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Chair

Mr. Rodney Weston

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•(1545)

[English]

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

I'd like to begin by welcoming the minister here today, Minister Shea.

Thank you for taking time out of your busy schedule to meet with the committee once again. I know you're no stranger to the committee and the members here. It's always a pleasure to have you before us.

Minister, I know you're familiar with the procedures here. We generally allow about ten minutes for presentations. I believe you have an opening statement that you'd like to make before we proceed to questioning from members.

Minister, at this point in time please feel free to proceed.

Hon. Gail Shea (Minister of Fisheries and Oceans): Thank you very much, Mr. Chair.

It's a great privilege for me to be here today and have the opportunity to speak with you. I always enjoy coming to the committee because I know the people around the table have a great interest in fisheries, and I certainly want to welcome everyone's comments.

Before I get started I'd like to introduce the officials I have with me today: Deputy Minister Claire Dansereau; Assistant Deputy Minister David Bevan; the department's chief financial officer, Roch Huppé; Canadian Coast Guard Commissioner George Da Pont; and Michaela Huard, who is the ADM for human resources and corporate services. I have several other officials in the room as well.

This afternoon I want to talk to you a bit about the forward agenda for our department, beginning with the main estimates.

Jobs and growth are a top priority as our government completes implementation of our economic action plan while also charting the course ahead to restrain growth in spending.

With regard to my department's main estimates, you will note an overall increase of \$326.2 million over 2009-10. This increased funding is primarily in continued support of our economic stimulus projects announced in the economic action plan budgets of 2009-10. These projects, totalling approximately \$217 million, include improvements to small craft harbours, modernization of Canadian Coast Guard infrastructure, modernization of our laboratory and science facilities, and the reclamation of contaminated sites.

Using past and present funding as a vantage point, I'd like to talk to you about how Fisheries and Oceans Canada is well positioned to deliver on the government's priorities as they relate to our fishing industry. Since this government came into office in 2006, up to and including budget 2010, this government has committed nearly \$2.5 billion in new funding and an additional \$190 million in ongoing annual funding for initiatives related to fleet renewal, fisheries science research, and small craft harbours, along with a number of other projects. This funding includes significant investments in the Canadian Coast Guard to purchase new ships and repair our existing fleet.

Significant investments have also been made towards construction and repairs of small craft harbours to ensure safe, accessible, and sound harbour facilities for the commercial fishing industry and the communities they support. At this time, there are 263 projects either completed, under way, in the engineering phase, or in the tendering process. These projects are in addition to the construction of a small craft harbour at Pangnirtung, Nunavut, and the necessary supporting infrastructure. Our government understands that the Nunavut fishery is unique and gaining in importance. Providing harbour infrastructure in Pangnirtung is an important contribution to our government's northern strategy. It will drive economic development and lead to spin-off benefits for the entire community.

In addition to the harbour itself, we are also providing aids to navigation, scientific and fisheries resource management support, and new regulations to ensure a strong sustainable fishery for years to come. Additionally, we have been delivering on the economic action plan by taking steps to modernize federal laboratories. So far construction is under way or completed at 69 sites.

As you know, science is fundamental to the work we do. The knowledge, products, services, and advice provided by our scientists impact the lives and livelihoods of thousands of Canadians on the water who harvest our fisheries resources. It is vital to ensure this capability is accurate and well equipped to do the job. That's why we have made considerable effort to augment our science research capacity in areas that strategically support sustainable fisheries and trade into the future.

Our science program operates 15 institutes, laboratories, and experimental centres in six operational regions, with an annual budget of approximately \$230 million. Under our economic action plan, my department received \$30 million to enhance the efficiency of these operations. Over a four-year period, we are also allocating nearly \$14 million to complete mapping in the Atlantic and Arctic Oceans and the collection of data for Canada's submission to the United Nations Convention on the Law of the Sea.

As you know, fisheries science in the north is crucial, and we're investing a further \$9.7 million over five years to increase the science capacity in the central and Arctic region. This funding will support resources, decision-making, and emerging commercial fisheries opportunities in the north.

Internationally, we're allocating \$4 million annually for fisheries and habitat research supporting market access issues such as improved fishing practices in the high seas and research on transboundary fish populations.

● (1550)

Through our economic action plan, the Government of Canada has also taken steps to help the fishing industry weather the global economic challenges of the last year. As we all know, the lobster industry was hit particularly hard by the economic downturn. Atlantic lobster is Canada's most lucrative fishery, employing 39,000 Canadians and constituting 24% of all Canadian seafood exports. That is why last year I announced the government's total investment of \$75 million to support the lobster fishery.

The bulk of this spending, \$50 million, was earmarked to help the industry restructure and improve its sustainability, to encourage self-rationalization measures, to meet eco-certification requirements, and to facilitate access to capital for lobster fishers. This funding will help the industry to better meet the changing demands of the market, including growing demands for proof that seafood products come from sustainable fisheries, while ensuring conservation objectives are met. In that regard, my Atlantic colleagues and I have agreed to work closely to ensure coordination among governments on programs to assist the lobster industry.

A further \$10 million was invested through the community adjustment fund to improve marketing, assist in innovation, and develop products and technologies. Our government recognizes that developing a strong and recognizable brand for Canadian lobster holds the key to the success of this important fishery. In February we invested \$352,000 under the community adjustment fund for a comprehensive international lobster marketing strategy.

Ensuring that all of our fish and seafood products remain accessible to international markets is a top priority. Since more than 85% of Canada's fish and seafood is exported, we need to take new and emerging market requirements very seriously. Global markets are increasingly calling on governments and industry to demonstrate that fish and seafood products are not only safe, but also that they come from sustainable and legal fisheries. Traceability of fish and seafood products, from the harvesting activity to the consumer, is a key element of emerging market demands.

We are hard at work to ensure continued access to European markets. In December 2009 our government opened its new catch

certification office to satisfy new European Union regulatory requirements for fish and seafood imports. In addition, we are working with representatives abroad, provincial and territorial governments, and industry stakeholders to address emerging market access requirements.

We are proud of Canadian fish and seafood products. The importance of this industry to our economy cannot be understated. In 2009 Canadian fish and seafood exports generated more than \$3.6 billion in export revenues. We want to build on this by helping to expand our international markets.

We are also taking a strong stand in support of Canada's seal industry, which has been targeted by international animal rights activists through a calculated misinformation campaign. This campaign misled the European Union into adopting a ban on Canadian seal products. As you know, the ban is unacceptable, and threatens the rights of Canadians to make a decent living from an historic practice that is humane and lawful. The government is focused on jobs and growth, and we fully intend to defend the legitimate interests of Canada's sealers and their communities.

In December we held consultations with the European Union, the first step of many that we'll take in the World Trade Organization challenge process. We also take advantage of opportunities, such as international trade missions, to communicate the facts about the harvest while developing and stimulating demand for our products. This was a key reason for my visit to China in January. The goal of my visit was to promote both seal products and seafood to the world's largest consumer of fish and seafood. I also met with senior Chinese government officials and secured a commitment to work together towards lifting current restrictions on the import of seal products.

As you know, budget 2010 underlined the need to restore fiscal balance in our planning for economic recovery. My department will likely be a part of the 2010-11 strategic review process. Aligning with the priorities set out in the Speech from the Throne and budget 2010, our strategic review will aim to ensure that our programs and services are the ones Canadians really need and are delivered efficiently and effectively.

• (1555)

I can also say that year two of our economic action plan funding will sustain the momentum in fuelling the economic recovery, while also supporting fishing industries through the new money allocated in budget 2010. Toward this end, the budget provides two-year funding for the following initiatives: \$7.2 million to support the catch certification office; \$2.2 million to deliver navigational services in two newly-created Arctic navigational areas; and \$8 million for programs related to research, risk assessment, prevention, and early detection and control of aquatic invasive species.

