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

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**EVIDENCE**

**Thursday, September 28, 2017**

—  
**Chair**

**Mr. Scott Simms**



## Standing Committee on Fisheries and Oceans

Thursday, September 28, 2017

• (0915)

[English]

**The Chair (Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.)):** Hello, everyone, and welcome. Pursuant to Standing Order 108(2) we are engaged in a study of the Oceans Act's marine protected areas.

I want to say to everyone here that it's good to have you with us this morning. We have two guests present. From the Area A Crab Association we have Mr. Dan Edwards, executive director. We also have here with us in the room, from the Fish, Food and Allied Workers or FFAW, Dwan Street, projects coordinator.

Joining us by video conference we have, for the Canadian Association of Petroleum Producers, Paul Barnes, director for Atlantic Canada and Arctic. We also have Mr. Todd Russell, board member of the BC Shellfish Growers' Association.

We thank you all for being here.

The way we normally do this is to allow you each up to 10 minutes to talk. We have a full hour and a half.

Mr. Doherty.

**Mr. Todd Doherty (Cariboo—Prince George, CPC):** Mr. Chair, prior to our going into our witness testimony, I would like at this point, if possible, to move a motion that I believe we have on notice.

It is:

That, pursuant to Standing Order 108(2), the Committee immediately undertake a study of no less than two...meetings on the proposed changes to the tax system outlined in the government's consultations titled "Tax Planning Using Private Corporations" as publicly released on July 18, 2017, in order to assess the impact of the changes on Canada's fisheries, small business fishing companies, and the small businesses that support fishing companies and their surrounding communities.

Mr. Chair, we know that the consultations are scheduled to end on these proposed tax changes, and I feel that it would be imperative that this committee immediately, at the earliest time afforded to us, study the proposed tax changes and their impact on those for whom this committee works so diligently to try to make a better life.

**The Chair:** Notice has been given. The ample amount of time has gone by, and it is therefore admissible, of course, since we are in public.

Is there any discussion on this particular motion from Mr. Doherty?

Ms. Jordan.

**Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.):** Mr. Chair, I would like to thank Mr. Doherty for his motion, but I think at this point it's premature, because we still don't know what the final legislation looks like. We still don't know what is actually going to be rolled out. Trying to study something before we know what it looks like is premature, so I will not be supporting this motion, Mr. Chair.

**The Chair:** Mr. Arnold.

**Mr. Mel Arnold (North Okanagan—Shuswap, CPC):** Thank you, Mr. Chair. Contrary to Ms. Jordan's intervention, some of these tax changes have been imposed retroactively, so they're already having an impact. The impact of these changes, affecting private corporation planning, farmers' succession planning, and, I imagine, fishers' succession planning as well is already here, so I think it's relevant that we study this subject as soon as possible.

**The Chair:** We'll hear Mr. Doherty and after that Mr. Donnelly.

**Mr. Todd Doherty:** Mr. Chair, I completely disagree with Ms. Jordan. There is enough information out there. The government has said they are interested in consulting and hearing from Canadians. I think it is completely relevant and timely for this committee to do this.

I think we should move forward with this motion at the first opportunity we have.

**The Chair:** Mr. Donnelly.

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

I concur with Ms. Jordan's comments. I have heard from a number of small businesses in my riding. I met with a group of doctors who were very concerned about the changes. The proposed changes, though, are in a 64-page white paper that was presented in July, I believe. There has been nothing introduced in Parliament. We haven't received any proposed legislation.

I agree with the sentiment of the motion that we should look at or study the impacts, but we also need to know what the proposed legislation is. The outcry from across the country is real. It certainly is in my riding. I'd like to know what those impacts will be, but I'd also like to know what the proposed legislation will be, so I think it is a little premature. Perhaps come back with this motion when we know what the legislation and its impacts will be. We don't know what the government will do.

I'm looking for an answer just as much as the doctors, the small businesses, and the veterinarians are. I had a blinds manufacturer. I've met with a number of small-business owners and others who are very concerned about what could be in these proposed tax changes. Once that consultation period closes on October 2, and the government chooses—or doesn't choose—to introduce something, then we will be in a better position, I think, to deal with this motion.

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

Mr. Miller.

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Thank you, Mr. Chair.

I take issue a little bit with the comments from Ms. Jordan and Mr. Donnelly. The proposed changes are out there, and you can bet your bottom dollar that, should nobody say anything, the government is going to implement them. I agree with Mr. Arnold and Mr. Doherty that there is already enough information out there.

As a committee that's out there to protect our fisheries and make them better, why would we not want to do anything and everything to protect our fisheries and small businesses? This thing about sticking our heads in the sand or the water and pretending it's not happening is not acceptable, so I certainly support Mr. Doherty's motion.

● (0920)

**The Chair:** Keep in mind, folks, that we do have guests today. I'm not saying we should cut off debate, but we could be a little more pointed in our interventions.

Mr. Doherty and then Mr. Donnelly.

**Mr. Todd Doherty:** I'll keep my comments really brief.

We are all elected to be the voices of our constituents. I think this committee has done great work in studying the Atlantic salmon, the northern cod, and the MPA process. We're seeing legislation, as we study this, that is going to be pushed through already with Bill C-55 that will impact your riding, my riding, and Canadians right across the way. Waiting to see what will happen does nobody any good and does not allow us to stand up for Canadians.

As we said, the proposed tax changes are out there in the document. That is what's causing the anger and frustration with Canadians from coast to coast. Whether you're a rancher in Cariboo—Prince George, a fisher in Atlantic Canada, a small-business owner, or a food truck operator in Edmonton, the proposed changes are going to negatively impact you.

I think it would show true leadership by this committee to stand up and agree to this motion and study it.

**The Chair:** Mr. Donnelly.

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

Mr. Miller commented on the impacts on fishers. I think that's a good point, so I'm wondering if Mr. Doherty could perhaps explain what his understanding is of the impacts to fishers. I'm assuming the motion is going to specifically relate to the impacts on fishers, hence on coastal communities, and I assume that's why it's directed at this committee.

Perhaps you can explain. This certainly has had a huge reaction in my riding, but I have not yet heard from fishermen, and I want to understand what you think the changes are for fishing communities.

**The Chair:** Mr. Doherty.

**Mr. Todd Doherty:** I appreciate the question from our honourable colleague.

I'll go back. Whether you are a rancher, a food truck operator, a fisher, or a small-business owner, you depend on your business to employ others in your community, to provide livelihoods for those who are in your community. These proposed tax changes are going to impact small businesses from coast to coast to coast.

The government hasn't been specific, but it is a small-business tax. It is a tax on the small-business owners, and this is something I believe we should be studying.

**The Chair:** Okay. Next is Mr. McDonald, and then Mr. Arnold.

**Mr. Ken McDonald (Avalon, Lib.):** Mr. Chair, Mr. Doherty's last statement is exactly why we shouldn't pass this motion. It's the misinformation, the wrong information that has been put out there, put before Canadians. I'd move that we deal with the motion and have it done. I think we've talked about it enough. Let's deal with the motion before us and move on.

We have guests waiting. We have guests on video conference. All these people are busy. They were told to be here at a certain time, and we are debating something now that should be left to committee business.

**The Chair:** Next is Mr. Arnold, and then Mr. Doherty.

Again, to everybody on this committee, the points were made about our guests, so let's try to keep our interventions pointed.

Mr. Arnold, go ahead.

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

I see members across the way shaking their head when it is suggested that these tax changes are going to impact small businesses. Fishermen are small-businessmen. Some of them have incorporated. We've heard from across the country that these tax change proposals would impact small-business sales and end up in small businesses being bought up by large corporations, which is going to negatively impact Atlantic Canada especially. It's hard for me to believe that the members across the way would be shaking their head that this is even a possibility.

**A voice:** You did know that—

**The Chair:** Colleagues, we have a speaking order. Let's not turn this into a Friday night barroom brawl.

Mr. Doherty, go ahead.

