Evidence*, November 26, 2007.

22 Included in Schedule I to the *Fishing and Recreational Harbours Regulations*.

Table 1. Respective Responsibilities Pertaining to Harbours

Harbour Authority	DFO's Small Craft Harbours program
<p>Responsible for all day-to-day operations at their harbour, including:</p> <ul style="list-style-type: none"> • overseeing harbour operations such as berthage and offloading of catch; • providing services such as utilities, security, recycling, and vessel launching; • ensuring proper maintenance, including minor repairs, and clean-up of the harbour; • collecting fees; and • managing the business of the Harbour Authority through a board of directors. 	<p>Responsible primarily as the lessor to ensure that:</p> <ul style="list-style-type: none"> • facilities that have been paid for by the taxpayers and leased at a nominal cost are used for the public good; and • facilities provided for fishermen respect the health and safety of users and of the environment. <p>In collaboration with Harbour Authorities, the SCH program remains responsible for funding and overseeing all major repairs, maintenance and dredging; and for providing ongoing advice to Harbour Authorities.</p>

To perform the tasks for which they are responsible, Harbour Authorities rely heavily on volunteers. For several years, these volunteers have experienced frustration due to: insufficient budgets to maintain the harbours; increased complexity in harbour management; the difficulty of recruiting new volunteers; and apprehension regarding the responsibilities and liability related to management of deteriorating facilities. The Committee has already discussed this issue in its interim report and recommended that “the Government of Canada increase financial contributions to Harbour Authorities and to regional Small Craft Harbour branches to alleviate the excessive responsibilities of volunteers, and address training needs.”²³ DFO officials have identified volunteer fatigue as a key challenge for the SCH Program.

During the course of its study, the Committee heard several suggestions for improving on the Harbour Authorities model of harbour management. For example, Harbour Authorities should be able to operate like the business enterprises that they are, with the flexibility and the means to enter into partnerships with other organizations, as well as to develop short-term and long-term objectives in a capital plan. Many Harbour Authorities, however, lack the resources to do so. Some witnesses suggested that the consolidation of Harbour Authorities and harbours would allow this goal to be achieved. This solution, however, does not have widespread support. There is more support for partial consolidation, or the consolidation of some activities in a given area where resources could be pooled. Mr. Jacques Dufresne of the Administration portuaire de

23 Standing Committee on Fisheries and Oceans, *Safe and Well-Funded Small Craft Harbours: A Clear Priority*, December 2007, p. 15.

Rivière-au-Renard suggested that in Gaspésie, “L'Anse-à-Valleau, Rivière-au-Renard, L'Anse-au-Griffon and even Gaspé, which is very close, could perhaps, among the four of them, obtain funding for a skeleton staff.” He explained that these communities needed

[...] staff that would be active in all four harbours and a board of directors that would work with them. Then, the volunteers would enjoy working, be more creative and we could submit projects. I know very well, as concerns the harbours, that there is not only streamlining to be done, there are other things as well. However, the way we are organized now, all we can do is damage control rather than sitting down and planning for the future. So I think that would be a good idea.²⁴

The diversity of harbour management by Harbour Authorities offers examples of best practices that should be widely shared. These best practices range from the establishment of partnerships with local community groups to the sharing of professional expertise with local governments in areas such as engineering or financial services. In Sointula, for example—a small community located on a small island off the northeast coast of Vancouver Island—the local Lions Club holds the lease for the harbour. In Ladner, Port Hardy and Port McNeill in British Columbia, municipal councils have actually taken on the role of Harbour Authority. According to Ms. Nancy Cuddeford, Manager of Community Recreation Services for the Corporation of Delta, “one of the most difficult challenges [harbour managers] have is trying to have support from the local city [or] the local town.”²⁵ She added that the main benefit of an arrangement, such as the one between Ladner Harbour and the Corporation of Delta, “is that the governance of the council provides a tremendous reinforcement to staff about managing the assets of the corporation, going to bat and putting in extra time, communicating with engineering departments, the finance department, and so forth.”²⁶ In the District of Port Hardy, the municipal planning commission has the mandate to look at harbour issues and advise the municipal council. According to Mr. Rick Davidge, Chief Administrative Officer of the District of Port Hardy, this allows more depth in the organization as harbour managers have access to resources within the town, including equipment from the public works department.²⁷

Where a Harbour Authority does not have the option of relying on a municipality for various services, it has been suggested that Harbour Authorities located close to one another might pool and share their resources.

In 1999, DFO commissioned a study to “compare the situation of Canada’s Small Craft Harbours with that of similar harbours in several other countries around the world; determine the importance of government support in these foreign harbours; and identify new management ideas for Small Craft Harbours from these foreign harbours.” The study’s findings appeared in a report entitled *Profile of Small Craft Harbours in Foreign Countries*. Mr. Matthew A. Bol, a director of the consulting firm responsible for that report,

24 Jacques Dufresne, *Committee Evidence*, April 18, 2008.

25 Nancy Cuddeford, *Committee Evidence*, May 26, 2008.

26 Ibid.

27 Rick Davidge, *Committee Evidence*, May 27, 2008.

appeared before the Committee. Mr. Bol has participated in and managed large, complex, interdisciplinary consulting assignments in organizational and operational reviews, alternative service delivery, privatization, and financial analysis. In particular, his firm has looked at the management model for small regional airports in Canada. Three of the report's conclusions are particularly relevant:

- The SCH Program should consider innovative financing schemes for capital projects, including direct loans, loan guarantees, and revolving funds.
- The SCH Program should encourage the involvement of local municipalities to provide administrative and operational services for these harbours.
- The SCH Program should ensure that local harbour boards of directors are openly accountable and effectively provide the necessary management experience and skills.

Mr. Bol stated that he “would strongly encourage local ownership and operation with a clearly defined process that spans a number of years on funding primarily capital developments.”²⁸ In his view, Harbour Authorities management “needs to be somehow broken away from a yearly cycle of appropriations where the poor small craft harbour manager doesn't know what money he's getting at the end of the year. He doesn't know what the long-term funding might be, so how can he make good decisions on the long-term viability of any harbour?”²⁹ Mr. Bol also considered that part of the solution could come from some form of consolidation. He said:

My thinking concerning ownership of the small fishing harbours, hopefully, at a consolidated level—and this would be a long-term view of some consolidation—is that if I were on a board of directors for an organization, I think I'd want to have more say and control over the long-term development and capital plans of that organization. If at all possible, if I were a large enough organization, then I could go to get some funding outside of federal or provincial levels, and that's an airport model. So I think if it is at all possible—it may not be possible with the very small craft harbours—and then if you have local ownership, you can raise local funds and get away from the tyranny of lack of capital financing that airports used to see in the past. Now we see that for airports they can raise money and get more revenues, and they're modernizing Canadian airports.³⁰

DFO officials seem to agree, as the department is looking for efficient ways to manage the harbours through the Harbour Authorities. The department is trying to promote some consolidation within Harbour Authority operations, whereby groups would

28 Matthew Bol, *Committee Evidence*, June 5, 2007.

29 Ibid.

30 Ibid.,

be established to look after more than one or two small craft harbours. According to Mr. Cal Hegge, Assistant Deputy Minister, Human Resources and Corporate Services, this is already starting to take place in various parts of the country.³¹

Fees and Revenue Generation

Harbour Authorities generate \$24 million per year in revenue.³² Harbour Authorities are responsible for collecting fees at harbours under their management. (The SCH program remains responsible for collecting fees at harbours under its own management.) The two fees most frequently collected by harbour managers are the berthing fee (or berthage) and the off-loading fee (or wharfage).³³ The power to collect fees can be found in the *Fishing and Recreational Harbours Act* and its regulations. While the fee rates are prescribed in schedules to the *Fishing and Recreational Harbours Regulations*, these rates do not apply to harbours under lease and managed by Harbour Authorities.³⁴ As witnessed by the Committee during its tour of harbours across the country, Harbour Authorities have considerable latitude and autonomy for setting fee schedules; as a result, these are quite variable even within a region. While some witnesses felt that there is no need for country-wide fee-setting standards,³⁵ the Committee believes that there is value to the idea of having guidelines, either national or regional, for setting and collecting fees for services provided. Harbour Authorities should at least receive guidance in this area. Thus, the Committee welcomes the department's initiative to offer Harbour Authorities assistance in their fee-collection efforts. This assistance takes the form of online resources and suggestions for harbour managers, and is part of a broader initiative called the "Harbour Authority Toolbox." The toolbox, a work in progress, will contain information to help Harbour Authorities in the areas of finance and management, environment, maintenance and operations, volunteer participation and board meetings, and insurance.³⁶

The Committee heard testimony about the need for Harbour Authorities to generate more revenue. According to DFO officials, this area is one of the top three with respect to which Harbour Authorities have asked assistance from the department.³⁷ DFO officials believe that this would help foster communities' sense of ownership of their harbour facilities. DFO encourages Harbour Authorities to structure a fee system that will allow them to generate adequate revenue to cover their operating costs and to finance some of

31 Cal Hegge, *Committee Evidence*, November 19, 2007.

32 Micheline Leduc, *Committee Evidence*, October 29, 2009.

33 The terminology varies across the country. The *Fishing and Recreational Harbours Regulations* describe berthage as a charge for the occupation by a vessel of a berth or other space at a harbour, and wharfage as a charge for placing goods on a wharf or for loading goods on or unloading goods from a vessel at a wharf. Berthage is also known as berthing, moorage, or tie-up fee, and wharfage as off-loading or unloading fee.