Just last month I spoke with U.S. officials in Washington to discuss a number of bilateral issues, including controlling the populations of Asian carp and other aquatic invasive species. This issue is of great importance as we work to protect valuable recreational fisheries that provide significant benefits to Canadians.

This budget also provides \$27.3 million over five years for a new hovercraft for the Canadian Coast Guard's Sea Island home base in Richmond, British Columbia.

In the Speech from the Throne, the government also signalled its intention to introduce new legislation to reform Canada's fisheries management system. I am sure everyone here recognizes the importance of moving forward to reform legislation governing Canada's fisheries. Revitalizing the Fisheries Act will be a priority, and I look forward to the work I hope we can all do on this together. And I can tell you, from my conversations with a number of provinces over the last year, this is also a priority for them.

We'll continue to implement stabilization measures for fisheries across the Atlantic provinces. The decision to stabilize access to various species will enable all commercial fleets to better plan their fishing operations in the long term.

On the Pacific coast, the government is demonstrating its deep concern about low returns of sockeye salmon to the Fraser River in 2009 and the implications for the fishery. We recognize the importance of Fraser River sockeye salmon to first nations, commercial harvesters, the recreational sector, the British Columbia economy, and all Canadians. That's why our government has established the commission of inquiry into the decline of sockeye salmon in the Fraser River. I am very interested, as I'm sure the industry is, to learn from the commission's findings.

As you can see, the government has put in place a set of robust and effective programs to support our fisheries, protect Canadians and Canadian waterways, and continue to play a key role in Canada's recovery from this economic downturn.

My department is well positioned to deliver on the government's priorities of jobs and growth as they relate to Canada's fishing industry, and we are moving forward on all fronts to continue this very important work.

With the committee's permission I'd now like to ask my chief financial officer, Roch Huppé, to walk you through the highlights of the department's main estimates.

The Chair: Minister, we're just about out of time for presentations.

I'm not sure how long your presentation will take, Mr. Huppé. Have you any idea?

Mr. Roch Huppé (Chief Financial Officer, Department of Fisheries and Oceans): About 10 to 15 minutes.

The Chair: I think the committee members would prefer to move right into questions at this time. We can possibly refer to your presentation through the questions. I assume the members would rather do it from that perspective. So if it's all right, we'll move right to questions.

Mr. Byrne will start off.

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

Thank you, Madam Minister.

I'd like to give a special welcome to David Bevan. It's great to have you back at the table, David.

Madam Minister, you said in your opening remarks that one of the pre-eminent events will be the tabling of the new Fisheries Act. Can you confirm to the committee that the fishery is indeed a public resource?

Hon. Gail Shea: Yes, it is.

Hon. Gerry Byrne: Would you be able to supply to the committee a list of licence-holders of a particular fishery so that those who own this resource, the public, can have information about those who have exclusive access to a particular fishery?

Would you also be able to provide information on specific quota allocations associated with those licences?

Hon. Gail Shea: I would have to get advice on whether or not that is public information.

Hon. Gerry Byrne: It's a public fishery, Minister, so I assume that it is public information. Obviously the CRTC manages public airwaves, and it's a matter of public information who has exclusive access to those public airwaves as broadcasters.

I'll follow up on the question with the staff after we finish our exchange here.

I'll ask another question, Madam Minister. Why do you continue to uphold the decision of former minister Loyola Hearn, who ignored and bypassed the specific advice of an independent ministerial licensing panel when he granted Tim Rhyno a million-dollar crab licence as a gift, even though he didn't deserve it? Can I ask exactly why you're upholding that decision?

• (1600)

Hon. Gail Shea: Well, honourable member, I was not here. I don't have the details of that particular case. I'm sure there were extenuating circumstances in that situation, which is what I am told. That was the minister's decision to make.

Hon. Gerry Byrne: I guess it was the minister's decision to make, wasn't it.

But there was another decision by another minister that you did decide to interfere with. In 2005, fisheries minister Geoff Regan signed a contract with area 23 and 24 crabbers to the effect that, as soon as the biomass of a particular resource, the crab resource in that area, exceeded a certain tonnage, the quota of crab would be shared on a fifty-fifty basis between traditional aboriginal fleets and the core company fleet. That was a decision by former minister Regan. In 2009 you decided to tear up that contract.

You say now you won't interfere with the decision of a former minister. Minister Loyola Hearn granted Tim Rhyno a licence, and you're going to live with that. Why won't you live with the contract signed with area 23 and 24 crabbers? Why did you tear that up?

You overturned a decision that last year, and again this year, was to split the quota fifty-fifty between those two fleet sectors, but now you're allocating at 62% in favour of the traditional aboriginal fleet and at 38% for the core company fleet. The two fleets may be equal in some numbers, but it isn't quota, and that's what that contract said.

Why the discrepancy? Why the difference?

Hon. Gail Shea: I have received advice from many sources on this issue. I received advice from the various fleets. I went back and looked at the report. I received direct submissions, talked to the people involved, got the advice of the department, and at the end of the day this was seen as the most equitable decision.

There were different circumstances back when this report was first written. As a matter of fact, there are a number of items in that report, I'm told, the minister of the day did not adopt. He picked the ones he wanted to agree with. It was not a contract.

This was seen as the most equitable decision. Those licences now all share the very same quota. They did receive a modest increase last year. They received another modest increase this year. So it was very important to stabilize the fishery after listening to everybody's submissions, and try to make the most fair decision.

The traditional fishers have been in the business for quite a number of years, and they weighed in as well on this decision.

Hon. Gerry Byrne: Your regional area manager for eastern Nova Scotia, Ms. Joan Reid, weighed in on this as well. On February 18, 2009, just a month before you tore up the contract, she wrote to every crabber in area 23 and 24. Here's exactly what she said: "It's expected that due to the strong recruitment, a TAC exceeding 9,700 tonnes" —which is the threshold of the contract—"may be approved in 2009, thus triggering the permanent fifty-fifty sharing arrangement recommended by the advisory panel on access and allocation in 2005. No other management measures, including quota transfers, will be affected by this."

Your own area manager wrote to every crabber a month before you tore up the contract, saying the contract stands, we're going to implement it, and the licence commissions will actually implement the contract. You decided instead, as of 2010, to assign a 4,400-tonne quota to the traditional and aboriginal fleet, and the core company fleet receives just 2,700. The contract says 3,575 tonnes, approximately, per fleet.

Madam Minister, in the former versions of the Fisheries Act that you tabled, you said a contract is a contract is a contract, and the

statute would protect those contracts. You're now telling us other circumstances now suggest we really shouldn't necessarily have to abide by contracts. You're making a very convincing argument that you really don't believe in the Fisheries Act that was tabled.

He had granted a licence to Tim Rhyno and you upheld that decision, even though it was recommended by the advisory panel that you not do that. There was a contract in place with area 23 and 24 crabbers, signed by another minister. You said, I don't think I'm going to honour that contract.

The new Fisheries Act, as I understand it, was supposed to actually provide guarantees, statutory guarantees, that the fisheries minister shouldn't be able to do that and couldn't do that. You're making a very convincing case that that's not necessarily the way to go.

•(1605)

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Point of order, Mr. Chair.

I ask this question as a relatively new member. The minister has clearly provided a tremendous amount of work to make her presentation today, in looking forward and looking at general principles in terms of what is going to unfold for the fisheries in the years to come, and we're getting very specific questions about very narrowly constrained issues.

I don't know, Mr. Chair, but maybe you can guide me. Is it appropriate to be narrowing in on a singular case when the minister has prepared herself to talk about general policies in terms of the unfolding fisheries?

Hon. Gerry Byrne: Point of order, Mr. Chair.

It is the convention of this committee that when you have five or ten minutes to question a witness, you have five or ten minutes to question a witness.

