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## **Standing Committee on Fisheries and Oceans**

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**EVIDENCE**

**Tuesday, November 6, 2018**

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**Chair**

**Mr. Ken McDonald**



## Standing Committee on Fisheries and Oceans

Tuesday, November 6, 2018

• (1535)

[English]

**The Chair (Mr. Ken McDonald (Avalon, Lib.)):** Good afternoon, everyone.

Pursuant to Standing Order 108(2) and a motion adopted by the committee on Tuesday, January 30, 2018, the committee resumes the study on the current state of the Department of Fisheries and Oceans' small craft harbours.

We have three witnesses today. We have Ms. Sarah Shiels, a lawyer with Clifford Shiels Legal. We also have Mr. Facey, from Digby Neck Harbour Authority. By video conference, from Wedgeport Harbour Authority, we have Lucien LeBlanc, spokesperson for that organization.

Welcome, everyone. We'll start with opening statements. Everybody will have up to seven minutes.

We'll start with Ms. Shiels, when you're ready.

**Ms. Sarah Shiels (Lawyer, Clifford Shiels Legal):** Thank you, Mr. McDonald.

Good afternoon, everyone. Thank you for the opportunity to be here and to share some of my thoughts and experiences working with harbour authorities. I've prepared a written statement, which I will read now.

I'm a lawyer from Nova Scotia with a focus on marine law, starting with my legal studies at Dalhousie University in Halifax and continuing with my current practice in the historic seaport of Yarmouth. I now serve fishing and harbour clients throughout the three maritime provinces, assisting with lease and licence agreements, board governance, dispute resolution and litigation.

I appear before you today to offer my knowledge and experience as a marine lawyer working with small craft harbours and coastal communities, and to inform you that they need your help.

Before delving into specific issues, I will provide an example that speaks to the harbour authority environment and the commitment of its employees and volunteers. The harbour authority of Pinkney's Point is located at the end of a long road that is under the constant threat of erosion, stretching out from the mainland and winding through salt marshes. The community numbers about 300 and support services are not readily accessible.

This harbour authority formerly employed a supervisor named Benjamin—known as “Benny”—Smith, a gregarious man, well-

known to the community. Benny died a year ago, on October 27, 2017, at the age of 67. He died while attempting to rescue shellfish harvesters who appeared to be stranded. His boat ran into mechanical problems and capsized not far from shore.

Benny exemplified the individual types who volunteer and work for harbour authorities—a hard worker, invested in the community, and willing to risk his life to help others. These are qualities that can be found in some measure on all harbour authority boards. These organizations and the people who run them are a tremendous asset to the Canadian economy and, I dare say, represent the spirit of this country as we would like it to be known.

There is no doubt that the east coast is dependent on an ocean-based economy, but Canada is also a coastal nation. We have the longest coastline in the world and our northern territories are poised for development. This is the time to fortify our partnership with coastal communities to build confidence and trust.

Although I have spent some time in dialogue with harbour authorities in British Columbia, my focus has naturally been more calibrated to the operational concerns of eastern Canada. It should be noted, however, that there are significant differences. In British Columbia, managing pleasure craft and the presence of so-called “live-aboards” is of greater concern than congestion related to commercial fishing vessels. While east coast harbours are turning away commercial vessels in addition to recreational vessels due to capacity constraints, their west coast counterparts are under capacity for commercial vessels and are accepting recreational vessels simply to ensure the viability of their harbours.

This phenomenon is linked to geography, climate and the absence of an owner-operator policy on the west coast. Harbour authorities operating in Atlantic Canada must contend with intense environmental pressures. The tidal range in Nova Scotia and the Bay of Fundy is significant, ranging from 20 to 50 feet. Harbour infrastructure is exposed to hurricane weather and winter storms that travel northward from the Gulf of Mexico.

Fishing activities take place year-round. There are different start and end times depending on the catch. By illustration, the lucrative lobster fishery of southwest Nova Scotia opens on the last Monday of November and fishermen are most productive between November and January, although the season is open until May.

In recent years, east coast fishermen have invested in significantly larger vessels to facilitate the efficient transportation of lobster traps and to enable them to fish safely further from shore. This shift is not without controversy and many harbour managers feel burdened with the expectation that they must accommodate these larger vessels.

Many harbours maintain wait-lists and harbour managers can refuse entry, but there is little they can do in practice to prevent new vessels from tying up. To a significant degree, they rely on the goodwill of home port and transient fleets to abide by harbour rules. If a vessel ties up without permission and there is no berthage agreement in place, there is very little they can do, short of reporting the vessel to the authorities and taking the owner to court.

● (1540)

The Fishing and Recreational Harbours Act and regulations provide for enforcement by designated enforcement officers, and a number of business managers within DFO have this certification; however, in my experience, the Department of Fisheries and Oceans has consistently withheld this support. Harbour authorities suffer from lack of direction from DFO, with respect to: one, the obligation to promote public access; two, the identification and rectification of safety issues; three, the removal of derelict vessels; and four, the relationship to other federal agencies—that's the relationship of harbour authorities and the small craft harbours program to other federal agencies such as the RCMP, Transport Canada and the coast guard branch of DFO.