● (0925)

**Mr. Todd Doherty:** Mr. Chair, I am going to be very respectful here. We all need to remember that we have been elected to represent Canadians.

We know that, recently, since this proposal, there have been members who have spoken out even within the government's own caucus. We know that there have been tax experts from across Canada. For our colleague Mr. McDonald to come out and say that this is fear-mongering and spreading of misinformation is disingenuous, because experts are coming out. He is saying, then, that the experts who are coming out, who are not solicited by the Conservative Party.... They have reviewed the proposed tax changes themselves. They are far more learned than I am, or any of us around the room is, and they are coming out against these tax changes.

To say, "I'm not going to talk about this and therefore maybe it will go away," or, "I'm not going to justify those comments; I don't think we should be speaking to it because it's just causing fear-mongering," is ludicrous.

I'll go back, Mr. Chair. This committee has done incredible work over the months I've been on it, and I think it would show true leadership by us to do a non-partisan study with no less than two meetings on the proposed tax changes.

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

Mrs. Jordan, go ahead.

**Mrs. Bernadette Jordan:** I move to adjourn debate.

Go right to the vote.

**The Chair:** I am well aware of the rules, Mrs. Jordan.

**Mrs. Bernadette Jordan:** Sorry.

**The Chair:** It's a dilatory motion upon us. We have to take the vote.

The motion is to adjourn debate.

**Mr. Todd Doherty:** Mr. Chair, I request a recorded vote.

**The Chair:** We'll have a recorded vote indeed.

This is to adjourn debate, not the main motion.

(Motion agreed to: yeas 5; nays 4)

**The Clerk of the Committee (Ms. Nancy Vohl):** Now, we go to the motion.

**The Chair:** We will have a recorded vote again.

(Motion negatived: nays 6; yeas 3)

**The Chair:** You'll receive up to ten minutes for your introduction.

Once again, I'd like to remind our colleagues that we have two people by video conference. Therefore, if you have a question for them, could you please say the question directly to them and let them know? It's a little difficult when you're video conferencing to know whether the question is for you or not.

With that being said, we're going to start with Mr. Paul Barnes, who is with the Canadian Association of Petroleum Producers.

Mr. Barnes, you have up to ten minutes. Thank you.

• (0930)

**Mr. Paul Barnes (Director, Atlantic Canada and Arctic, Canadian Association of Petroleum Producers):** Thank you. Mr.

Chair, I plan to be in your riding next week, so I'll drop by your constituency office for one of those cupcakes.

**The Chair:** Oh, that's fantastic. Now I do have to take them on the plane with me. Thank you.

**Mr. Paul Barnes:** Good morning, and thank you for the opportunity to speak to your committee today.

My name is Paul Barnes. I am director of Atlantic Canada and Arctic for the Canadian Association of Petroleum Producers, which is also known as CAPP. CAPP is an association of oil and gas companies that are involved in exploration, development, and production of oil and gas in Canada. We have almost a hundred members from coast to coast.

The standing committee's study into the Oceans Act's marine protected areas is important to our association and our members with interests in Canada's offshore oil and gas industry. Our association and I personally have been active participants in various stakeholder advisory committees related to designating marine protected areas in Newfoundland and Labrador, in Nova Scotia, and in the Beaufort Sea area of the Northwest Territories. We have also provided input, both verbally and in writing, to the Department of Fisheries and Oceans on the Oceans Act amendments related specifically to MPAs.

I'd like to reinforce our industry's commitment to high standards for marine safety and the protection of our environment as we continue to develop Canada's offshore resources and seek to ship more of Canada's energy to new markets around the world. Protecting Canada's oceans is, of course, top of mind. At the same time, we believe we must do so in a way that finds the right balance between protecting the environment and economic development.

With respect to the economic contribution of our industry, the Oceans Act itself recognizes that the oceans and their resources offer significant opportunities for economic diversification and the generation of wealth for the benefit of all Canadians, particularly for coastal communities. The act also talks about the integrated management of oceans and marine resources. CAPP is, of course, supportive of this legislation and of the policy intent as well.

We have in this country a thriving offshore oil and gas industry, with most of the activity occurring in Atlantic Canada. We have five producing oil and natural gas projects and another, off of Newfoundland, set to begin production later this year. Significant ongoing exploration activity continues.

In Atlantic Canada, the industry has brought substantial benefits to the region. We employ over 9,000 people directly and thousands more indirectly. We support over 600 supply and service companies, and the capital spending by our industry in Atlantic Canada since the mid-1990s totals over \$40 billion. We also have oil and gas interests in northern Canada, in the Beaufort Sea area, and in the British Columbia offshore area, and we have interests in the offshore areas of Nunavut. It's therefore imperative that the marine protected area planning process, as outlined in the Oceans Act, consider economic activity in Canada's oceans, while at the same time working to achieve conservation objectives.

Our association supports environmental protection and conservation that is grounded in government decision-making based on science, facts, and evidence. We recently participated in the Laurentian Channel MPA designation process in Newfoundland, and we strongly support the model of information sharing and working collaboratively. I wish to commend DFO for its management and oversight, particularly of that process and of many other processes that I've been involved with for designating MPAs.

The Laurentian Channel MPA was unique. It was a multi-stakeholder process that included participation of provincial and federal governments, resource user groups, environmental groups, indigenous groups, academia, and others. The process was very effective, inclusive, and very transparent, and it followed a very rigorous, scientific risk-assessment approach based on identified and agreed-upon conservation objectives.

We stand by the process, and of course the end result is an MPA proposal that is balanced, evidence-based, and science-based, which establishes two basic management zones that provide various levels of protection within the whole MPA area, offering the most stringent protection in areas that need it the most. For example, that MPA allows oil and gas activity in certain areas where there is no harm to fish or marine mammals and restricts it in others where there's some degree of risk.

• (0935)

We recognize that the Government of Canada has set some strong targets on protecting Canada's oceans: 5% by 2017 and 10% by 2020. Achieving these targets will, of course, require ongoing dialogue and sharing of information. We also recognize that the amendments proposed to the Oceans Act, which were announced in June of this year along with related amendments to the Canada Petroleum Resources Act, would help Canada meet these targets by creating the authority to designate interim protection MPAs and clarify enforcement powers.

CAPP, as an association, generally supports these amendments, as they would allow oil and natural gas companies to be compensated if their licences are impacted in areas under interim designation as MPAs. The amendments also allow for planned activity to continue in proposed MPAs.

We would caution, however, that the ability, within the legislation, to extinguish development rights signals some investment risk for Canadian offshore development and opens some questions about Canada's investment environment and competitiveness.

In summary, in addition to achieving environmental protection targets, we must ensure that Canada maintains a positive investment environment in order for the offshore petroleum industry to remain competitive and keep delivering economic benefits to all Canadians.

Again, I'd like to thank the committee for the opportunity to speak today.

**The Chair:** Thank you, Mr. Barnes. We appreciate that.

Now we're going to go to our other guests. Joining us by video conference is Mr. Todd Russell, from the BC Shellfish Growers' Association.

Mr. Russell, you have up to 10 minutes.

**Mr. Todd Russell (Board Member, BC Shellfish Growers' Association):** Good morning, everyone.

My name is Todd Russell, and I'm here representing the British Columbia Shellfish Growers' Association as a member of their board. I'm also the general manager of a shellfish aquaculture company called Island Scallops here in British Columbia. I'm also a member of various regional marine area planning partnership committees as well as some of the recently created marine protected area stakeholder advisory committees.

In becoming educated recently on the proposed plan to create a network of MPAs and getting involved with the process, I've learned that there is a lot of work being done to limit the social, economic, and environmental impacts of the MPAs. This work will be paramount to the success of achieving the intended benefits of MPAs.