The Chair: I apologize. We should have stopped the timer when we took the point of order.

As long as the line of questioning is pertinent to the programs that are provided by the department, and the minister is certainly... This falls within the realm of the responsibility of the minister. There is no issue with the member proceeding with his line of questioning at this time.

Mr. John Weston: As long as we don't expect her to be totally prepared for each individual question about each individual case under her jurisdiction.

The Chair: I'm sure the minister is quite capable of taking questions under advisement if need be and reporting back to the committee at a later date.

Mr. John Weston: Thanks, Mr. Chair.

The Chair: Mr. Byrne, please proceed with your question.

Hon. Gerry Byrne: I think I've asked my question, Madam Minister, so if you would be able to provide some reconciliation of those two contrasting...

Hon. Gail Shea: Thank you.

Well, first of all, as I said, there was no contract, so there was no contract torn up. Maybe Mr. Byrne needs to go back and read through the original report, which talked about equity among the licence-holders.

It's interesting that you talk about the new Fisheries Act and what is in the new Fisheries Act. I hope that's an indication that you're going to support the new Fisheries Act and help us get it passed.

Hon. Gerry Byrne: Well, I'll just note that Ms. Joan Reid, the acting area director of the eastern Nova Scotia Department of Fisheries and Oceans, disagrees with you. According to her letter to every crab fisherman, there was a contract. The acting area director says that the fifty-fifty sharing arrangement recommended by the advisory panel on access to allocation in 2005 will be going ahead in 2009. She said that. She made that commitment to every crabber one month before you tore up the contract.

Madam Minister, \$15 million was allocated last year for a lobster industry income support program. The deadline for the program is now long past. Could you tell us how much of the \$15 million was spent? Of this, how much was spent on payments to fishermen and how much was spent on overhead by DFO?

I'll turn the remainder of my time over to Mr. Dhaliwal.

•(1610)

Hon. Gail Shea: Thank you.

Just quickly, to go back to the crab issue, I want to say that this is why it's very important that we stabilize shares: so that we don't have decisions that affect fisheries in this way. We have been working on stabilizing shares across Atlantic Canada so that there are no decisions to be made when quota goes up or down. The shares are stabilized.

On the short-term lobster assistance program, there has been \$8.5 million paid out to fishermen—

Hon. Gerry Byrne: I'm sorry—how much?

Hon. Gail Shea: There has been \$8.5 million paid out to fishermen in Atlantic Canada and a very minimal amount for the administration of that.

Hon. Gerry Byrne: So only half of the actual fund was dispersed to fishermen?

Hon. Gail Shea: It was better than half. Yes.

The Chair: Thank you, Minister.

Thank you, Mr. Byrne.

Monsieur Blais.

[*Translation*]

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

Good afternoon, Ms. Shea, and good afternoon to the ladies and gentlemen accompanying the minister.

First of all, I also want to join in extending a special welcome to David. We are quite pleased to see him again and I am not saying

this because those who replaced him were not up to the task. We are simply very pleased to see him again.

I have a number of questions to ask, but first I would like to get back to what my colleague touched on, in other words the direct assistance program to deal with the lobster crisis.

Very serious problems have arisen over the last few years. Finally, in 2009, there was some budgetary appropriation, but I was expecting, perhaps naively, that the \$15 million that was announced would not be enough. I will not pass on the comments we heard in Quebec and that I forwarded to you, as to the amounts that were finally granted to Quebec fishers. In fact, it amounts to \$8.5 million out of a \$15 million program.

I do wonder about one thing: was the direct assistance program requested of Treasury Board by the department something make-shift? Were the figures wrong, or the calculations? I would have preferred to have heard that \$15 million was not enough, that we are asking for \$20-odd million, that we will find some other way and work together to make sure that there will be more money invested into this program. Given the fact that \$8.5 million has been spent out of a total \$15 million earmarked for emergency assistance to the lobster industry, it would seem to me that there is a serious management problem here. I would like your explanation on these figures.

[*English*]

Hon. Gail Shea: Thank you, Mr. Blais.

Back last spring, when we were approached by several fisheries organizations representing lobster fishers in Atlantic Canada, their outlook at the time was certainly very bleak. One of the issues they raised was that they didn't think they would even sell enough product to qualify for employment insurance. So we as a government developed a program with criteria whereby if a fisher saw a significant decrease in income—25% from lobster fishing—and had income of less than \$50,000, that person would qualify for a type of one-time payment. The fact that only \$8.5 million has gone out the door should be good news, because the season ended up actually with an increase in landings, which mitigated the loss in revenue.

So the fact that not as much money has gone out the door as might have gone out the door is actually good news, because the season was not as bad as they had been anticipating, and fishermen actually did qualify for EI.

[Translation]

Mr. Raynald Blais: Of course, everybody knows that figures can be misleading, depending on the way in which they are viewed. Kind of like a glass half full or half empty. It may be satisfying to some, but dissatisfying to others. That is what this figure does. I could tell you about quite specific situations where lobster fishermen did not make \$55,000 in income, but they do have additional income because they managed to do something else. They had to because 5,000, 6,000, or 7,000 pounds of lobster was not enough for them to earn \$55,000. The individuals in question—I am referring to fishers from Baie-des-Chaleurs and Saint-Godefroi specifically—caught other species. Therefore, their income increased. In the end, they managed to overcome the crisis they have already been dealing with for a number of years. When the time finally comes to receive a certain amount of help, they are unfortunately not able to deal with the situation.

The same thing occurred in the Magdalen Islands where so many conservation efforts have been made over the last few years. Out of 180 requests to the department, only five fishermen received help. You can practically name them one by one. That is what leads me to say that it makes no sense and that the criteria need to be reviewed.

● (1615)

[English]

Hon. Gail Shea: One of the criteria was that they had to be lobster-dependent. If they fished another species and made more money from the other species, they were not lobster-dependent. The fact that they made more money is a good thing.

In the case of the Magdalen Islands, the fishers there do reasonably well. I commend them for all the conservation measures they have taken to look after their fishery and to look after their future.

But this was not meant to be paid out to everybody. It was meant to get to those who most needed it and who saw the biggest decline over 2009. That's why the criteria were written as they were.

[Translation]

Mr. Raynald Blais: On the other hand, with respect to the shrimp industry, I have had the occasion over the last few years to criticize a number of the department decisions.

There is one question I have been wondering about regarding an assistance program that has been reviewed over the course of the mandate of almost three fisheries and oceans ministers. I am raising this issue so as to decrease the cost of licenses for shrimp fishermen in Quebec. In Quebec, they need to pay between \$20,000 and \$25,000 to obtain a license. The license costs far less in other areas. For instance, it costs \$500 in Newfoundland. For the last three years, if I am not mistaken, people have been analyzing this file, but at some point enough is enough. Some action must be taken. These people, year after year, experience their own difficulties and could benefit from a reassessment of the cost of licenses.

I know that the department has already examined the issue, but when can we expect to see the light at the end of the tunnel in this file?

[English]

Hon. Gail Shea: We have made a commitment to a licence review to be completed by 2011, and we're still on track for that. Of some of the changes we've made to the shrimp fishery in Quebec, we have made temporary allocations permanent with shrimp because the fleet in Quebec wanted to restructure and it was very important to them that their allocations became permanent, so we did that. Also, many of our free trade agreements that have been negotiated, and are being negotiated, will benefit the shrimp industry in Quebec and benefit other Canadian seafood as well.

The Chair: Thank you, Minister.

Mr. Donnelly.

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

I'd also like to say thank you to the minister for coming to the committee today.

I have several questions regarding both coasts' fisheries and coast guard.

My first question is pretty straightforward. I'm wondering what the department is doing in terms of the tuna crisis off the east coast.

