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Chair

Mr. Rodney Weston

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• (1535)

[English]

[English]

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

This morning I'd like to welcome Mr. Swerdfager, director general of fisheries and aquaculture management from DFO.

Mr. Sprout was supposed to be here with us today. I remember the request was made, but he is unable to be here today. He has left open the option of appearing before the committee on another date. We can possibly discuss that under committee business in the last ten minutes of the meeting today if that's acceptable to all members.

Mr. Swerdfager, we allow witnesses to have about a ten-minute presentation if you wish, and then we will proceed to questioning from members. Members are constrained by time limits, and you may end up hearing a little beeping noise when the time has expired for a certain party's line of questioning. Don't be alarmed by it, but it asks you to maybe start wrapping up your comments shortly thereafter.

I generally don't cut off our witnesses. Members understand the purpose of the timeframes. So if you have some opening comments, I'd ask you to proceed at this point in time.

[Translation]

Mr. Trevor Swerdfager (Director General, Fisheries and Aquaculture Management, Aquaculture Management Directorate, Department of Fisheries and Oceans): Thank you for the opportunity to be here today, Mr. Chair. As you said, my name is Trevor Swerdfager. I am the Director General of the Aquaculture Management Directorate at National Headquarters of the Department of Fisheries and Oceans here in Ottawa. My role in the department is to provide national level strategic guidance to the department's aquaculture programming. I have been leading the department's work to develop a new management regime of aquaculture activities in British Columbia.

My goal here today is to accomplish four things. First, I want to provide the committee with some background regarding the management of aquaculture. Second, I want to comment on the British Columbia Supreme Court decision in Morton. Third, I want to outline the department's work to respond to the decision and, finally, I want to respond to any questions committee members may have.

I'd like to note, though, as a preliminary point, that my remarks are made from the perspective of the Department of Fisheries and Oceans and are not presented today to you as legal opinions or legal advice to the committee. Discussion of the legal aspects of these issues is beyond my expertise and mandate.

To begin, I'll provide you with a bit of context with respect to aquaculture. It's a \$2 billion industry in Canada now. It takes place in all ten provinces and in the Yukon, and it employs approximately 16,000 people nationally. It involves the cultivation of finfish, shellfish, and marine plants. Canada produces approximately 105,000 tonnes of farmed salmon annually, half of which is produced in British Columbia, with the remainder coming from New Brunswick, Nova Scotia, and Newfoundland—and not Labrador. Canada produces approximately 30,000 tonnes of mussels, oysters, and clams as well as a small but actually growing annual volume of freshwater species, such as trout. Aquaculture is a matter that is managed by both the federal and provincial governments in Canada. It generally involves management of a resource—fish—and takes place, often, in a federally managed area—oceans. Yet it involves the use of facilities and equipment anchored to the sea floor or other lands that are under provincial jurisdiction. As a result, its governance is shared by federal and provincial governments through a complex web of legislation, regulations, and operational policies.

Today the federal government, via the Fisheries Act, regulates the industry to ensure, among other things, the protection of fish and fish habitat and to control the introduction and transfer of fish and eggs from hatchery facilities to fish farms. Via the Navigable Waters Protection Act, it also issues approval of aquaculture operations affecting navigation, and it conducts environmental impact assessments of such approval decisions. Requirements under the Fisheries Act or the Navigable Waters Protection Act may trigger review under the Canadian Environmental Assessment Act. The federal government also addresses aspects of fish health, food safety, trade, and marketing issues facing the industry.

The provinces generally issue land tenders authorizing aquaculture operations to use the provincial land base, usually the sea floor itself. In so doing, they exercise primary control over where aquaculture takes place within a province. Provinces also regulate ongoing operations of aquaculture facilities through aquaculture licences. They address environmental impacts of those operations, production volumes, species to be produced, animal welfare, and aspects of fish health. In addition, the provinces address worker safety and general business aspects of the sector.

Aquaculture management in British Columbia has changed recently as a result of a British Columbia Supreme Court decision. In 2008, the Southern Area (E) Gillnetters Association, the British Columbia Wilderness Tourism Association, the Pacific Coast Wild Salmon Society, the Fishing Vessel Owners' Association of British Columbia, and Alexandra Morton filed suit in the British Columbia Supreme Court seeking a judicial review of a provincial government decision to renew an aquaculture licence for a farm owned and operated by Marine Harvest Canada. The Government of British Columbia and Marine Harvest were named as respondents in the suit. The Government of Canada was not a party to the litigation.

In February 2009 the British Columbia Supreme Court ruled that finfish aquaculture is a fishery and that the elements of the British Columbia aquaculture regulatory program, which addresses the fisheries aspects of finfish aquaculture, are beyond provincial jurisdiction. As a result, the court struck down the finfish aquaculture waste control regulation and directed that provisions of the British Columbia Fishery Act that deal with aquaculture be read down to apply only to marine plants.

The court also ruled that the provisions of the Farm Practices Protection Act that apply to fisheries aspects of aquaculture are invalid. The court upheld the province's authority to issue leases and tenures for aquaculture operations using these lands. In recognition that a new regulatory regime could not be developed overnight, the court suspended its decision for one year, to February 2010.

The net effect of the decision is that provincial regulations addressing finfish and shellfish operational matters, such as pollution controls, escape prevention, net strength, data management, reporting, and so forth have been struck down and must be replaced by the federal government if the industry is to continue in British Columbia. The Department of Fisheries and Oceans is responding to the decision.

• (1540)

In the months immediately following the release of it, the federal government carefully analyzed the decision and considered its options for responding. Following these deliberations, the Minister of Fisheries and Oceans was given a mandate to establish a new aquaculture management regime in British Columbia, and the department's work to establish this new regime has been proceeding along the following lines.

The government first sought an extension of the court's one-year suspension of its decision in order to afford the federal government sufficient time to develop a new regulatory regime in a manner featuring an appropriate public consultation and completion of the normal regulatory process and the establishment of a program for administering the new regime.

On January 26, 2010, the British Columbia Supreme Court issued a decision to extend its initial deadline to December 18, 2010, at which point the decision will take full effect and the provisions of the provincial regulatory regime will cease to have any effect.

In addition, on October 9, 2009, the Minister of Fisheries and Oceans formally announced the government's intent to develop a new regulation under the Fisheries Act and to consult Canadians regarding its scope and its content. Public consultations were launched in early December, and have focused on a discussion document produced by the department. Consultations are proceeding as we speak and are expected to wrap up within the next couple of weeks.

Information received via the consultations, coupled with the department's internal analysis, will be used to inform the drafting of a new regulation in April and early May, and the proposed regulation will be posted in the *Canada Gazette* in late spring, and will be available for public review and comment for 60 days.

While the regulation has not yet been drafted, it's expected that it will replace the existing provincial regime, establish a new federal aquaculture licence, and consolidate existing federal regulatory activities. It will likely also contain provisions designed to enhance the transparency of the industry and to ensure that the regulation is effectively enforced.

Finally, we're also developing the necessary program to administer the regulation itself.

