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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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• (1105)

[English]

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

I'd like to thank our witnesses for appearing here this morning.

Mr. King, welcome to the Standing Committee on Fisheries and Oceans. This is your first appearance, I believe, before our committee. I want to take this opportunity to congratulate you on your new role and thank you very much for being here this morning.

I believe, Mr. King, you're going to start off with some opening comments and will then turn it over to Mr. Huppé to give a brief overview of the estimates.

Mr. King, whenever you're prepared, please proceed.

[Translation]

Mr. Matthew King (Deputy Minister, Department of Fisheries and Oceans): Thank you, Mr. Chair.

[English]

Good morning.

On behalf of my colleagues, I'd like to thank the committee for the invitation to appear today to discuss our department's supplementary estimates (C) for 2012-2013 and our main estimates for the fiscal year 2013-2014.

As you noted, Mr. Chairman, Minister Ashfield will join us in the proceedings shortly and will have opening remarks to make, so I intend to keep my comments very brief.

If I could, Mr. Chairman—and thank you for your kind words—I would like to begin by telling the committee how honoured I was to be appointed Deputy Minister of Fisheries and Oceans on January 14, 2013. As some of the members may know, I have had the pleasure of working in eight federal departments for almost 30 years. For over 15 of these years, I've served at the assistant deputy minister, associate deputy minister, and now the deputy minister level. I feel very fortunate in that regard.

Members may also know that over the last 20 years or so I've had the occasion to work in a few different positions in Fisheries and Oceans Canada and had the opportunity to work alongside the coast guard, and I'm very grateful to have been given the opportunity to return to DFO as the deputy minister.

[Translation]

Mr. Chair, I know that committee members have a full appreciation of the important work that is undertaken by the department and the Canadian Coast Guard, on a daily basis. And I know, based on the number of times I have appeared before the committee in past years, that there is an appreciation of the efforts of the men and women of DFO and the Canadian Coast Guard to implement such an important and challenging mandate.

In the short time since my return, I have had the opportunity to reacquire with old colleagues in DFO.

[English]

I've met many new colleagues since my return to the department a few weeks ago. Mr. Chair, I feel very capable and very fortunate to have inherited such a dedicated and accomplished senior management team at DFO and CCG. A few of these colleagues are with me today and, I believe, are not strangers to this committee.

With me are David Bevan, on my right, our associate deputy minister;

[Translation]

Marc Grégoire, commissioner of the Canadian Coast Guard; France Pégeot, senior assistant deputy minister of strategic policy;

[English]

Kevin Stringer, who's our assistant deputy minister of ecosystems and oceans science; and Trevor Swerdfager, assistant deputy minister of business transformation and program policy.

Once again, Mr. Chair, I thank the committee for the opportunity to appear here today.

If the committee is in agreement and there are no questions for me, I would ask our CFO, Roch Huppé, to provide the committee with an overview of our 2012-2013 supplementary estimates (C) and our main estimates for 2013.

The Chair: Thank you.

[Translation]

Mr. Huppé, you have the floor.

Mr. Roch Huppé (Chief Financial Officer, Department of Fisheries and Oceans): Thank you, Mr. Chair.

Thank you for giving us the opportunity to present a brief summary of our supplementary estimates (C) for 2012-2013, and our proposed main estimates for 2013-2014.

[English]

To this effect, I have provided all of you with a short presentation deck that I will use. I will skip right to page 3 of the deck and start off with a short summary of highlights of our supplementary estimates (C).

Basically what you see in front of you is a status update of our spending authorities for the year 2012-13. At the same time here last year, I presented the main estimates for 2012-13, and we were proposing a budget of \$1.665 billion. During the course of the year, obviously we've had some budget adjustments, mainly through the supplementary estimates process. What we're showing now is that for the year, we will have just over \$1.9 billion in spending authorities.

Now relating to supplementary estimates (C), the net effect on our budget is a small decrease of the net impact of \$320,000. I'll go through the details. Although this is a small decrease, it doesn't mean that we have not brought in any additional funding through these estimates. Actually, we're bringing in just over \$6.8 million of additional funding. It's just that this additional funding is being offset by surplus spending authorities within vote 5, our capital expenditures.

I'll move you to page 4. Here's a summary of that new additional funding that we're bringing into the department for 2012-13. The first item is close to \$2 million, relating to revenues stemming from the sale of property. When the department proceeds with the disposal of real property, we get funding back through Public Works, and we're entitled to respond it on the same type of activities.

The second item is over \$1.7 million in relation to the United Nations Convention on the Law of the Sea, what we refer to as UNCLOS. Basically this is an item that was part of our sunseting programs last fiscal year, and for which budget 2012 provided us with renewed funding of close to \$5 million over five years.

The third item is just close to \$1.5 million relating to the Asian carp initiative. Budget 2012 provided the department with \$17.5 million over five years, and basically \$1.5 million is our requirement for year 2012-13. As well, \$1.1 million is in relation to the definition phase to renew the helicopter fleet for the Canadian Coast Guard. That's basically funding that was obtained through last budget also, budget 2012, which was included in the \$5.2 billion fleet renewal announcement.

There is \$269,000 relating to government import regulations and border processes for commercial trade. This is a horizontal initiative, which DFO is part of. It's led by the Canada Border Services Agency. DFO received \$1.4 million over three years in relation to that. There is \$229,000 relating to the cleanup of oil spills. Basically, when the coast guard provides assistance for the cleanup of these spills, we're entitled to recover expenditures from the company that was liable for it.

For the remainder of the supplementary estimates (C), what we call transfers between votes, as you may know, the department or the minister doesn't have the authority to move money from vote 1 to vote 5. I have put in an appendix with a full listing of these transfers. I will not go through it, but if you have any questions on any of these, I'll be happy to answer them.

I'll move you to page 5 right now, and I'll go through a summary presentation of our main estimates for 2013-14. On page 5 what you see is a summary under vote 1, operating expenditures. We're seeking just over \$1.1 billion, of which \$740 million is for salary expenses. Under vote 5 are capital expenditures, \$360 million, and 75% of that funding is in relation to the Canadian Coast Guard for fleet and shored-based assets.

• (1110)

Under vote 10, the grants and contributions program, we see \$59 million. It's pretty stable in comparison with last fiscal year from a main-to-main comparative. The two last items, which are statutory in nature, are contributions to our employee benefit plans, \$130 million, and the Minister of Fisheries and Ocean's salary and motor car allowance, \$100,000. This brings the total ask for 2013-14 to \$1.668 billion, compared with \$1.665 billion in 2012-13. So there is a slight increase of \$3.1 million.