Exacerbating the problem and these issues that I've enumerated is the fact that other agencies such as the RCMP believe DFO to be responsible for addressing adverse situations that arise at small craft harbours. I have had conversations to this effect directly with RCMP officers in the thick of these types of situations.

The heart of the issue, in my view, is the responsible delegation of administrative power. As recognized by the Federal Court in the case of *Archer v. Canada (Attorney General)*, 2012, harbour authorities are tasked with exercising public power in accordance with the minister's mandate as provided by section 4 of the Fishing and Recreational Harbours Act. However, the arm's-length model asserted by the harbour authority in the *Archer* case is only applicable to the exercise of private commercial power. As noted in the case of *Morton v. Canada (Fisheries and Oceans)*, 2015, also a Federal Court case, "Unlimited discretion cannot be conferred on a sub-delegate, and supervisory control over a delegate should be retained." In this case, the delegate I'm referring to is the harbour authority that has been given responsibility by small craft harbours.

Separate from the question of whether enforcement powers can be delegated by a lease agreement or otherwise, harbour authorities are simply not equipped to assume all the minister's duties in relation to small craft harbours. This is a question of capacity.

None of my comments are intended to denigrate the significant efforts made by DFO employees to promote the success of the

program; however, I believe there is room for a better partnership, one that is respectful of and responsive to the needs and limitations of coastal communities. In my view, the minister's statutory mandate calls for a systemic shift within DFO to increase the supports available to harbour authorities.

Thank you.

● (1545)

**The Chair:** Thank you, Ms. Shiels.

Now we'll go to Mr. Facey for seven minutes or less, please.

**Mr. Noel Facey (Chairman, Digby Neck Harbour Authority):** Good afternoon, Mr. Chairman, honourable members, ladies and gentlemen.

My name is Mr. Noel Facey and I'm a volunteer chairman of the board for the Digby Neck Harbour Authority. I'm a business renewal analyst who deals in the truth to revitalize businesses and organizations. What I will present today is very real, the truth and a very real safety concern for those who must work there in the worst of weather conditions.

We see in our first slide the area in red, known as "Sou'West Nova", that has the highest concentration of harbours anywhere in Canada. In 2015, 82,500 tonnes of Canadian lobster was exported, generating approximately \$2.03 billion in revenue, according to federal figures. A great portion of that lobster was caught in this concentration of harbours.

In the area of Digby Neck, shown in slide two, which I represent, the economic impact for the three harbours is estimated at \$50 million to \$60 million annually, when the spinoff business is considered, and is the financial backbone of these communities, employing hundreds of people.

What you see in the next two slides is the overcrowding due to the increase in fleet and boat size, while the harbours have remained the same in size and condition for years. Overcrowding in harbours is a major problem all over southwest Nova Scotia. The harbour of Digby, 30 kilometres away, is 30% over capacity right now. Boat size and capacity have become a huge problem everywhere.

During storm conditions especially, the overcrowding presents a very unsafe situation and goes against small craft harbour operational working plans for harbours.

In the next slide we see a comparison in the size of boats. The new, larger boat is almost twice as big as the smaller, older boats. The new boat shown, which has just been built, measures 15 metres long by nine metres wide, at a cost of \$1 million or more.

Fishermen are investing in this fishery and just want a safe harbour to come home to.

The slides that follow give you some visual images of the condition of the wharves and infrastructure in our area, but it's also the case all over southwest Nova Scotia.

The timbers in the wharf in Centreville should be standing straight. As you can see, they are on a very dangerous angle and the ballast from the wharf is falling out.

The next slide shows storm damage that was not fixed due to lack of funds and has still only been partly fixed, eliminating three berthage spots where catches normally get unloaded.

The following slide shows repairs not done properly. The fishermen made a very quick fix by using their ropes.

The next slide shows how the breakwater looks in Centreville. It cannot be used.

Then we see the old wharf in Little River. The waves come up through at extreme tides and the front is held on with a steel cable. We can see that the side has deteriorated badly, as has the rest of the wharf.

The old wharf in Little River was closed by occupational health and safety in 2017 and was only allowed to re-open when a weight restriction was placed on it.

As shown in the final slide, you can pull up the planks at the old wharf in Little River with your bare hands.

We've been working with small craft harbours for four years and the answer is always the same, even for what should be just regular repairs: no funding. We are told by small craft harbours that their annual budget for even minor repairs cannot keep up with the demand for this fast-growing fishery and usually runs out halfway through the year.

As an example of that, we need safety rails for the ladders on all three wharves. I was told this past week that there are just not enough funds, that we can only have two per wharf. This is a safety issue, as at low tide you must climb a seven- to nine-metre ladder from the boat to the top of the wharf.

These harbours have been in this condition since the start of my involvement in September 2014, and long before that. No major capital projects have been done for over 40 years.

In 2016, the three harbours formed a steering committee at the request of small craft harbours so that we could work more closely together to get some things done. It has now become a full amalgamation under one harbour authority.

● (1550)

In June 2017, engineers from Public Works did a study and reported on all three harbours and said that the infrastructure in Centreville had zero to two years' life, and the same for the wharf in Little River, and that millions of capital funding would be needed to fix the other areas of the harbours in those three places.