Mr. Chairman, that briefly summarizes the work under way to establish a new program in B.C., as well as some of the backgrounds of that work. I realize it's a very quick overview of what is quite a complex issue, and I'd be happy to answer any questions that you or the committee members may have.

The Chair: Thank you very much.

We're going to start off with Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you, Mr. Chair.

The Department of Fisheries and Oceans describes the realignment of jurisdiction over aquaculture as “a fundamental redesign of the entire current-day aquaculture regulatory regime”. Budget 2010 identifies no additional funds for the Department of Fisheries and Oceans to meet these challenges. The decision itself was put into abeyance for a period of 12 months, and extended a second time. But the deadline is still, as I understand it, December 2010.

Deep within this fiscal year, you have to make all these changes. You've got a lot of work to do. Are you going to reach these challenges by simply redistributing funds from within the department to do what was formerly the jurisdiction of the Province of B.C.?

Mr. Trevor Swerdfager: I would answer that there are two components to that.

First, in budget 2008 the department received substantial new resources for the aquaculture program overall. Among the key priorities of that new resource package was regulatory reform. And much of the work required to do the preparation to respond to the Morton decision is being done by staff in the department who are using that initial set of resources we've received.

As part of the minister's mandate to develop a new regulation, budget resources have in fact been assigned to the department. They're incremental to its reference levels. The new program in British Columbia will not be funded as a result of reallocation from other sources, but rather as an addition to the department's resources through a budget in-year decision that was made in October of last year.

So those funds are booked in the fiscal framework, the funds are in place to implement the program, and they are incremental to the resource base of the department.

• (1545)

Hon. Gerry Byrne: Let me just make sure; I want to understand this.

New funds were identified in 2008 to implement a national aquaculture strategy or a regulatory strategy. This decision did not come down until February 2009, initially. So what you're saying is the department actually anticipated that the court would move jurisdiction from the province to the feds, so that's why you put the money in place in 2008. Because if you're not saying that, were the original intentions of the 2008 aquaculture strategy and its funding... what's being taken away from that original intent to be able to meet these current-day challenges?

Mr. Trevor Swerdfager: Mr. Byrne, I apologize, I misspoke. On the budget 2008 figures, I wish we could say we had predicted what was coming in the Morton decision, but that would not be so.

Budget 2008 put in place what we call the sustainable aquaculture program. It has four planks to it, and we could talk about those if you wish. I'd be happy to talk about that. Those are incremental resources to the department's base to deal with aquaculture. Within that, there's a program around regulatory reform. So the people who were retained to advance a regulatory reform agenda in general, as opposed to just for British Columbia, are the people who were using this fiscal year—what I responded to your comments—to actually do the work that we're undertaking now to develop the regulations and so on. Separate and apart from the initial budget allocation is a further increment to the department's A-base specifically to deliver the program in B.C.

So we are not going to do any reallocation from anywhere in the department to the new B.C. aquaculture program. The resources coming into the department starting next fiscal year, two weeks or so

from now, will be incremental to the department's base to deliver this program.

Hon. Gerry Byrne: What's the source of those funds? I haven't seen anything either in the main estimates or in the budget documents identifying them. So where is that money coming from?

Mr. Trevor Swerdfager: I confess I don't understand the intricacies of how they're actually booked into the fiscal framework. They are in there for five years. The Treasury Board submission is not yet finished. It will go forward approximately six or eight weeks from now. The resources are, as I say, incremental to the department's base and are in place.

Hon. Gerry Byrne: Presumably if the department has accepted that this is good law, that this is proper constitutional law, the government has accepted that decision, because they're not filing any further appeals and they're not asking this to be raised to the Supreme Court of Canada. They're content with it and they're prepared to implement this in B.C.

Presumably, and obviously, this decision could equally be rendered to the Province of New Brunswick as well. Should an environmental activist organization seek to challenge the jurisdiction of the Province of New Brunswick to regulate salmon aquaculture in the province of New Brunswick, presumably this good law would stick and we would have a similar change in jurisdiction in the province of New Brunswick. Are we prepared for that? Is the national aquaculture strategy preparing for that inevitability?

Mr. Trevor Swerdfager: I guess at this point we're very much focused on responding to the decision in British Columbia based on the facts in British Columbia and the current circumstance there. If an environmental group or any other organization were to move forward with a suit in other provinces that resulted in a similar result, we'd respond to it at that time. At this point we're certainly aware that what we do in British Columbia has potential implications elsewhere, but we are not at this point planning to develop a "British Columbia model", if you will, and just plunk that down elsewhere. If the courts take us there, then government will have to respond.

Hon. Gerry Byrne: Since we're eight months away from the actual shift in jurisdiction, how many new person-years of employment are you bringing into the department as new resources, new assets, to actually do this? What I'd like to know is this. How many incrementally increasing additional positions are anticipated to come into the DFO B.C. region as a result to implement this? Can you give us an assurance that there are new positions and not reshuffled positions from within the department, not taking someone from fish management and now applying them exclusively to aquaculture? Are you advertising for those positions yet?

Mr. Trevor Swerdfager: I'll answer your last question first. No, we're not at the stage yet of advertising for those positions.

There will be approximately 50 to 55 new positions established. They will not be moved from column A to column B in an internal reshuffle. They will be incremental over and above....

The location of those positions has not been determined yet, other than that the vast majority of them, all but maybe two or three, will be in British Columbia. This program will not live here in the national capital region. There will be more transaction time associated with B.C. issues here in Ottawa. We'll probably have one or two people based in the national capital region, but the rest of the program will live in British Columbia, probably on Vancouver Island. Again, we haven't got down to booking office space and so on.

Quite frankly, at this point our focus has been let's get the court extension, let's get the regulation up and running, do the consultations and so on. Designing the program is moving in parallel, but we're not yet in the position where we can expect to advertise for positions. We expect—touch wood—that would occur sometime in mid-summer.

• (1550)

Hon. Gerry Byrne: We understand that 50 to 55 incremental new positions will be created within the DFO B.C. region for this decision. How many people would have done the job for the province? It seems to me this is a pretty intense inspection regime. The regulatory regime is just as much about inspection as it is about actually formulating the regulations. What would be the complement that did the job formerly for the province?

Mr. Trevor Swerdfager: It's 46 people. There are three in the provincial Ministry of Environment to do the ministry's inspection duties; and the province has approximately 43 people in the Ministry of Agriculture and Lands, seven of whom are in Victoria and the remainder are in Comox, Courtenay, Tofino, and two, I believe, in Bamfield. I may be wrong on that final location.

In our program, essentially we said that it costs x number of people to deliver the regulatory regime in British Columbia. We did something of a forensic accounting. We went through their books. We had people go out there, literally from door-to-door, asking, "What do you do, sir or ma'am?" and so on. So we had a very good understanding of the size of that program.

Essentially we said that we would replace—not just simply replicate but replace—that suite of functions that are undertaken by the province to deliver their regime, at least the part that has been struck down.

The province retained some significant responsibilities around aquaculture, for leases and so on, so their staff complement will not go from 46 people to zero. I don't know the number by which they will reduce.