Many of the intended marine protected areas in the proposed network will have minimal impact on the vast majority of current shellfish aquaculture growing areas in B.C. That being said, there's enormous potential for shellfish growth in the north Vancouver Island, central, and north coast regions. The opportunity for expansion into these areas would give economic opportunities to many struggling first nations communities throughout the coast, and it is why the impacts of these MPAs need to be looked at in relation to their effects on shellfish aquaculture.

Shellfish aquaculture can take many forms, from cultivating wild stocks on beaches, to using raft and longline equipment, to hanging hatchery, to purchasing seed and a variety of grow equipment.

Most forms of shellfish farming represent a net gain to the overall health of the surrounding ecosystems they are a part of. They're filter feeders, first and foremost, and they work to improve overall water quality. They are also broadcast spawners and send billions of larvae out into the water column to be the base of the food chain for a variety of species. The grow-out equipment itself provides a 3-D artificial reef in mid-water that becomes a home for an amazing abundance of species that provide both food resources and a haven from predators for a variety of juvenile fish species.

The negatives associated with shellfish farming are really only the loss of gear from storm events or bad farm management, which can result in things like plastic trays, etc., washing up on nearby shorelines. Both the industry and DFO have worked hard to eliminate the use of things like polystyrene on rafts to minimize the environmental impact of these shellfish farms.

The implementation of where to put potential aquaculture sites should not boil down to simply isolating a large area to put all of these activities in, or to exclude them, but should involve identifying smaller, suitable sites throughout the coast to allow more reasonable and sustainably sized farms to be situated where they can be most productive financially and beneficial to the ecosystem at the same time. Many of the sand and gravel beaches surrounding first nations communities have been farmed as clam gardens for thousands of years and need very little work to provide low-capital employment opportunities for members of these communities. To exclude shellfish aquaculture in an MPA such as this would not benefit anyone.

DFO has been really improving its relationship with the shellfish community in British Columbia since it took over management of aquaculture from the province a number of years ago. Through industry advisory committees, it has listened to growers and provided feedback from its own perspective to enable a good working relationship that is improving year to year to the benefit of everyone involved.

I am a member of the Marine Plan Partnership for the North Pacific Coast, a group called MaPP. It's a co-led process between 17 first nations and the government of the Province of British Columbia, to develop and implement plans for marine uses on B.C.'s north coast now and into the future. The MaPP initiative is also notable for the diversity of stakeholders involved and the number of marine uses, activities, and values addressed.

Funding for this partnership is provided by an organization called Tides Canada in conjunction with generous donations from the Gordon and Betty Moore Foundation. This group, relying on scientific research done by other privately funded organizations such as the Hakai Institute, is making well planned out and cohesive area plans for the entire north coast region, which will be used as a valuable tool by provincial, regional, and municipal governments, and first nations and industry stakeholders alike.

The only group missing at the table in these meetings is DFO, which declined an invitation to participate. I highlighted my positive experiences with DFO to not come off as too critical, but I think it is unfortunate that DFO will not participate in the MaPP process.

- (0940)

Now, with the MPA stakeholder committees having been created in B.C., all of the same players who are involved with the MaPP process are now being asked to participate with DFO in the MPA process. I think a simple allocation of one token person from DFO to reciprocally participate, even in an observational manner, would be a great gesture to those involved in the process. They can report back on what has been learned on a regional scale without the expense of DFO having to duplicate the research itself.

One of my other recommendations for the MPAs is to not only protect but also enhance them as well. The salmon enhancement program has been a great success, and if there are special species of concerns in a particular MPA, there is no reason why these species cannot be reproduced in a hatchery setting and reintroduced into the wild, dramatically improving the time for an area to rehabilitate. You can protect an area forever, but if there's not a sufficient breeding population of the species that you're protecting, no amount of time will bring them back without some form of enhancement.

Some of these enhancement activities should include enhancement of seaweed species such as kelp and eelgrass in areas where they've been wiped out. These seaweeds provide an essential role in water quality, a haven from predation, and a food source in the ecosystem. Although there are a lot of budgetary constraints for the federal government to pull off some of these activities, they could start as pilot projects in conjunction with some of the well-funded NGOs and could provide a lot of useful scientific data and gainful employment for people in remote communities without many employment opportunities.

To close, as a shellfish farmer, I hope that the MPAs do not look at shellfish and aquaculture negatively in an area but see that, properly managed, they can be a positive benefit. With all the stakeholder groups working together, we can make sure these MPAs meet their target of environmental protection while minimizing the social, economic, and environmental impact of the people who depend on the oceans for their livelihood.

Thank you very much.

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

Now we go to Mr. Dan Edwards, who is from the Area A Crab Association.

You have up to ten minutes, sir.

**Mr. Dan Edwards (Executive Director, Area A Crab Association):** Thank you, Mr. Chair, and thanks to the committee for inviting me to speak.

I am a long-time fisherman from the west coast of Vancouver Island. My son and I own a longline groundfish vessel together that we fish in the integrated groundfish fishery. I have over 50 years of working on the water in a variety of fisheries, and I am a past vice-president of the Canadian Council of Professional Fish Harvesters. I represent the longline fishery in a variety of forums in B.C., and I represent the commercial fishing industry on the West Coast Aquatic Management board, mandated under the Oceans Act in 2001.

I have been working for the Area A crab fishery as an executive director since 2009, and I am presently the acting executive director of a coast-wide crab association. When I first started working for Area A, I told them I was going to focus my efforts on integrated marine planning, which at that time was just starting to ramp up through the PNCIMA process—the Pacific North Coast Integrated Management Area, which encompasses the area in which these fishermen work: the Hecate Strait, Haida Gwaii, and Queen Charlotte Sound.

The Department of Fisheries and Oceans has a mandate under the Oceans Act to facilitate and enable co-operative relationships among agencies, other governments, and stakeholders, including first nation and coastal communities, in developing an integrated marine planning process. I had already spent 10 years of my life working on building an aquatic management board on the west coast of Vancouver Island during the 1990s, which was mandated under the Oceans Act, to integrate marine governance with four levels of government for the west coast of Vancouver Island.

I believed, and I still do, that the only way to properly manage ocean space is by co-operatively organizing all the relevant governments and their agencies and stakeholders into this type of process in the north coast. The need to integrate fisheries into this type of process in the north coast had become critical, with the rising potential for significantly increased freighter traffic, wind and other alternative power generation being contemplated, the aspirations of first nations in the region to develop their own coastal and ocean marine plans, and a rising interest in developing protected areas, not only to protect unique habitats but also to provide exclusive opportunities for first nation food, social, and ceremonial fisheries, one of the stated objectives of the Canadian marine protected areas strategy. We were also seeing significant changes to the marine environment that pointed to climate change and associated ocean acidification impacts, which, research is now showing, have significant negative impacts on shellfish and other sea life.

The Area A crab industry, working closely with the Commercial Fishing Caucus, which was set up specifically to focus on marine planning by all the fishing interests in the region, spent a considerable amount of time supporting the initial PNCIMA process. The PNCIMA process was providing capacity for proper engagement of many interests that otherwise would not have had the capacity to engage, through an \$8.5-million Moore Foundation grant in partnership with DFO.

The previous government, in 2013, killed the Moore grant, citing concerns about American ENGOs influencing Canadian government policy, particularly around the Northern Gateway proposal. When this occurred, the building momentum around integrated marine planning in the north coast of B.C., from our perspective in the crab industry, all but disappeared.

Out of the ashes of that exercise came the use of that money to support the provincial government and 18 first nations in the region in developing their own truncated planning process—the marine planning process commonly referred to as MaPP, which a previous speaker referenced. I call it “truncated” because the federal government specifically refused to participate and, by withholding its mandate, very seriously undermined the opportunity for integrated marine planning. Area A Crab and the Commercial Fishing Caucus continued to participate in MaPP, while other fishing interests withdrew, citing the lack of federal involvement, which manages fisheries, as the rationale for their withdrawal.