I will go in a few minutes over the key increases and key decreases when comparing the main estimates of last fiscal year with 2013-14.

The three next pages I will go through quickly. This is basically a breakdown of our proposed main estimates of \$1.668 billion between our different program activities. The department has 26 program activities including the internal services activities. So page six shows that, under the economically prosperous maritime sectors and fisheries strategic outcomes, which include our programs that support sustainable and effective use of Canada's water resources, we are planning to spend over \$421 million. You will note that 61% of that spend lies within the two first program activities: the integrated fisheries management, that is, the management of commercial and recreational fisheries; and the small-craft harbours program.

You will note in the fourth column, under vote 10, \$41 million under the aboriginal strategies and governance. So 70% of our grants and contributions funding is in relation to that program activity.

On page seven, under the sustainable aquatic ecosystems strategic outcome, which consists of programs that contribute to the conservation, protection, and sustainability of our aquatic ecosystems, we're planning to spend just shy of \$239 million, 70% of which, in this case, is to be spent in compliance and enforcement. This includes monitoring and surveillance activities for fisheries protection.

In last year's mains, fisheries protection was called habitat management. The funding proposed this year is \$58 million, which is stable in comparison with last fiscal year. It was also \$58 million under habitat management.

I'll move you to page eight. Under strategic outcomes, we have safe and secure waters, which includes the programs that contribute to maintaining and improving maritime safety. A large part of this spend is related to the Canadian Coast Guard. They are planning to spend over \$721 million, and 80% of that spend comes from the two first program activities: fleet operational readiness, which ensures that our fleet and our ships' crews are ready to operate; and shore-based asset readiness.

Under vote 5, capital expenditures, you'll notice that close to \$270 million is planned to be spent against these same two program activities, which represents 75% of our spend in the area of capital expenditures.

The last point is under internal services. Our projected spend for the coming years is \$286 million, compared with \$296 million in the main estimates of 2012-13. Out of the \$286 million, there is \$115 million that relates to our real property spending. Fisheries and Oceans is one of most important departments from an asset-based perspective and includes our real property footprint.

I'll now take you to page nine to talk about the key increases that cause a variance from last year's mains. The first item is \$76.7 million for Canadian Coast Guard vessel life extensions and the mid-life modernization program. That funding came through budget 2012, and it's part of \$5.2 billion announced for fleet renewal. Some \$316 million of that \$5.2 billion goes to this program. The second item is \$20 million for the acquisition of offshore science vessels and the management of the fleet procurement program.

•(1115)

In the management of the fleet procurement program, the department also received \$5 million as part of the \$5.2 billion announced in the last budget to support this program. The remaining is basically cashflow in relation to the acquisition of the offshore science vessels.

I'll just make the point that this funding variation does not necessarily mean new money or money disappearing from the budget. It basically also relates to how we use the money. For example, if we get \$100 million to build a ship, and it's going to take five years, we will not spend \$20 million every year. The cashflow will vary from year to year in building that ship. Therefore, for the offshore science vessels, this is a cashflow fluctuation.

There's \$10.4 million related to compensation for collective bargaining agreements. Basically, every year we get an adjustment to our salary budget in relation to the collective agreements.

There's \$8 million to protect wildlife species at risk. This was a program that was sunseting last fiscal year, and for which we had renewed funding in budget 2012. The department received \$24.6 million over three years for that initiative.

There's \$6.6 million relating to the modernization of the regulatory system for major resource projects, what we refer to as MPMO. Again, this was a sunseting program in last fiscal year for which we received renewed funding as part of budget 2012. We actually received \$21 million over three years.

The last item on this page is \$5 million in relation to the Digby Harbour Port Association, for repair of the wharf. Through budget

2012, we received \$7.4 million for that. We've used \$2.4 million in this fiscal year, so basically \$2.4 million was brought into the supplementary estimates, as was announced in budget 2012. It was not included in the main estimates of the last fiscal year. This year the \$5 million that we will require in 2013-14 is actually reflected in the main estimates of this year. This is why it's causing a variance of \$5 million.

On page 10, dealing with decreases, the first item is \$37.9 million relating to strategic review measures as announced in budget 2011. Budget 2011 announced a reduction to our budget of \$56.8 million, so that's the additional portion, basically, with a conditional reduction that will bring us to that \$56.8-million reduction.

The second item is \$23 million relating to the mid-shore patrol vessels. Basically, in budgets 2005 and 2007, the department received \$212.5 million for the acquisition of these vessels. This is simply a cashflow. It's not a reduction in funding. In last year's main estimates, there was \$92.5 million projected to be spent on this, and in this year's main estimates we have \$69.4 million for that program. So there's a variance of \$23 million.

The third item is \$16.7 million relating to the completion of the new aquaculture program initiative. This is a program that's actually sunseting in March of this fiscal year. Back in 2008 we had received \$70 million over five years, so any potential renewed funding in relation to that, if any, would be coming through the normal process and would appear in budget 2013. Obviously, it would not be reflected in these main estimates.

Also, there was \$14.3 million in relation to the repairs as a result of the storm that happened in December 2010, mainly in the Atlantic regions. The department had received, through budget 2011, \$57.3 million in additional funding to repair the small craft harbours, \$43 million of which was spent in 2011-12, and \$14 million in 2012-13. Therefore, in 2013-14, the money disappears as it was used for the repair of these wharves.

There was \$13.4 million in relation to the second-year reduction of strategic and operating review measures, as announced in budget 2012.

The last item is \$11 million relating to the acquisition of the polar ice breaker. Again, here's a cashflow variance in how we used the funding that we got for that particular bill.

I'll close off by saying, on the last page, obviously as I mentioned, any budget decision, any funding decision that would affect DFO's budget for the coming year as a result of budget 2013, which will be tabled soon, is not reflected in these main estimates.

•(1120)

[Translation]

Thank you very much, Mr. Chair.

[English]

The Chair: Thank you very much, Monsieur Huppé.

We will start off with our questioning with Mr. Allen.

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

Thank you to our witnesses for being here.

I'd like to start with a fairly high-level question with respect to the main estimates as well as the expenditures for this year based on the supplements that we've received to date.

The total department expenditure, once we take everything into consideration for 2012-13, will be \$1.905 billion. The main estimates this year are coming in at \$1.67 billion, which is not a whole lot different from the main estimates last year as well. I just wanted to note that.

However, given that number, what are the differences in terms of those numbers? We have to wait for a budget, and we have to wait for the next set of supplementaries and everything else, but what were some of the main sunset programs that would be included in that \$300-million difference from spend this year and what's in the main estimates next year?