34 *Fishing and Recreational Harbours Regulations*, section 28.1.

35 Ben Maberley, *Committee Evidence*, May 26, 2008.

36 Fisheries and Oceans Canada, "Harbour Authority Toolbox," <http://www.dfo-mpo.gc.ca/sch-ppb/toolbox-boiteaoutils/index-eng.htm> (accessed December 17, 2008).

37 Michaela Huard, *Committee Evidence*, October 29, 2009.

the other critical work. While the department would like Harbour Authorities to generate higher revenues, it understands, however, that this goal is difficult to achieve while core harbours are often not in the best condition. Revenue-generating ability also varies from one harbour to another. For example, the Committee heard that harbours with higher capacity can generate significant revenue. In addition, many of these harbours are operating with a volunteer board but with professional staff. Having permanent staff increases Harbour Authorities' ability to plan and take advantage of funding opportunities as they become available. This is particularly true in the Pacific Region, where harbours are larger and more consolidated (the average harbour in that region holds between 100 and 200 vessels).³⁸

Harbour Authorities have been very creative in developing sources of revenue aside from those derived from berthage and wharfage. In a majority of cases, services to existing clients have increased, and in some instances new or improved services are helping to retain clients and even attract new ones. Furthermore, several of the added services target a clientele other than commercial fishermen, including recreational fishermen, charter fishery operations, water taxis, pleasure craft, and tourism activities such as boat tours and whale-watching. Much of the revenue raised has been reinvested in harbour maintenance. Comments provided by harbour managers on this issue included the following:

You are very inventive in what you try to do. The fee you have to charge depends on what service you provide. When our harbour authority was first formed, we had very little service to provide, with the exception of berthage. As we've grown over the years and made reinvestments in fresh water and bathrooms, things have gone up.³⁹

Donald Drew, Chair of the Harbour Authority,
Bay Bulls Harbour

Probably 10% of our revenue is from other sources. The Lions Club put in a laundromat-washhouse facility to complement the harbour to attract visitors. Last year they put in an addition, with more machines and showers and things, because it was getting too busy in the summer. We have a little take-out restaurant, which is on the lease, that we get rent from. We have a fee that we charge—it's now the Malcolm Island Lions, and it's going to a community wharf—an administration and office use fee.⁴⁰

Lorraine Williams, Harbour Manager,
Malcolm Island Lions Harbour Authority, Sointula Harbour

38 Elizabeth McLeod, *Committee Evidence*, May 26, 2008.

39 Donald Drew, *Committee Evidence*, April 14, 2008.

40 Lorraine Williams, *Committee Evidence*, May 27, 2008.

Our authority and our community are so small that our harbour authority actually runs the waste disposal for the community. We provide a garbage trailer, and we charge for the service.⁴¹

Phil Wainwright, Chair of the Harbour Authority,
Winter Harbour

How do we generate revenue? We're very lucky, in a way, at the harbour authority in Woods Harbour because we have a very lucrative fishery, a large number of boats, and the three different wharves. It's not as if we have one little wharf and six vessels. We generate our revenue through user fees, and that includes berthage fees. That's what each vessel pays, of course, to dock at the wharf. We have licence fees, which include unloading licences, truck access licences, lobster cars. That's about it for the licences. Oh, I also have reefer licences this year, and we have subleases. The next problem is obstacles to increasing our revenue, and that all comes back to, again, the size of our wharf, the overcrowding, and we're unable to provide additional services that would, in turn, increase our revenue. If you have a harbour authority that has perhaps 12 vessels, its ability to generate revenue is extremely limited.⁴²

Geraldine Nickerson, Harbour Manager,
Harbour Authority, Woods Harbour

41 Phil Wainwright, *Committee Evidence*, May 27, 2008.

42 Geraldine Nickerson, *Committee Evidence*, November 26, 2007.

The following list provides examples of activities generating additional revenues for Harbour Authorities across the country:

- Access to launching ramp for the community
- Electrical facilities
- Freshwater supply
- Fuel sales
- Gift shop
- Laundry facilities
- Museum
- Parking lots
- Property rental
- Renting of cranes
- Showers
- Storage
- Take-out restaurant
- Transient fees for commercial or recreational fishing boats (by the night, the week, or the month)
- Washrooms
- Waste disposal for the community
- Waste oil facilities
- Black water pump-out
- Wireless Internet

Representatives from the Harbour Authorities cautioned that given the average fisherman's income, there was a limit to what could be asked in terms of fees.⁴³ They also pointed out that Harbour Authorities have done their share in terms of generating revenues. Mr. Ben Mabberley, member of the National Harbour Authority Advisory Committee for the Pacific region said:

If you look at the revenues that have been generated by harbour authorities over the last 10 years, 10 years ago harbour authorities generated \$11 million in revenues toward the program. Today that number is \$24 million. That does not include the man hours that we put in, and that is 135,000 man hours on top of the \$24 million in revenue.

...

The fact is in those 10 years we have done our job. We've found different sources of revenue. We've managed to raise our revenue base to the small craft harbour program by 250%, so I would question that we need to look for new sources.⁴⁴

43 Luc Legresley, *Committee Evidence*, November 26, 2009.

44 Ben Mabberley, *Committee Evidence*, November 26, 2009.

Harbour Authorities also had access in the past to other sources of public revenues, notably from the Atlantic Canada Opportunities Agency (ACOA), Human Resources and Social Development Canada, and Service Canada.⁴⁵ Funding from ACOA was not available however for the repair and maintenance of harbours, a situation also applying in Quebec with the Economic Development Agency of Canada for the Regions of Quebec.⁴⁶ According to DFO officials, ACOA has supported projects where Harbour Authorities are looking to expand or diversify to satisfy needs other than those of commercial fisheries.⁴⁷ As it was the case with the ACOA on the East Coast, Harbour Authorities on the West Coast had access in some cases to funding from Western Economic Diversification Canada.⁴⁸

With regard to the management of harbours by Harbour Authorities, the Committee recommends:

RECOMMENDATION 9

That Fisheries and Oceans Canada assist Harbour Authorities with the development of short-term and long-term business plans as well as capitalization plans.

RECOMMENDATION 10

That Fisheries and Oceans Canada assist Harbour Authorities in their efforts to raise funds from other sources, including federal, provincial, and private sources.

RECOMMENDATION 11

That Fisheries and Oceans Canada assist and encourage Harbour Authorities to establish partnerships with local organizations where possible.

Project Approval and Funding

During its study, the Committee heard testimony from Harbour Authorities representatives that it would be pragmatic and cost-efficient to increase the limit on project approval (contract signing authority) from \$40,000 to \$200,000. This request has been put forward by the Harbour Authorities and is supported by the Committee. The intent is to enable Harbour Authorities to become more involved in projects and to complete them more cost-efficiently.

45 Bill Goulding, *Committee Evidence*, May 31, 2007.

46 Robert Bergeron, *Committee Evidence*, November 19, 2007.

47 Jackey Richard, *Committee Evidence*, November 26, 2007.

48 Jackey Richard and James Boland, *Committee Evidence*, November 26, 2007.

The provision that allows the Minister of Fisheries and Oceans to delegate its contract signing authority under \$40,000 is appreciated. As Mr. Bill Goulding (Regional Director, Small Craft Harbours, Newfoundland and Labrador Region, Department of Fisheries and Oceans) stated:

On the infrastructure side, when it comes to performing maintenance and repair work, we've got a special authority that the minister's granted to the program through Treasury Board, where we can sole-source construction contracts to harbour authorities up to \$40,000. This is used quite effectively in all regions. We've spoken about the fact that you don't necessarily need the full weight of a large government common-service organization at play. You can sole-source the work directly to the harbour authorities, and they can find the most effective way to do it and they can partner with and get funding from HRSD and other sources.⁴⁹

The increase would further allow Harbour Authorities the flexibility required to complete larger-scale projects and avoid the need to separate projects into smaller \$40,000 components in order to acquire funding to complete the project. Mr. Ben Maberley (Director, Whaler Bay Harbour Authority, Pacific Regional Harbour Authority Advisory Committee) explained:

You understand that a \$40,000 project is not much of a project in any harbour. And we have the desire to do our work, and at our harbour authority we do all our own work, but we have to figure out how to manage projects so they don't exceed \$40,000. So a project may actually have to be three separate projects to get it done[...]. You have to remember, whenever the Department of Public Works gets involved in a project, it's put out to tender. Very seldom is that work ever done by community members. All our work on our dock is done by community members. All of that stays in the community[...]. We're not building airplanes here; we're building docks. It's not that difficult. And with the maintenance and repair modules that the small craft harbours program is designing, a lot more of the projects that need to be done could be done by small harbours employing community members.⁵⁰

There is thus a desire and capacity for Harbour Authorities to become involved in their construction projects. Furthermore, if the Public Works and Government Services tendering process is avoided, Harbour Authorities have an opportunity to find more local, cost-efficient options and even volunteer labourers.