Area A and the remaining CFC partners took the position that we were better off supporting those elements of marine planning in MaPP that were important to fisheries, such as foreshore infrastructure and coastal community economic and social agendas, which were under the mandate of the provincial government. We also objected to the use of this planning process to zone marine protected areas under IUCN designations, because the IUCN designations specifically speak to fisheries management curtailment, and this planning process had no mandate, due to the absence of the federal government, to mandate these types of potential fisheries as closed areas. Our advice on this matter was noted but ignored, and these plans to this day continue to identify significant ocean areas as potential IUCN 1b areas, which means that, if gazetted, they would be closed to all fisheries except first nations food, social, and ceremonial fisheries. Many of these potential IUCN-designated areas

include some of the most productive fishing areas in the north coast region.

● (0945)

After careful consideration of the workshop proceedings summarizing the input of scientists from around the world, it became clear that, in areas of the world where well-managed fisheries exist, MPAs are of little use, and in those jurisdictions, the establishment of MPAs has serious negative economic consequences to the existing fisheries while providing little conservation benefit.

In areas of the world where there is little or no fisheries management structure and where the species of fish in some of these areas are of a sedentary nature, MPAs have been shown to be useful.

In B.C., the commercial fishing industry was supportive, for instance, of establishing rockfish conservation areas, because it was obvious to those of us who fished these species—and I was one of them—that these more sedentary species would benefit from being in protected areas.

Ironically, in this latest debate around what is considered to be a worthwhile closed-area protection, these areas are not considered by the ENGO community or by the present review process looking at existing closed areas as part of the overall percentage of spatial protection to be worthwhile for inclusion because they do not fit the IUCN criteria. From our perspective as fishermen, this is a ridiculous stance to take.

With respect to the Dungeness crab fishery, these animals live in an open-ended fluid environment. The early larvae life cycle lives in the water column and travel hundreds, if not thousands, of miles on ocean currents. The second life cycle, the megalopa life cycle, is also highly mobile in the water column. It is only when the animals settle and stay on the bottom that they become more sedentary, but even then they have been known to travel great distances as adults in search of food sources.

Species like Dungeness crab would be very difficult to protect unless very large MPAs were created, and even then, the question is, protect for what purpose? The same question needs to be asked for a majority of pelagic ocean species that are presently being fished sustainably through proven fisheries management methodologies.

The management of Dungeness crab is done by season, size, and sex restrictions, through effort and licence controls. This method of management has been successful in maintaining healthy biomass populations of Dungeness crab for over 100 years along their Pacific ranges from California to Alaska.

The Area A fleet is further managed through tracking of all trap hauls through camera and GPS technology; its actual ocean footprint has been tracked right down to the individual trap for the last 17 years. Why jeopardize the viability of well-managed fisheries to pursue conservation goals that are unlikely to be effectively achieved through an MPA approach?



This is a major issue for the crab fishery, as the use of MPAs to lock out sand habitats as one type of unique habitat to limit human activity and maintain pristine environments is now on the table as a possible part of the MPA network design for the north coast bioregion. One area in the Hecate Strait being contemplated as an IUCN 1b designation has, in some years, contained significant crab catches. The potential negative consequences of locking out that area will create serious economic hardship for this fleet.

That being said, the Government of Canada has committed to five and ten per cent MPA protection in its EEZ within the next three years. We know that this is a political commitment that will be acted upon. Considering the facts I have just presented, the present terms of reference for designing and implementing these MPAs are, in our estimation, inadequate, considering the risks involved to the long-term economic and social viability of the fishery, with very little conservation benefit for us.

We are being told that we will be consulted and be allowed to give advice to a tripartite government structure consisting of federal, provincial, and first nations governments. There is no commitment to collaborative decision-making in relation to this file despite the Prime Minister's mandate letter which commits to this type of process. There are no conflict resolution principles within the terms of reference yet, yet it was obvious from the science workshop in Vancouver that the inclusion of structural adjustment funds to compensate for lost opportunity of traditional users of the resource was a critical component of the planning process.

The Australian example of providing structural adjustment at the end of the process of creating the Great Barrier Reef protected area was a glaring example of how not to design MPAs, yet the Canadian OAP has no terms of reference at the outset of the planning process to cover the conflict resolution, mitigation, and compensation components of this planning exercise.

The MPA strategy is being treated as a one-off process, not integrated in a meaningful way within an overarching integrated ecosystem-based governance structure. It is, in fact, ignoring the existing combined governance bodies that were set up to manage bioregions. On the west coast of Vancouver Island, DFO has deliberately sidelined the aquatic management board in the region, which was specifically set up to oversee the management of the ocean space within its mandate, and is setting up a separate consultative process that is bypassing this board altogether.

In conclusion, integrated marine planning is very important to maintaining the future health of Canada's marine areas. MPAs are only one tool of many that may be needed to achieve these planning objectives. In our research into this situation with respect to the development of MPAs, the commercial industry, in partnership with the ENGO community, hosted a major science workshop on MPAs two years ago in Vancouver.

• (0950)

There is growing evidence that MPAs are being oversold for their benefits, and it is well known in the field of marine planning that one of the major mistakes in this relatively new field is to treat marine plans as mirror images of terrestrial plans. Unlike terrestrial areas, marine areas are not static. They are highly variable and much more mobile than the terrestrial environment, and we need to take that into

account when contemplating the possibility of locking out large areas of ocean space from human use.

We see the need for much more responsive and structured terms of reference for including the affected commercial industries in the MPA planning process. There is too much at stake for this industry to simply be part of a very loose consultative process that, at the end of the day, could very well see major negative economic consequences for our fishery.

At the same time, we must be mindful of the issues associated with climate change and what they will mean for our coastal communities and fishing industries as we deal with a rapidly changing environment.

We are more than willing to be constructive partners in designing a comprehensive and inclusive integrated marine planning process and to contribute the knowledge that fishermen have of the marine environment into the process in a meaningful way.

Thank you.

• (0955)

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

Now, for up to ten minutes, we have Dwan Street, projects coordinator, from the Fish, Food and Allied Workers.

You have up to ten minutes.

**Ms. Dwan Street (Projects Coordinator, Fish, Food and Allied Workers):** Good morning, and thank you to the committee for the opportunity to present here this morning. My name is Dwan Street. I speak to you this morning on behalf of the Fish, Food and Allied Workers Union, a local of Unifor Newfoundland and Labrador. Our union represents nearly 15,000 working women and men throughout the province.

The majority of our members are employed in fish harvesting or in fish processing plants. Our members reside in coastal communities around our province, in rural areas where the fishery is the lifeblood of the community and where the socio-economic well-being and survival of communities and entire regions depend on the resources within our oceans.

Our fish harvesting members, the independent inshore owner-operator fleet, are the greatest stewards of the ocean. Their survival is dependent on the harvesting of a vast number of species in our adjacent waters. They recognize that a healthy marine ecosystem will return dividends to our communities for generations to come and will provide good jobs in the beautiful coastal communities in which we reside. As I've often heard growing up in a fishing family in a community that depends on the ocean for its own survival, if you take care of the fish, the fish will take care of you. In Newfoundland and Labrador, there are many examples of fish harvester-driven initiatives to protect the biodiversity in our oceans. The Eastport Marine Protected Area, for example, is one that came to fruition when a group of our members wanted to address a decline in their lobster catches.

In 1995, these harvesters formed the Eastport Peninsula Lobster Protection Committee. Two areas were voluntarily closed. Fish harvesters gathered data and worked collaboratively with government, community groups, academics, and scientists. In 2005, under the Oceans Act, the Eastport Marine Protected Area became a reality. The lobster science program in this area is ongoing still. It provides valuable input to the Department of Fisheries and Oceans, and this is just one of our success stories. This type of collaborative approach, one that takes into account the traditional and local ecological knowledge and experience of fish harvesters and engages harvesters throughout the process, is crucial if we are to approach marine protection in a way that will benefit our ecosystem and our communities for generations. Protection of the biodiversity in our waters is necessary, and we applaud the current government's commitment to protect our oceans. We believe, however, that there are areas that need improvement.