Mr. Roch Huppé: The main difference is this. Last year we had a decrease from main estimates to main estimates that was due mainly to sunset programs. Some of the key ones included the Pacific integrated commercial fisheries initiative, for which, through budget 2012, we received renewed funding for one year of \$22 million. Another key program was AICFI, the Atlantic integrated commercial fisheries initiative, for which, again through budget 2012, we received \$11 million for one year and renewed funding relating to that. There was also the science research, or the Larocque funding, that was sunset last fiscal year, for which we got a renewal of one year for \$11 million. Those basically were the key items that made up the difference.

You will also notice that \$120 million is locked into what we call "carry forwards", right? Every year the departments have the authority to carry forward, from one year to the other, some funding.

As an example, in our operational funds, we're entitled to carry forward up to 5% of our initial funding. In the capital expenditures, under vote 5, we're entitled to carry forward 20%.

So that \$120 million is within these authorities, and it's money that was, in some cases, purposely lapsed to projects being delivered in different timeframes and so on, and basically carried over to this fiscal year.

• (1125)

Mr. Mike Allen: What was the carry-over last year?

Mr. Roch Huppé: Last year, as you say, was.... Do you mean the previous year?

Mr. Mike Allen: The previous year.

Mr. Roch Huppé: Okay, altogether, in operating, instead of \$60 million, it was \$42 million or \$43 million, if I'm not mistaken.

In capital, it was much lower than \$60 million. It was more around \$10 million or \$15 million.

Mr. Mike Allen: Okay.

As you're aware, we're just wrapping up a study with respect to closed containment and salmon aquaculture. One of the programs you talked about sunset was the \$16.7 million related to the new aquaculture program. You did indicate that this was a sunset program, with the initial program around \$70 million.

I'm expecting that \$16.7 million represents unspent dollars, so my question is this. What were the objectives, and did you achieve the objectives of that program in order to let these dollars sunset?

Mr. Roch Huppé: I'll let one of my colleagues answer the question on the objectives of the program.

These are not sunset dollars in the sense that they're not used. When I say it's sunset, it means that the funding is coming to completion.

So the \$16.7 million will be spent this fiscal year, but there is no renewed funding identified at this moment to pursue this program in the coming year. It will go through the normal budget process.

Mr. Mike Allen: I will frame my question a little bit differently, then. Did you achieve the objectives on the program dollars that we had?

As a secondary question out of that, has the department done any work on the development or the thought behind an aquaculture act, which was something that was asked in our hearings?

Mr. Roch Huppé: Trevor.

Mr. Trevor Swerdfager (Assistant Deputy Minister, Transformation and Program Policy Sector, Department of Fisheries and Oceans): Thank you, Mr. Chairman.

In terms of the first part of your question, Mr. Allen, the objectives of the program really were fourfold.

The first objective was to improve the environmental regulation framework for aquaculture in this country. We have made substantial advances towards that goal, particularly, but not only, in British Columbia. You're probably aware that we have had a new Pacific aquaculture regulation in place for a couple of years now. The program lying underneath it, so to speak, is up and running and has moved forward significantly. We've also been working on the development of regulations with respect to the release of aquaculture substances. That regulation has not been completed; it is in the works and has been for some time. There are a whole series of technical issues associated with its drafting, but we are making progress towards improving the regulatory regime overall. The intent was never to be able to say, that's done, and move on to something else. Regulatory improvement was viewed, and still is, as a continuous improvement process.

The second objective of the program was to improve our science base, and in fact over half the funding in the program went into science to support the regulatory initiatives, but also to understand aquaculture more generally.

The funding in that program was back-end loaded. In the five-year profile of the program, we invested more heavily in science in years three, four, and five on the logic that in the first two years, we'd spend time thinking about and identifying science priorities. Rather than just hiring a series of scientists and asking them to study something, in essence what we said was, let's look at the priorities around that. So the science funding was back-end loaded a little bit.

As a result, many of the scientists who have been engaged and doing work are still at that process now. Again, we've made significant progress in our science results, but that was never intended to be something that you would say is finished, per se.

The third objective of the program is to support technology innovation in the industry, with an emphasis on green technology in particular. As you will know from your study on closed containment, the department and the government more generally through the SD Tech Fund has put fairly substantial investments into things like closed containment and other matters in the innovation envelope. Again, that work continues.

Finally, the fourth objective of the program is to position the government to put out a sustainability report that identifies, with a series of criteria, ongoing sustainability issues with respect to aquaculture. That report has had a series of methodological developments, if you will. When we started that, it wasn't something you pull off the shelf and say, here's how that's done. So the methodology of that has evolved and we have a report that is forthcoming shortly.

Those are the four objectives of the program, and I would say all of them are well advanced. None of them are what I would describe as complete, so to speak.

• (1130)

Mr. Mike Allen: Thank you very much. That's helpful.

The Chair: Thank you very much, Mr. Allen.

Mr. Donnelly.

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

Thanks to the DFO officials for attending and providing us with this information. We do have a few questions.

I'd like to start off with Monsieur Grégoire. Last time you appeared before our committee you spoke about the closure of the Kitsilano coast guard station, and you estimated that the closure would create a net savings of about \$700,000. I'm wondering if that is still the case?

Mr. Marc Grégoire (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): Yes, but I'll remind you that this was a net saving. I've seen different reports in the media about that. The gross saving, the actual cost of running the Kitsilano coast guard station, is about \$900,000. So you achieve the \$700,000 net saving by subtracting the money that we're giving to the RCMSAR, the auxiliaries in B.C., and the cost of operating the inshore rescue boat station, the seasonal one that will be operating out of HMCS *Discovery*.

Mr. Fin Donnelly: Thank you. With the closure of the Kits station, there was a real lack of consultation and a massive public

outcry, and serious safety concerns were raised by the public, the City of Vancouver, the Province of B.C., and Vancouver's fire and police chiefs.

Did the coast guard ever seriously reconsider its decision to shut down the Kits station and use the seasonal student-based operation?

Mr. Marc Grégoire: On whether we have reconsidered, first of all, I would say that the proposal is ours. When we looked at places where we could be more efficient, we did that in the summer of 2011 in preparation for budget 2012. We looked at our operations throughout the country, and the coast guard management team and I were of the opinion, after looking at everything we do, that we could ensure search and rescue services in a more efficient manner in the port of Vancouver. Therefore, the proposal to close the Kitsilano station was made, but to do so along with mitigation measures, including the seasonal station and, more importantly, by increasing the capacity of the auxiliaries in B.C., the RCMSAR. They have increased their training. They have moved the station. New ships were acquired and I am very confident today that search and rescue will be offered in a safe manner at the proper level in the port of Vancouver.