The Committee therefore recommends:

RECOMMENDATION 12

That the limit on contract signing authority for Harbour Authorities managers be increased from \$40,000 to \$200,000 for minor capital and repair projects, and that, where possible, priority be given to hiring local enterprises to do the approved work.

49 Bill Goulding, *Committee Evidence*, May 31, 2007.

50 Ben Maberley, *Committee Evidence*, May 26, 2008.

As in 2001, the Committee heard during its recent travels that the current approval and tendering process is so lengthy that in some cases tenders are issued too late, leaving insufficient time to initiate or complete projects during the construction season, which in some regions can be quite short. For Newfoundland and Labrador, the situation has been summarized as follows in the preamble to a question to which the witness answered in the affirmative:

As I understand it, and correct me if I'm wrong, the budget will be passed some time in the next number of days, hopefully, and the minister will make the announcements into the month of June. And then we have July and August, which is a holiday period for a lot of people, and trying to coordinate some things then[...] . And then we're into the fall of the year. By the time the tenders are awarded, we're pretty close to Christmas. By the time you start in Newfoundland and Labrador, it will be in January.⁵¹

The Committee believes that its 2001 recommendation with respect to timely approval of projects is still relevant, and thus recommends:

RECOMMENDATION 13

That Fisheries and Oceans Canada streamline the review and approval process of Small Craft Harbours projects to ensure that projects be approved, announced, and tendered by June 1st, where possible, and

That Fisheries and Oceans Canada provide clear and transparent accounting of funds related to project costs and administrative costs associated with the department or Public Works and Government Services Canada.

The Fishing and Recreational Harbours Act

DFO created the SCH Program in 1972 under the authority of the *Fishing and Recreational Harbours Act* and the *Federal Real Property and Federal Immovables Act*. The program operates under the *Fishing and Recreational Harbours Act* (the Act) and the *Fishing and Recreational Harbours Regulations* made pursuant to that Act. Since 1985, the Act has been amended five times—never to reflect, however, the management of scheduled harbours by Harbour Authorities. The regulations are regularly amended to update the list of scheduled harbours covered under the Act. Neither the Act, nor the pursuant regulations currently define or make any mention of a “Harbour Authority.” The regulations do, however, define a “harbour manager” to mean a person appointed under section 27 of the Act or under any other Act of Parliament to manage a “harbour.” Section 27 states:

For the purposes of this Act, the Minister may appoint and fix the remuneration of such officers or employees as the Minister thinks proper for the operation, administration and management of any scheduled harbours, and the officers or employees so appointed

51 Fabian Manning, *Committee Evidence*, May 29, 2007.

shall perform such duties or functions as the Minister may direct or as may be prescribed by regulations made under this Act.⁵²

There are only a few harbour managers as defined in section 27 remaining. Over the past 20 years, Harbour Authorities have essentially taken over the previous role of harbour managers, who were appointed by the minister to manage the smaller harbours in accordance with section 27 of the Act. Harbour Authorities have, in many instances, appointed harbour managers, in accordance with the stipulations of their bylaws. The Committee understands that these harbour managers are not the same as those defined in law.

The Committee agrees with witnesses who mentioned the need to modernize the Act. The Act is outdated and does not currently reflect the structure, function, and management of the Harbour Authorities under the SCH Program; nor does it facilitate or acknowledge the role of these crucial organizations. Furthermore, the Act should be amended in order to provide a mechanism to empower Harbour Authorities to enforce stipulations under the Act in order to deal with derelict vessels.

As Mrs. Elizabeth McLeod explained:

While we were required by our lease agreements to abide by all applicable government acts and regulations, we do not have the ability to enforce these regulations on our users. We would urge DFO to review the act and regulations, as well as the standard harbour authority lease agreements, with a view to making the necessary changes to facilitate good governance in our harbours.⁵³

Mrs. McLeod also commented on the Act's hindrances with respect to the role of Harbour Authorities.

The Fishing and Recreational Harbours Act actually curtails what we can do as Harbour Authorities, because the only people who can enforce that act are federal enforcement officers. [...] A harbour manager, under the act, is a federal employee. When you're reading through, it enables a "harbour manager" to do a whole pile of things, but that's not us; it's not the people who are running the harbours.

That can sometimes be counter-productive, if you're not an enforcement officer. I had a case in which we were taking somebody to court to try to collect some outstanding moorage, and he counter-sued us, saying that the Act calls for an "enforcement officer" to tow a [vessel] and it certainly does. So it's not enabling us to do those jobs. In some cases, it's acting to the detriment of Harbour Authorities, and that's why I would like to see it updated.⁵⁴

52 Canada, *Fishing and Recreational Harbours Act* (R.S., 1985, c. F-24), <http://laws.justice.gc.ca/en/ShowTdm/cs/F-24/?noCookie>.

53 Elizabeth McLeod, *Committee Evidence*, May 26, 2008.

54 Ibid.

The Committee recommends:

RECOMMENDATION 14

That Fisheries and Oceans Canada review and modernize the *Fishing and Recreational Harbours Act* and its regulations to reflect the current management reality of small craft harbours. In particular, definitions of “Harbour Authority,” “derelict,” and “harbour manager” should be included or updated.

Derelict Vessels

During the study, the Committee learned that Harbour Authorities on the west coast of Canada are experiencing problems with vessels being abandoned by owners. In most cases, these derelict vessels can no longer be linked to a specific owner and have to be minimally maintained by the Harbour Authority. In addition, the vessels occupy valuable moorage space at the wharf, and can represent a significant safety concerns (e.g., fire hazard, sinking). Harbour Authority representatives feel that they do not have the proper authority and budget to deal with derelict vessels. At hearings in November 2009, the Committee learned that derelict vessels were becoming a problem in other regions such as Newfoundland and Labrador.⁵⁵

Representatives from the west coast felt that the problem with derelict vessels will continue and increase in numbers. In their view, the situation is an unforeseen consequence of DFO’s 1993 licence buy-back programs in the Pacific Region (the Mifflin Plan), which removed a significant number of fishermen from their fisheries. Without licences, boats sit in harbours unused and unmaintained, and are left for the Harbour Authorities to deal with. Another contributing problem is the difficulty of accessing information on vessel ownership if the vessel is not listed in the ships registry (the Transport Canada *List of Ships*). This can have dangerous consequences during emergency situations.

There is no long-term plan for dealing with derelict vessels, which range from commercial fishing boats to refugee boats from China. Any such plan would likely be expensive. A rough estimate provided by Mrs. Elizabeth McLeod was that it would cost \$10,000 to dispose of a 35-foot fishing vessel, including cleaning out contaminated waste and other contents of the vessel.⁵⁶ The problem is such an issue that the Harbour Authority Association of British Columbia and the SCH Pacific Region have established a joint group to examine the magnitude of the problem and explore possible solutions.

The *Fishing and Recreational Harbours Act* and its associated regulations have been mentioned as a possible avenue to deal with the problem of derelict vessels, in particular section 14 of the Act. A few Harbour Authorities representatives would like

55 Ben Maberley, *Committee Evidence*, November 26, 2009.

56 Elizabeth McLeod, *Committee Evidence*, May 26, 2008.

increased authority to enforce the regulations concerning derelict vessels. For example, Mr. Hugh Fraser (Deputy Director, Engineering, Corporation of Delta) stated that there was “a need for legislative changes to facilitate the removal of the abandoned and derelict [vessels].”⁵⁷ He suggested that enforcement officers be appointed for each Harbour Authority to assist with these situations, “particularly in the context of the current legislation.”⁵⁸ Mr. Lutz Budde (Director, Oona River Community Association, Pacific Regional Harbour Authority Advisory Committee) added:

It's similar to those in uniform or whatever—not that I want a uniform or a gun, but we want the people to have an understanding that we have the power of enforcement. It's a matter of education of people[...] . In most cases you get voluntary compliance, but for those cases in which you don't, you would like to have that kind of power.⁵⁹

Section 14 of the Act stipulates the power of enforcement for derelict vessels: it states that an enforcement officer has the power to demand someone to remove an abandoned vessel if he or she “believes on reasonable grounds that the vessel or goods impede, interfere with or render difficult or dangerous the use of the harbour.” Enforcement officers also have the power to seize the vessel if the owner does not cooperate. The Committee believes that there is nothing in the Act that prevents an existing harbour manager, an employee of a Harbour Authority, or any other person, from being designated as an enforcement officer for purposes of enforcing the Act so long as, in the opinion of the Minister, the person is qualified to be so designated (section 10). Section 11 of the Act spells out the powers of enforcement officers. It would appear that in the Pacific Region, where derelict vessels are a greater problem, SCH officials are often designated as enforcement officers for purposes of the Act.