In essence, we have said that it will take this many units of labour, equipment, office space, and so on to replace that program, and we've designed ours around that scale. We have secured resources to augment the program in two areas: one with respect to data management, where we feel that the province's ability to store, collect, and manage their data is not adequate to the management

task that we foresee; and two, to put some substantial resources into the whole area of compliance and enforcement. So it will be slightly incremental to their program base.

Hon. Gerry Byrne: This decision dramatically reshuffles the deck. What do you anticipate will be the biggest public policy challenge that now is thrust upon the federal government, DFO, in relation to aquaculture?

Trevor, we know there are many forces there that support aquaculture, and there are many forces there that don't support salmonid cage culture in the maritime environment. What significant new challenge does this create for you from public policy and public communications perspective? What does this mean for you on the ground?

Mr. Trevor Swerdfager: I'd be hard pressed, frankly, to pick a single biggest challenge, because the number of issues for us to consider is so large. The initial challenge for the department is to put in place a regulation, and that's no small task. The public consultations that we have engaged in have been heavily attended. They have been very emotional and very dynamic. We have had not quite 20, but a good number of sessions, and several of them had over 200 people at them. So there is a lot of energy around this issue in British Columbia.

Certainly as we move forward in terms of the management of the industry in B.C., collectively, not just DFO but ourselves, the province, and the industry have work to do to improve environmental performance in the industry. The industry is on a good track in that regard; we need to just continue along that line.

Certainly when you look at the communications environment on aquaculture in British Columbia, there is plenty of opportunity to provide greater clarity to the debate and a firmer and more pointed grasp of the science of the issue and trying to introduce much more of that. I think that will be among our key challenges.

We're hoping that a big part of the solution to that will be to make the industry far more transparent than it is today. As I mentioned earlier, the regulation is not written, so I can't say the regulation will say blah, blah, blah, but our expectation is that among the things it will do is make the information around the management of the industry far more publicly available and much, much more transparent. We think that will, among other things, ground the debate in reality far more than it is today.

The Chair: Thank you, Mr. Swerdfager.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): On a point of order, Mr. Chair, I didn't want to interrupt the very excellent line of questioning—I thought it was really interesting—but our witness did say at the very beginning that he didn't want to be put in the awkward position of making interpretations of the law.

Mr. Byrne didn't go there, but there was some movement towards what would happen if it came up in another province. I just want to make sure that our witness isn't put in an awkward position of having to make legal extrapolations that would be very difficult for even a constitutional lawyer to do.

Thank you.

• (1555)

The Chair: Thank you, Mr. Weston.

Monsieur Blais.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Good afternoon, Mr. Swerdfager. In a way, you have replaced or succeeded Yves Bastien. Do you have the same responsibilities?

Mr. Trevor Swerdfager: Yes, I am the “new Yves Bastien“. From time to time, I use another term, but that is fine.

Is the simultaneous interpretation working?

Mr. Raynald Blais: It is on number 2.

[*English*]

Mr. Trevor Swerdfager: I have it now. Merci.

[*Translation*]

Mr. Raynald Blais: Thank you very much. Of course, we will be adding a few seconds because of the technical problem and because of the point of order.

My first question is because of who I am, a member of the Bloc Québécois, and therefore, from Quebec. As to the involvement of the federal government, I know very well that the reality of aquaculture in Quebec is different from the situation in British Columbia.

Keeping in mind your answers to my colleague's questions, I would like to better understand the options. I do not think we could be in the same situation as New Brunswick, but I would still like you to clarify the Quebec situation in relation to what is happening in British Columbia and to what could happen in New Brunswick.

[*English*]

Mr. Trevor Swerdfager: I can never decide whether to use the translation or not. I'm about three-quarters there, but not quite.

On the situation from a division of responsibilities for the management of aquaculture in B.C. today, pretend that the decision isn't there. Quebec is somewhat different. Obviously in Quebec we have a situation in which the inland fisheries are managed by the province, and so on. Fresh-water aquaculture, which is a significant component of the aquaculture industry in Quebec, is managed provincially and will continue to be.

The finfish aquaculture industry, which is the main focus of the decision in British Columbia, is not a significant industry in Quebec. I stand to be corrected, but it's essentially non-existent. Jurisdiction for the finfish industry is therefore not an issue in Quebec.

On the management of the shellfish component of the industry, in Quebec it's something of a shared jurisdiction. There is collaboration there. The base in Quebec in some respects is similar to B.C. and elsewhere, but not identical.

[*Translation*]

Mr. Raynald Blais: Something else is bothering me. I read the documents and I am worried about the challenges faced by fishermen and the aquaculture industry in British Columbia. There is talk of a lot of conflict or areas of turbulence, shall we say. Whether regulations are provincial or federal, their purpose is to improve the situation and provide penalties when needed. In my opinion, the fact that the federal government is responsible for the actual regulations will not necessarily solve the fundamental problem.

How do you perceive the federal government's responsibility in that area?

[*English*]

Mr. Trevor Swerdfager: The answer to your question of whether federal regulation and involvement will improve the situation is clearly yes. The involvement of the federal government will certainly bring more clarity around some of the regulatory aspects of the industry.

If you go back to the business of potential conflict between the wild capture and aquaculture industries, it is very important to keep returning in the British Columbia context. Jurisdiction over the land base and where aquaculture takes place remains with the province. So the resource land-use conflicts, to the extent that they exist today, in theory at least will exist in the future, but will be mediated or addressed primarily by the province.

The federal government today has a significant role in helping to contribute to provincial decisions and ensuring that new sites don't negatively affect fish and fish habitat. So there is some role there already. But by virtue of the federal involvement in licensing individual sites, we will be in a situation where once the province zones or allocates a particular part of the province for aquaculture, the individual site decisions will be much more directly made through licences from the federal government.

Some of the conflicts will certainly remain. The federal government is going to have a different role to play now, and will probably move to a model similar to the commercial fisheries, in which we develop integrated fisheries management plans and put those in place for aquaculture.

• (1600)

[*Translation*]

Mr. Raynald Blais: As you mentioned in one of your answers to my colleague, you were talking about some kind of overlap, meaning that the province will not necessarily be taken completely out from aquaculture. There will always be people working on it, perhaps to a lesser extent, but there will always be some responsibility.

Could you point out the things the province will still be doing in relation to the new responsibilities you are going to have?

[English]

Mr. Trevor Swerdfager: The province is going to remain quite heavily involved in the land allocation component of it. They will continue to have the fish health responsibility with some of site inspections and that kind of thing. The province also has people who are devoted to the marketing and promotion of the industry in trade shows, communication materials, and that kind of thing. That will continue.

Part of the decision is to issue a lease to aquaculture operations. Provinces consult extensively, particularly with first nations, so that will continue. Much of that role will continue. As I say, I don't know how many people there will be. There will be fewer than they have now, but it still will be quite a few. Our role will intersect with that quite closely, I think.

The Chair: Thank you.

Mr. Donnelly.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Thanks, Mr. Chair.

I had a couple of questions I wanted to ask you, Mr. Chair, before I ask my four questions. I'm wondering if I should just ask all four of those questions.