Marine protected areas must have a purpose, and there must be demonstrable evidence to support the view that by closing an area we will achieve results. It must be done in a thorough, evidence-based manner that takes into account not only scientific data but the storied experiences of those who have worked on the ocean and know the ecosystem: fish harvesters. As with any form of spatial management of a mobile living thing, we run the risk of drawing lines that come with uncertainty. We must not be boxed in by aggressive timelines for the sake of meeting milestones; rather, we must take the time to ensure that we do it right and achieve the intended outcomes. Our members, for example, have long advocated for closures that will protect fish during vulnerable life stages. Such closures would include measures such as prohibiting fishing on known traditional areas of pre-spawning aggregations, seasonal closures, and gear restrictions.

We must also ensure that there's an element of flexibility in MPA planning. The marine ecosystem is dynamic. There must be a method of evaluation, and room for adjustment as changes occur. We cannot draw lines that are rigid and permanent; we must be able to re-evaluate and leave room for improvements. We are also aware that there will often be closures affecting our members that are full fishing closures. We've worked hard with the Department of Fisheries and Oceans to ensure that these closures come with minimal negative impacts upon harvesters. When areas are closed to fishing activity, it's important that the socio-economic impact of these closures be analyzed, and the analysis must take into account historic fishing activity and reliance upon species.

In Newfoundland and Labrador, we are currently undergoing an ecosystem shift that is bringing a resurgence of species that harvesters have not relied on for decades. We must ensure that the traditional, historic fishing patterns and the knowledge that come with them are taken into account, so as to not limit future opportunities.

The conservation goals of marine protected areas can be compromised when closures are not applied evenly across sectors. We share the ocean with other fishing sectors and with other industries in the same ocean real estate.

● (1000)

In Newfoundland and Labrador, the oil and gas industry is a major player in our marine environment. We are experiencing a record amount of seismic activity in our waters, and the effects of this with respect to our fish stocks are unknown.

Our organization has been clear and consistent in our position: that there is no logic to prohibiting a fish harvester from dropping a hook while at the same time leaving the door open for a drill rig or a seismic vessel to undertake activities in the same areas using processes that are destructive and disruptive to the marine ecosystem.

We have worked hard, in collaboration with the federal government, on the Laurentian Channel MPA. Our members have provided input and understand the importance of that particular closure to ensuring the protection of the biodiversity that exists in this rich area. The news that oil and gas activity will be permitted in 88% of the Laurentian Channel MPA has been very frustrating for our members.

A healthy marine ecosystem is essential to the sustainability of coastal Newfoundland and Labrador. Many of these coastal communities have existed for centuries, and almost all were founded because of the fishery. Ensuring that our valuable marine resources are protected and managed sustainably and responsibly is paramount. To do so properly, consultation must not only occur but it must be meaningful. It must be open and transparent, and it must take into account the voices of those who stand to be most affected.

Our members take pride in sustainability and want to see the ocean's biodiversity flourish around their communities. As we undergo our current transition, as we see shellfish stocks decline and groundfish species come back, our members want to be at the forefront in finding ways to ensure that conservation and sustainability remain key components of our fishery. To achieve that goal, however, we must work together and must be confident that our voices are being heard and that the endless wealth of knowledge that can be obtained only through generations of working on the sea is applied. We must ensure that conservation of our marine environment is not compromised by concessions given to deep-pocketed multinational corporations.

The livelihood of fish harvesters and the survival of our coastal communities depend on the health of our oceans. We want to be equal partners in the efforts to protect the marine ecosystem, but in order to be equal, we need to have our concerns heard and reflected in the implementation of marine protected area planning going forward.

Thank you. I look forward to answering your questions.

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

Now we go to questions from our colleagues.

We're going to start with the government side.

Mr. McDonald, take seven minutes, please.

**Mr. Ken McDonald:** Thank you, Mr. Chair.

A big thank you and welcome to our four witnesses this morning.

My first couple of questions will be to Mr. Barnes.

Mr. Barnes, we've met a couple of times in person, both here in Ottawa and in Newfoundland. In regard to the creation of MPAs, what would be your association's biggest fear when you find out that an area is being looked at?

**Mr. Paul Barnes:** I guess our biggest fear would arise if there are already licences in that particular area, because there would obviously have been a decision made by an oil and gas company or a consortium of companies to invest in an area. If a subsequent decision is made to have a marine protected area placed over those licences, potentially affecting the ability to do work, that's obviously lost investment and doesn't send a very positive signal to the investment community regarding Canada's competitiveness.

That would be our greatest fear. Hopefully that answers that part of your question.

• (1005)

**Mr. Ken McDonald:** In the next question you may perhaps be able to touch on this a bit more.

Can you tell the committee the total value of the oil industry off the east coast of our country, more specifically off Newfoundland, where I'm from, and the impact it has on local communities and the local economy?

**Mr. Paul Barnes:** As I said in my remarks, in the Atlantic Canada region, we employ more than 9,000 people directly and tens of thousands more indirectly. The industry has brought significant benefits, and it's most active at the moment in Newfoundland's offshore.

Until recently, 30% of the gross domestic product in Newfoundland and 30% of Newfoundland's budget came from royalties associated with the oil and gas industry. While we're having a direct impact through those who are employed in our industry and all the activities associated with it, the very fact that a significant part of royalties goes to the provincial budget in taxes and other forms of monetary value and that those monies are being used to improve the economy of Newfoundland means that we're having a huge impact in the Atlantic Canada region, but more specifically in Newfoundland and Labrador.

**Mr. Ken McDonald:** How do you see your association working with government on the issue of the creation of MPAs? Is there a back and forth?

**Mr. Paul Barnes:** Yes, we've been an active participant in a variety of stakeholder groups, as the Department of Fisheries and Oceans leads the marine protected area development. I personally have been involved in the Laurentian Channel MPA in Newfoundland, two in Nova Scotia, and one in the Beaufort Sea in the Arctic. We get involved in marine protected areas that are close to oil and gas prospect areas, because we are a stakeholder who wants to be involved. We find the stakeholder advisory committees very effective. The engagement and leadership of DFO has been very effective as well in organizing the stakeholder committees and getting input from all of the stakeholders as they decide on the designation of an MPA.

**Mr. Ken McDonald:** Thank you.

Ms. Street, as you know, my riding of Avalon takes in quite a large fishing community—

**Ms. Dwan Street:** Yes, it does.

**Mr. Ken McDonald:** —in just about all regions, not just in urban but in rural regions more specifically. Can specific fisheries coexist with the creation of MPAs? Do you see the creation of an MPA being a complete closure to all types of fisheries, or are there certain fisheries that can exist, using the proper gear or the proper techniques to harvest it?

**Ms. Dwan Street:** Absolutely. That's something we've advocated for, especially during the ongoing consultation process to reach the current 5% target. We have tried to come up with ways. When we look at low-impact fishing gear such as hook-and-line and hook-and-line trawl-type gear, we think it will all depend on what the goal of that MPA is. When we come to areas where corals and sponges, for example, are the species that are focused on for protection, obviously certain bottom-contact gear is not going to be permitted in those areas. But if you have gear that is mid-water, if you have hook-and-line, there's no risk to those corals and sponges. Fish harvesters also have no interest in destroying gear and running into those issues either.

In the planning process, there is a bit of common sense there so that we can sit down at the table and come to an agreement. In areas like the Hawke Channel, that's a long-standing closure where certain gear types have been restricted. It's been successful. That was a voluntary closure by harvesters, because the protections there and the goals are obvious and they benefit our members and their livelihoods. Fish harvesters have no interest in putting stocks at risk. We want to make sure we protect them and that going forward those stocks are going to be healthy and vibrant, but we do need those flexibilities to say that maybe we don't need to close these areas fully and permanently. We need to sit down and figure out what's going to be the most beneficial for what we're trying to protect.