Hon. Gail Shea: As you know, bluefin tuna is currently being discussed at Doha. In a committee meeting last week there was no support to list it as an endangered species. Our position has been clear from the beginning.

CITES is an organization that deals with trade restrictions and does not deal with fisheries management. Our position is that we believe tuna should be managed under a regional fisheries management organization known as ICCAT, the International Commission for the Conservation of Atlantic Tunas.

Canada exports about 95% to 99% of the tuna it catches. If this had been listed as an endangered species our fishery basically would be wiped out, while other countries that consume tuna domestically would continue to fish. So listing tuna as an endangered species actually would not have brought the result that we need to get with tuna. We need to manage the fishery, not the trade.

● (1620)

Mr. Fin Donnelly: Thank you.

I'll go back to the snow crab issue. There was a transparent and open process that happened and involved many parties and gave them an opportunity to voice their opinions on how to share that resource. I'm wondering why you, Minister, would dismiss the actions that they took and take direction only from one side of the industry. Specifically I'm wondering why you overturned a decision by Minister Regan made in 2005 where he agreed with the recommendations from an independent panel on snow crab that had been set up by DFO after many years of conflict within the industry to get stability.

Hon. Gail Shea: The panel provided advice, and I guess it depends on how you interpret that advice. Our decision was to gain equity among the licence-holders. So every licence-holder now receives the same amount of quota. I do realize there are a number of fishers that are attached to each licence, and some more than others in some cases, but this fishery has now been stabilized. On a go-forward basis, if the quota goes up or down, that's how the shares will be divided. It depends on what the interpretation of the panel advice was. We've seen it as equity among the licence-holders.

Mr. Fin Donnelly: Just to follow up on that, the panel suggested that 40 to 60 tonnes of snow crab were more than sustainable for an individual licence-holder, which is approximately in the range of \$140,000 to \$200,000.

Why do you disagree with this and now allocate up to 116 tonnes, which is approximately \$383,000 per individual as an equal footing or equitable...?

Hon. Gail Shea: I don't think it's about what an equitable licence is. You can say this could be worth up to \$240,000, but it also could be worth \$100,000 before expenses. That would all depend on the price, and it does also depend on the availability of crab. As you are probably aware, right next door in the gulf now we are dealing with a severe decrease in the biomass, so the crab numbers are not always as high as what they are right now. They are very cyclical.

Mr. Fin Donnelly: Okay, thank you.

I'm wondering how the department is addressing the increasing sea lice problem associated with salmon farms in aquaculture. I'm shifting to the west coast now.

Hon. Gail Shea: We monitor with the province the sea lice issue on the west coast.

Maybe one of my colleagues might be better equipped to speak to that.

Fish farms are required to keep records of their issues with sea lice and to keep records of when they have to treat for sea lice. It is my understanding that those records are available to the provinces. The province is still the managing body for aquaculture in British Columbia.

Mr. Fin Donnelly: Are they available to the public?

Hon. Gail Shea: It is my understanding that this has been an issue in the news just recently. I couldn't answer that because we wouldn't have those. The Province of British Columbia would have them currently.

The Chair: Thank you, Minister.

Mr. Kamp.

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

Thank you, Minister, for appearing. I know you are a little under the weather, so I appreciate your coming.

To begin, I do want to thank you for the interest you have taken in B.C. issues. You have been out there a number of times, and I know it is really appreciated by those of us from there.

You mentioned the hovercraft that was announced in the budget, and I want to thank you for that as well.

Could you give us just a bit more detail perhaps on what your expectations are in terms of timing on the Fisheries Act or when we might proceed with that as a committee?

• (1625)

Hon. Gail Shea: We are currently still working on our legislative plan. We do hope to roll that out in the not too distant future. I would hope this committee would play a big role in getting the Fisheries Act from where it is now into law, because it is very important to the industry across the country. The act is more than 140 years old now, and as I said, I've talked to many fisheries ministers across the country who have all requested that we attempt to get this act passed. They have said they would definitely support us in that.

Mr. Randy Kamp: I know many of us are looking forward to working on that as soon as possible.

The question was raised at our last meeting about the aquaculture situation in British Columbia and when it becomes a part of federal jurisdiction and we're going to have the opportunity to manage it, whether we want it or not, as the federal government. There was a question raised about where that money is going to come from to allow us to do that and whether we should be able to find it in the main estimates. If you or one of your officials could provide a bit of clarification on that, we would appreciate it.

Hon. Gail Shea: It is my understanding that funding is not currently in the main estimates. I believe it is in December 2010 that we're scheduled to take on the management of aquaculture in British Columbia.

I don't know if Roch or Claire want to speak to the process.

Mr. Roch Huppé: Yes, the money has been earmarked in 2009-10, but the money has yet to be accessed in the fiscal framework. So it doesn't show in the main estimates currently, but it will be accessed through the supplementary estimates in 2010-11.

Mr. Randy Kamp: Good. Thank you very much. I appreciate that.

The budget speech, and perhaps the throne speech as well, referred to the coming freeze on operating budgets within departments, and I'm sure that was welcome news to all of your officials there. I'm just not quite sure how to read the main estimates, with that news in mind, when, for example, the operating expenditures figure in here. It's significantly higher than the main estimates in 2009-10, an increase of \$184 million, so I just wonder in general, how is that going to happen? How are you preparing for that, and what impact do you think it will have on the management of fisheries in this country?

Ms. Claire Dansereau (Deputy Minister, Department of Fisheries and Oceans): In fact the member is right that there will be some impact on our numbers going into the year, and some of them will actually be decreased as a result of that.

We'll manage. This is the direction we have received, so we are, as we do every year in our budgeting process, factoring in the increases that are required for salaries with a ceiling, or at least a freeze in terms of any kind of growth. It will be my job and the job of the management team to make sure we don't exceed the numbers we are given, while looking at continuing to provide the services to Canadians. It's a fact of life, and this is what we do.

Mr. Randy Kamp: Is it right to say then that this figure in our main estimates is a pre-freeze announcement, and the number will actually have to change?

Mr. Roch Huppé: Yes, from a technical perspective, the budget 2010 items obviously are not reflected in the main estimates you see today. During the year, the Treasury Board Secretariat will freeze part of the money for the operational freeze that's been announced, the 1.5% basically. Through the supplementary estimates process, money will return to the centre for that perspective, so it's not reflected. What you're seeing here does not exclude that money that we will have to return. It's basically through the subsidy process that it will be done.

Mr. Randy Kamp: And how does that whole process correlate with a strategic or expenditure review that I think we're going through as well?

• (1630)

Ms. Claire Dansereau: It is definitely strategic review and not expenditure review, although I think some people would see them as one and the same. Strategic review will be the department looking at every one of its programs, and while we look at this, obviously we will be factoring in the reduced amounts in the operating side. We assume that this process will happen through the course of the summer. It's not an unwelcome set of activities, because it's worthwhile for us to take a look at all of our programs, so it will just be another factor that we add into that.

Mr. Randy Kamp: Okay. Thank you.

I'll turn it over to my colleague, Ms. O'Neill-Gordon.

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

Welcome, Madam Minister. It's certainly nice to have you with us today and for you to take time from your busy schedule to be with us, even though I know you have an awful cold.

I certainly want to reiterate your words when you said we can be very proud of our fish industry. Having visited my constituency last summer, you know that I certainly feel that way and am very proud of the work they do and the employment they provide.

Just recently I met with a group of fishermen in my constituency who were concerned about repairs to their harbour. I'm just wondering, how is the funding distributed for these small craft harbour programs, and has the funding increased at all?

Hon. Gail Shea: Thank you, Tilly.

The funding for small craft harbours is allocated across the country based on regions, so the more small craft harbours in a region, the more funding of course would go to that region.