The Chair: Fill your boots.

Mr. Fin Donnelly: All right.

The Chair: You have five minutes.

Some hon. members: Oh, oh!

Mr. Fin Donnelly: Five minutes? It'll be less than five minutes.

Also, one or two are slightly broader than this decision, but they still relate to aquaculture.

•(1605)

The Chair: Sure, Mr. Donnelly.

Mr. Fin Donnelly: Thanks.

Thank you for appearing and for your presentation.

Here's my first question. You mentioned the aquaculture regulations. You're working on them. I'm wondering if you could comment on the timeline. When do you think they will be ready for implementation? Also, would they be coming in independent of the work on the Fisheries Act that is possibly being addressed or is being addressed?

Secondly, in terms of the emerging issue of SLICE resistance, could you comment on how the department is dealing with it? There have been some comments or allegations that there's some resistance to that being developed. Perhaps I could get your comment on that.

Thirdly, could you mention the relationship to the inquiry and how you see aquaculture fitting in, and if there's any decision to wait for the outcome of the inquiry before dealing with, for instance, the issue of SLICE, or other emerging issues that may need to be dealt with prior to the outcome of the inquiry?

Finally, there is interest on both sides, I guess, in the issue in aquaculture of looking at closed containment. I'm just curious to hear

if you have a comment on what the impact would be of the transition from open net to closed containment. Perhaps you could provide comments on that.

Mr. Trevor Swerdfager: Thank you very much for those questions. If part-way through I can't read my own writing, I'll call on you to address them.

The first one has to do with the timelines for the regulations. The minister announced that the development of the regulations would begin in October of last year. Public consultations began on December 10. In Campbell River, we met for two days. I won't go through the whole list of meetings we've had, but we've had a number in Campbell River, Nanaimo, and Comox, of a fairly large and public nature. We've also had a series of bilateral meetings with more or less anybody who has asked us for such so that we have had plenty of feedback on what people feel should be in the regulation, what should not be in it, what it should do, and so on.

We are expecting that those consultations will wrap up, as I say, by the end of this month or maybe slip slightly into early April. We have established a regulatory drafting team now, and they are in the very preliminary stages. They haven't put fingers to keyboard yet on any of the stuff, because we still have feedback to come from the consultations, but they are doing the initial preparatory work, collecting data, comparing to other regulations, that kind of thing.

The regulation will be drafted over the course of the next six to eight weeks. It is our expectation that we would bring forward a draft regulation for consideration by Treasury Board in the late May or early June timeframe. I'm recognizing of course that we're not in complete control of that schedule, so I'm giving you all the approximations as we go. Assuming Treasury Board is comfortable with the proposal that the minister makes to them, the regulation probably would be tabled in *Canada Gazette* sometime in around mid- to late June, perhaps slightly earlier, if we're able to accelerate some of the internal process work.

We are anticipating a 60-day public review period for the regulation. The requirement under the federal regulatory policy is 30 days, but it has come to our notice that aquaculture is occasionally controversial in British Columbia, and there may not be a unanimous view, in terms of the commentary received, so we're affording more time for commentary to come in.

Once that period closes—so now we are, give or take, talking about the end of August—we will analyze the feedback that's received, both the information from the public review of the regulation itself and anything else we learn as we go forward. Our anticipation is that, based on that analysis, the revisions necessary will be proposed back to Treasury Board for consideration as a final rule that would come forward. This is dependent obviously on Treasury Board's timing. I don't have a specific date by any means for this, but it will be towards the end of October. Our intent is that the regulation would come into effect on or before December 18, 2010.

In parallel with that, I should just point out that, to go back to some of the questions from earlier on, we are simultaneously building a program to implement all of that, and the timelines for that are moving apace in terms of booking office space and people, and buying boats and trucks, and all those kinds of good stuff. So that's happening in parallel with it.

Does that answer the question on the timelines okay?

Mr. Fin Donnelly: There is just the additional comment on the Fisheries Act.

Mr. Trevor Swerdfager: Sorry.

In terms of the link to the Fisheries Act, at this point we are on a court timeline and deadline, so we think the game plan I've outlined to you will just continue regardless. If at some point the Fisheries Act comes along on a parallel or a separate track and amendments are made to it at some point in due course, obviously the government will respond to that or put in place a different regime. But it's possible that the Fisheries Act changes would not occur before the end of the calendar year, and we have to have this regulation in place. So at this point anyway, the plan is that the regulation will continue as is, and then obviously it will deflect off course, so to speak, if the Fisheries Act process requires that.

•(1610)

The Chair: Thank you, Mr. Swerdfager.

Mr. Kamp, do you have any questions?

We'll be able to return in the second round. You can get the rest of your questions.

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

Thank you, Trevor, for coming. I appreciate your input on this.

As you've mentioned, it's a fairly controversial issue in B.C. I think my colleagues have asked some very cogent questions, and we appreciate the answers.

I don't think I heard the amount of the additional A-base funding in order to manage the new regime. Do you know that amount?

Mr. Trevor Swerdfager: The initial amount in year one will be \$12.7 million. There will be \$8.3 million annually going forward from that. There's a small spike in the first two years to allow for acquisition of equipment, office space, one-time costs, and then that will continue in the A-base of the department going forward.

Mr. Randy Kamp: Is there a revenue stream as well when we take this over? Or is it mostly just an expense?

Mr. Trevor Swerdfager: There is a revenue stream. I can't tell you what it is because we haven't figured out the revenue system or the fee structure yet, but the new federal licence, if there is one—and there is likely to be one in the regulation—will have a fee attached to it. I can't tell you what that fee would be. It will be substantially more than zero. It will not be a nominal, trivial, or administrative type of fee, but there will be a certain revenue. The program is not being set up, though, on a cost-recovery basis, so the revenues will not equal the expenditures.

Mr. Randy Kamp: The judge's decision to allow an extension until December also came with some conditions, I think, in terms of the expansion of the industry. So that's being followed, I assume.

Mr. Trevor Swerdfager: Yes, it is.

Mr. Randy Kamp: So the industry hasn't been expanding during that time.

Can you, just for our benefit, compare and contrast the old system where, from an industry point of view, a fish farmer wanted to start an operation, what they had to do, what hoops they had to jump through, and what it would look like under the new system?

Mr. Trevor Swerdfager: Let's recognize, as I said earlier, that the regulation itself has not passed. If we had something in place that's akin to some of our internal thinking today, if you showed up in British Columbia and you wanted to start a fish farm, you require a provincial lease under the Land Act, you require two permits under the B.C. Fisheries Act, you require a permit under the Farm Practices Protection Act, and you require a permit under the Finfish Aquaculture Waste Control Regulation passed under the Environmental Management Act. So there are five licensing activities, so to speak.

On the federal side of the house, you require a habitat authorization, you require an introduction in transfers licence that's issued under section 56 of the fishery general regulation, and you require a Navigable Waters Protection Act approval, typically, at minimum.