In February 2018 they proposed a \$30-million plan to restore all three harbours; however, if that money were available today, small

craft harbours tell me that with the engineering, environmental and coastal studies that must be done, it would still take five years to complete, and these wharves do not have five years.

In a 12-month fishery and the Bay of Fundy having the highest and some of the wildest tides in the world, it is not uncommon to see seven- to nine-metre waves. There are other harbours in southwest Nova Scotia that are in the same condition or worse. One monster, bad storm could mean the difference between fishing or not.

Years of lack of funding and deteriorating conditions have led to the burnout of volunteer boards of directors that are managing these federal properties and have caused stress and anger among the fishermen and within the fishing communities. This is causing grave safety concerns for the fishermen and their equipment in one of the most lucrative and fastest-growing fisheries in Canada.

Imagine trying to run your home with a budget from 30 years ago. That is the dilemma of small craft harbours in this area. If the funds do not come, and soon, the fishery and its infrastructure will continue to deteriorate to a place of maybe no return. You can make the difference.

Thank you so much.

**The Chair:** Thank you, Mr. Facey.

Now we'll go to Mr. LeBlanc, from Wedgeport Harbour Authority, for seven minutes or less, please.

**Mr. Lucien LeBlanc (Spokesperson, Wedgeport Harbour Authority):** Thank you, Mr. Chair.

As Mr. Chair mentioned, my name is Lucien LeBlanc. I'm the son of a boat builder. That was a family business in the area. I'm a commercial fisherman and during the off-season of our commercial fishery, I'm a fishing charter captain. I own a tourism business here. I'm on the local municipal council, and I sit on the harbour authority. I believe that's why I was asked to speak here today. It's a long list when you spell it out.

I'm going to take a different approach from the two previous presenters. I do very much appreciate their opinion on the matters from a broad spectrum. I'm going to get down to the nitty-gritty and give you guys a picture of the past issues and tribulations, the current issues, as well as possible suggestions at my end for the future.

Please don't take this as a selfish route because I'm fixed to mainly one wharf. I've used many wharves in the area, but I sit on the harbour authority for Wedgeport. Although the issues are specific to Wedgeport, you can extrapolate them to mainly all the harbours in the area, as Mr. Facey and Ms. Shiels have mentioned.

In the past, we had two wharves in our port area. The tuna wharf you may have heard of. The tuna wharf is the former tuna fishing capital of the world. For any tuna that's been caught in Canada, basically the know-how and the knowledge to do that originated in our area. The Tuna Wharf was abandoned some years ago from funding for small craft harbours. The reason they did so, in their opinion, was to have their funds focused on Wedge Point wharf, where the majority of the commercial activity happens in this area, whereas, in reality, I believe it was a lack of effort in their allocating funds to this wharf. Regretfully, it's sad for our small coastal community here that the tuna wharf, which holds such historical value and commercial importance, basically is about to be condemned.

There was a lack of board effort from the harbour authority in our area, and that's something I feel small craft harbours touched on. Basically, with no harbour authority in the area and disorganization among the fishermen, coupled with a lack of effort from small craft harbours, it's caused enormous issues similar to the ones we previously spoke of.

For example, 20 years ago, we foresaw the economic growth in our area. We foresaw that our vessels were going to get larger, where the industry was going and, basically, the high-paced growth that we were realizing. We submitted a proposal, because we saw that our vessels were going to get larger. That proposal in Wedgeport was lost. There was a lack, by our board, to check up on it in Moncton, but some 20 years later, finally, when we reorganized our board and a younger generation came in, we checked on that proposal and apparently it was lost. In terms of planning for the future, we are actually 20 years behind in our area and we're seeing the same detrimental issues as other wharves.

Currently, to try to put a band-aid on the problem, rocks were dropped in our harbour. Basically, a rock wall was constructed. Although we were very adamant about the fact that we needed more capacity and we had the same overcapacity issues as anywhere else, those rocks were dropped directly adjacent to our wharf itself. Instead of being some few hundred metres off so that more berthage could be used on this outer perimeter of our wharf, those rocks, to save a few dollars, were dropped directly adjacent to the wharf, making it impossible to tie any vessels there because there's a pile of rocks.

In our view, small craft harbours, in trying to save a few dollars from building the rock wall further from the wharf, shot themselves in the foot, so to speak, because now we're at an overcapacity issue and we can't tie vessels there because there's a \$1-million rock wall in the way. The wharves are definitely not meeting our current needs. The vessel costs in our area went from \$250,000 10 years ago to \$1.2 million, just in 10 years.

We had 50-odd vessels at \$1.2 million, average, in our port and our port, as was mentioned previously, is operating on a budget of 30 or 40 years ago. We have a closed harbour. We're not permitting any new entrant. When you're in a community of 1,800 people, everyone knows each other, and just as of last week, we had a young gentleman basically put his life on the line to mortgage.... He got a mortgage for \$1.6 million to buy into this industry. Not thinking there wouldn't be any room at the wharves, he approached us to have his new vessel docked here and we have no options for him. There's

nothing we can do. Expansions are very much needed; upgrades are needed. However, the funding that's been allocated in recent years is poorly organized band-aids.