Then there is a list that is compiled, a priority list that takes into account the health and safety of the users of the facility and the

general condition of the facility as well, and decisions are made from there. Generally it's around \$100 million on an annual basis. It had been \$80 million. We added \$20 million to the base budget of small craft harbours, which brought it to \$100 million annually, and as part of our economic action plan, over the last year and this fiscal year coming up, we will spend an additional \$100 million in each of those two years on small craft harbours.

There have been a number of projects that have been carried out. I believe we said maybe there are 263 that have been either completed or are in the tender phase, or in some phase of their project. There has been a lot of work, and it certainly has allowed us to address a lot of the issues that small craft harbours might have. We still have a deficit. I know that this committee has dealt with a report on small craft harbours. I certainly appreciate all the work that was done on that, and we will be providing a response to that report very shortly.

Mrs. Tilly O'Neill-Gordon: I'm happy to hear you talk about the safety and the health of the fishermen. That was one of the main issues the fishermen brought to me when I was meeting with them concerning their harbour, because there were some unsafe conditions.

Another thing I was wondering was if you can outline the importance of the small craft harbours program and how it provides different things for our community.

Hon. Gail Shea: Basically, what small craft harbours does is it allows fishers, inshore fishers in particular, a close access to their fishing grounds, and this allows them to not have to spend a lot of money to steam for miles and miles to get to the fishing grounds. So it allows them to stay within a small area to keep their costs low, and it's very important to so many communities.

Your community, I know, is made up mostly of fishers and that is the industry of that community, and that harbour is the centre of the community, and people take great pride in the harbours.

I must also mention port authorities. Most harbours now in Canada are managed by port authorities, which are a body of volunteers who do excellent work. The small craft harbour volunteer program is just over 20 years old now, and I believe we have in excess of 5,000 volunteers who volunteer their time to ensure the harbours are safe.

The Chair: Thank you, Minister.

We'll proceed to the second round of questioning. In the second round there will be four minutes for each party.

Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Thank you, Mr. Chair.

Madam Minister, welcome and thank you to you and your associates.

Madam Minister, your Conservative government has been asleep when it comes to the B.C. fisheries, when it comes to that part of the country. Your party platform in 2006 promised an independent judicial inquiry. Why did it take all the pressure from the opposition parties, and more importantly the collapse of sockeye salmon stocks in the Fraser River to fulfill that promise?

• (1635)

Hon. Gail Shea: I can't really answer that, because I only got here in 2008, so I have to say I was quite quick.

I think the important thing is that it is happening now, and this inquiry will take a comprehensive look at all the issues around sockeye salmon in the Fraser River. I know, and I'm sure everyone who's ever been to British Columbia knows, how important salmon is and how big a player the Fraser River is to this fishery.

I'm looking forward to the results of this inquiry. I know it's going to take more than a year. We expect there will be an interim report in August, so we have to let the inquiry do its job.

Mr. Sukh Dhaliwal: It took you four months after the collapse to decide to establish the inquiry, and it took you four months now. It's been eight months since the collapse.

What is happening now, and when will we finally achieve the results we want?

Hon. Gail Shea: The commission is working independently of government, so we do not have a report from the commission now. They are going ahead and doing their work.

We as a department are working with stakeholder groups in British Columbia to set the management plan out for 2010. We have to realize the sockeye stocks did not just disappear in the last four months or the last eight months. There are a number of things that have to be looked at.

I just might want to mention as well that we talk about the devastating non-return of the sockeye last year and at the same time we had pink salmon stocks that came back in record numbers. So there are a lot of unexplained things that are happening around the salmon industry, and I think by letting this inquiry do its work is the only way we're going to get the answers.

Mr. Sukh Dhaliwal: It might be something to do with the data collection. The previous Liberal government found we needed a better data collection system to know what's happening with our salmon. What has your government done to improve the data collection?

Hon. Gail Shea: That is a very specific question that I'm going to ask my officials to take a shot at.

Ms. Claire Dansereau: First of all, we think the commission of inquiry will provide us with some advice as to whether our data collection systems are sufficient. Up until now, we have assumed that they have been. We do have very well-established systems, not only with ourselves, but we have partnerships with universities and we work with other stakeholder groups to gather information. So as far as we're concerned, what we have been doing has provided us with sufficient information. The commission will tell us if we're correct or not.

The Chair: Good timing. Thank you very much.

Monsieur Lévesque.

[Translation]

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

Minister, Ms. Dansereau, Ms. Huard and gentlemen, good day.

I would like to draw your attention to the table entitled "Main estimates by input factor". I am having some difficulty with certain things. There is a \$115-million increase in operating expenditures. I would like to know where that applies.

Mr. Roch Huppé: As you noticed, there is a total increase of \$326 million over the last year. Most of this increase results from the budget 2009 economic action plan. Most of the increase is due to that. A significant part of operating expenditures amount to \$200 million which was what we received for small craft harbours. Out of this amount, \$100 million are for the year 2009-2010, and a large part of these funds are within the operating budget.

• (1640)

Mr. Yvon Lévesque: You are saying that under capital expenditures, we should find approximately \$100 million for small craft harbours.

Mr. Roch Huppé: It would be maintenance for small craft harbours.

Mr. Yvon Lévesque: Minister, we know that in Nunavik, there is a problem that I have been referring to for a long time. The Inuit are being asked to monitor and analyze the beluga population. The Inuit do this and issue a report. However, you then send in officials to verify this data, and once the officials arrive in these areas, the belugas have already left. The Inuit claim that you do not have an accurate picture of the situation.

Have you thought of a plan to rectify the situation? Will you believe the Inuit who have no advantage in destroying this population that is their livelihood, or will you continue to deprive them of quota because you are not accurately assessing the beluga population?

[English]

Hon. Gail Shea: Yes, we do co-manage the beluga population with the Inuit. They send their management plan in to us and we agree with the management plan.

A voice: This isn't Nunavut; this is Nunavik.

Hon. Gail Shea: Nunavik. Excuse me. Sorry, I have the wrong place. I'm going to let David respond to this.

Mr. David Bevan (Assistant Deputy Minister, Fisheries and Aquaculture Management, Department of Fisheries and Oceans): It's been a recurring problem.

[Translation]

There are problems and difficulties between scientists and the Inuit. We have tried to bring together working groups to address these problems. Of course, it is difficult for us to travel to the far north. There have been meetings with the Inuit and we have tried to agree on the best way to determine the beluga population. We need to continue to do this type of work. We have agreements on the means used to manage this population, but to date, we have not yet agreed on the way to count the population.

[English]

The Chair: Thank you.

[Translation]

Mr. Yvon Lévesque: Do I still have some time left? I did not hear the alarm.

[English]

The Chair: No, it's all done.

Mr. Donnelly.

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

Madam Minister, I'm wondering what steps the department is taking in terms of implementing watershed-based ecosystem management related specifically to the fisheries and if in fact there has been an increase in funds or there's an anticipated increase in funds for this form of management.

Hon. Gail Shea: We recognize that we have to move to a watershed-based management system simply because we need to look at the big picture because there are so many different stakeholders and users of that watershed.

Maybe Roch can speak to whether there has been an increase in the budget, but we are definitely moving to that type of system, as opposed to one focused on a small piece of that watershed.

Ms. Claire Dansereau: At this point, it's not a question of having more funding. It's more a question of how we organize ourselves. We do take an ecosystem-based approach. We're not there yet, but our scientists are conscious of it; our fish management folks are conscious of it; our habitat people are conscious of it. So it is part of the thinking in how we organize ourselves, but there are no new moneys attached to that at this point.

Mr. Fin Donnelly: Thank you.

Switching to the coast guard now, I'm wondering, Minister, if you could mention where the funding is for the three armed icebreakers for the north, and specifically the funding for the *John G. Diefenbaker*.