Under the new regime the requirements on the provincial side will go from five to one, because four of the five will simply disappear. On the federal regime, we foresee a permit still being required for the Navigable Waters Protection Act purposes for a new site, and there will be a federal aquaculture licence, and that will be it. Any renewal will no longer require the NWPA permit, so the net effect is that you will go from five provincial decision points or licence activities to one, and four federal ones to two.

Mr. Randy Kamp: In addition to being more efficient—I think you've made the case that with the federal responsibility it will be more efficient from that side—in the consultations that you're holding, you said they're quite dynamic, probably impassioned at times, from what I've heard. I think British Columbians want to know that it's not just going to be more efficient, but it will also be more effective and it will actually be providing better management, better monitoring and so on of aquaculture operations. I'm assuming that is the direction you think we're going as well, but I just wonder if you can comment on that.

Mr. Trevor Swerdfager: If I were a provincial bureaucrat instead of a federal one, I think one of the things I would tell this committee is the system that I've been managing for a while is not ideal. I think the province itself has been eager to improve the regulatory regime in British Columbia for quite some time. I think most of the regulatory community, both federally and provincially, views this as a tremendous opportunity to fix quite a number of things. In our view, at least, the new regulation will be, as you say, more efficient in terms of fewer decision points and so on, but I think we will end up with a regime that is far more transparent.

Today, if you were to go on our website and try to find out how many fish farms are active or how many fish are in them or how many therapeutants were applied in the last little while, all that boilerplate information is not available to you. Under the new regime we expect it will be. Reporting requirements are not extensive. They will be. Fine structures are not very stringent in B.C., I guess is the best way to put it. Under the new structure they will be.

There are a series of dimensions of the regulatory regime that, at least in our view, will be substantially improved upon. I say that not just from a regulatory perspective. Certainly from an industry perspective and from the vantage point of the environmental groups we met with, the desire to improve the process is there, and we think we are responding to that. So it's not simply changing the logo on the permit from a rising sun to a maple leaf and saying "Away you go". We think it will be a substantial improvement.

•(1615)

Mr. Randy Kamp: That's good to hear. I know that British Columbians certainly want to hear that.

I didn't see it, but somebody told me that they saw an NBC special during the Olympics in which they were talking about salmon aquaculture in British Columbia. They referred to an American operation that was, I think, a land-based closed containment system.

I know that Mr. Donnelly was going to ask this in the next round, but I think I've also heard from our department that there's no closed containment system they know of that's economically viable at this point. Can you clarify that whole issue for me?

Mr. Trevor Swerdfager: Yes. Closed containment is a deceptively simple term. It implies closed containment, right? But what closed containment can entail is a variety of systems. It can involve the production of fish on land in truly completely sealed off.... You could grow fish in this room with an appropriate tank and all that kind of stuff. Equally, it can involve systems that are in the water and have hard walls instead of an open net. Water still moves in and out of the system. In particular, the bio-matter in the water moves, so lice in particular can still come into a closed containment system and go back out again.

Closed containment is used to produce a variety of finfish at relatively small scales around the world today. It's not new technology in that respect. We're not aware of anywhere in the world that produces salmon at a commercial scale or even close to a commercial scale, both from a technological point of view and from a financial point of view. We're not aware of that being done anywhere today.

The department.... I shouldn't say just "the department". The federal government has invested significantly in efforts to develop, improve, and support the development of closed containment technology. This has come through a variety of arms of the federal government. So by no means are we anti-closed-containment—far from it. Certainly, if that technology is the future of the industry and were it to evolve, we'd be very supportive of that. But I think that the current state of play is such that closed containment, at least as we see it, is not viable today or in the short-term foreseeable future.

Mr. Randy Kamp: Let me just ask one last question. This was also on my list and is on Fin's, I think. What has your involvement

been so far with the Cohen commission? What role do you think you'll be playing in that?

Mr. Trevor Swerdfager: My involvement so far has been zero. I don't know what my involvement will be in the future. I know that aquaculture is in the commission's terms of reference, and how it chooses to deal with that is something I'm not aware of. They may call us or they may not.

Mr. Randy Kamp: Okay. Thank you.

The Chair: Mr. Martin.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Thank you very much, Mr. Chair.

Thank you, Mr. Swerdfager, for being here today. I have a few questions. I may just pose them, and if you can't respond to them in the time, maybe you can let the committee know, if you could.

First, does DFO have evidence to demonstrate that fish farms are not contributing to the decline of sockeye and chinook on B.C.'s west coast, our west coast?

Secondly, you're probably familiar with the new video that's around, by Alexandra Morton, that five-minute clip showing what she demonstrates as evidence of viruses and sea lice coming onto natural fish. My second question is, then, why not at least move the current fish farms away from the egress of smolts as they leave B.C.'s Canadian rivers?

My third question actually has two parts. One is that in British Columbia the forestry practices code that we have now is insufficient to actually address the problem of logging right down to the edge of rivers. It has really devastated a lot of salmon habitat for breeding purposes. Will the Government of Canada work with the Government of British Columbia to change those forestry practices to make the barrier farther away from the edge of rivers? Lastly, will you increase the number of fisheries officers that we have in British Columbia?

Thank you.

•(1620)

Mr. Trevor Swerdfager: Do you want me to take a crack at that and see how far I get in whatever period of time?

The answer to your first question is difficult to respond to because it's difficult to prove a negative. If I understand you correctly, you're asking whether we have evidence that fish farms have not contributed to the decline of wild salmon populations, and so on. A definitive answer to that will ultimately be very difficult to come to. Our feeling at this point is that fish farms have not contributed to the decline of wild salmon. We have not seen anything that convinces us that fish farms are causing or accelerating that decline.

You can appreciate that from a research design perspective it's difficult to prove a negative, so to speak, but we're certainly not in possession of information that suggests to us that fish farms have had a negative effect on wild salmon populations in British Columbia today in a way that has had a population-level effect. But I should point out, just to be very clear, that individual fish farms definitely do have a site-specific impact. Certainly from our perspective there's no debate around that.

We are also quite aware of the debate around whether sea lice have a population-level....

Hon. Keith Martin: Sorry, I just want to add—it's an important point—that when you look at the egress of sockeye down the southern point of Vancouver Island versus those that go north between Vancouver Island and the mainland, there's a very significant difference in population. For those that go through the southern tip of Vancouver Island, where there really aren't any fish farms, the population has gone up. Those that went northwest through the passage of the fish farms showed a massive decline. So that's the backdrop for that question.

Mr. Trevor Swerdfager: I understand that.

In some of the systems where there are no fish farms declines are negative as well. So to draw a correlation between the presence and absence of fish farms and population trends is not something we've done. There are other factors at play, and part of the reason there's a commission of inquiry under way is to understand better what those factors are.

But to respond to your question very specifically, we don't have information that suggests that the presence of fish farms is causing a decline in the wild salmon populations in British Columbia right now—or anywhere else, I should add. We have looked fairly carefully and are continuing to look carefully at the issue of the interaction between sea lice and wild salmon populations. As the committee probably knows, the theory is that when you put a bunch of fish in a confined space, because sea lice are a naturally occurring parasite, they get on them. You crowd them together, production goes up, and as smolts go by, sea-lice transfer can occur.