**Mr. Ken McDonald:** Ms. Street again, on the economic side of it, I know you mentioned that the FFAW represents some 15,000 people in the fishery, fishers, plant workers and others associated with it. What is the economic impact of that employment, especially on rural Newfoundland? That's where most of it is taking place. It's in the smaller communities, the smaller harbours. What does it do to a community to know that they have an existing fishery that will continue on for years?

• (1010)

**Ms. Dwan Street:** The fishery in Newfoundland and Labrador contributed approximately \$1.4 billion to our province last year, and the impact of that is obvious. We've had a lot of discussion over the past few years about the economic situation in Newfoundland and Labrador. The viability of our coastal communities is a key component of that. As much as we hear people asking whether it is viable to keep supporting coastal communities, without the coastal communities Gander doesn't exist; St. John's doesn't exist. The resources in our oceans are what those coastal communities depend on. Nobody can look at \$1.4 billion and say that it's irrelevant to the economy of Newfoundland and Labrador.

That value keeps increasing every year. When we look at the species we harvest sustainably, which provide a good quality product to market, that value, as you always hear said, you can't pick up. It's a big contributor to Newfoundland and Labrador.

**The Chair:** Thank you, Ms. Street. Thank you, Mr. McDonald.

Mr. Doherty, go ahead for seven minutes, please.

**Mr. Todd Doherty:** Thank you to our guests for being here.

With industry we have a broad spectrum of response and thoughts on the study of the MPA. The one thing we can all agree on is that it is important that we get the process right and we get this right as we move forward. I think that regardless of who we are and what side of this table we sit on, we want to make sure we're getting that process correct. But as we sit here today, the government is pushing through a bill called Bill C-55, which would speed up the MPA process. It would also give authority to the ministers of the Department of Natural Resources and indeed Indigenous and Northern Affairs.

My first question is to Mr. Barnes.

You applauded the government regarding their consultation with you, which is interesting because we've had a number of witnesses, and indeed some today, who are saying that they haven't really been truly consulted. I appreciate your testimony on that. Are you familiar with the provision in Bill C-55 that allows the ministers of the Department of Natural Resources and Indigenous and Northern Affairs to revoke a licence of an oil and gas company, and can you explain to us how that will impact your membership?

**Mr. Paul Barnes:** I am familiar with that provision. It will have an impact of course if there is an oil and gas company that has a licence in a proposed MPA area and that licence is revoked. The legislation though also contemplates that licence-holders will be compensated if indeed their licence is taken away. That's certainly positive to us.

**Mr. Todd Doherty:** Does having that in there cause concern? Is it something for which you would rather have other provisions or amendments?

**Mr. Paul Barnes:** It's good and bad. It's good in a sense that it's in there that if the government wants to take away a licence, the licence owner is compensated. It's bad in the sense that it does send a bit of a negative signal to international investors, because the oil and gas companies come to Canada largely when they're offshore oil and gas companies, they're international players. Although we do have some national companies like Suncor here, largely they're multinational companies. They know Canada is a good place to invest. They acquire offshore licences in good faith knowing that they should be able to undertake all the activity they wish on those licences, and hopefully produce oil and gas. The notion that they could be taken away at any point in time does send a bit of a negative signal from an investment point of view.

**Mr. Todd Doherty:** Mr. Edwards, I appreciate your testimony. Are you familiar with Bill C-55, and if so, do you agree with the notion that the MPA process should be sped up?

**Mr. Dan Edwards:** The Oceans Act was put into legislation in 1996, and one of its fundamental focus points was integrated management and the development of protected areas. So from the perspective of whether they've met their target since 1996 or even

focused generally as a Canadian government on the need for more protection, the attitude has been that they've been too slow overall for that period of time and very slow to act. I can understand why there's a need politically to try to meet international targets that Canada has, and that—

• (1015)

**Mr. Todd Doherty:** But is it your testimony today that we should perhaps not be forced to hit international targets? Canada has the longest and largest coastline in the world, and I believe you used the Great Barrier Reef as an example of a poorly done MPA. Again, Canada's geography and coastline are very diverse.

**Mr. Dan Edwards:** I've been studying MPAs and why they're being pushed so hard internationally and in Canada as well for the last nine years and I've been very diligent about trying to understand. My opinion on it is that for the most part—and I've said this in my brief—it's been oversold as a conservation objective process. It doesn't often do what people say it's supposed to do. That being said, the train left a long time ago on this, and I know that I'm not going to influence that 5% and 10%; that's going to happen. The best that I could do, as someone who has worked on the ocean for the last 50 years and who represents coastal communities and small-boat fleets, is to try to have as much impact as possible on where they go and how they're done, and if there are going to be negative social and economic impacts, that they be recognized and dealt with. I don't believe that they do.... It's taken a while but there's a lot of evidence coming out now coming out—and Dr. Sean Cox talked about it quite a bit—that in fact there could be negative consequences to biodiversity depending on how these things are put in place.

**Mr. Todd Doherty:** Agreed.

I have to apologize, but I would ask our witnesses to please keep their answers short and concise. I have only one minute left.

To our witnesses, Mr. Edwards, Ms. Street, and Mr. Russell, would you say that your groups and membership have been properly consulted along this process?

Mr. Edwards.

**Mr. Dan Edwards:** I've stated that there needs to be a better and more diligent process and it needs to be done.

**Mr. Todd Doherty:** Okay.

Ms. Street.

**Ms. Dwan Street:** I think we focus far too much on timelines and boxing ourselves in on timelines. We have been frustrated with the consultation process to date. I think the most important thing is that we focus on getting it right, consulting properly, and making sure that consultation is thorough and that impacts are understood, rather than on timelines.

**Mr. Todd Doherty (Vice-Chair):** Mr. Russell.

**Mr. Todd Russell:** [*Technical difficulty—Editor*] our organization has been consulted by DFO, but as I stated, I think they're not having a collaborative approach with the other planning process that's going on with the province and other first nations groups, MaPP primarily.

**Mr. Todd Doherty:** Thank you.

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

Mr. Donnelly, go ahead for seven minutes, please.

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

Thank you to all our witnesses for their very interesting testimony.

Both Mr. Edwards and Ms. Street, you talked about changing boundaries to reflect ocean conditions. I thought that was a pretty interesting concept, and probably it would be an even bigger challenge for the government to try to implement a changing boundary MPA. Could either of you elaborate a little bit more about how you think the government could have floating boundaries?

**Ms. Dwan Street:** I think it's important that we put into the process room for re-evaluation to reflect realities. I'll just use our current transition as an example. Right now we are in an environment where water salinity and temperatures are changing. That's bringing its own challenges. We went through the same things 25 years ago, when saw the collapse of the groundfish and the northern cod but we saw opportunities with shellfish. Obviously measures were put in place at those times to protect certain species.

As the environment changes, we have to go back to re-evaluate whether those areas are actually achieving what we want them to achieve. Species move. It's just the nature of fish. They're not going to be sedentary.

As we're now going back and looking at traditional areas where, say, northern cod, for instance, aggregated in pre-spawning aggregations, there's an opportunity there. Down the road 25 years, are those areas still going to be the ones where protection is needed? Has the aggregation moved? There needs to be some flexibility to go back and re-evaluate that and to take into account the scientific evidence and the experience and knowledge of fish harvesters. They're seeing it on the water.

Sometimes we find ourselves in situations where we're still having a lot of the same arguments and frustrations we had 25 years ago, when harvesters were telling us what was happening and what they were seeing, and they were just not being heard.

I think we really need to make room, and make sure we have an adaptive process so that we can go back and re-evaluate those decisions, and see if there are better ways that we can, say, adjust boundaries or look at the areas themselves to see if there's a better way we can do things.

• (1020)

**Mr. Fin Donnelly:** Thank you.

Ms. Street, you also said that MPAs must have a purpose. I'm wondering if you could elaborate a little bit more. What would that purpose look like for you in a marine protected area?