Mr. Fin Donnelly: The coast guard caught everyone by surprise, including the province, the city, police, and fire crews, when you shut down the Kitsilano station months earlier than expected and without any notification, but can you confirm that the land on which the Kitsilano station sits is, in fact, provincial crown land?

Mr. Marc Grégoire: Yes, that is correct, but on your comment about the surprise, I am a bit surprised that people were surprised by the closure of Kitsilano, given the extent of the media coverage of that. We had said repeatedly, hundreds of times since last summer, that the station would be closing, but we never specified—

Mr. Fin Donnelly: It was in the spring.

Mr. Marc Grégoire: Actually it was the spring. It was 20° in Vancouver when we actually closed it, but we never specified a date because we always repeated that we would close it when we felt that it was operationally safe and sound to do so. We ran exercises. We obtained a statement of readiness from the RCMSAR in February. We announced the selection of the IRB, inshore rescue boat, location in January, and then we held exercises. The last one was held on Monday, February 18. Immediately after that exercise, we did a washout with all the participants, and it was felt that we could close any time after that.

The land is owned by the province.

• (1135)

Mr. Fin Donnelly: Thank you.

I have very little time before I pass it on to my colleague. I have just one quick last question. When could we expect the MCTS centres in Comox, Tofino, and Vancouver to be closed, and will you notify key partners in advance of those closures?

Mr. Marc Grégoire: We actually announced the closing dates for those stations last May, and all of those stations, as with every other station to be closed in Canada, will be closed in the spring of 2014 and in the spring of 2015.

I believe Tofino is first with consolidation of its services into Prince Rupert, and the last in the country to be closed will actually be Vancouver, and we will consolidate the services in Victoria.

Mr. Fin Donnelly: Thank you. I'll just turn it over to my colleague for two minutes.

[Translation]

The Chair: Mr. Tremblay, you have the floor.

Mr. Jonathan Tremblay (Montmorency—Charlevoix—Haute-Côte-Nord, NDP): Will you follow the recommendations of the commissioner of official languages asking to postpone closing the search and rescue centre in Quebec City until recommendations 1 to 4 have been implemented?

Mr. Marc Grégoire: First of all, we must thank the commissioner of official languages. We take each one of his recommendations very seriously. It is clear to me, especially as a francophone, that search and rescue services must be offered in the language of the people who need to be saved.

My answer will be sort of along the same lines as what I told your colleague. We are not going to transfer the services of the marine rescue sub-centre in Quebec to Halifax or Trenton until we—in this case, me—are convinced that services will be provided in both official languages and that no call will go unanswered.

However, I can tell you today that we are almost ready to do the transfer of the eastern portion of the search and rescue centre, in other words, the portion to the east of 70° longitude west, which is very close to Cap à l'Aigle in the Murray Bay region. The portion to the east of that boundary will be transferred to Halifax, while the area to the west will receive services from Trenton.

The eastern portion will be transferred in the spring, once we are ready. There again, we do not have a specific date right now. The western portion won't be transferred until the fall.

[English]

The Chair: You have 30 seconds.

[Translation]

Mr. Jonathan Tremblay: Pardon? How much time to I have left?

[English]

The Chair: You have 30 seconds.

[Translation]

Mr. Jonathan Tremblay: Okay.

We were talking about four recommendations involving the linguistic requirements of the coordinators. We want all positions to be designated bilingual, that there be enough of them, that the

coordinators meet the requirements and that there be an environment conducive to learning both languages.

Are you going to postpone the move until that has been implemented?

Mr. Marc Grégoire: We already have bilingual positions in place and we already have a satisfactory work environment at the central search and rescue centre in Halifax. However, we are not yet ready for that in Trenton. It will take us a little longer.

In fact, we are carefully trying to implement the commissioner's recommendations.

[English]

The Chair: Thank you, Monsieur Tremblay.

Ms. Davidson.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Thank you, Mr. Chair.

And welcome, Mr. King, and the rest of your colleagues. We appreciate your being with us this morning as we try to wade through these supplementary and main estimates.

My first question is going to be on the supplementary estimates (C), and it's the third item in the department's voted appropriations. It outlines the close to \$1.5 million that was spent on implementing the Asian carp initiative to protect the Great Lakes. As you know from appearing before us previously, we have an ongoing study on that at the moment.

I wonder if you could talk a bit about that initiative the government has in place: how much funding is in the total envelope, what the objectives are, and what has been accomplished so far with that \$1.5 million.

• (1140)

Mr. Kevin Stringer (Assistant Deputy Minister, Ecosystems and Oceans Science Sector, Department of Fisheries and Oceans): The Asian carp initiative, as you point out, that was announced in the budget last year was for \$17.5 million over five years, and as you point out, with \$1.5 million to get the project started this year.

The overall objective is to address Asian carp. Prevention is number one: preventing Asian carp from getting into and establishing themselves in the Great Lakes area. There's a \$17-billion recreational and commercial fishery in the Great Lakes, and there are other issues to be concerned about as well. So prevention, outreach, research is one of the four pillars with respect to the Asian carp program.

The second piece is early warning, including both traditional and genetic, or warning systems in key areas. We look at the Welland Canal, we look in other key areas where Asian carp may be able to get into the Great Lakes system. But there is also something called eDNA, which is a new genetic type of research that we're doing.

The third area is response, including internal preparedness in collaboration with Ontario and the U.S. We're working very closely with the Ontario government and the U.S. government on responding if the carp are able to get into the Great Lakes system, that is, being able to fish them out and being able to take other appropriate actions to address them, including identifying the areas where they're likely to be, where the habitats are, where they're going to be the most comfortable and most likely to establish themselves. That's the third area.

The fourth is management, meaning collaborative border work with Canadian Border Services and our U.S. colleagues in identifying these as they come across the border.

Those are the objectives.

This year, as you point out, there is \$1.5 million spent. We really have two foci this year. One is to put in place the facilities and equipment to deliver the full field program starting this coming summer, and the second is conducting some research, such the study we did on the Welland Canal, including how the fish move through that canal. We did some tagging and checking to see what happens, and we have some receivers in the Welland Canal as well.

We also, as I say, purchased some of the facilities and equipment, including remodelling two existing labs in our Burlington facility. We have a trailer that is built for Asian carp, which can move around the Great Lakes, and other equipment so that we're ready to get going full time in 2013.

Mrs. Patricia Davidson: Thank you very much.

My next question is going to be the sixth line in the department's voted appropriations in the supplementary estimates (C). It's talking about the reinvestment of revenue received from polluters. I know that we've heard a lot of misinformation and fearmongering in the discussion on how oil spills are managed in Canada, so I think that we need to be aware of what is happening. It's my understanding that the polluter pay principle is the standard, so could somebody confirm whether or not I'm correct on that?