● (1555)

They're trying to fix the problems that were let go of 30 or 40 years ago and we need some significant capital investment, if we're going to move into the future.

My solutions are more capital for infrastructure. However, I believe it has to be more efficiently spent. There's a disconnect with Public Works. I think a lot of the issue is that Public Works lacks willingness to consult with the harbour authorities. I believe they make an effort, but I don't think it's a genuine effort. I think they do it because it's mandated. However, I believe that in Wedgeport, the issue lies with Public Works and basically, there's a lack of communication between them and the harbour authority, so I think that could be touched upon and improved.

Thank you.

**The Chair:** Thank you, Mr. LeBlanc.

We'll now go to questioning for seven minutes, from the government side.

Go ahead, Mr. Fraser.

**Mr. Colin Fraser (West Nova, Lib.):** Thank you, Mr. Chair.

Thank you to all three of you for joining us today. It's much appreciated.

It is so important for us to hear this information. I'm new to the committee, but I've reviewed some of the testimony that's previously been given on the study of small craft harbours. I know that the committee visited southwestern Nova Scotia. There was a meeting in Barrington, where I know there was some very important input given. This is helpful again today.

I want to start by agreeing with all of you about how important the seafood industry is to Nova Scotia and to southwestern Nova Scotia, in particular. I know today, on CBC Nova Scotia, I think it was Paul Withers, who did a story. He said that the ports in southwestern Nova Scotia are "the engines driving the province's thriving \$1.1 billion seafood industry". This was according to data collected from buyers. I think that number reflects the fact that in southwestern Nova Scotia alone, about half of the seafood landings in all of Nova Scotia are caught. We're one of the leaders in the entire country. It is concentrated in southwestern Nova Scotia.

This is a good news story. I've always said that we need to give the proper tools and investments to the fishermen, who are driving the economy in southwestern Nova Scotia. Nothing is more important than ensuring their safety at their ports of call, so that they can do the job that they're supposed to be doing to drive our economy.

I want to start with you, Mr. Facey.

Over the past couple of years, we've had many discussions. I have met with you and your harbour authority. I want to ask you what your vision would be for funding from DFO. We know there have been cash injections made over the last few years on a one-time basis.

Rather than having those one-time cash injections, do you think it would be preferable to go to capital fixes to increase what's known, in federal budgeting terms, as A-base funding, so that there is a more predictable amount of money every year that harbour authorities and DFO can use to plan?

• (1600)

**Mr. Noel Facey:** When you talk with small craft harbours, their problem has always been that they don't have enough money in their budget. Their budget is just for what they call minor repairs. I think it goes somewhere up to \$900,000 that they can do. The problem is they're running out now. Due to the expansion and the amount of minor repairs that are required, they're running out of their budget about halfway through the year.

When I've talked to them, one of the things they've said to me is that the federal government needs to increase their everyday working capital so that they can meet the minor repairs, but then they also need an influx of capital money to do the specialized projects, such as building breakwaters, rebuilding wharves and that sort of thing.

**Mr. Colin Fraser:** Thank you.

Lucien, I would ask you to chime in on this because, basically, we have two issues happening at the same time with our small craft harbours.

First of all, there's the issue of safety, which I think Noel has highlighted very well with some of the pictures that we saw in the presentation today. Also, I know that in Wedgeport, there's an issue with regard to capacity, as there is with a lot of harbours in southwestern Nova Scotia, in particular.

Do you think it would be better for the cash injections to be made on a more predictable basis by increasing the A-base funding in our budgeting so that there's a formula going forward that we can count on year after year?

**Mr. Lucien LeBlanc:** I believe that's extremely important. As you mentioned, capacity is a safety issue. For example, last Christmas we had a big storm on Christmas Day. I spent the majority of my Christmas Day at the wharf, because we were fearful for our vessels. Because of overcrowding and overcapacity, they're adjacent to each other and are tied two-wide.

In reference to your funding question, I believe what happened was that in the 1970s a lot of infrastructure was created in our area. They allocated some budget money to maintain these wharves, but that budget percentage hasn't grown with inflation. Currently, to fix what I call the crisis, we need significant A-base funding for a few years to go ahead with the projects that I'm guessing we all have on the table waiting to be done.

Then, I believe, the yearly funding, as Mr. Facey mentioned, that small craft harbours operate on—their day-to-day budget—should be slightly augmented so that, as you mentioned, they don't run out halfway through the year.

In closing, let me say yes, we need major funding to get this capacity issue dealt with. Then we definitely have to look at the day-to-day “fixing the ladders” type of budget.

**Mr. Colin Fraser:** With regard to what you talked about, the co-operative work done by the government with local community input in making plans to ensure that it's not a wasted opportunity, as in the example you gave, I've been there; I've seen it. There's no room for added capacity at Wedge Point because of where the rock wall was built.

What would you recommend we pass along to the government in order to get further co-operation from the local community to inform the decisions that are made about these sorts of projects?

**Mr. Lucien LeBlanc:** I hate being so simple, and I'm sure you guys are probably sick and tired of hearing this, but it's a money issue. There is a disconnect between Public Works—basically the people who dropped those rocks there—and the harbour authority. I believe, though, that this disconnect stems from their lack of budget. I don't think they're doing it to be spiteful. They have only so many cards to play. Basically, until we augment the budget, we're going to have that disconnect.