The Committee believes that in order to strengthen enforcement relating to derelict vessels, a clear definition of derelict vessels would be useful. Such a definition would explain the timeframe and conditions that must be met in order for a vessel to be deemed abandoned and derelict.

The Committee therefore recommends:

RECOMMENDATION 15

That Fisheries and Oceans Canada consider legislative changes to facilitate the removal of abandoned and derelict vessels from its harbours.

In the Committee's view, the matter of derelict vessels is connected to a broader problem of consultation of harbour managers with respect to departmental policy changes. The Committee had already commented on this matter in its interim report when it

57 Hugh Fraser, *Committee Evidence*, May 26, 2008.

58 Ibid.

59 Lutz Budde, *Committee Evidence*, May 26, 2008.

recommended that the department should analyze the impact of departmental policies such as the vessel replacement rules on boat size and the current capacity of fishing wharves. The following comments from representatives of the National Harbour Authority Advisory Committee summarize the issue:

One other message I would like to see come out of this is that this is a group of commercial fishers from across the country. There are people among us who aren't in commercial fishing, but for the most part we represent the commercial fishing industry from coast to coast and across the prairies. This body should be used as an advisory body any time you're considering changes that have anything to do with any fishery right across the country. If we're used in that capacity we'll be better equipped to deal with the changes that are made in the fisheries across the country. We wouldn't be blindsided by some of the things such as the derelict vessels and the rest of it if we were considered a consultative body when you're making decisions that affect the fisheries.⁶⁰

Stacy Linington, Representative for the National Harbour Authority Advisory Committee
for the Central and Arctic Region

The one thing we saw with the whole fisheries renewal initiative and other programs of fisheries and oceans outside of small craft harbours there's a lot of consultation done with fishermen's organizations and the people in fisheries and aquaculture management's eyes were the ones to consult. But in many cases they forget about the harbour authorities and the potential impacts it will have, whether you're talking about vessels that are going in Newfoundland from 6411 up to 8911, it's going to have an impact, larger boats, much larger, less boats in some cases. In some cases we've seen increases because of changes in fisheries policy.

The one thing we've been raising nationally is the need to consult with groups such as ours from a harbour authority perspective because we're the last ones that they think about having a potential impact. At the same time people like to talk revenue generation but we have policies that are changing but we're not being consulted as well. Let's face it, they have to leave from a harbour and come back to a harbour. So it does have an impact in the policy and changes that are happening. In the west coast we've seen where there's been buy-backs or purchases of licenses to access licenses but not the vessels and some of the harbour authorities are left to deal with vessels that become abandoned or derelict. So there's a number of issues there where some consultation in the initial stages would have been, I'm sure very useful.⁶¹

Luc Legresley, Representative for the National Harbour Authority Advisory Committee
for the Québec Region

Successes and Failures in Divestiture of Harbours and Transfer to Local Interests

Following its 1995 government-wide Program Review exercise, the federal government decided that DFO's entire inventory of recreational harbours would be divested to minimize the costs associated with operating and repairing these facilities. In addition, the number of fishing harbours would be reduced in order to focus on those

60 Stacy Linington, *Committee Evidence*, November 26, 2009.

61 Luc Legresley, *Committee Evidence*, November 26, 2009.

harbours that are most important to the commercial fishing industry. All recreational harbours were targeted, as well as low-activity and derelict fishing harbours (non-essential harbours). Consequently, the SCH Program mandate was significantly narrowed. Today, a total of 171 recreational harbours have yet to be divested, most of them located in Quebec and Ontario.

Harbours are first offered to other federal departments, provinces, municipalities, and local non-profit associations or First Nations, and then divested to the private sector through a tendering process. Most of the facilities were transferred to local municipalities and non-profit associations of small coastal communities. DFO must ensure the necessary harbour repairs and environmental clean-up associated with transfer, either by undertaking this work prior to disposal or by providing a comparable grant to the recipient.⁶² The Committee noted in its interim report that as of 2005, DFO had spent a total of \$61.8 million since 1994-1995 on divestiture-related activities. A significant portion of this amount was diverted from the SCH budget for operation and maintenance, leading in part to the current program funding gap for operation and maintenance.

In the course of its study, the Committee visited three recreational harbours at various stages of the divestiture process. The Committee also heard testimony about the divestiture of non-essential fishing harbours. In Ontario, the Committee visited the Belleville Small Craft Harbour, which is to be divested to the City of Belleville. The site, however, is contaminated with various metals, polycyclic aromatic hydrocarbons and petroleum hydrocarbon products from past industrial activities. In 2003, the SCH Program applied to the Federal Contaminated Sites Action Plan for funding. That program,

62 According to the DFO website for the SCH divestiture program (<http://www.dfo-mpo.gc.ca/sch-ppb/divestiture-dessaisissement-eng.htm>): "The Divestiture Program strives to transfer ownership of designated harbours to a third party. Divestiture of recreational harbours and low-activity or derelict harbours allows SCH to focus its efforts and investments on core harbours that are critical to the fishing industry.

SCH will first provide the necessary harbour repairs and environmental clean-up. It does this by either undertaking this work prior to transfer or by providing a comparable grant to the recipient.

Harbours are offered in order of priority:

1. For a nominal fee to:
 - Other federal departments
 - Provinces
 - Municipalities
 - Local non-profit associations or First Nations
2. Through a tendering process to the private sector.

Municipalities have generally shown most interest in assuming responsibility for harbour facilities. They are often in the best position to make decisions about which services are most appropriate. When ownership of a harbour is transferred, the recipient must pay a nominal fee and maintain public access to the harbour and to its services for a minimum of 5 years.

Transfer or demolition only occurs after the communities concerned have been consulted and only when an agreement has been reached. Harbour structures are demolished only if there is no local interest in them."

administered by Environment Canada, made a commitment to provide \$8 million on the condition that DFO provide \$2 million. The City of Belleville has also committed \$5 million to the project. At the time of the Committee's visit, a remediation project was about to start, and some of the surveying had already been done. The City will assume ownership of the facility once the clean-up project is complete.

During the years since the partnership between the federal government and the municipality was established in 2003–2004, provincial environmental regulations applying to the project have changed; as a result, it now appears that the originally projected cost will be exceeded.⁶³ The project was originally planned to be completed by March 31, 2007, but was delayed. At the time of the Committee's visit, about \$3 million had already been spent on studies for the waterfront area and to obtain certificates of approval from the Ontario Ministry of the Environment. In addition, the city had to award a contract for the clean-up project for a total amount of \$12.7 million—a contract that the city must now honour. City officials told us that so far "\$2,033,000 has been spent by the federal government and \$965,024 by the City of Belleville."⁶⁴ They added that there were no provincial programs or funding opportunities for this particular project. The city has, however, applied for funding under the Ontario Municipal Infrastructure Investment Initiative for related projects on adjacent non-federal lands.

The Committee is puzzled by the fact that while the Belleville small craft harbour still belonged to the federal government, it was the municipality that was assuming at the time of the hearings the most important financial risk with regard to the clean-up project, as the federal government had provided only about one-fifth of its \$10 million commitment.

In view of the testimony received regarding the situation of the Belleville Small Craft Harbour and the impact on local authorities of potential delays in receiving federal funding, the Committee recommends:

RECOMMENDATION 16

That the Government of Canada honour in a timely manner its financial commitments to undertake environmental remediation projects needed prior to harbour divestiture.