When we look at the issues around sea lice and some of the predictions that have been made in models in the papers that are most commonly cited by people who are opposed to aquaculture, some of the predicted outcomes around pink salmon in particular have been 180% wrong. Pink salmon populations are going up in many of the areas where the models presented by some of the opponents of aquaculture suggested we were looking at extinction within four generations. The trends have been precisely the opposite.

We have also tried to kill smolts in experimental conditions by exposing them to very large concentrations of sea lice. We have been successful at killing smolts with extremely high levels of sea lice exposure that you don't see in the wild. We're quite confident that if smolts live to be 26 days or older—I'm talking about wild salmon now—they will reject or deal with lice. So they obviously have a critical period early in their stages. The first four or five of those days are spent inland, so we don't see an awful lot of exposure to a level of lice required to cause severe declines in the wild.

Has it been categorically proven once and for all? No. More research needs to be done in that area.

•(1625)

The Chair: Mr. Swerdfager, I have to cut you off there. We'll come back in another round.

Mr. Donnelly, do you have any further questions?

Okay, you'll pass.

Mr. Trevor Swerdfager: I apologize if I'm talking too long.

The Chair: You're doing fine.

Mr. Trevor Swerdfager: The second question, I believe, comes to the business of sea lice resistance. Just as a brief explanation, what will happen with any animal that is regularly exposed to a pesticide—or in a plant case, to an herbicide—is the regular exposure can cause tolerance to build.

We have seen that situation develop elsewhere in the world with respect to a chemical that's called SLICE. SLICE, for those of you who are not aware, is applied to farm fish in feed. It's mixed in with the feed pellets and it's ingested by the animal. It's a neurotoxin, so when a louse attaches to the side of a salmon, it attacks the nervous system of the louse and causes it to essentially become immobilized and fall off. If continuous exposure to SLICE occurs, we have seen lice develop tolerance to that.

We have absolutely no evidence of that whatsoever in British Columbia. We know that this is one of the latest suggestions that has come forward. We have looked into that situation, which has been profiled frequently on the web. But it's not just that.

SLICE is not applied with enough regularity and enough intensity in British Columbia for lice around it to develop resistance, at least as we have seen. We are not aware of any situation anywhere else in the world, and we have asked. I have spent time talking to my counterparts, particularly in Norway, Scotland, Ireland, and Chile, about this issue, and we know that if you.... You would never want something to develop tolerance, but if you were looking for tolerant situations, the level and frequency of exposure would have to be orders of magnitude higher than it is in British Columbia.

So we have not seen tolerance to SLICE develop in B.C. We don't think it's there. We know that there are others who do, and we have tests that are under way as we speak. I wish I could share the information, but it's not finished yet. However, we're not aware of SLICE tolerance building in B.C. right now. We don't think that's an issue there.

Do you want me to just continue with your third one? Relationship to the inquiry, we've covered that a little bit. But certainly one of the items in the terms of reference of the commission of inquiry is to look at the potential impact of aquaculture on salmon populations. At this point, as I mentioned earlier, the regulation process will need to continue in order to respond to the court deadline. So the inquiry will not have any effect on that timeline.

Obviously the government will want to wait to see what the advice and the guidance coming from the commission is and respond to it in due course. I don't know what it will be, so obviously I can't tell you how we would potentially respond as a department, never mind what the broader government response would be.

I can tell you that in terms of going forward with federal management in the industry, we don't foresee any massive policy shifts on December 19, at two in the morning, two hours after we take over, so to speak. The government is not going to proceed in a reckless manner in any kind of way, shape, or form. So I think that we will see a steady and measured approach, and when the results of the inquiry come to the government, insofar as they deal with aquaculture, the government will treat them when we have them.

I have one final quick comment on closed containment, which you asked a question about as well. Part of our take on this is that salmon farmers are in the business to make money. If closed containment is a way to more efficiently produce fish with lower social licence costs, if you will, lower opposition, and a financial return, they'll go there themselves. They don't need the government to tell them that. They will figure out the most cost-effective way to produce their product, to sell it at market, and to make a profit. So if it appears that this is the technology that really does hold the future, I believe that the industry will go there.

To some degree the government is doing what it can to support the exploration of different technologies, to help the industry prove them out, to share some of the risk around some of them. There are things like the sustainable development technology fund and other things.

So by all means the federal government, and I believe the province as well, is committed to fostering the study and development of that technology. If it proves to be the way of the future, then we'll see that's the way it will go. But I think the industry will go there predominantly of its own accord if that's the way that makes the most financial and economic and environmental sense.

• (1630)

The Chair: Thank you.

Mr. Weston.

Mr. John Weston: Thank you, Chair.

You mentioned the high level of interest in aquaculture. I represent a coastal riding in British Columbia that includes Sechelt and Gibsons and Powell River and Bowen Island and West Vancouver and Squamish. We've had a series of round tables about the fisheries, and clearly the issue that has been the most compelling is the question of aquaculture.

I'd like to direct a few questions on sea lice—directions that have already been anticipated by my colleagues.

Firstly, we've spoken about whether sea lice are affecting wild salmon. Trevor, I would like you to reply to whether there are outbreaks of sea lice in B.C. fish farms, as opposed to whether they're affecting the wild salmon.

Secondly, you mentioned the tests that are under way to see if resistance to SLICE is growing. Could you tell us when those results are likely to be available?

Thirdly, do you anticipate changes in monitoring systems under the new regulations concerning sea lice, and related to that, what systems are in place today?

Mr. Trevor Swerdfager: With respect to outbreaks on farms as we speak, I think the first thing to keep in mind is that the provincial government has a fish health program in place now that features veterinarians going on site on a regular basis. By regular, I don't mean every nine months; it's quite regular—frequent is a better way to put it, I guess.

Fish farms, if they have three motile live lice on a salmon on farm, are required to treat for lice now. So if you have a situation in which lice numbers are on the rise, the provincial government requires treatment to occur, and the treatment is SLICE. It's applied in feed to

keep lice levels down. To my knowledge, we have not had explosions in sea lice populations in any particular farm or group of farms in British Columbia—or elsewhere, for that matter.

Does that answer that part of your question appropriately?

I misspoke if I said that we're doing tests to determine whether resistance is growing in British Columbia. To our knowledge, there is no resistance or tolerance to SLICE, as we speak. So in our view it's not “growing”: it doesn't exist. I'm always very cognizant of the fact that definitive or declarative statements like that may in fact prove to have exceptions, but to our knowledge, we don't know of anywhere it exists at this point.

Because of some of the recent local controversy around this, bio-assays are being done. I can't tell you when those results will be available. I don't mean that as in “it's a secret”: I don't know. It will be shortly, but I don't have a date at which I could say these will be done. The tests are not complicated, but they are time-consuming. You have to take the lice, which are hard to get—they're tiny—and actually running experiments on them to determine their resistance to SLICE is physically just difficult to do. Some of those tests are going to be done over the next little while, and their results will be published in due course. But as I said, I can't tell you the precise date of it.