There is a responsibility on the part of the harbour authority to be organized, and I will admit that we could have done better in the past, but I believe the budget has to be increased if things are to change.

• (1605)

**Mr. Colin Fraser:** Working together with the local community, as you suggested, actually saves money in the long run, doesn't it?

**Mr. Lucien LeBlanc:** Yes it does, one hundred per cent. As I mentioned, they were trying to save money by dropping their rock wall there. Now we need a \$3-million project because they basically shot any chance we had of fixing our capacity issue with the existing structure that we had. We need a new wharf now, because they were trying to constrain themselves within their yearly budget.

**Mr. Colin Fraser:** Thanks very much. My time is up for now.

**The Chair:** Your time is over, actually. Now we go to the Conservative side.

Mr. Doherty, take seven minutes or less, please.

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Thank you to our guests.

My first question is for Ms. Shields.

Ms. Shields, is it your testimony today that the Minister of Fisheries and Oceans and Canadian Coast Guard is abdicating the department's legal responsibility for small craft harbours?

**Ms. Sarah Shiels:** I can only speak to my experience, but I have worked with more than 20 harbour authorities on the east coast in various capacities. There have been a number of occasions upon which we have approached representatives of the Department of Fisheries and Oceans asking specifically for enforcement support. That could be for removing a derelict vessel or perhaps for dealing with a conflict situation. We have never received that support.

In my view, there is a role for enforcement that is clearly laid out in the Fishing and Recreational Harbours Act. I know that business managers with the department are designated enforcement officers. My understanding, and this is somewhat circumspect, is that the reason they do not exercise their enforcement powers is due to a lack of training and a fear of liability.

The problem with that approach in practice is that the enforcement role does not go away. It is downloaded to the people on the ground. They, however, are no better equipped to carry out that role.

Whether the minister is abdicating his responsibility, I'm not certain, but I think there are issues internal to the Department of Fisheries and Oceans that certainly need to be looked at.

**Mr. Todd Doherty:** Thank you for that answer.

My next questions are for Mr. Facey and Mr. LeBlanc.

How do harbour authorities generate revenue?

**Mr. Noel Facey:** Basically, the only revenue that comes in from the harbours I'm involved with is what we call berthage fees, and then some rental revenue from people coming in and storing their personal equipment on small craft harbours land, and some usage fees by oil trucks and fish buyers.

**Mr. Todd Doherty:** Mr. LeBlanc, is it the same for you?

**Mr. Lucien LeBlanc:** Yes, that's correct.

In our area, basically it is up to the harbour authority to decipher what they should charge, but mainly, from what I gather, for most of the wharves in our area—and it's very much the case with our wharf—it's calculated by square footage, so everyone fairly pays the same, depending on the size of the vessel. If you have a larger vessel, you pay more; if you have a smaller one, you pay less. As Mr. Facey mentioned, we have some lease agreements with land for trap storage and fishing gear storage.

In my opinion as the secretary of the harbour authority, the lease agreements pay the operational costs for the year—we have a manager, security, and things such as that—but no infrastructure expenditures.

**Mr. Todd Doherty:** Would a harbour authority have a management agreement with DFO?

**Mr. Lucien LeBlanc:** That is a great question. A management agreement.... Could you be more specific?

**Mr. Todd Doherty:** What would your agreement be with the Department of Fisheries and Oceans? The harbour authority is managing the small craft harbour, so what would your agreement be with the Department of Fisheries and Oceans? What would it pertain to?

**Mr. Lucien LeBlanc:** I think it is quite clear, and I think I was asked to touch on this, what small craft harbours dictates and what we dictate as a harbour authority. We have it written somewhere, but I don't have it here in front of me. Basically, we decide the operational day-to-day matters and they remain the proprietor.

•(1610)

**Mr. Todd Doherty:** The reason I ask this is that I'm from an aviation background and went through the whole NAS airports Transport Canada divestiture program. Then our local airport

authorities were responsible for the safe operation of our airports. I fully understand the limited scope of revenue generation and the challenges of maintaining an airport.

That's why my question is about what your management plan with the Department of Fisheries and Oceans entails. I imagine it would be the safe operation of that harbour.

Mr. Facey, is that correct?

**Mr. Noel Facey:** Yes, that's correct. Basically, once we sign that lease, small craft harbours has a hands-off policy. Basically, our only commitment to them is to follow the lease and provide them with financial statements at the end of the year.

**Mr. Todd Doherty:** Okay. Then under that management plan, you are expected to make minor repairs to remain open. Is that correct? Safe and secure, I think—

**Mr. Noel Facey:** We need to keep it safe and secure because it's also a public facility. We therefore need to keep it up to par to meet whatever small craft harbours considers to be needed for a public facility.

**Mr. Todd Doherty:** Mr. Facey, could you tell me what Digby Neck harbour's revenue was for 2017?

**Mr. Noel Facey:** Do you mean the fishery revenue?

**Mr. Todd Doherty:** Yes, your overall revenue.

**Mr. Noel Facey:** We're probably looking at somewhere between \$50 million to \$60 million a year in revenue coming in for those three harbours.