And I see in the sixth line that the coast guard has been reimbursed for the costs they incurred when addressing a pollution incident. Could you explain how the ship-source oil pollution fund does work?

Mr. Marc Grégoire: Yes, certainly.

First of all, you are quite correct in saying that it's user-pay in the oil spill area; however, we're not always able to get the money readily from the user, or sometimes the oil pollution is from an unknown source. In either case, if the polluter refuses to pay us or if we don't know the source, we have access to the source oil pollution fund, which is administered here in Canada on behalf of Transport Canada.

We collect up our costs and we simply send the bill to that organization. They go through our bills with due diligence. They determine which portion of each of our bills should be reimbursed. Every once in a while they accept to pay us a certain amount of money. That is the total for the supplementary (C)s. More than once a year, many times a year, we do actually come here. The only way

to access this money from the source oil pollution fund is through a transfer by the supplementary or main estimates.

• (1145)

Mrs. Patricia Davidson: Thank you.

In number 11 in the supplementaries, you're talking about the small craft harbours. Could you tell me a little bit about that program and what the annual budget and the main objectives are? This talks about a transfer. Where was that money transferred to?

Mr. David Bevan (Associate Deputy Minister, Department of Fisheries and Oceans): The small craft harbours program is an infrastructure program designed to support the commercial fishing industry in Canada. It has a budget that has been varying quite a bit, depending on circumstances, but the base is approximately \$100 million. That is spent to support harbour authorities throughout the country in the maintenance of the facilities.

By and large, we are not building the new harbours, with the exception of the harbour in Pangnirtung in Nunavut. The budget is now spent either to maintain commercial harbours or to get ready for divestment harbours that are no longer core.

The budget varies. During the economic action plan, it almost doubled. We also have periodic increases in the budget if there's storm damage or an event of that nature. The bulk of the money is spent on Gs and Cs for transfer to support contracts that are needed to do the work on the facilities.

The Chair: Thank you, Ms. Davidson.

Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much, Mr. Chair.

Welcome, Mr. King. Congratulations on your new position.

My first point is just a bit of follow-up on Kitsilano. Whatever takes place in the government, it's not the departmental officials who make the decision. Am I understanding this correctly, that you're giving.... It's the government that decides what takes place. Now, you might give suggestions, but there's a dollar figure given to you, and that's what you have to operate under. Am I understanding correctly?

Mr. Matthew King: I can start off, Mr. MacAulay, and I'm sure the commissioner, who has a deeper history in this than I, will weigh in.

In this case, the coast guard was in the process of looking at a whole stream of activities to effectively make their operations more efficient. The recommendation to close Kitsilano was a recommendation that was put to the government by the coast guard. This was done in the context of a broader expenditure review exercise. It happened to be a recommendation that was accepted.

Marc, you have more, if you want to add the colour commentary.

Mr. Marc Grégoire: No, actually, I couldn't have said it better.

Mr. Matthew King: So it originated in the coast guard and was accepted by the government. Yes.

Hon. Lawrence MacAulay: Thank you very much. What you're telling me is that it's efficiency.

It's like how we have some difficulties in the Atlantic area under owner-operator and fleet separation policy. Now, I suspect and I understand, and you can agree or disagree, that there have been suggestions from the department, which would be the suggestion that you gave the government on Kitsilano and other cases, which is that a lot fewer boats could fish the lobsters more efficiently in the Atlantic region, not understanding that there are 32,000 people in this area making a living on this area. I haven't seen the paper, but I understand that the suggestion has been made quite often.

But in the end, it's the decision of the Government of Canada as to whether these decisions are made or not. Am I correct?

Mr. Matthew King: I think you are correct in that. We propose; ministers decide.

Hon. Lawrence MacAulay: I beg your pardon?

Mr. Matthew King: We propose, and ministers decide.

Hon. Lawrence MacAulay: You propose, but when the decision is made, it's the decision of government.

Mr. Matthew King: Yes.

Hon. Lawrence MacAulay: Thank you very much for the answers.

What would it take above and beyond the yearly budget to put the small craft harbours' wharves in this country in proper condition? Do you have that figure?

• (1150)

Mr. David Bevan: That figure exists. We have looked at our assets and at their condition. I confess that I don't have that figure, off the top of my head.

Hon. Lawrence MacAulay: That's okay, but there is a figure, and it's a substantial one.

Mr. David Bevan: Yes, it exceeds our budget; that is correct.

Having said that, we do, as I mentioned earlier, from time to time get increases in the budget in order to get a jump on the problems we've had and to put the harbours back into good working order. Also, we are actively pursuing a policy whereby we've been divesting to communities, to organizations, and to harbours that are not part of the core but are needed to support the commercial fishing industry. That policy is taking our inventory down to a more manageable level. But a gap still exists, and we are looking to manage that gap through this divestment and through the proper alignment of harbours with the fishing activity.

Hon. Lawrence MacAulay: Thank you very much, Mr. Bevan.

Then would you agree that a reduction of \$9 million in the small craft harbours budget is in fact widening or increasing the gap to put the wharves in proper shape? Or would you not agree?

Mr. David Bevan: I think the \$9 million is a point in time. If you look at the last few years' expenditures, they have certainly been considerably more than the A-base and what was in the mains.

Hon. Lawrence MacAulay: I agree with you, but it was after storms and situations, such that it wasn't a decision; it was a necessity that had to be cared for.

Anyway, perhaps we can agree to slightly disagree.

In compliance and enforcement, the budget has gone down from \$116 million to \$108 million. Does this mean there will be fewer people? Will people lose their jobs? How will this affect fisheries officers and people who monitor the situation on the wharves?

Mr. David Bevan: The fact is that there are adjustments in where our fishery offices are located. We have not laid off fishery officers; we have moved fishery officers.

We had a review of how to do our enforcement some time ago, over the last few years. It became pretty evident that having people on the wharves is one way. And we have to have what's called reactive enforcement, which is when you get out there to see what's going on—you look to see whether there is poaching, etc. We have to have education, because we need to ensure that people are aware of their obligations to be in compliance and that the public is aware of the legal activities and of illegal activities, so that they can inform us.

The more recent development is that we've been putting in major investigation capacity. We found that by comparing data sets from landings, from observers, and a variety of areas, we can start to see where to put our energy. Our enforcement is actually enhanced through that process.

I'm mindful of a couple of fisheries in which large-scale fraud was uncovered, wherein we had collusion between people involved in monitoring, control, and surveillance and the plants and fishermen. This is how we detect that and how we get the fines that are helping to deter that kind of activity.