With respect to monitoring, the monitoring of the industry really follows three tracks today. The majority of it is required by provincial regulation. First, there's an extensive monitoring of the benthic layer below salmon cages. I'm talking primarily about finfish now. Grab samples are done; divers go down and grab samples as well. There is a series of bottom sampling techniques. The key indicator that's looked for is sulphide level loadings of 3,000 micromolar. Essentially you assume, if there is a violation of the benthic layer loading, that a response is required: you should put less fish in the cage. The majority of that work is done by provincial people going on site, taking samples, and so on.

Secondly, companies are required to monitor lice loads on the fish in the farms, and as I mentioned, if they hit a level of three motile lice per fish, that triggers the application of SLICE that's required by provincial policy. A prescription is written by the veterinarian, SLICE is applied, and lice levels typically are contained.

There is a very small number of additional parameters that farmers are required to monitor themselves: they have some effluent concerns and standards they have to meet, and so on.

The Department of Fisheries and Oceans also conducts random habitat assessments and visits to sites, but I wouldn't characterize that as a form of monitoring program in the sense of a regular set of visits and so on.

Under the new regime, our expectation is that we will put more onerous and significant requirements on companies to conduct monitoring activities of their own. We will continue to require sea lice monitoring; we will continue to require benthic layer monitoring. But we also are expecting to require companies to conduct more monitoring of the ambient or natural environment around their farms. To what extent and with what parameters has not been determined yet, but we expect a monitoring program and expect that the companies will be required to report the data to the federal government,

The final point I would make before the last beep is that the paradigm we're moving to is one in which if we have data and information, the public gets it. We may have to withhold data in certain cases from a time point of view, so that we don't create a competitive advantage for farm X versus farm Y, but our information holdings with respect to salmon farming in British Columbia will become public knowledge, and the time lag between when we receive a datum and when it's published will be short. The only reason it will be held is, as I say, to protect competitive advantage for a period of time. It will not be a permanent thing.

• (1635)

The bottom line of all of this—what we are hoping, anyway—is that when the new regime is in place, the amount of monitoring will go up, the timeliness of it will go up, and the information will be shared publicly in a way that typically it is not today.

Mr. John Weston: Thank you.

The Chair: Mr. Martin.

Hon. Keith Martin: Mr. Swerdfager, I have first a plea, basically, that really falls in the realm of the bureaucracy. In British Columbia, water control is managed basically, as you know, by municipal and local authorities. What has happened is that there is a very poor integration between DFO and local authorities on water control. What I would do is basically offer a plea that you could take back to your colleagues to improve this, because what is happening is that water is not being allowed to get through salmon-bearing streams, and the fertilized eggs are drying out and being wiped out. There is an easy win if there is better integration between DFO's water needs and the local authorities.

My question, though, deals with fish viruses. There is one in particular, which is of great concern, that causes renal failure in salmon. In Chile in particular, they have found this virus and are very much concerned. Can you tell the committee, please, what is being done at DFO to prevent that virus from entering into our wild salmon populations?

Mr. Trevor Swerdfager: Are you talking specifically about ISA in Chile?

Hon. Keith Martin: That is correct.

Mr. Trevor Swerdfager: With respect to your plea, the point is registered. Certainly when I was the regional director of the conservation branch of Environment Canada in B.C., we used to raise much the same point on a regular basis. An opportunity for closer collaboration certainly exists, and it is something we will be pursuing.

With respect to disease, essentially it doesn't matter what livestock it is; if you take a whole bunch of animals and jam them together, the potential risk....

Am I talking too fast?

The Chair: Don't worry about them. Just keep talking.

Hon. Gerry Byrne: I'm sorry. We're just dividing our time.

Mr. Trevor Swerdfager: if you put a whole bunch of animals in a confined space, the risk of disease goes up. Essentially what happened in Chile was that they adopted a production strategy that is dramatically different from that anywhere in Canada. The concentration of farms is extremely dense. Farms were not put in place with any biosecurity measures.

I've been to Chile four times on this job, and I've watched people actually do this: you could see people go literally from farm to farm—carrying the mail, for example. That is illegal in Canada. When you get onto a farm in Canada, you have to dip your feet and all that kind of routine. It doesn't exist in Chile. So a lot of the biosecurity controls that you would expect to see are not bad: they are non-existent in Chile.

In the Canadian context, the biosecurity controls we have in place are much more rigid. We think the controls that are in place in British Columbia are solid. Touch wood again, but we have not had major disease outbreaks there. We have had in New Brunswick, and New Brunswick responded: the farm management dynamic and so on was changed. We think that has ended in a positive result.

• (1640)

Hon. Keith Martin: My colleague Mr. Byrne has a few questions.

Hon. Gerry Byrne: Thanks.

I want to get back to the issue of funding and the resources that are required for this. It is a very important issue for this committee to have confidence that we all understand where this is going and where it came from.

You said that a Treasury Board submission is in the process right now and is subject to approval. Obviously that means a cabinet decision was taken to fund this particular initiative, to re-profile and to prepare for this regulatory change. Without providing us details of a cabinet submission—you have provided this committee with some specific details about staffing levels and other things—would you be able to provide us, either now or through the form of a written submission, in short order and not in six months' time, giving us confidence that this is indeed new money? I'm failing to understand exactly where this is coming from, without robbing Peter to pay Paul.

Would you be able to either answer that now or provide us with some detailed background information?

Mr. Trevor Swerdfager: The short answer to the second part of your question is that I believe we can provide you in writing that kind of advice or commentary. With apologies for sounding like a stovepipe bureaucrat, I can't tell you how the overall budgetary picture of the government works. I can tell you what we have done with the new submission, when the minister went to cabinet in the fall. The proposition that was made to cabinet was not to do this and reallocate from here, there, and everywhere; it was very clearly that if you're going to do this, there is a price tag; you should augment the program. That is what was done.

Can I point to the document that says that? No, but I believe we could provide the assurance to the committee in due course—and I mean shortly, not in the fullness of time—to that effect.

Hon. Gerry Byrne: Mr. Chair, I know my time is up.

Basically what you're telling us is to expect to see it in supplementary estimates (A) in the fall.

Mr. Trevor Swerdfager: I don't think that's what I said.

We can provide the assurance.

The Chair: Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

I just have one follow-up question on the sea lice. I've become aware of some public concerns around the sea lice, as many other members have. I'm sure the department has responded in terms of any investigation or investigations of those public concerns about the sea lice. How would you characterize the department's response, in terms of resources, to the investigation or these claims that there were sea lice in waters? Would you say they were extensive, adequate, or cursory? How would you characterize the investigation?

Mr. Trevor Swerdfager: First of all, I think the key to keep in mind with respect to the department's interest in sea lice is that the department has a substantial investment in salmon biology, or salmon biologists as a better way of putting it, and so on, who are very concerned with the status of populations and have spent a lot of time looking at any potential threat to wild salmon populations. Part of the natural avenue of inquiry has taken them to sea lice issues.