**Ms. Dwan Street:** To us and to our membership, an MPA has to have a clear objective. We also need to make sure that by closing an area, we are going to achieve what that objective is.

Just to reflect on the current process, we have been a bit frustrated with some of the timelines we've been put under and a lot of the uncertainties that have come with some of the areas being proposed. Harvesters have sat at the table and said they don't think a certain area is what we should be looking at. For instance, if we are looking

at northern cod as a species that is being protected by a closure, they may not think that closure is going to achieve that objective.

When you look at the process, which we feel is a bit rushed, we don't feel that we are being consulted and that all of the evidence is being taken into account. I think we just need to be clear on what the objective is and then make sure that by drawing lines we are protecting what we say we are protecting.

**Mr. Fin Donnelly:** Thank you.

Mr. Russell, you talked about enhancement, but I'm wondering if you could talk a little bit about the benefits of prevention and protection as a tool, and if you agree that MPAs are an effective tool.

**Mr. Todd Russell:** A lot of the damage that could have potentially been done to specific species or coastline or habitat has been mitigated in recent years through tougher guidelines for fishermen and bottom trawling and things like that. Our fisheries are a lot better managed, but, as Mr. Edwards says, rockfish stocks could have declined dramatically. They may take 100 or 200 years to recover. The damage has been done, and now enhancement would be the fastest viable option to rebuild those particular stocks at risk.

**Mr. Fin Donnelly:** Thanks.

I have a couple of minutes left.

Mr. Edwards, you talked about having terms of reference, and that is an excellent suggestion and it doesn't exist currently. Could you elaborate a little bit and give us examples of other terms of reference that you think are viable, which the government could pull from or this committee could look at...?

**Mr. Dan Edwards:** Terms of reference are being developed for the oceans management plan for the north coast bioregion, and they're still in the works. We have suggested very strongly that we use the kinds of terms of reference that we have with West Coast Aquatic on the west coast of Vancouver Island, which took two years to build and which included four levels of government and stakeholders in a consensus-building process.

The real concern we as fishermen have—and we have long experience in this—is basically about being consulted and the box being ticked and then the decision being made, and us no longer having any say in it and our concerns not being met.

If you look at Australia's example, they did not develop a conflict resolution structural adjustment framework for the Great Barrier Reef until well after the process had started, and then they put money into it because they realized they had to, and the implementation side of it was very poorly done. You're much better off, as government, to put in those kinds of terms of reference up front. Doing that gives you a much better process that people can feel safe engaging in and then the shared decision-making framework is much more acceptable at the end of the day. When you do that, you have to recognize that you never do take away ultimately from ministerial discretion and the decision-making of government but you do your utmost to develop consensus around the best way to build these kinds of things like MPAs.

• (1025)

**Mr. Fin Donnelly:** I have a short question.

No? That's it. Okay.

**The Vice-Chair (Mr. Todd Doherty):** Mr. Hardie, go ahead for seven minutes.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** Mr. Chair, a constant theme that comes up is consultation with people, hearing other people, absorbing what they hear, playing it back, and then those folks who give their input see it reflected in decisions that are made.

All of you have had, it would appear, some long-standing experience in dealing with governments and with DFO over the years. Is there a lack of continuity here? Does the ground keep shifting a little too much to give a lot of confidence that in fact the right decisions are coming about the right way?

We'll start with you, Mr. Edwards.

**Mr. Dan Edwards:** It can change every four years.

The important thing is to develop governance structures—and this is really well known in the world of marine planning—that will go past election cycles, that will be rooted in principles and rooted in ecosystem-based science and the development of future marine plans for the Canadian marine space. There are mechanisms that government can put in place that will go beyond election cycles, and those are needed. Otherwise you end up with shifting grounds that occur around the. There need to be ways to deal with those, and there are ways we can do that.

**Mr. Ken Hardie:** Very briefly, does anybody else want to chime in on this? No.

We'll move on.

Mr. Russell, this is a technical question on your industry. My friend Mr. Donnelly and I share a lot of concerns about aquaculture, mainly fish farming, and the impact on the bottom and other species. In your industry, do you introduce things like nutrients and antibiotics? Are there conflicts between growing what you grow and the other species that naturally inhabit those waters?

**Mr. Todd Russell:** No.

We do not introduce anything into the water. It's technically illegal for us to broadcast any nutrients or anything in the water. All of our species rely on filtering natural algal blooms out of the water column. The biggest negative perception with our activities is loss of gear, as I mentioned, in storm events, loss of trays or things like that. A lot of that has been mitigated with better designed equipment and the banning of polystyrene and things like that in our rafts.

**Mr. Ken Hardie:** Thank you for that.

Mr. Edwards, I want to come back to you and perhaps ask others to comment if there's time.

Over time in the studies we've done, Tides Canada's name comes up and the Moore Foundation comes up. We certainly do hear references to the international investment community come up. The agenda of the international investment community seems to be pretty clear. They want to come in, develop something, and make some money. I think everybody who's involved in a commercial activity wants to do that. But I'm still a little in the dark about what Tides Canada and the Moore Foundation are all about. It's obvious that the previous government did feel some sensitivity there.

Mr. Edwards, can you explain what their sensitivity is and comment generally about who these people are and why they're so active in our industry here?

**Mr. Dan Edwards:** I don't know a lot about Tides Canada other than that it's connected as a delivery agent for Moore Foundation money. Foundation funding is very rich and there are several wealthy foundations in the world, many of them in the United States. There are also international industry companies that also do investment around the world, and these foundations do similar things.

In the development of the partnership between the Tides Foundation and the Moore Foundation with the Department of Fisheries and Oceans back in 2010 and 2011, there was a lot of work done by the department to basically create that as a private-public funding process. It was to make sure the money was at arm's length and that it did not influence public policy. There was a huge amount of work done on that by the department. I had to commend them at that time for what they were doing in order to make sure there was no undue influence. What we found useful from that perspective was that for small-boat independent owner-operators with not a lot of resources for engagement, that money would have been very useful for us to engage properly and that disappeared.

• (1030)

**Mr. Ken Hardie:** Why did it disappear?

**Mr. Dan Edwards:** I've laid it out in here.

There were lobbying efforts to stop the money being used because of the concerns around American money influencing Canadian public policy. Considering the fact that I live in an industry where a huge amount of foreign investment is now buying up quotas in B.C., I find it to be an ironic situation. I think DFO at the time did a very good job as an agency to make sure it safeguarded the use of that money so that it was focused on building Canadian public policy and not being overly influenced by American concerns.

**Mr. Ken Hardie:** Ms. Street, on the storied experience and getting that information into the Department of Fisheries and Oceans, we've heard various versions of this story over time.

What's it going to take? What kind of structure, attitude, and environment will it take to actually bring the DFO a little bit closer to the people who know what they're talking about?

**Ms. Dwan Street:** I think we have a big opportunity right now with government's investment in the department. We're seeing a lot of policy and economic investment. I think one of the biggest opportunities we have is to bring in social science. For decades there's been a disregard for the importance of social science when we look at the data and we look at what needs to be taken into account. We've stressed for a long time that socio-economic analysis and actually speaking with people on the ground are what's going to achieve the results.

Natural science has a huge role in all of this, but I think it needs to be coupled with social science as well. We need to get people on the ground actually speaking to fish harvesters, getting the experience, and mapping that out. With first nations, as well, there's such a wealth of knowledge there that sometimes it doesn't get taken into account because a lot of times we focus too much on the numbers. If we can come up with a holistic approach and bring in the right people with the right attitudes who want to get this done and get it done properly, I think we have a bright opportunity ahead of us to change some attitudes and get that done.

**Mr. Ken Hardie:** Thank you.

**The Chair:** Thank you very much. We appreciate that.

We will now go to a five-minute round.

Mr. Arnold.

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

Thank you to our four guests today. It's great to hear your testimony. A lot of it is in line with what we've heard already in this study, and it's certainly been an interesting study.