Hon. Gail Shea: The new polar icebreaker project is certainly well under way. I believe there is \$8 million in the budget in this fiscal year for that. I'll ask George to speak specifically to those projects.

• (1645)

Mr. George Da Pont (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): Thank you, Mr. Chair.

The funding provided to replace icebreakers so far has just been to replace the *Louis S. St. Laurent* with a polar icebreaker. The work

there is well under way. It's in a relatively detailed design stage. What you see in the estimates before you is to access funding to complete the design work.

Our expectation is that we will go to a full technical design contract some time in the course of this calendar year, and we hope to be in a position to put out a request for proposal for the build contract next calendar year. But there was never funding for three armed icebreakers at any point.

Mr. Fin Donnelly: Thank you.

Finally, if I can get this one in before my time runs out, there seems to be general agreement, at least on the west coast among many different interests, that there really is a lack of knowledge and research in terms of our understanding of the ocean and ocean conditions, especially on the west coast. I'm wondering if there is a significant increase and a dedicated focus on research for understanding ocean conditions, specifically on the west coast.

Hon. Gail Shea: One of the things we try to do with our science budget is to use it in a way that reflects what's happening right now in our fishery so that it's very relevant to what we're doing. For example, we're doing some research on ocean acidification on the west coast.

Because of new technology and because science is so expansive and we can do so many more things, there's much more demand for the science. So we have, I believe, a small increase in our science budget in this fiscal year, if I'm not mistaken.

Mr. Roch Huppé: It's a fairly stable budget.

Hon. Gail Shea: It's a fairly stable budget—pardon me—but we're trying to make it relevant to what's happening right now in fisheries in Canada. We're trying to put the funds where they're most needed and most relevant.

Mr. Fin Donnelly: Thank you.

The Chair: Thank you, Minister.

Mr. Allen.

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

Welcome, Minister and officials. It's great to see everybody again.

Minister, I have just a couple of questions, because I have only a very short period of time. I was going to say thank you very much for taking the pie in the face and taking one for the team on the seal industry. That was very good. Thank you for that.

You talked a little bit about your prospects when you went to visit some of these other countries. My first question is what are the prospects for continued markets for our seal products to ensure that we can continue to support this industry going forward?

Secondly, we've become very sensitive to the introduction of non-native species and things into waterways. I'm particularly concerned after seeing a special the other night on the Asian carp. It's extraordinary. What have you allocated in terms of funds for the issue of the invasive species?

Maybe the second part of that question, which may be directed better to Claire or David, would be how are we working with the provinces to ensure that we limit the exposure of our waterways to the introduction of non-native species in certain waters?

Hon. Gail Shea: Okay. I'll start with the issue on Asian carp and invasive species. We have over \$8 million in the budget over two years to deal with aquatic invasive species. A lot of it has to do with dealing with the sea lamprey in the Great Lakes, but it also has to do with research on the Asian carp. We're working quite closely with the United States to ensure the Asian carp does not make its way into the Great Lakes.

We were actually in the United States. Our folks were in the United States in December to assist the United States with a maintenance project on its electrical barrier so that the Asian carp does not make its way into Canada. It's a very serious issue for us. We have plenty of expertise on staff. We'll be meeting with U.S. officials in the near future on this issue, if we haven't already done so, to see how we can continue the collaboration to ensure this species doesn't get out of control and into Canada.

On the issue of seals and the potential in the Chinese market, I believe there's great potential in the Chinese market because it's such a big market. The Chinese tend to eat a lot of protein. I believe there's a great market there for seal meat and seal oil. The CFIA is working with the Government of China to try to pave the way for exporting seal meat and seal oil into China.

There's also another aspect of research on seals that's happening. You're probably aware of this. Medical research is being done on the possibility of transplanting seal heart valves into humans.

I think it's all very exciting. The more we diversify the seal product, the more we will get to a state where we'll have full utilization of the animal and maximum return to the sealers. I think the seal industry has a bright future.

● (1650)

Mr. Mike Allen: As a follow-up question on the annual seal hunt, can you comment on this? There's been a lot of talk about the numbers on the sustainability of the harvest. Based on some of the numbers I've seen, it's more than sustainable. Could you quickly comment on that?

Hon. Gail Shea: The number of seals that are present now is three times what it was in the 1970s. The population has grown tremendously. The herd is quite healthy. It's certainly not anywhere near extinction.

Mr. Mike Allen: Thank you.

The Chair: Thank you very much. Minister, I know you have to leave at this point. I want to take this opportunity to say thank you on behalf of the entire committee. We really appreciate your time spent with us here this afternoon. As always, it has been very informative and very enlightening.

We'll take a short break while the minister leaves and we'll resume very quickly. I believe the staff will stay behind. We'll have another round of questioning with the staff, if that's permissible. I see Ms. Dansereau nodding her head.

● (1650)

_____ (Pause) _____

● (1655)

The Chair: Could I ask all members to please take their seats so we can begin?

Mr. Kamp, I believe you wanted to make a comment.

● (1700)

Mr. Randy Kamp: Yes. I was just wondering whether it would be okay with the committee to invite to the table Paul Sprout, the regional director general for the Pacific region, who happens to be with us. I know there is certainly some interest in Pacific issues in this round. So with the consent of committee...

The Chair: All members are in agreement.

Mr. Sprout, we welcome you to our table.

We're going to begin with a five-minute round. We'll start with Mr. Byrne and Ms. Sgro, who are going to share.

Hon. Gerry Byrne: She will go first, and we'll share our time.

Hon. Judy Sgro (York West, Lib.): Thank you very much.

I'm filling in today for one of the other members. I have a brief question, and then I'll turn it back over to my colleague.

This summer I was in Newfoundland, and I visited some of the fishermen there. Actually, I had a wonderful time visiting a very beautiful part of our country. But in talking to many of the fishermen there, I heard that their biggest problem was that they can't get their boats into the water. The slips have deteriorated and so on, and they have been looking for assistance for some time now from the Government of Canada to help with that. It really was quite sad. Clearly, as the banks had risen, there was no way they could get their boats into the water so they could go out and do the fishing they wanted to do and that we want them to do. They weren't getting any help rebuilding those slips along the coast. I'm looking at the budget here that is talking about small craft harbours and I guess the disposal of them. Does that mean that you're going to get rid of more of them, or are you going to be helping to establish more?

Ms. Claire Dansereau: No, the small craft harbour divestiture was an agreement reached a number of years ago to divest those small craft harbours that are not core fishing harbours. There are a number of harbours the department was responsible for—recreational harbours or other such harbours—and they are being divested, after some refits, to the communities, which will then manage them. The core fishing harbours remain the responsibility of the department.

Hon. Judy Sgro: So if they can't get their boats into the water, they're not going to be able to fish and they'll have to go to another location.

Ms. Claire Dansereau: I'm not sure.

Michaela, can you speak on the slips question?

Mrs. Michaela Huard (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans): It depends very much... I don't know the specific location you're referring to. We definitely do have—

Hon. Judy Sgro: There are several.

Mrs. Michaela Huard: Yes, we definitely have over 745 core fishing harbours. There are still another 140-odd that we have to divest. As the minister mentioned previously, we do have an additional \$200 million over two years for the small craft harbours program, so we are making great advances with respect to the repairs and maintenance of our harbours. But there may still be cases where either we don't have sufficient money or perhaps—I'd have to know the specifics—they may not be core harbours, as the deputy mentioned.

Hon. Judy Sgro: Thank you.

Hon. Gerry Byrne: Mr. Chair, I want to follow up on a question I asked the minister. She indicated she's firmly convinced the fishery is a public resource. Can we get access to information about those exclusive individuals who have exclusive access to this public resource? Why is there a question as to whether or not there's a confidentiality requirement?

Ms. Claire Dansereau: I think we've looked at this before. Certain elements of the licensing factors are private information, but we have committed to looking at the question for the committee.