The department has two full-time research scientists who are looking at it. I'd say 75% to 80% of their time is devoted to sea lice issues. It's not parsed up exactly—I don't keep a little pad—but it's in that ballpark. There are a couple of technicians as well. There are data collection programs out there to sample lice, and so on.

I mentioned earlier in response to one of the questions in round one that, as part of the department's new budget allocation for aquaculture in 2008, the department received a substantial amount of money for a component called the program for aquaculture regulatory research. The way the financial program was structured, it was back-end loaded, so to speak. The fiscal year we're ending right now is year two of the program. The research funds for the program kick up substantially in years three, four, and five, so there will be more research resources going into British Columbia starting April 1. Those again are booked; they're not a theoretical type of thing. So the amount of energy devoted to sea lice research will go up in B.C.

Has it been sufficient to date? I don't think there's such thing as sufficient research on an area that's just so complex. I think we've done a good job. I think probably every member of DFO in the Pacific region would prefer that we had more opportunity to look at that issue in more depth, but I think it has been pretty solid.

● (1645)

Mr. Fin Donnelly: As a very quick comment, you have said that there is no issue of the sea lice, to your knowledge. That's what I meant.

Mr. Trevor Swerdfager: I see.

Mr. Fin Donnelly: You've had enough resources to determine that this claim or this—

Mr. Trevor Swerdfager: I think the categorical statement made is around sea lice tolerance to SLICE. We're really certain on that one.

Insofar as I was replying to Dr. Martin's question earlier to the effect of whether we have determined a link between sea lice and the salmon population, no, we have not. That link has been drawn by others. It's not one on which we've been persuaded by the burden or weight of evidence. Some of the key studies that draw the link between salmon farms and wild salmon populations in a negative way have been substantially debunked in many respects. As I mentioned earlier, one of the key studies that predicted extinction of pink salmon within four generations, which would be this year, has been just diametrically opposed to the reality in the water.

So it's the same old thing: It's a complex biological system. None of us can say for certain that it runs this way. It's not like engineering. But we certainly haven't anything to that effect.

The Chair: Thank you very much.

Mr. Allen.

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

I have just a few questions. Being from New Brunswick, I probably want to lean that way a little bit.

On the sea lice issue, I think in New Brunswick there is concern about some immunity being built up. Maybe there are some lessons learned that could be gained out of this, but I think the industry is actually looking at other types of medications they can use. Is there some process or are there any new medications that are being looked at? One of the things that has been discussed is an idea of, rather than letting a medication run out, actually rotating the medications over a period of two or three years.

Can you give us some thoughts on that?

Mr. Trevor Swerdfager: In contrast to what I was describing in British Columbia, we have a situation in New Brunswick where we think there is tolerance to SLICE. We think there is tolerance to SLICE. We are still in the process of collecting more data from the industry. We're doing some analyses of the data. We'll come forward in due course. The industry is absolutely convinced there's tolerance to SLICE. It's probably the case, but certainly from a definitive scientific perspective, at least from DFO's vantage point, it has not been determined.

Having said that, it's fairly clear that the application of SLICE in New Brunswick is not achieving the desired results. Unfortunately, from the perspective of New Brunswick, they've had record-high water temperatures in the last eight months in the Bay of Fundy. Sea lice are very dependent on temperature. They will respond to higher temperatures, grow quickly, and so on. Lice populations and levels are increasing in New Brunswick.

The Government of New Brunswick, in collaboration with the industry, applied to the Pest Management Regulatory Agency for the authority to use two pesticides, not medications. One is called AlfaMax and the other one is called Salmosan. Those are applied in farms. They tarp and skirt the farms and apply the pesticide into that. It's a topical treatment. It kills the lice on contact, as opposed to through the salmon's flesh.

In addition, they're looking at alternate treatments through feed, in particular a chemical called Calicide. There's also another treatment mechanism where you remove the fish from the cage, run them through a well boat, apply hydrogen peroxide to kill the lice, and knock them off, and so on.

The industry currently has approval to use the pesticide called Salmosan. It's actually being applied in the water today. They started another round of treatments. The department is very aware of that and is working to build an appropriate regulatory regime that would allow a rotational set of treatments, whether they're on the pesticide side or the drug side of the treatment regime, so to speak.

Mr. Mike Allen: Thank you.

For the provincial regulation, you talked about going from five to one as a result of this change and then, on the federal side, going to only one other, a federal aquaculture permit. Can you give me some context on that? Using New Brunswick as an example, how many different permits or regulations do they have in New Brunswick? I'm assuming the same three apply federally. There'd be habitat, the introduction and transfer into navigable waters, waterside. What would be the potential change for New Brunswick if the federal regulatory environment took over?

• (1650)

Mr. Trevor Swerdfager: In a purely speculative and hypothetical way, one could look at what might happen in New Brunswick. The number of permits in New Brunswick is roughly similar to the provincial regulatory perspective of both the New Brunswick Department of Agriculture and Aquaculture and the New Brunswick Department of the Environment. In addition, New Brunswick has a series of what I would describe as watershed authority permits that are required. I should add that those apply in British Columbia as well. There's a whole series of non-aquaculture specific regulatory tools. But if one were to imagine a similar scenario unfolding in New Brunswick, the reduction in provincial permit activity would drop by a factor roughly akin to what we see in B.C.

Mr. Mike Allen: Okay. Based on that, the industry receptiveness is good at least on one side of this, because the regulatory burden on that side would go down. As part of your consultations, has there been any reaction from the industry on any additional testing and oversight by DFO as part of this process?

Mr. Trevor Swerdfager: Well, it was surprising for me to learn that parts of the country don't universally embrace DFO. In the context of our consultations, some observers in the east have wondered whether having DFO in a similar role would be a good thing or a bad thing. We're very carefully avoiding that speculation.

This court decision applies in British Columbia. The regulations are being developed for British Columbia. We're primarily consulting British Columbians. We have informed others on what's happening there, and so on, but this is very much driven for B.C. to respond to B.C.

At some point, if similar decisions or changes are made in due course, I'm frankly not sure how the industry would respond, and it's not really my place to say. They have their views. I would imagine they'd line up on all sides of the issue in terms of where they might go.

Mr. Mike Allen: I was thinking of the B.C. industry side.

Mr. Trevor Swerdfager: I'm sorry. I misunderstood your question.

I would say the B.C. industry has almost universally embraced this new development. The only real exceptions have been in the area of fresh-water aquaculture, but that's been more on questions as to how it would work, as opposed to not liking this, and a head-scratching type of thing. From the salmon farming industry and the shellfish industry, which we haven't talked much about today, the majority of feedback we've received is that having the new regime in place is a good thing.

Mr. Mike Allen: Thank you.

The Chair: Thank you very much, Mr. Swerdfager. On behalf of the committee, I really do appreciate your time today.

Mr. Trevor Swerdfager: Thanks for having me.

The Chair: I think I speak for all committee members when I say that it's been very informative, and we certainly do appreciate you taking the time to come.

Mr. Trevor Swerdfager: Thank you.

The Chair: Committee members, we'll take a break for a couple of minutes while we go in camera to discuss committee business. We will resume in about five minutes.

[Proceedings continue in camera]

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