We've been to the north coast and to the west coast, and we're now going to be travelling to the east coast, and what we're finding is that there are certainly different situations on all coasts and in different areas, but we seem to be held to the IUCN targets and some of those designate no-take and so on. Do you think Canada should be held to a no-take standard or those IUCN targets in order for a marine protected area to be effective for what we in Canada feel it should be effective for?

I would like to hear from all four of you on that.

**Mr. Dan Edwards:** I would say no, from my perspective. We don't have to deal with just the IUCN. There are lots of ways to assess whether or not what's happening is a worthwhile framework. IUCN is not necessarily the standard to be developed.

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

Ms. Street.

**Ms. Dwan Street:** I would have to agree with Mr. Edwards. I think it's important that in Canada we have our own set of standards and that we not feel pressure from something that's external. We're already very strong leaders when it comes to conservation and protection of our oceans, and I think we do a good job at that. We should focus more internally on looking at what we're doing here rather than being boxed in by an external set of guidelines.

•(1035)

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

Mr. Barnes.

**Mr. Paul Barnes:** I would agree as well that the Canadian government should look after its country, obviously, by keeping an eye on the international scene, because as a country we do compete with other international jurisdictions. We need to be cognizant of that, but we certainly do need to protect our own country.

**Mr. Mel Arnold:** Mr. Russell.

**Mr. Todd Russell:** I agree with everyone else. I believe for the MPAs, as Ms. Street said, we need a clearly defined objective and

guidelines on how to meet those objectives instead of just following a broader guideline.

**Mr. Mel Arnold:** Good, thank you.

Ms. Street, you made a statement—and I don't think I'm quoting you exactly—that we must have evidence that a closure will have results and that MPAs must be flexible. Could you elaborate on that a little further? In Bill C-55 it came out that the minister will not be required to have scientific certainty before acting and creating a closure.

That's a concerning point for me in that bill, so I'd like to hear you elaborate on your statement a little more.

**Ms. Dwan Street:** Sure.

Again, it goes back to the issues we have with drawing boxes and drawing lines that are permanent and rigid. We need to make sure that once we close something, it is going to achieve the result that it aimed to achieve.

If we get five years down the road and realize that we've done it wrong, there needs to be some flexibility there, especially if livelihoods and the well-being of people in our coastal communities are being affected.

We sit at the table and we try to work with the department and work with other stakeholders on closures so that they are actually going to achieve benefits and achieve targets of conservation. If there are no processes in place whereby we can evaluate whether it's actually doing what it's supposed to be doing, and, if it's not, we can go back and revisit that to see how we can do it better, then I think all of our credibility is out the window. We want to make sure that what we're doing is actually achieving something and that we're not just closing something to hit a target, to tick a box.

**Mr. Mel Arnold:** Good, thank you.

Mr. Barnes, I hope we get time enough for this answer. In terms of the operation of your industry, can you give us an approximate timeline for a set-up of, say, a drilling situation conversion to producing a well and the timeline of return on that typical operation? How many years down the road does Canada see the result of that work?

**Mr. Paul Barnes:** Typically, in the offshore industry it takes about 10 years to do adequate exploration, and that's everything from seismic to understanding where an oil and gas prospect may be to actually drilling it. If you're lucky enough within that 10-year period to find something, it usually takes another five to maybe 10 years to build a facility in order to produce the oil and gas that may be there.

So you're then talking about a 20-year timeframe in which you're looking for oil and gas, finding it, and then building something to produce it before you actually get oil and gas out of the ground, and then it may take another 10 years to recover the cost of just doing that. Most returns don't really come for about 20 to 30 years

**The Chair:** Thank you, Mr. Arnold. Sorry, I have to leave it at that.

Mr. Finnigan, you have five minutes. Go ahead, please

**Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

I'll start with Mr. Barnes.

Do you have records of how many accidental or environmental incidents have occurred in the whole oil field since the beginning of the oil industry in Newfoundland? Could you comment on that, and, if you know of any, how much damage and...?

**Mr. Paul Barnes:** Certainly I don't have any exact statistics with me here. There have been some hydrocarbon spills into the ocean off Newfoundland. The government...and the Offshore Petroleum Board, which regulates our industry, do have that information. It's published on their public website, so it can be readily obtained if you're looking for exact numbers.

•(1040)

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

My next question is to Ms. Street.

Do you know of any detrimental effects that the oil and gas industry has had on the fishing industries on the coast of Newfoundland? Do you have any tangible information that it has had a detrimental effect?

**Ms. Dwan Street:** Unfortunately, we don't have a lot of certainty. The information we generally get, seismic and petroleum industry effects, comes from other jurisdictions. We have been pushing to have some research done in Newfoundland and Labrador that would be specific to our ocean and our ocean conditions. We have been working through One Ocean, which is an organization developed to bring fish harvesting and the petroleum industry to the table to have those discussions. There is some research on the table. Unfortunately, again, we come down to timelines, and it's been dragged out.

We come down to projects that were proposed seven or eight years ago, which are just now getting off the ground, to look at the effects on shellfish species. All of a sudden, we're looking at a resurgence of groundfish. We kind of re-evaluate the focus there and push to see if there are effects on the groundfish species. We don't have certainty and, until we have those data and we have that information, obviously there's going to be a big concern.

With the hydrocarbon releases, any time that there's an incident like that, we try to inform our members and get that information out there. We sometimes hear about it on the news. We don't necessarily understand what the effects are. Those are not communicated properly or in a transparent manner. We have our members calling us with obvious concerns when we hear about these things in the media. There's a lot of tanker traffic. We see fuel spills from tankers, and we don't have solid data on what these effects are. Until we do have that certainty, there's obviously not going to be a level of comfort there that there's not a level of harm to our fish stocks and to the livelihood of our members.

**Mr. Pat Finnigan:** Obviously both industries are very important. You quoted numbers. Mr. Barnes also quoted some numbers.

Do you see the possibility of the two industries coexisting? Is there a way forward such that both can coexist and one wouldn't harm the other? Do you see that?

**Ms. Dwan Street:** I think it is important that we learn to cohabit. Both are very important industries to Newfoundland and Labrador. But, again, I think having communication, having solid data, knowing what the effects are, and making sure that all the protections are in place are important for both industries.

In the case of a spill, we need to have protocols in place and have the infrastructure, the equipment, and the people trained on the ground to address an incident if it does happen. We saw what happened in the Gulf of Mexico. We sat down to try to look at how Newfoundland and Labrador would be affected should something of that extent happen. Markets would be absolutely destroyed, if we were trying to market seafood products, given all the questions on contamination. The effects would be detrimental for generations.

I don't think there's a level of comfort that Newfoundland and Labrador has everything in place and that we would be able to react and make sure that the least amount of harm would happen to both industries in our province. Obviously there's a perception that would happen there with both industries....

**Mr. Pat Finnigan:** With MPAs not being perfect, would you say that still it's what we have and what we're proposing? Could that be a security blanket, in a sense, to mitigate some of those things and have an overview of the whole fishing and gas industry?

**Ms. Dwan Street:** When it comes to marine protected areas, we have been very consistent in saying that if the fishing industry is completely prohibited from operating in an area, we think it's also important that oil and gas activity be kept out of that area, because fish harvesters really have issues with giving up a part of their livelihood and then seeing seismic vessels going over the same area or seeing the prospect of drilling happening in that area.

When we look at corals and sponges, with drilling being prohibited there, it's an obvious one to go for, but what about the other species that are in that area, that are mobile, that are possibly being affected, and for which we don't have solid evidence to show they're not going to be affected by this activity? It is frustrating when harvesters sit at the table and are willing to give up a part of their livelihood for protection of something that is so important to them, to then see it jeopardized through other activity that is allowed to take place in that area.

•(1045)

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

Folks, thank you very much for this. I want to thank Mr. Barnes, Mr. Edwards, Ms. Street, and Mr. Russell for providing testimony today.

Colleagues, we'll see you in a few short weeks.

The meeting is adjourned.









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