Hon. Gerry Byrne: I won't ask you for the full list of every individual licence-holder in Canada, but I'd like to have a list of licence-holders that are not-for-profit organizations or not-for-profit companies, unions, associations, or licence-holders that may consist of groups of enterprises or businesses that have formed some sort of cooperative or other form of association in mutual cooperation with each other.

Would you be able to provide the name of the licence-holder or the name of the group that represents the licence-holder, the area they're entitled to fish, and the quota that has been assigned to them?

That does not break any commercial confidentiality, since it's a public resource. I'm not asking how much money they made from it. I'm not asking for their mailing address. All I want is the name of the organization, the area they fish, and the amount they're entitled to fish. It's directed more at those involved in the not-for-profit sector, associations, and unions. I'll ask you to get back to us on that.

Life is tough enough in the fishery these days. I really don't understand why the one tool that fishermen have to reduce their costs and still stay afloat is the buddying-up system. Under this provision, two or three or even four core licence-holders can join forces and fish their respective quotas using one boat, burning less fuel.

The department has decided to seriously curtail that option. The buddying-up system doesn't force one extra pound of fish out of the water. There is absolutely no way to calculate this as a conservation concern. Just think of it as carpooling. Why are we limiting the option of the buddying-up system? Why are we going ahead with this?

•(1705)

Ms. Claire Dansereau: I'll let David answer some of the specifics of it. Much in the buddying-up system is still ongoing. We certainly continue to support parts of it. There are reasons, through various consultations, why we would change our policies, but I'm not sure what the specifics are of what you're talking about.

Mr. David Bevan: You'll recall some announcements that were made as long ago as 2007 regarding moving ahead with ocean to plate and trying to look at how to build value and enterprises in Atlantic Canada. At that time, there was a change in policy and a change in the vessel replacement rules for the larger enterprises—the 65-footers—where we said that buddying up was going to stop.

However, what is allowed is combining enterprises and collapsing those enterprises into one. At that point they're allowed to combine certain quotas, and, should they desire, go to a larger vessel that is more seaworthy, more economical to run, and provides a larger platform for better quality and better comfort.

The intention of removing buddying up in that case was to provide the motivation to move ahead with these combinations and make a permanent arrangement to reduce costs instead of having the temporaries where, if things are going badly, you buddy up and then, as soon as you get a turnaround, you end up with the watering down of the benefits by having more people go back into the fishery.

This is counterproductive in the long haul because we're not dealing with a stable state. We're dealing with stocks that go up and down. We need to be able to have enterprises that can adjust to that.

The Chair: Thank you very much.

Monsieur Blais.

[*Translation*]

Mr. Raynald Blais: Thank you, Mr. Chair.

The most recent budget refers to the creation, if memory serves me correctly, of a federal eco-certification office. If memory serves, \$7 million have been earmarked for this office.

The market is asking for, in fact requiring, eco-certification. I feel that companies will need more than a federal eco-certification office. They will eventually need support to deal with the situation. They are already somewhat stuck, financially, in dealing with the situation. I am thinking of the lobster fishers, specifically, but I could mention others as well. Eco-certification is not something that will be covered by the markets themselves, on the contrary. There will be a cost to fishing companies and to the industry in general.

I am wondering how the department views this issue, and I hope that the department's vision involves more than simply a federal eco-certification office.

•(1710)

Ms. Claire Dansereau: We are starting with a certification office. That was the first absolute necessity in order to have European markets remain open to us. If we had been unable to provide our fishers and processors with certification, European markets would have been closed to us as of January 1, 2010.

So, the office was open in December so that we could at least get the first step underway. This year's budget allocated longer-term funding to ensure the first step in certification would be taken and that our products would continue to be sold in Europe.

We know full well that eco-certification and traceability are major issues and that we will have to work on them with the industry to develop systems. It depends on the system used to certify products. Certification will be somewhat different from eco-certification, as described by the MSC or others.

It was a start and it was absolutely necessary for us to be able to sell our products in Europe at this point.

Mr. Raynald Blais: In what way are certification and eco-certification different?

Ms. Claire Dansereau: Certification is to attest to the fact that it is legal fishing and that it is well organized.

Eco-certification in a broader sense is aimed at the markets. The company known under its English acronym MSC does this type of work. It is a system that values the way in which the department works and the tools used to do the work. So, it is much broader than certification indicating that the fishing is legal and well organized.

Mr. Raynald Blais: In what way will we manage the inherent costs of these market needs, needs that are being expressed and standards that are becoming demanding in this respect?

It may lead to enormous costs. This may be just the tip of the iceberg and it may be difficult to find our way in this respect.

What companies could eventually provide this eco-certification or prove that products are market worthy? It is a world unto itself, but at the same time, there are inherent costs for companies. I would like you to give us further details on the cost that will be borne by the companies.

Ms. Claire Dansereau: To date, some of our fisheries have already been certified. I cannot recall the exact number.

Mr. Raynald Blais: The shrimp fishery, for instance.

Ms. Claire Dansereau: Indeed, and the work is already under way. This work is often paid for by the industry and fishermen's organizations which want to continue to be able to sell their product. It therefore depends on the information that is needed, what needs to be done and future direction. The long-term lobster program is based on long-term conservation needs for certification. It will depend, because each case is different. We will need broad participation from the industry in every case.

[English]

The Chair: Thank you.

Mr. Donnelly.

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

I think I'll ask three questions and then see how much time there is to respond.

In terms of science, I'm wondering if the department can explain the new relationship with science and science-based decision-making. I understand that Wendy Watson-Wright has left the department. Are there plans to cut this position or fill this position? Do you know who the replacement is, if it's the latter? So that's the first question.

The second question is just on the Cohen inquiry, if there can be some explanation about how this is being funded and if there's a comment about funding for next year as well.

Finally, in terms of west coast salmon, many west coast fishers and their families, first nations, recreationalists, and other interests are quite worried about their livelihood and the future of the industry. We've talked here at committee today about the 2009 Fraser River sockeye collapse. But we're also hearing reports that DFO is warning that there may be a no-fish season this summer on the Skeena system. I'm wondering if you could provide any comment on the steps being taken to address that situation.

● (1715)

Ms. Claire Dansereau: Sure. Let me assure you absolutely, unequivocally, that Dr. Wendy Watson-Wright has been replaced. Her departure was one that I think we all supported and we're all very proud of her, because she competed among many people internationally for the director general position for the Intergovernmental Oceanographic Commission and won the competition internationally. So we're very proud of her, and she stays in close contact with us, obviously.

If I may take a second also, a previous question was on the relationship of oceans and science and what our commitment is. We have a very strong commitment to the oceans agenda. In fact after Wendy left we took advantage of that moment to combine the oceans sector and the science sector into one, because the people we rely on the most to address the big oceans questions are in fact our scientists. So we now have Dr. Siddika Mithani, who is the head of our oceans and science sector. She started about a month ago. We started the process, had a competition, and she won the competition. She is a well-respected scientist in her own right, so there's no lack of commitment or lesser commitment there. In fact it's a greater commitment. A commitment doesn't always have to be measured with increasing dollars. It can be increasing intent and organization, and that's what we have in this case.

Regarding the Cohen inquiry and the funding, the management of the Cohen inquiry itself and its funds is not... We have no relationship with it, so that question would have to be asked elsewhere. There is a possibility that we will receive some money to organize ourselves for document production. We assume that there will be an awful lot of documents that will have to be produced for this inquiry. We will be doing everything we can to provide them with as much information as we can possibly give them.

We truly believe it's an opportunity for us to get to the heart of some of the questions. So there's complete support on the whole of the department, starting with the minister right through for this inquiry. So we're organizing ourselves. We have a team of people focusing on it in British Columbia under Paul's guidance. We have a team focusing on it in Ottawa as well. Really, we're there to do whatever we can to provide support.