The Committee also visited two SCH facilities in neighbouring Prince Edward County. In 1995, there were six federal harbours identified for possible divestiture in the county. Of these, three have already been successfully transferred to the Corporation of the County of Prince Edward. The transfers of two others, which the Committee toured, are being either finalized (Wellington Harbour) or negotiated (Picton Harbour).⁶⁵ County

63 Marjorie Buck, *Committee Evidence*, May 13, 2008.

64 Ibid.

65 In the case of Picton Harbour, the county has had a subcontracting agreement with the Prince Edward Yacht Club for a number of years. The club manages and collects the fees for the docks. The county hopes to complete divestiture of this harbour sometime in 2009.

officials told the Committee that the excellent relationship they had with DFO was paramount in the success of these divestitures. Interestingly, the only harbour in the county that will remain in the federal inventory—Long Point Harbour (at Point Traverse)—is also the only remaining fishing harbour in the area. It is still home to a number of active fishermen who considered it as a safe shelter, but it appears to be in poor condition. The harbour does not, however, belong to DFO as it was transferred, and deleted from the regulations in October 2002. It is located within the Prince Edward Point National Wildlife Area established in 1978 and is managed by Environment Canada. Unfortunately for the active commercial fishermen of this area of Lake Ontario, the harbour does not appear to be a priority for the county, Environment Canada, or DFO, as illustrated by the following statement:

You do not want your harbour or your docks to fall into the wrong hands. Ours has. It's fallen to Environment Canada, whose purpose in life is basically to exclude all people from the CWS—Canadian Wildlife Service—properties at Long Point. Currently, they're encouraging the birders, but ultimately they would like it as a reserve area, where no man treads. This seems to be Environment Canada's mandate. When Environment Canada took over the property from private hands, we had to struggle, but we made a deal with them to retain properties along the harbour side and the docks we had currently, to continue the commercial fishery in this area.⁶⁶

In Gaspé, the Committee also heard about the Grande-Vallée fishing harbour. This facility is central to a municipal development project to promote tourism and the preservation of local heritage and culture. As of October 2004, the Grande-Vallée harbour was listed as a non-essential harbour.⁶⁷ The divestiture of this facility is still scheduled. Officials of the Municipalité de Grande-Vallée believe that DFO's lack of action to address the condition of the harbour hinders their development project. They stated that the Grande-Vallée harbour has “fallen to the level of visual pollution.”⁶⁸ They added that “the harbour has been labelled non-essential, but it remains a nerve centre of tourist activity. These so-called non-essential ports must not be considered unimportant to their communities. Our small craft harbours are decrepit. They are located in the middle of the village, at the nerve centre of tourist and economic development.”⁶⁹ Some witnesses recommended that small craft harbours be recognized as heritage and cultural properties, as well as tourist and economic attractions; that the specific characteristics of each small craft harbour be recognized in order to preserve local identity; that the survival of fishing harbours as well as recreational harbours be ensured, and that all federal departments concerned be involved; and finally, that the importance of the federal presence in coastal communities be recognized.

66 Roxy Lancaster, *Committee Evidence*, May 13, 2008.

67 Information provided by DFO to the Committee in November 2004. It should be noted that DFO's website still identifies the Administration portuaire de Grande-Vallée as the managing authority for the harbour.

68 Municipalité de Grande-Vallée, *Mémoire*, April 18, 2008.

69 Gabriel Minville, *Committee Evidence*, April 18, 2008.

As the Committee understands it, part of the problem resides in the fact that local organisations, including Harbour Authorities, cannot apply for federal funding, for example from federal economic development agencies, for non-fisheries related projects on properties that are owned by DFO. Yet DFO will expand funds strictly for fisheries related expenditures. The Committee thus recommends:

RECOMMENDATION 17

That the Government of Canada recognize the heritage and cultural attributes of fishing harbours as well as their tourism and economic value, and

That the Government of Canada allow Harbour Authorities to be eligible to receive financial support from federal economic development agencies for projects intended to take advantage of those attributes.

Needs of Emerging Sectors

Since Program Review in 1995, DFO's SCH Program has been directed towards the needs of commercial fisheries. As stated by Mr. Robert Bergeron, former director general of the SCH Program, "Essentially we focus on commercial fishing, and a core harbour would be a harbour where there is a need to support commercial fishing."⁷⁰ When the divestiture of non-essential and recreational harbours in DFO's inventory is completed, the federal government will own less than 800 core harbours across the country, serving primarily the interests and the needs of commercial fishermen.

During its hearings, the Committee heard that the focus of the SCH Program should be broadened to serve the needs of emerging sectors such as aquaculture, Aboriginal fisheries, and recreational or commercial sport fishing as legitimate users of federal wharves. The fishing industry has evolved tremendously since 1995, and the Committee believes that while it would not be appropriate to revisit past decisions, a review of the mandate of the SCH Program is warranted, if only to acknowledge and confirm that wharves are used and managed for multiple purposes. DFO is well aware of the increased interest in the SCH infrastructure by sectors other than the commercial fishery, and is factoring that into the development of various options.⁷¹

This awareness is somewhat reflected in the 2009 vision statement of the SCH Program, which affirms the goal of having "an essential, affordable, national network of safe and accessible harbours, in good working condition, that meets the principal and

70 Robert Bergeron, *Committee Evidence*, May 29, 2007.

71 Cal Hegge, *Committee Evidence*, May 30, 2006.

evolving needs of the commercial fishing industry, while supporting the broader interests of coastal communities [emphasis added] and Canada's national interests."⁷²

The Committee recommends:

RECOMMENDATION 18

That Fisheries and Oceans Canada review the mandate of the Small Craft Harbours Program to acknowledge that, while it primarily provides harbours that are open, safe and in good repair for the commercial fishing industry, harbours are used and managed for other purposes, including those of recreational and Aboriginal fisheries, commercial sport fishing and emerging sectors such as aquaculture.

It is very likely that allowing increased access to harbours by new types of users with diverse needs and purposes would in many cases create an increasing demand on an overcrowded infrastructure. Building new or extending on existing infrastructure would in many cases be necessary. Representatives for the aquaculture industry, for example, told the Committee that they were often facing situations where they have no access because of overcrowding or inadequate facilities to suit their particular needs. Some aquaculture operators told the Committee about situations where they had to secure access to non-DFO facilities in the vicinity of DFO-owned wharves.

The marine infrastructure needs of the aquaculture industry are quite different from the needs of our traditional client base. In terms of how we can accommodate these users within existing harbours, congestion and user conflict issues are arising in certain locations as a result of the emergence of aquaculture. I think there's definitely a role for small craft harbours in the future in this area. As is the case with so many things, some additional financial resources will be needed to really and truly provide the infrastructure and services this industry requires, so it will be another funding demand emerging from aquaculture.⁷³

Bill Goulding, Regional Director, Small Craft Harbours,
Newfoundland and Labrador Region

The situation is very problematic in the Gaspésie. In this area, these businesses are all in the baie des Chaleurs, in Carleton and in the baie de Gaspé, in Gaspé itself. In Carleton, the DFO wharf's capacity has been exceeded—there are only two spots—and marine farmers have had to use Transport Canada's wharf. Furthermore, the fishers' wharf is in such a state of disrepair that the vessels' safety is not guaranteed. In Gaspé, there are no port facilities for fishers or marine farmers. Our marine farmers have to berth at the Transport Canada wharf, where they are tolerated. However, Transport Canada's wharves are not adapted to fishing. These wharves are made for large vessels and the heavy industry. Furthermore, Transport Canada's tariffs are much higher than those of

72 Fisheries and Oceans Canada, *Small Craft Harbours – Our Vision*, <http://www.dfo-mpo.gc.ca/sch-ppb/vision-eng.htm>.

73 Bill Goulding, *Committee Evidence*, May 31, 2007.

the harbour authorities for DFO's fishing wharves. In both Gaspé and Carleton, the service that is provided by DFO and Transport Canada are not adequate for marine farmers.⁷⁴

Stéphane Morissette, Vice-President,
Regroupement des mariculteurs du Québec

In the view of the Committee, the example of the use of federally-owned wharves in Gaspé illustrates the need for federal agencies to coordinate and find a solution to accommodate aquaculture operators.

The Committee thus recommends:

RECOMMENDATION 19

That Fisheries and Oceans Canada facilitate access to federal non-DFO wharves through interdepartmental agreements when local harbour users identify a need that cannot be otherwise accommodated by the neighbouring Small Craft Harbours infrastructure.

Aboriginal fisheries are often cited as a sector with an increasing need for harbour infrastructure. There are a number of issues related to this: the increasing number of Aboriginal fishermen entering fisheries because of treaty settlements, court decisions or federal access programs; the remoteness of some Aboriginal communities; and, the jurisdiction and responsibilities of various levels of governments and within the federal government with respect to Aboriginal matters.