**Mr. Todd Doherty:** Mr. LeBlanc, do you have those numbers for Wedgeport?

**Mr. Lucien LeBlanc:** Yes. They're likely close to double that amount. I don't have the exact figures, but I know that two years ago they were about double that, and the fishery has only gotten better. We've been on a 10-year increase, basically, since the economic downturn in 2008. The lobster fishery in our area, which is the primary economic driver, has seen a significant increase.

**Mr. Todd Doherty:** I'll cede my time to Mr. Arnold for the next—

**The Chair:** —20 seconds.

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** I'll pass until the next round so that I can get in a full series of questions.

**The Chair:** There might not be a next round.

We'll proceed now to Mr. Donnelly, from the New Democratic Party.

**Mr. Fin Donnelly (Port Moody—Coquitlam, NDP):** Thank you, Mr. Chair.

Thank you, witnesses, for your testimony today. I appreciate it.

I'll start the first two questions with Mr. Facey and Monsieur LeBlanc.

Mr. Facey gave an excellent presentation to the committee with a great overview of the issues. One thing I was wondering about, and I think Mr. Fraser touched on it, was costs.



Do you have an estimate for what you think—or know, if you do know—the costs would be to bring your harbour up to the standard you would like to see it?

**Mr. Noel Facey:** According to the engineers who presented the plan to us in February, it's a \$30-million project. They did an extensive study in 2017. There were numerous meetings with the harbour authorities. What we felt was needed to not just bring the wharves up to speed but also to protect them from the sea was a \$30-million project.

Actually, they are starting. The first part of that \$30-million project is starting in November of this year, but as to where the rest of it goes, we don't know.

**Mr. Fin Donnelly:** Then it's \$30 million and it has started now. What's the estimate of how long it would take, at current funding, to finish that project?

**Mr. Noel Facey:** As I said in my opening statement, if they had the money in their hands today, with all the studies and everything that has to be done, they're looking at a minimum of five years before completion.

**Mr. Fin Donnelly:** Do you feel there are enough operating funds? We talked about moving it to more secure A-base funding, but what about the amount? Are the amounts adequate?

**Mr. Noel Facey:** We don't know that. Basically, they started with a wharf in Little River being at \$4.5 million. They figure now that by the time it's completed, it's going to be \$7 million.

•(1615)

**Mr. Fin Donnelly:** Okay.

**Mr. Noel Facey:** One thing they found out in putting in the new breakwater in Centreville, for which the contract has already been set, is that although they thought they had the rock right there by the shore, because another project had been done there, they now find through environment that they can't use it, and so the rock has to be trucked in. The cost will thus go up again.

**Mr. Fin Donnelly:** Monsieur LeBlanc, did you want to comment as well? Do you know the numbers for the cost of bringing your harbour to the standard you would like to see it?

**Mr. Lucien LeBlanc:** Our harbour is much more condensed than Mr. Facey's cluster; it's in one area. We have a proposal submitted to Moncton. As I mentioned, we had submitted this proposal about 20 years ago; however, we had to resubmit lately.

Basically, around \$6 million would fix our overcapacity issue. We have approximately \$600,000, with current upgrades that we need to the facility we have today, to maintain the structure.

I should touch on the point that small craft harbours' budget isn't something we discuss with them routinely. We are fully aware that it's public knowledge and that if you're willing to dig far enough on the Internet you can find that thing, but basically the relationship we have with them is that we say, "Here's what we need", and they tell us that someday, hopefully, they can get it done.

**Mr. Fin Donnelly:** Okay. I'll come back to both of you on another question.

Ms. Shiels, you touched on derelict vessels. Can you elaborate a little on responsibilities and problems with harbours and jurisdiction and how the government could play a role in solving this problem?

**Ms. Sarah Shiels:** Derelict vessels are a common challenge at small craft harbours, related to some of the other issues that we've looked at today. As fishermen purchase larger vessels to pursue the fishery, some of the older, smaller vessels are left behind and might be sold for scrap and then abandoned at a harbour. It's a common problem.

The Fishing and Recreational Harbours Act provides enforcement powers to enable or facilitate the removal of these vessels. It's contemplated by the legislation. As I've already mentioned, the enforcement officers designated by DFO are not willing to exercise those powers, so the alternative approach is through the courts or through a number of fairly cumbersome statutory processes. It can be extremely costly and trying for harbour authorities to try to remove these vessels.

I am aware that there is new legislation pending to address derelict vessels. My overarching concern with that legislation, which I have looked at, is that it is permissive, as is the current legislation, the Fishing and Recreational Harbours Act, and is dependent on the will of officials to act. There just are not the tools on the ground for harbour authorities to effectively deal with these issues.

**Mr. Fin Donnelly:** Combined with that, there's a very limited amount of funds right across the country to deal with the problem.

I appreciate that.

In the few seconds I have left, I'll go back to Mr. Facey and Mr. LeBlanc to comment about revenue. Do you see the solution coming from increased fees from fishermen or from taxpayers? What's the funding solution here?

**Mr. Noel Facey:** I think the funding solution has to come first of all from the government, because it's a government property. In many cases, the fees for the fishermen have been increased. In the three harbours that I work with, we've already increased the fees and plan to do so again in April.