Hon. Lawrence MacAulay: Do you believe that education in itself has made people involved in the fishery much more concerned about conservation in the fishery?

Mr. David Bevan: Those who are attached to the fishery are concerned. That doesn't mean that everybody is convinced to comply, when you're under economic pressure, as they are. There's no question but that we've seen prices squeezed. They're going down, and costs are going up.

By and large, people stay within the rules and let us know, if somebody is out of compliance. Education itself will not stop it. It has to be supported by the reactive enforcement and by the investigations.

Hon. Lawrence MacAulay: Thank you very much, Mr. Chair.

The Chair: Thank you, Mr. MacAulay.

Colleagues, we're going to suspend for a couple of minutes here to set up for the minister. My understanding is that he'll be with us here within a couple of minutes.

I'd like to thank everyone for their cooperation this morning and so far for complying with the time.

We'll take a brief moment to suspend while we set up for the minister's appearance.

• (1150)

_____ (Pause) _____

• (1200)

The Chair: I call this meeting back to order.

Mr. Minister, it's good to see you back before this committee once again and in good health. Your committee members were very concerned about your health over the last few months. It's a great pleasure to have you here today before us.

Minister, I don't have to go through the procedures with you. I know you're quite familiar with how the committee operates. If you want to proceed to your opening comments, the floor is yours whenever you're prepared.

● (1205)

Hon. Keith Ashfield (Minister of Fisheries and Oceans): Thank you, Mr. Chairman. As I have said many times, it's good to be seen. Thank you for the kind words. Whether my health stands up or not I guess depends on how this committee meeting goes.

Good afternoon, and thank you for inviting me to appear today to discuss the main estimates of Fisheries and Oceans Canada. I want to thank my deputy, Matthew King, and other members of our department's management team for starting the discussion with committee members earlier on. I understand that Matthew has already introduced all of the staff who are here with me today.

Our chief financial officer, Roch Huppé, has presented the highlights of our main estimates to you already. The figures they contain represent a snapshot in time of government spending plans. Our fiscal outlook for the year ahead will be reflected more fully in the budget that will be presented later this month by my colleague, the Minister of Finance.

Before I get too far into my remarks, let me take the opportunity to thank this committee for your excellent work. You have been studying two important topics, closed containment salmon aquaculture and aquatic invasive species, and I look forward to receiving your reports.

Officials from my department have appeared before you on a number of occasions to discuss DFO's role with respect to the threat posed by invasive species and the need to work with international partners to combat it. To that end, I was proud to announce last year an additional \$17.5 million over the next five years to prevent the introduction, establishment, and spread of Asian carp into the Great Lakes. As Asian carp are not yet established in the Great Lakes, it's important that we take action now to prevent their introduction.

Now let me take a few minutes to share with the committee members how we are advancing the strategic objectives of Fisheries and Oceans Canada as we head into fiscal year 2013-14. In the coming year, we'll continue to be guided by three strategic outcomes: economically prosperous maritime sectors and fisheries, sustainable aquatic ecosystems, and safe and secure waters. I understand that Roch has presented an overview of the DFO main estimates for 2013-14. You will note that one of the significant increases in our spending is the \$76.7 million allocated for Canadian Coast Guard vessel life extension and the mid-life modernization program. This work will extend the life of vessels that have served us well in the past and enable others to reach their full operational life through modernization.

Our government is proud to invest in the coast guard to make sure it has the ships it needs to do the job. In fact, we have made unprecedented investments in the Canadian Coast Guard, including

\$5.2 billion to the coast guard in our 2012 economic action plan. That was on top of the roughly \$1.6 billion we invested in the previous six years. To date, this has included critical spending for new mid-shore or patrol vessels, scientific research vessels, a new hovercraft, and Canada's first polar icebreaker. It also includes the completion of major repair work on 40 of our large vessels and the acquisition of an additional 98 new small craft and boats.

Last month, I had the honour of travelling to Newfoundland and Labrador to announce the government's \$360-million investment to extend the life of several vessels in the coast guard fleet. This funding will benefit the shipbuilding industry across the country and build on the government's priority to support jobs and growth. This investment will extend the lives of 16 coast guard vessels across Canada and complete mid-life modernizations on two existing hovercraft over the next 10 years. Important work on the CCGS *Amundsen* is already under way and creating economic opportunities for Canadians.

We call that investing where it counts, making sure the coast guard has the ships it needs to do its job and helping to develop the Canadian shipbuilding industry across the country. We will continue to revitalize the coast guard fleet so it can maintain its focus on keeping our waterways safe and accessible, including in Canada's north, while creating jobs and economic growth across the country.

Renewing our fleet is taking place within the context of the Government of Canada's national shipbuilding procurement strategy by Public Works and Government Services Canada. The strategy aims to support a vibrant Canadian shipbuilding industry while also ensuring the highest value for public funds. My colleague Rona Ambrose, Minister of Public Works and Government Services, recently announced a series of preliminary contracts under this procurement strategy, valued at a total of \$15.7 million for joint support ships for the Royal Canadian Navy and a polar icebreaker and offshore fishery science vessels for the Canadian Coast Guard.

● (1210)

Industry analysts have estimated that our shipbuilding strategy will contribute 15,000 jobs from coast to coast to coast, and over \$2 billion in annual economic benefits over the next 30 years. I am proud to be part of a government that is following through on its commitment to build ships in Canada. The shipbuilding procurement strategy will mean long-term jobs and economic growth for the country, stability for the industry, and vital equipment for our men and women in the Royal Canadian Navy and the Canadian Coast Guard.

Let me turn now to Canada's fisheries sector, which continues to go through fundamental changes driven by significant and unprecedented shifts in global economics, market demand for sustainable seafood, and environmental realities. We have reviewed and updated our approach to fisheries protection. The amendments make our regulatory review and approval process more effective and efficient, while strengthening our protection for fish and fish habitat. In addition, we will now be able to identify ecologically sensitive areas that require additional protection.

As I mentioned when I was here last year, many parts of our old regulatory system were not effective. Rules were applied differently in various regions of the country and often we lacked the regulatory muscle to enforce regulations. We were creating red tape reviewing perhaps as many as 95% of small projects that simply did not need that level of oversight. All the while, we were diverting limited resources away from our main task: protecting commercial, aboriginal, and recreational fisheries.