The number of Aboriginal fishermen in the country is far from being insignificant, especially with respect to the use of SCH. According to the 2006 census, 75% of fishers in the province of Manitoba are Aboriginal.⁷⁵ In the Maritime and Gulf Region, 44% of the harbour infrastructure support Aboriginal communities.⁷⁶ The situation is similar in British Columbia. In that province, the dynamic of the current treaty process adds a level of complexity to the access and the use of harbours by Aboriginal communities. In British Columbia, the issue of remoteness of Aboriginal communities is representative of situations elsewhere in the country as illustrated by the following comment:

We also have First Nations issues unique to British Columbia. We're involved with the B.C. treaty process in Indian Affairs to have them consider the 15 harbours that front First Nations communities. These communities are not just commercial fishing harbours, they are often the ingress and egress of the community. There are no roads, so the only way in and out is by the harbour. So they particularly want treaties to understand that we don't

74 Stéphane Morissette, *Committee Evidence*, April 18, 2008.

75 Allan Gaudry, *Committee Evidence*, February 14, 2008.

76 Jackey Richard, *Committee Evidence*, November 26, 2007.

want to be the last federal department standing by First Nations when Indian Affairs settles a treaty with them. We think the harbour is an economic opportunity for First Nations, so it should be part of the treaty process.⁷⁷

James Boland, Regional Director, Strategic Initiatives,
Pacific Region, Department of Fisheries and Oceans

DFO acknowledges that treaty settlements and its impact on the use of harbours by First Nations people is creating pressure on the capacity of the infrastructure. “Eventually this will have to lead to some increased capacity, which will of course require some funds,” said Mr. Cal Hegge.⁷⁸ For the Pacific SCH Regional Director, harbours in First Nations communities should be considered part of the whole asset transferred to native bands during negotiations of treaty settlements.⁷⁹ The Committee agrees with many witnesses that these harbours are an integral part of these communities, and as such they constitute an economic opportunity for the First Nations, and should be included in the discussions related to the treaty process.

With respect to Aboriginal fisheries, the main issue is probably one of jurisdiction pertaining to Aboriginal matters. For example, most witnesses who gave testimony on the matter expressed concerns over the lack of coordination between DFO and Indian and Northern Affairs Canada, the latter recognized as being the lead federal agency. Mr. Kevin Sigurdson, Manager of Goodman's Landing in Manitoba, told the Committee that the issue that “always comes up to the First Nations communities is ‘Sorry, you're a part of Indian and Northern Affairs and we can't help you.’” Yet, “these are all fishermen,” he added.⁸⁰

According to some witnesses, funding of harbours in First Nations communities is not a priority for the federal government. Funding initiatives with respect to First Nations are related to matters of health, housing, and education.⁸¹ DFO will not build a new harbour on Aboriginal lands, according to Mr. David Tomasson, Director of the Freshwater Harbour Authority Advisory Council.⁸² Mr. Tomasson explained:

One of the problems in getting the small craft harbours branch to spend money on some of these harbours to make them safe is the policy that the small craft harbours branch will not do anything unless the crown owns the harbour. For instance, one harbour, Goodman's Landing, is used primarily by First Nations fish harvesters, and the argument is that Indian Affairs should look after that harbour, a sort of passing of the buck.

77 James Boland, *Committee Evidence*, November 26, 2007.

78 Cal Hegge, *Committee Evidence*, November 19, 2007.

79 James Boland, *Committee Evidence*, November 26, 2007.

80 Kevin Sigurdson, *Committee Evidence*, May 29, 2008.

81 Allan Gaudry, *Committee Evidence*, May 29, 2008.

82 David Tomasson, *Committee Evidence*, May 29, 2008.

However, here in the central and Arctic region we do not differentiate between a First Nations fish harvester and another harvester. A fish harvester is a fish harvester, and he or she needs, and we contend deserves, a safe harbour to work from.⁸³

As for the provincial governments, they are also very reluctant to fund initiatives on Aboriginal lands, as illustrated by this comment:

Right away, when it's on a first nation's land, the province says it's federal jurisdiction and why should they fund it? We have those challenges all the time, and we're trying to form a partnership to say that if we're going to contribute one-third and the province one-third and the federal government one-third, then we can look at the infrastructure and maintain it. But when the provinces say it's not their jurisdiction, then what happens? We're missing some partnerships, and there is a challenge there, because these harbours are on First Nations lands.⁸⁴

The Committee recommends:

RECOMMENDATION 20

That Fisheries and Oceans Canada work with Indian and Northern Affairs Canada to improve their coordination in establishing and maintaining harbour facilities in Aboriginal communities.

Harbours Needs in Nunavut

In December 2007, the Committee had recommended that the Government of Canada follow through on its commitment to invest \$46 million over five years for the construction of seven specified harbours in Nunavut and for project implementation. Budget 2008 provided \$8 million over the next two years for the construction, operational and management costs associated with a commercial harbour in Pangnirtung, Nunavut. Budget 2009 increased this investment to \$17 million over two years to accelerate the construction of the Pangnirtung harbour. According to Mrs. Michaela Huard, DFO's Assistant Deputy Minister for Infrastructure and Information Management:

The completion of the harbour is scheduled for 2011-2012, 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.⁸⁵

83 Ibid.

84 Allan Gaudry, *Committee Evidence*, February 14, 2008.

85 Michaela Huard, *Committee Evidence*, October 29, 2009.

The Committee notes however that DFO has not yet made plans for the construction of the six other harbours.⁸⁶ The current plan also still ignores the needs of communities such as Arctic Bay, Grise Fjord and Resolute—needs expressed to the Committee by representatives of these communities.⁸⁷

The Committee recommends:

RECOMMENDATION 21

That Fisheries and Oceans Canada confirm its objective to construct all the harbours identified for small communities in Nunavut.

RECOMMENDATION 22

That the Department review the assessment of harbour needs for communities such as Arctic Bay, Grise Fjord and Resolute.

Conclusion

The Committee is proud to present its final report on the important matter of the operation and maintenance of small craft harbours in communities across the country. We strongly believe that the SCH Program should not only serve the fishing industry as a whole, but also the communities interacting with this industry. It is essential that this DFO program be managed for, by and with these communities. This is exactly what the Harbour Authorities model has been trying to achieve in the past 20 years, with success and despite harbours in disrepair. **The Committee wishes to commend the extraordinary work of Harbour Authorities and the dedication and the passion of their volunteers since the inception of the program. Without them, harbours would most probably cease to operate and DFO's Small Craft Harbours program could grind to a halt.**

This report concludes a lengthy study that brought the Committee in all five regions served by the SCH Program. The first phase of the Committee's study wrapped up with the December 2007 report in which we made recommendations to address immediate and urgent funding concerns. While important investments were announced by the government since, many concerns remain and it is the Committee's belief that several matters discussed in the present report would be managed with additional targeted federal investments in the SCH Program.

86 An intergovernmental committee established by the Deputy Minister of Nunavut's Department of Community Development and Transportation, and DFO's Deputy Minister was mandated to review and assess Nunavut's request for financial assistance for harbour infrastructure from SCH. The joint assessment was completed in 2004-2005, and a revised report was released in 2006 (Government of Nunavut and Fisheries and Oceans Canada, *Nunavut Small Craft Harbours Report*, 2006 (revised), 115 pages.). It supports Nunavut's request for fishing harbour infrastructure in seven small communities, namely Pangnirtung, Clyde River, Qikiqtarjuaq, Pond Inlet, Chesterfield Inlet, Repulse Bay and Kugaaruk.

87 *Committee Evidence*, February 5, 2008. Jaypetee Akeegok, Chairman of the Iviq Hunters and Trappers Association; Harry Earle of the Arctic Fisheries Alliance; Isaac Kalluk, Chairman of the Resolute Bay Hunters and Trappers Association; Tommy Kilabuk, Chairman of the Ikajutit Hunters and Trappers Organization; and Lottie Toomasie, Chairman of the Nattivak Hunters and Trappers Association.

For most matters treated in its report, the Committee has advanced recommendations meant to provide Fisheries and Oceans Canada with tools that, in our view, would improve the SCH Program. In this report, the Committee summarized testimony received on matters of safety, dredging and protection from storms. We commented on the Harbour Authorities management model offering suggestions to improve the program particularly with respect to the development of tools to assist the local authorities both in their day-to-day operations and their long-term planning. The Committee drew attention to the problem of derelict vessels, and recommended that changes be made to the legislation framing the management of small craft harbours. Finally, we have described some of the needs of emerging sectors in terms of harbour infrastructure. Satisfying these needs could well make the difference in the success of enterprises or the survival of communities.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

That Fisheries and Oceans Canada update its estimate of the cost of bringing the core harbours to an acceptable state of repair.

RECOMMENDATION 2

That Fisheries and Oceans Canada prepare a plan to bring the core harbours to an acceptable state of repair.

RECOMMENDATION 3

That Fisheries and Oceans Canada incorporate a requirement for maintaining safe facilities when preparing its plan to bring the core harbours to an acceptable state of repair.