The kickback we're getting is that the fishermen are saying, "You want us to increase the fees, but I still have to sit outside the harbour for an hour, because of the capacity, before I can unload my catch." That's the dilemma we're in.

**Mr. Fin Donnelly:** Mr. LeBlanc, do you have a quick comment?

**Mr. Lucien LeBlanc:** Yes, for sure.

We've been increasing our fees percentage-wise, basically in the same way the income has been increasing. As the income has been growing, we've been increasing our fees for the past 10 years here.

At the end of the day, as Mr. Facey mentioned, it is a public facility owned by the federal government. Our job as a harbour authority is to maintain its safety and regular use. Basically, it's their infrastructure, and I believe they should be funding these upgrades.

•(1620)

**Mr. Fin Donnelly:** Thanks for your testimony.

**The Chair:** Thank you, Mr. Donnelly.

Now we go back to the government side and Mr. Fraser, for seven minutes or less, please.

**Mr. Colin Fraser:** Thanks.

In all of your presentations you highlighted the important work that harbour authorities do, often not getting the recognition for it that they deserve.

I want to say thank you to both of you, Mr. Facey and Monsieur LeBlanc, for being on your harbour authorities and taking on that responsibility. I know how many hours go into the work that's done by these volunteer positions.

Mr. Facey, I know that recently the harbour authorities on Digby Neck—the three of them—have united into one harbour authority that you're involved with. What could be done better to support your harbour authority in doing the job you're tasked with doing?

**Mr. Noel Facey:** This is something I've been pushing for since I started four years ago.

One of the problems is that these harbour authorities are made up of volunteer fishermen.

To give you one example, the president of a harbour authority and his brother are on the same committee. His brother parks his truck on the wharf, which is illegal. Well, guess what? He's not going to go down and tell his brother that he has to move his truck or else he's going to have it towed or ticketed.

In many cases, I've found that these harbour authorities came together and thought it was a great deal and everything, but in many cases—and no disrespect to them, because they're hard workers—they don't have.... I think they did it because the government said, "This is a great deal for you", but they didn't realize, really, what they were getting into. One thing I have said to the harbour authority within the last couple of weeks is, "Do you really understand when you sign that lease the amount of accountability and responsibility you're taking on as a volunteer?" The answer was no, they do not understand that.

There needs to be an intermediary between small craft harbours and the harbour authority. There needs to be somebody who can come into the harbour authority and say, "I just sat in on your board meeting, and this is wrong and that is wrong, and in order to make this a successful operation, these are the things you have to change." That step is missing, between small craft harbours and the harbour authority.

**Mr. Colin Fraser:** Thanks for that.

Ms. Shiels, I know that harbour authorities are often dealing with complex issues relating to lease agreements that are continually having to be re-examined. What could the government be doing better to facilitate the lease agreement process, in your view?

**Ms. Sarah Shiels:** I think it's true that many harbour authorities, as Mr. Facey has mentioned, do not understand what they're signing. I don't know whether Mr. Facey could comment on the literacy level of fishermen who are looking at these agreements, but I think there are many terms in there that are not well understood.

I think that independent legal advice involved in the process of executing these agreements would be beneficial. Whether that's

something the department could help fund, I don't know, but I think it would help the process overall.

There could be more flexibility in the way the document is framed. The lease agreement itself follows a national template. I have a copy here. It applies in similar respects to all harbour authorities in Canada. It's a "one size fits all" sort of agreement, and it is asking a lot of harbour authorities.

**Mr. Colin Fraser:** Would you be able to send a copy of that to the clerk so that we have it?

**Ms. Sarah Shiels:** Yes.

I will mention that I have seen quite a few of these. This is for a harbour authority I do not currently work with—it's available online—but it's a sample that I think is representative of others that are in use.

**Mr. Colin Fraser:** That's fair enough. Thank you, Ms. Shiels.

Mr. LeBlanc, let me go back to you.

You touched on the fact that there are two ports in Wedgeport. I know them well: Wedge Point, which we were talking about earlier, but also the tuna wharf, which is basically an iconic port in southwestern Nova Scotia because of its connection to the tuna fishing history. There is currently a tuna fishing tournament that attracts many visitors to southwestern Nova Scotia every summer.

I want to ask you the status of any plans for divestiture of that wharf. What is the current status? Is there anything the government could be doing, from your point of view, to make that facility better capable of handling the work that it provides to the community?

• (1625)

**Mr. Lucien LeBlanc:** That's a great question. It's a question that is tough to answer.

To understand the issue, you have to rewind just a bit. Basically, the harbour authority some time ago was given an ultimatum. The Wedge Point wharf had more commercial value because it's a deeper harbour. They were given an ultimatum saying to pick one or the other.

I think the tuna wharf was used as a scapegoat to fund the Wedge Point side of things; it was, though, an easy way for small craft harbours, again because of budget constraints, to basically forget about it. As far as plans for the future are concerned, it's in a divestiture process with small craft harbours. I believe they have to go through certain ranks and legalities. I believe they start with the provincial government, then municipal government, then aboriginal groups, and then they may give it to the community.