Under the new act, we will strengthen our ability to work with our partners—other levels of government, conservation groups, and the private sector—to protect the productivity of Canada's fisheries while providing much-needed clarity to Canadians. We believe that by improving our partnerships, be they with provincial, territorial, and municipal governments; aboriginal organizations; conservation groups; and others, we can improve the protection of our fisheries resources. For anglers, the changes to the Fisheries Act recognize the importance of the recreational fishery and provide protection to these fisheries to support their productivity now and in the future.

For conservation groups, the changes allow the minister to enter into agreements that enable the groups to undertake measures to enhance fisheries protection. For industry, the changes provide greater clarity on the types of activities that will be reviewed by Fisheries and Oceans Canada. These include regulations clarifying Fisheries Act changes and timelines for issuing permits.

For provinces and territories, the new measures enable further opportunities for partnerships and working together, including broad agreement-making authorities. For landowners and municipalities, the new measures provide regulatory certainty as to whether and how the fisheries protection provisions apply to them.

We are also committed to supporting the sustainable development of the Canadian aquaculture industry. Aquaculture is an industry that creates wealth because it relies almost exclusively on export markets for its revenues. Our government is proud to support the development of aquaculture. It is an industry that is helping meet growing global demands for fish and seafood, and also creating jobs and growth in communities right across Canada.

As the industry continues to grow, we will provide management and regulation to ensure wild fish stocks are protected, and that aquaculture in Canada is developed in an economically viable and environmentally sustainable manner. That will allow the industry to continue to bring economic and social benefits to Canada and assure the public that there is a sound regulatory regime in place. We will continue working with the industry to ensure that we build on the progress to date and confirm Canada's place as a world leader in sustainable aquaculture.

Another very important initiative our government is taking is the Canada-EU trade agreement, which will greatly benefit Canada's fish and seafood industry. The EU is the world's largest fish and seafood market, with a global import market averaging \$25 billion annually during 2009-2011. Current EU tariffs on Canadian fish and seafood products average 11%, with peaks of 25%. These high tariff barriers would be eliminated under an ambitious Canada-EU trade agreement. Eliminating tariff barriers would increase sales of Atlantic Canada's world-class fish and seafood products in the lucrative EU market of 500 million consumers. This would directly benefit the fish and seafood industry in Canada and create more jobs, higher wages, and greater long-term prosperity.

● (1215)

Finally, our government understands that science is crucial to the sustainability and growth of Canada's fisheries and oceans. Science remains the backbone of this department. Fisheries and Oceans Canada is mandated to protect Canada's fisheries, so much of our scientific work is related to fisheries management and conservation. Our approximately 1,500 scientific staff members do a wide range of research on Canada's oceans, in addition to their many other duties including providing support for fisheries protection provisions and species at risk. They do work in Canada's Arctic, an important priority for this government and for Canada. We have class-leading hydrographers who provide charting services to the marine and transport industry. We have an excellent team working on ways to protect Canada's fisheries from aquatic invasive species like Asian carp.

Our scientists are working with colleagues in other departments and with academia to provide advice based on the most current knowledge on a range of important matters. These are just a few examples of the great things our scientists at Fisheries and Oceans Canada are doing for Canadians. We are proud of their work and will continue to support them. We take seriously our responsibility to conserve and protect these resources and to ensure that they contribute to the economic prosperity of our country today and for future generations.

I'd like to thank you very much. I'd be happy to address any of your questions.

The Chair: Thank you very much, Minister.

We'll start off with Mr. Kamp.

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

Thank you, Minister and officials for being here with us today.

As parliamentarians, we were involved in the amendments to the Fisheries Act in Bill C-38 and then some smaller changes in Bill C-45, with most of those changes relating to the fisheries protection provisions of the Fisheries Act.

In your comments you referred a bit to it, but I just wonder if you could expand and tell us why you think those changes to the Fisheries Act were needed. And could either you or your officials provide an update on the status of the coming into force of the provisions and the implementation of the new fisheries protection program?

Hon. Keith Ashfield: Thank you, Mr. Kamp. As you likely recall, changes to the act were made primarily to refocus the Department of Fisheries and Oceans on what should be the priorities of Canadians. That focus is on recreational, commercial, and aboriginal fisheries. The amendments come into effect in two phases.

The first phase came into effect upon royal assent of Bill C-38, June 29, 2012. That particular phase enables regulatory efficiency, partnership, and enhanced compliance.

The second round of amendments come into effect on a date to be determined by a Governor in Council, and include amended prohibition factors to guide decision-making and further regulatory tools to enable partnerships. The department is preparing for July of this year as a target for implementation.

Mr. Randy Kamp: So by July, you think you'll be in a position to implement the new fisheries protection program, with its new policy regulations if necessary.

My understanding is that there's a new structure in place as well, in terms of the number of positions and the number of offices they'll be working out of. Can you tell us anything about that, and where we're at in that new structure?

Hon. Keith Ashfield: Are you talking about enforcement, Mr. Kamp? Or are you talking about overall?

Mr. Randy Kamp: I'm talking about what used to be called "habitat officers" and how many we'll have across the country, and, I understand, the reduction of offices; and about whether you or your officials are confident that we're going to be able to do the work that's necessary to protect fisheries.

Hon. Keith Ashfield: Thank you. The Fisheries Act will continue to be enforced by fisheries officers, both federal and provincial, across the country. There are numerous ways that can be done. I'll ask the staff to talk about the specifics of the consolidations if we can. Trevor is going to talk about those.

Mr. Trevor Swerdfager: Thank you, Minister.

The work that the department is engaged in is restructuring the organization previously known as Habitat. It will now be known as the fisheries protection program, as you have indicated.

We are going to go from a highly distributed footprint under which we had approximately 68 habitat offices, many of which had one or two people in them, down to 15 offices. They will be consolidated in all of the major capitals, if you will, in centres across the country. In so doing we will allow ourselves to more effectively concentrate our resources, establish stronger management controls, and ensure greater consistency and coherence across the program to

ensure that the work of the program is directly focused on the protection of commercial, recreational, and aboriginal fisheries and their habitat.

The organization is being restructured into a series of what we call fisheries protection units. We are grouping experts along the lines of development-type projects. For example, we will have a group on oil, mining, and gas, and those sorts of things. I won't describe the entire org chart because time doesn't allow that, but essentially the focus is on creating a triage unit, into which project proposals would come. They would be directed into a particular fisheries protection unit for assessment and moved forward.

The bottom line from our perspective is that it's not a little tweak, it's not a touch on a lever or a dial, but a restructuring of the program to align the delivery with the new provisions of the act.

• (1220)

Mr. Randy Kamp: Thank you.

I want to ask the minister a bit about the Cohen commission. Can you just tell us what engagement has been taking place as we move toward this new fisheries protection program?