RECOMMENDATION 4

That Fisheries and Oceans Canada ensure that there are adequate funds in both its operations and maintenance, and its capital budgets for recurrent dredging and related activities. The amount of this funding should take into consideration the increasingly stringent environmental standards and regulations that apply to these activities, especially with respect to the protection of the fish habitat.

RECOMMENDATION 5

That Fisheries and Oceans Canada adopt a longer-term approach to solving dredging problems that could be addressed by permanent structures such as breakwaters.

RECOMMENDATION 6

That, where there is a need to dredge beyond the harbour basin and the entrance channel for which the Small Craft Harbours Program is responsible, Fisheries and Oceans Canada coordinate with the authorities responsible for dredging these waterways to ensure safe access to the harbour at all times.

RECOMMENDATION 7

That Fisheries and Oceans Canada help Harbour Authorities to recognize and respond to the local effects of climate change.

RECOMMENDATION 8

That Fisheries and Oceans Canada analyze harbours scheduled for divestiture or decommissioning, with a view to identifying those that could remain in the department's inventory and be maintained because of their value as safe havens in case of bad weather conditions.

RECOMMENDATION 9

That Fisheries and Oceans Canada assist Harbour Authorities with the development of short-term and long-term business plans as well as capitalization plans.

RECOMMENDATION 10

That Fisheries and Oceans Canada assist Harbour Authorities in their efforts to raise funds from other sources, including federal, provincial, and private sources.

RECOMMENDATION 11

That Fisheries and Oceans Canada assist and encourage Harbour Authorities to establish partnerships with local organizations where possible.

RECOMMENDATION 12

That the limit on contract signing authority for Harbour Authorities managers be increased from \$40,000 to \$200,000 for minor capital and repair projects, and that, where possible, priority be given to hiring local enterprises to do the approved work.

RECOMMENDATION 13

That Fisheries and Oceans Canada streamline the review and approval process of Small Craft Harbours projects to ensure that projects be approved, announced, and tendered by June 1st, where possible, and

That Fisheries and Oceans Canada provide clear and transparent accounting of funds related to project costs and administrative costs associated with the department or Public Works and Government Services Canada.

RECOMMENDATION 14

That Fisheries and Oceans Canada review and modernize the *Fishing and Recreational Harbours Act* and its regulations to reflect the current management reality of small craft harbours. In particular, definitions of “Harbour Authority,” “derelict,” and “harbour manager” should be included or updated.

RECOMMENDATION 15

That Fisheries and Oceans Canada consider legislative changes to facilitate the removal of abandoned and derelict vessels from its harbours.

RECOMMENDATION 16

That the Government of Canada honour in a timely manner its financial commitments to undertake environmental remediation projects needed prior to harbour divestiture.

RECOMMENDATION 17

That the Government of Canada recognize the heritage and cultural attributes of fishing harbours as well as their tourism and economic value, and

That the Government of Canada allow Harbour Authorities to be eligible to receive financial support from federal economic development agencies for projects intended to take advantage of those attributes.

RECOMMENDATION 18

That Fisheries and Oceans Canada review the mandate of the Small Craft Harbours Program to acknowledge that, while it primarily provides harbours that are open, safe and in good repair for the commercial fishing industry, harbours are used and managed for other purposes, including those of recreational and Aboriginal fisheries, commercial sport fishing and emerging sectors such as aquaculture.

RECOMMENDATION 19

That Fisheries and Oceans Canada facilitate access to federal non-DFO wharves through interdepartmental agreements when local harbour users identify a need that cannot be otherwise accommodated by the neighbouring Small Craft Harbours infrastructure.

RECOMMENDATION 20

That Fisheries and Oceans Canada work with Indian and Northern Affairs Canada to improve their coordination in establishing and maintaining harbour facilities in Aboriginal communities.

RECOMMENDATION 21

That Fisheries and Oceans Canada confirm its objective to construct all the harbours identified for small communities in Nunavut.

RECOMMENDATION 22

That the Department review the assessment of harbour needs for communities such as Arctic Bay, Grise Fjord and Resolute.

APPENDIX A

LIST OF WITNESSES FOR THE 39th PARLIAMENT, 1st SESSION

Organizations and Individuals	Date	Meeting
<p>Department of Fisheries and Oceans</p> <p>Robert Bergeron, Director General, Small Craft Harbours</p> <p>Bill Goulding, Regional Director, Small Craft Harbours, Newfoundland and Labrador Region</p> <p>Cal Hegge, Acting Assistant Deputy Minister, Human Resources and Corporate Services</p>	2006/05/30	4
<p>National Harbour Authority Advisory Committee</p> <p>Bob Baziuk, Secretary, British Columbia</p> <p>Osborne Burke, Chairperson, Maritimes and Gulf</p> <p>Luc Legresley, Vice-Chair, Quebec</p>	2007/03/22	45
<p>Department of Fisheries and Oceans</p> <p>Robert Bergeron, Director General, Small Craft Harbours</p> <p>Cal Hegge, Assistant Deputy Minister, Human Resources and Corporate Services</p> <p>Micheline Leduc, Director, Harbour Operations and Engineering</p>	2007/05/29	57
<p>Department of Fisheries and Oceans</p> <p>Gervais Bouchard, Regional Director, Small Craft Harbours, Quebec Region</p> <p>Bill Goulding, Regional Director, Small Craft Harbours, Newfoundland and Labrador Region</p> <p>Al Kathan, Acting Regional Director, Small Craft Harbours, Central and Arctic Region</p>	2007/05/31	58
<p>Jacobs Consultancy Canada Inc.</p> <p>Matthew Bol, Director</p>	2007/06/05	59

APPENDIX B

LIST OF WITNESSES FOR THE 39th PARLIAMENT, 2nd SESSION

Organizations and Individuals	Date	Meeting
<p>Department of Fisheries and Oceans</p> <p>Robert Bergeron, Director General, Small Craft Harbours</p> <p>Cal Hegge, Assistant Deputy Minister, Human Resources and Corporate Services</p> <p>Micheline Leduc, Director, Harbour Operations and Engineering</p>	2007/11/19	2
<p>National Harbour Authority Advisory Committee</p> <p>Bob Baziuk, Secretary, British Columbia</p> <p>Bruce Benson, Member, Central and Arctic</p> <p>Osborne Burke, Chairperson, Maritimes and Gulf</p> <p>Morris Fudge, Member, Newfoundland and Labrador</p> <p>Luc Legresley, Vice-Chair, Quebec</p> <p>David Tomasson, Member, Central and Arctic</p>	2007/11/21	3
<p>Department of Fisheries and Oceans</p> <p>James Boland, Regional Director, Strategic Initiatives, Pacific Region</p> <p>Jackey Richard, Acting Regional Director, Small Craft Harbours, Maritimes and Gulf Region</p> <p>Harbour Authority of Woods Harbour</p> <p>Geraldine Nickerson, Harbour Manager</p>	2007/11/26	4
<p>Association des pêcheurs propriétaires des Îles-de-la-Madeleine</p> <p>Mario Desrape, President</p> <p>Léonard Poirier, Director General</p> <p>Harbour Authority of North Lake</p> <p>Sheila Eastman, Harbour Manager</p>	2007/11/28	5
<p>Arctic Fisheries Alliance</p> <p>Harry Earle</p>	2008/02/05	11

Organizations and Individuals	Date	Meeting
Ikajutit Hunters and Trappers Organization Tommy Kilabuk, Chairman		
Iviq Hunters and Trappers Association Jaypetee Akeeagok, Chairman		
Nattivak Hunters and Trappers Association Lootie Toomasie, Chairman		
Resolute Bay Hunters and Trappers Association Isaac Kalluk, Chairman		
Manitoba Commercial Inland Fishers Federation Allan Gaudry, Interim Chair	2008/02/14	13
Department of Finance Gilles Le Blanc, Senior Chief, International Trade Policy Division, International Trade and Finance John O'Neill, Chief, Trade Rules, International Trade Policy Division	2008/02/26	14
Department of Fisheries and Oceans Gorazd Ruseski, Director, International Fisheries Policy		
International Trade and Business Development John Campbell, Director, International Trade and Business Development		
As an individual Marc B�nitah, Professor, Universit� du Qu�bec � Rimouski Rashid Sumaila, Professor, University of British Columbia	2008/02/28	15
Department of Finance John O'Neill, Chief, Trade Rules, International Trade Policy Division	2008/03/06	17
Department of Fisheries and Oceans Gorazd Ruseski, Director, International Fisheries Policy		
Department of Foreign Affairs and International Trade (International Trade) Gilles Gauthier, Director General, Multilateral Trade Policy, Trade Policy and Negotiations		