That is the best-case scenario, given the horrible circumstances that happened there. The community, though, has a huge interest in seeing the tuna wharf maintained in the future. As you mentioned, the tournament that happens there yearly is one of a kind. It's a tournament unique to Canada and it commemorates that area and that wharf itself as being the tuna fishing capital of the world. The community really wants to see it stay alive.

With the current state of things, and if nothing changes at small craft harbours and they don't decide to fund it—which they're not doing, given that they have many more issues to deal with—I believe a community group will have to be erected, and they will have to find funds elsewhere.

**Mr. Colin Fraser:** That's helpful.

Thank you all very much.

**The Chair:** Thank you, Mr. Fraser.

Now we go back to the Conservative side, to Mr. Doherty for the remaining time, please.

**Mr. Todd Doherty:** I'm going to split my time with Mr. Arnold. I just have a really quick comment.

Mr. Facey, you brought up something very important that we see in aviation as well: the legal responsibilities that a board of directors individually face, and what they're getting themselves into when they sign on to be a board. That was a great comment.

I want to offer one more time, to Mr. Facey and Mr. LeBlanc, I wasn't asking about the revenue of the harvest from each harbour, but about the harbour authority's annual revenue for 2017. I believe you gave me the value of the harvest instead of what the harbour authority brought in.

**Mr. Noel Facey:** Among the three harbours, the new amalgamated harbour authority—which will start in April, because we're still trying to bring it all together—it is probably going to be somewhere around \$50,000 to \$60,000.

**Mr. Todd Doherty:** Mr. LeBlanc.

**Mr. Lucien LeBlanc:** We're looking at around \$80,000. Your typical lobster vessel is putting in about \$1,200.

The \$80,000 goes to funding our manager, our power bill, security, general day-to-day things.

**Mr. Todd Doherty:** That's what I was looking for.

Thank you.

**Mr. Mel Arnold:** Thank you, Mr. Chair.

I had the opportunity to tour southwestern Nova Scotia over the summer. I had the chance to get out to Wedgeport. I saw both the tuna harbour and the Wedgeport harbour, and that was why I suggested you be a witness, Mr. LeBlanc.

Seeing what had taken place there raised a question for me. Who is responsible for the infrastructure and design, and who guarantees it once it's put in place?

I'll go first to you, Mr. LeBlanc, and then possibly to Ms. Shiels.

**Mr. Lucien LeBlanc:** If I may ask for clarity, Mr. Arnold, do you mean design of new projects, or what do you mean exactly?

**Mr. Mel Arnold:** I mean the repair of an existing project or a new portion, such as the breakwater that went in. I saw that it has blocked off access for anything bigger than a dinghy from a huge portion of the wharf.

**Mr. Lucien LeBlanc:** I appreciate your touring our area. It means a lot.

I believe the small craft harbours has in-house engineers and in some circumstances they may subcontract that work out, but especially with the in-house engineers they come up with a design concept in consultation with the harbour authorities, which I believe they're mandated to do. However, again, they're within budget constraints, so sometimes they tell the engineers not so much what's their perfect design, but what they can design with a certain amount of funds.

**Mr. Mel Arnold:** The reason I ask is that one of the other harbours we toured during our Maritimes tour in June had designed pilings and walls that failed within, I believe, less than a year.

Ms. Shiels, are you able to indicate who might be responsible for the design of that infrastructure and who is responsible for it when it fails?

•(1630)

**Ms. Sarah Shiels:** I would say that the design of the infrastructure would be with the department. They are often working closely with Public Works. These are federal properties. Minor repairs, which can range from small to large fixes but, generally, I would say less than \$5,000 to \$10,000, that's the range cost-wise that we're looking at for a lot of the minor repairs. Some of those would fall to the harbour authority, but the infrastructure is on the federal government side.

I do know they work with consulting engineers in Halifax. I can't comment in detail on the engineering front, but I do feel there's a liability on the part of the department for the condition of its infrastructure. I have heard frustration voiced by individual fishermen that sometimes the design of these structures does not address their needs and, in particular, some of them who have been working at individual harbours for decades feel that they have a better understanding of wave action, the movement of tides and wind, than some of the engineers who visit their harbours. They would like to have an opportunity to express those concerns prior to development of these major projects.

**Mr. Mel Arnold:** Thank you.

**The Chair:** Thank you, Mr. Arnold.

Thank you to our three guests again, Ms. Shiels, Mr. Facey and Mr. LeBlanc.

That concludes our first hour of committee hearings.

**Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.):** Mr. Chair, if I may, I have a motion. Could I read it before we end this session?

**The Chair:** Okay. Quickly, please.

**Mr. Pat Finnigan:** Thank you.

The motion reads:

[*Translation*]

That, pursuant to Standing Order 108(2), the committee undertake a study on the impact of the rapid increase of the striped bass in the Miramichi River and the Gulf of St. Lawrence, and how and when reference points are determined which may trigger interventions on this and other predators affecting other species and marine life; that this study be comprised of no less than three meetings; and that the committee report its findings with recommendations back to the House.

[*English*]

**The Chair:** Is there any discussion?

There's no discussion. That's just a motion put forward.

Thank you, Mr. Finnigan.

*[Proceedings continue in camera]*

Again, thank you to our witnesses.

We'll take a short recess now to change over from public to go in camera.

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