On west coast salmon, Paul can give you more details on the Skeena and how it's unfolding. I don't think the decisions or the decision points are with us at this point, but I'll let Paul answer the specifics.

Mr. Paul Sprout (Regional Director General, Pacific Region, Department of Fisheries and Oceans): We haven't made any final fishing plan decisions. We're actually in the draft stage right now. We've got a draft plan out for the Skeena and for all our salmon fisheries. That's under discussion with fishermen: recreational, first nations, and commercial. That will be completed probably in the latter part of spring. Then we'll bring that together to ultimately seek the minister's approval on whatever those final plans are.

But you're right, the Skeena prediction for 2010 is poor. If the prediction comes back as expected, we would expect little fisheries in the Skeena, so we'll have to see how reliable that prediction is.

More broadly, the salmon in the Pacific is mixed. As commented earlier on by the minister in her remarks, pink salmon and chum salmon are doing relatively well—there are some exceptions. But when we move into coho and chinook, the picture is a bit less certain. Then finally when we're dealing with Fraser sockeye or sockeye populations in general, for the last several years we've seen returns that are coming back less than expected. In the case of the Fraser River sockeye, it's substantially less than expected. It's our view that this is a reflection of marine survival conditions that we think have been adverse, particularly for more southerly salmon populations. We expect those conditions are going to persist at least into 2010.

The Chair: Thank you very much.

Mr. Weston.

[*Translation*]

Mr. John Weston: Thank you, Mr. Chair.

My colleagues and I want to thank you for being here with us today.

[*English*]

As a first-term MP, I come here with the usual misgivings about what can really happen, especially in a very difficult area with a constellation of factors over which we have sometimes no control.

It's been a year in which there's been real responsiveness from your ministry. Around the country we've seen habitat matters looked at and tended to. It was just mentioned that the hovercraft has finally been funded and it's something that's been worked on by your department. This Cohen inquiry is something that many voices called for. I did, on behalf of people in our constituency. People around this table I'm sure wanted that as well. Aquaculture is very controversial and something that everybody wants some resolution for on the west coast, for sure. On small craft harbours, you've been very busy on expanding and enhancing small craft harbours. We've seen visits by you and your minister all over the country. I just want to say a thank you on behalf of Canadians, because it's clear that you're working very hard in a difficult environment.

Since you're at the table, is it Dr. Sprout?

• (1720)

Mr. Paul Sprout: Mr. Sprout.

Mr. John Weston: Mr. Sprout, thank you for being here—not yet Dr. Sprout.

Given that we do have this Cohen inquiry coming, and given that aquaculture is going to pass to federal jurisdiction in December, we heard from Mr. Trevor Swerdfager last week that you're adding 55 new people. You are clearly anticipating an active approach to the aquaculture issue. It's probably the most controversial issue among fisheries issues in my riding and maybe on the west coast. I'm wondering if you can elaborate on that, on what the plans are. How can we get to a place where the community seems more unified in dealing with something that's been very divisive in the months and years leading up to this date?

Mr. Paul Sprout: First of all, I should just clarify that we will be receiving incremental resources, but we have not yet agreed on how to distribute those among our various functions: enforcement, fisheries management, science. That's being internally reviewed right now. We'll go through a process within the department. Ultimately it will be approved by the deputy. Those resources will go against our new responsibilities.

You're right that we are going to assume responsibilities that were previously done by the province. Part of the going forward is our clarifying those responsibilities with the province itself and then internally reconciling that extra level of responsibility with new resources and new approaches.

On your question of how to tackle the challenges in the Pacific region with respect to aquaculture, there are certain things we can do that I believe will be helpful. One of those is bringing more transparency to our aquaculture approach by improving compliance with our arrangements and improved monitoring. All of these things are consistent themes that are emerging in public discussions. In fact, when we eventually decide on our organizational structure, we expect to put effort into those areas that we think publicly we're hearing about, in a consistent way.

The other thing is that we will continue to do science around the issues of sea lice, around the issues of disease, and around other factors that various individuals are bringing to our attention. We see that we have more work to do in this area, and we will do that with the resources we're going to receive and with our existing program.

We will also reach out to various community groups. We already are doing this, but we'll also interact with groups that are raising these kinds of concerns to hear them, to consider their views, and to the extent possible to factor them into our decision-making.

We're mindful that this is a tough issue. This is not a straightforward issue. This is a complex issue and it's not something we're going to resolve overnight, but we believe that with the approach I've just outlined, it holds promise to move this thing forward.

Mr. John Weston: We heard from Mr. Swerdfager that closed catchment facilities had been proposed and had been reviewed, but there hasn't been one example of a technically or financially successful closed catchment facility anywhere in the world. I wonder if you'd like to comment on that statement.

Mr. Paul Sprout: There is a very strong interest by some groups to move to closed containment. We have done a science review of that and have determined that economically there is no functioning, valid, commercial-level containment anywhere, that we're aware of. Additionally, there's a significant energy input in operating a closed containment facility. Finally, there are some significant technical issues around the implications of how to put one of these in place.

Notwithstanding that, we are doing experimentation with the province and with the industry looking at a potential containment that might be applicable in the longer run, but we're mindful that at this point in time there is no commercially available product or economically sound system that we're aware of so far.

• (1725)

The Chair: Thank you very much.

Mr. Byrne.

Hon. Gerry Byrne: Thank you, Mr. Chair.

I want to raise a point of order, if I could. I didn't have an opportunity to ask our witnesses when they would be able to provide the committee with information as to whether the department will agree to my request for release of information regarding licence-holders.

Ms. Claire Dansereau: The first answer, as to whether we will be able to provide it, we can give you in the next couple of weeks. If in fact we are able to provide all the information you require, that will take a little bit longer.

Hon. Gerry Byrne: That will be based on an assessment that you'll do of the Privacy Act, I assume.

Ms. Claire Dansereau: Yes.

Hon. Gerry Byrne: So you will endeavour to reply to the clerk within approximately 14 calendar days.

Ms. Claire Dansereau: Yes.

Hon. Gerry Byrne: The second thing is that Mr. Dhaliwal asked a question about monitoring and assessment of the sockeye resource and I believe the question was cut off because of time constraints.

Would you be able to provide the committee with a written reply to that particular question?

Ms. Claire Dansereau: Certainly.

Hon. Gerry Byrne: Thank you.

The Chair: I have one question, Mr. Sprout. Would it be possible to ask whether the science review for a closed containment could be made available to the committee as well? That's the analysis you talked about—the science review on closed containment.

Mr. Paul Sprout: I believe we could provide the summary of the workshop that brought a number of scientists together to look at the issue of closed containment technology. I believe that material is publicly available. In any event, I will look into it to determine what can be provided.

The Chair: Thank you very much.

On behalf of the committee, I want to thank the deputy and her staff for being so accommodating today. We appreciate your taking the time to meet with the committee to provide answers to the many questions we have. We look forward to seeing you again in the not too distant future.

Before we adjourn, Mr. Donnelly has one point that he wanted to raise. He has filed a notice of motion.

Mr. Donnelly.

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

I want to make the committee aware of the motion. I know we don't have time to debate it this week, but I'll read it so committee members know what it is:

That, in response to information presented to the Committee by Trevor Swerdfager, Director General for Fisheries and Aquaculture Management at the Department of Fisheries and Oceans, the Committee ask Alexandra Morton to appear before it at the next most convenient possible occasion in order to speak on the issue of sea lice and their impact on the salmon stocks as well as to respond to the testimony given by representatives from the Department of Fisheries and Oceans.

The Chair: Thank you, Mr. Donnelly. We will set aside some time at the end of the meeting on Monday to deal with your motion.

The meeting is adjourned.

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