Organizations and Individuals	Date	Meeting
Harbour Authority of Admirals Beach Rom Dalton	2008/04/14	25
Harbour Authority of Bay Bulls Donald Drew, Chair		
Harbour Authority of Carbonear Herb Butt		
Harbour Authority of Harbour Grace Warren Parsons		
Harbour Authority of Old Perlican Dave Johnson		
Harbour Authority of Port de Grave Ross Petten		
Harbour Authority of St. Brides Kevin McGrath		
Irish Loop Development Board Pat Curran, Executive Director		
Harbour Authority of Bridgeport/Moretons Harbour/Valley Pond Albert Canning, Harbour Supervisor	2008/04/15	26
Harbour Authority of Fogo Island Gail Penton		
Harbour Authority of Leading Ticks Harry Hallet		
Harbour Authority of Twillingate Gord Noseworthy		
Annandale Harbour Authority Bobby Jenkins, Chair Ivan Jenkins, Director Harley Jenkins, Treasurer Gregory Norton, Chair	2008/04/16	27
Naufrage Harbour Authority Darrell Lesperance, Chairman Lewis Miller, Vice-President Gérard Steele, Presenter		
North Rustico Harbour Authority Norman Peters, Chairman		

Organizations and Individuals	Date	Meeting
Town of Georgetown Peter Llwellyn, Mayor		
Administration portuaire de Anse Bleue Roland Landry	2008/04/18	28
Administration portuaire de Le Goulet Paul-Aimé Mallet, Chair		
Administration portuaire de Pointe-Verte Léger Arseneau Yvon Arseneau		
Administration portuaire de Shippagan Camille-André Mallet		
Administration portuaire de Ste-Marie-St-Raphaël Marc Paulin, Chair		
Administration portuaire du Quai de Tracadie Philippe Ferguson, Secretary Jacques LeBreton, Vice President		
Autorité portuaire de Grande-Anse Winston Coombs Roger Savoie, Treasurer Roméo Thériault		
Comité portuaire de Pigeon-Hill Samuel Larocque, Secretary-Treasurer Donat Plourde, President		
Stonehaven Harbour Authority Thomas Kenny Margot Payne, Secretary-Treasurer		
Village of Le Goulet Denis Roussel, Mayor		
Ville de Lamèque Rénald Haché, Mayor		
Administration portuaire de L'Anse-à-Valleau Carmelle Mathurin	2008/04/18	29
Administration portuaire de Rivière-au-Renard Jacques Dufresne Gilles Tapp, President		

Organizations and Individuals	Date	Meeting
<p>Conférence régionale des élu(e)s Gaspésie-Îles-de-la-Madeleine</p> <p>Olivier Demers Gilbert Scantland, General Director</p> <p>Municipality of Grande-Vallée</p> <p>Ghislaine Bouthillette, General Manager and Secretary-Treasurer Gabriel Minville, Mayor</p> <p>Quai de Saint-Georges-de-Malbaie</p> <p>Anita Collin, Spokeswoman</p> <p>Regional Municipality County of Haute-Gaspésie</p> <p>Majella Émond, Prefect</p> <p>Regional Municipality County of Rocher-Percé</p> <p>Claude Cyr, Warden</p> <p>Regroupement des mariculteurs du Québec</p> <p>Stéphane Morissette, Vice-President</p> <p>Ville de Gaspé</p> <p>François Roussy, Mayor</p> <p>Ville de Percé</p> <p>Georges Mamelonet, Mayor</p> <p>City of Belleville</p> <p>Marjorie Buck, Director of Recreation and Community Services Neil Ellis, Mayor Steve Hyndman, Chief Administrative Officer Rick Kester, Director, Engineering & Public Works</p> <p>County of Prince Edward</p> <p>Barry Braun, Commissioner of Recreation, Parks and Culture Leo Finnegan, Mayor</p> <p>Eastern Ontario Commercial Fishers' Committee</p> <p>Roxy Lancaster Albert Vancott</p> <p>Area E Gillnetters Association</p> <p>Mike Bennett, Member Gary Williamson, Director</p>	2008/05/13	34
	2008/05/26	36

Organizations and Individuals	Date	Meeting
<p>Corporation of Delta Nancy Cuddeford, Manager, Community Recreation Services Hugh Fraser, Deputy Director, Engineering</p>		
<p>Harbour Authority Association of British Columbia Art Childs, Vice President Elizabeth McLeod, President</p>		
<p>Ladner Harbour Fishers' Committee Harvey Gifford, Chair</p>		
<p>Pacific Regional Harbour Authority Advisory Committee Lutz Budde, Director, Oona River Community Association Linda Franz, Harbour Manager, Campbell River Harbour Authority Ben Maberley, Director, Whaler Bay Harbour Authority</p>		
<p>Steveston Harbour Authority Bob Baziuk, General Manager Ross Holkestad, Representative, Fishing Vessel Owners Association</p>		
<p>'Namgis First Nation William Cranmer, Chief</p>	2008/05/27	37
<p>District of Port Hardy Rick Davidge, Chief Administrative Officer John Tidbury, Councillor</p>		
<p>Keltic Seafoods Jack Masterman, Chief Financial Officer</p>		
<p>Malcolm Island Lions Harbour Authority Lorraine Williams, Harbour Manager</p>		
<p>Port Hardy Harbour Authority Pat McPhee, Harbour Manager Mary-Ann Smith, Harbour Manager</p>		
<p>Quatsino First Nation David Schmidt, Director</p>		

Organizations and Individuals	Date	Meeting
Quatsino Residents' Organization		
Gwen Hansen, Secretary-Treasurer		
Regional District of Mount Waddington		
Rod Sherrell, Chair		
Town of Port McNeill		
Gerry Furney, Mayor		
Albert Sweet, Administrator-Treasurer		
Winter Harbour Harbour Authority		
Phil Wainwright, Chair		
Freshwater Harbour Authority Advisory Council	2008/05/29	38
David Tomasson, Director		
Gimli Harbour Authority		
David Olson, Director and Member		
Goodman's Landing		
Kevin Sigurdson, Manager		
Jackhead Fisheries		
Henry Traverse, Spokesman		
Lake Winnipeg Fishers		
Robert Kristjanson		
Manitoba Commercial Inland Fishers Federation		
Allan Gaudry, Vice-Chair		

APPENDIX C

LIST OF WITNESSES FOR THE 40th PARLIAMENT, 2nd SESSION

Organizations and Individuals	Date	Meeting
<p>Department of Fisheries and Oceans</p> <p>Michaela Huard, Assistant Deputy Minister, Infrastructure and Information Management</p> <p>Micheline Leduc, Director General, Small Craft Harbour</p>	2009/10/29	41
<p>National Harbour Authority Advisory Committee</p> <p>Osborne Burke, Member, Maritimes and Gulf</p> <p>Morris Fudge, Member, Newfoundland and Labrador</p> <p>Luc Legresley, Member, Quebec</p> <p>Stacy Linington, Member, Central and Arctic</p> <p>Ben Maberley, Member, Pacific</p>	2009/11/26	47

**APPENDIX D
LIST OF BRIEFS FOR THE
39th PARLIAMENT, 1st SESSION**

Organizations and Individuals

Department of Fisheries and Oceans

Jacobs Consultancy Canada Inc.

National Harbour Authority Advisory Committee

APPENDIX E
LIST OF BRIEFS FOR THE
39th PARLIAMENT, 2nd SESSION

Organizations and Individuals

Administration portuaire de L'Anse-à-Valleau

Administration portuaire de Pointe-Verte

Annandale Harbour Authority

Arctic Fisheries Alliance

Autorité portuaire de Grande-Anse

Comité consultatif régional des administrations portuaires du Québec

Corporation of Delta

Goodman's Landing

Harbour Authority Association of British Columbia

Harbour Authority of Carbonear

Harbour Authority of Fogo Island

Harbour Authority of Woods Harbour

Ladner Harbour Fishers' Committee

Municipality of Grande-Vallée

National Harbour Authority Advisory Committee

Naufrage Harbour Authority

North Rustico Harbour Authority

Pacific Regional Harbour Authority Advisory Committee

Quai de Saint-Georges-de-Malbaie

Stonehaven Harbour Authority

**APPENDIX F
LIST OF BRIEFS FOR THE
40th PARLIAMENT, 2nd SESSION**

Organizations and Individuals

National Harbour Authority Advisory Committee

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings for the 39th Parliament, 1st Session ([Meetings Nos. 4, 45, and 57 to 59](#)) is tabled.

A copy of the relevant Minutes of Proceedings for the 39th Parliament, 2nd Session ([Meetings Nos. 2 to 5, 7, 8, 11, 13 to 15, 17, 25 to 29, 34 to 38 and 42 to 43](#)) is tabled.

A copy of the relevant Minutes of Proceedings for the 40th Parliament, 2nd Session ([Meetings Nos. 41 and 45 to 50](#)) is tabled.

Respectfully submitted,

Rodney Weston, MP

Chair