Mr. Trevor Swerdfager: Thank you, Mr. Kamp.

As the provisions were being developed, prior to Christmas primarily, we engaged in a number of bilateral conversations with industry groups, several environmental groups across the country, several first nation organizations, including land claimants, and so on.

Our intent going forward over the course of the next several months is to again conduct a series of engagement sessions with major sectors, if you will. We don't foresee having a large mass of workshop gatherings where we would bring everybody to Ottawa—much as I know people from around the country want to come here. It would be a case of our working with communities and sectors engaged in fish habitat protection in a series of bilateral discussions over the course of the next three or four months.

Mr. Randy Kamp: Thank you very much.

Minister, as you know, the final report of the Cohen commission was tabled in the House of Commons on October of last year after almost three years and \$26 million. Can you summarize for us what you and your officials have been doing with the report since then and if and when there might be a government response?

Hon. Keith Ashfield: Thank you again, Mr. Kamp.

Of course, as you indicated, the Cohen report was around a three-year exercise and it cost several millions of dollars. It's an important report and we thank Justice Cohen and his team for the hard work they did in compiling the information and the many hundreds of hours of testimony they received.

Of course, we established the Cohen commission in 2009 to get a better idea of what was happening to the decreasing salmon stocks in British Columbia. I think there are about 75 recommendations that were targeted toward DFO in that report. We will be working with stakeholders and partners, and we are currently reviewing Justice Cohen's findings and his recommendations very carefully. A lot of what he is recommending we currently do in many ways, and moneys that we will be directing over the course of the next few years will address some of those issues as well.

The Chair: Thank you very much.

Mr. Chisholm.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Thank you very much, Mr. Chairman.

And, Minister, it's good to see you. Thank you and your officials for taking time to come and see us.

Let me say at the beginning that it's an extremely important process for us as parliamentarians to look at the mains and supplementary estimates. Of course, given the fact that the report on plans and priorities hasn't come down yet, it makes it difficult for us to analyze these documents without knowing what your department or the government's priorities are. We have until the end of May. I'm hoping that you and your officials will be agreeable to coming back once that report has been tabled, so we can address further questions to you.

I also want move a little bit to the whole second phase of the process of implementing the major changes presented in Bill C-38. Minister, you said at the end of the spring that there would be full, open, and transparent public consultations on the changes prescribed in that legislation. They are very significant as they relate to habitat management.

I know there was an internal deadline of January 1, but I understand that it may now be April 2. In that respect I'd like to ask you a couple of specific questions.

Could you provide us with information on when and with whom consultation meetings were held on these specific provisions, whether with stakeholders or first nations, and the nature of those discussions.

In addition would you give us an indication of what your department's schedule is for engaging in further public consultation prior to the amendments you committed to hearing when Bill C-38 was being debated.

• (1225)

Hon. Keith Ashfield: Of course, we went through a lot of consultation prior to that. I'm not sure if we provided a list to the committee of some of our earlier consultations. I believe we did—

Mr. Matthew King: In December.

Hon. Keith Ashfield: —in December, is my understanding. And we continue to consult with various stakeholders and conservation groups to further this process.

As far as the exact timelines go, we would be happy to provide an additional list of people whom we have consulted with since December. We can do that. That's not a problem, Mr. Chisholm.

As far as the exact timelines are concerned, do we have the exact timelines for further consultations, deputy?

Mr. Matthew King: We have been consulting non-stop since we tabled the list with the committee in November. As the minister said, we'd be happy to give you that. I think we could go further and lay out a prospective consultation schedule that would take us until, say, the end of the session, just to give the committee the full sense of where we're going on this.

That third part of the schedule is always a little tentative. Sometimes these are very difficult to set up, but I think we could give you what we have.

Mr. Robert Chisholm: Thank you. I would appreciate that—and as I also asked, a bit of information on the nature of those consultations, because one person's consultation sometimes is another person's happenstance meeting in a mall. So we want to get that too.

I have one other quick question, and then I'm going to share the rest of my time with Mr. Toone. I understand that a new habitat policy is being brought down sometime this month. If so would you confirm that, and if not when can we expect to see a new policy presented in this regard?

Hon. Keith Ashfield: I know we are currently working on a new habitat policy. With regard to the timelines, we could ask Mr. Swerdfager if he has the timelines for that.

Mr. Trevor Swerdfager: There's no policy coming out in April, as the minister has just said. As we engage with Canadians across the country over the next six or eight months and regulations come forward, one of the things the department will be doing is considering what changes to the existing policy base are required. We don't have a detailed plan as to when a new policy will come out and what it will look like.

The work under way right now to get ready for the coming into force focus is to provide guidance to staff on getting up and running in the initial instance. The department has also devoted some attention to the development of a regulation that would lay out requirements for information from a proponent and the timelines in which the department would make decisions. That regulation has not yet been presented for consideration. I can't tell you the timeline of when it will come out. The department has done some preliminary analysis on that, but it's not the department's call as to precisely when that would come out in the regulatory process as a regulation as opposed to an overall policy.

• (1230)

Mr. Robert Chisholm: Thank you.

The Chair: Mr. Toone.

[Translation]

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Thank you, Mr. Chair.

Thank you for being here, Mr. Minister.

Last month, in the House, you said that there had been no change in the department's publishing policy. However, we later learned about a brief indicating that a new policy has been in effect since February 2013. An American scientist even said that it was similar to a muzzling exercise of scientists and that it was an affront to the freedom of expression of scientists.

Could you explain the change that came into effect and, in particular, how it could align with our policy for the Arctic.

[English]

Hon. Keith Ashfield: Thank you, Mr. Toone.

In fact, there have been no recent changes to DFO's publication policy and there are no plans to make substantive changes. The department has made procedural adjustments to ensure that the department is in compliance with copyright laws, and we're very happy to say that we've invested a lot of money in science and technology, and I'm very proud to promote the important work our scientists are doing. That's why we share research material and publish research findings. Our scientists provide thousands of interviews per year regarding their work and lecture at conferences all over the world.

So we will continue that process. We're not, in any sense, trying to stifle scientists. That's not the case at all. I think it's very obvious. We responded to over 1,500 science-based media inquiries between 2010 and now, and our scientists are publishing all the time. There have been 300 science reports documenting our research in Canada's fisheries and oceans, as an example.

In terms of the specific question and what brought the policy into question and the questions around that, I would defer to Mr. Stringer. He can provide the answer to that, based on policy work within the department.

[Translation]

Mr. Kevin Stringer: Thank you for the question.

As the minister said, there has been an approval process for scientific publications by the department for a long time, since the 1970s. The minister also said that there was a slight change in the procedures related to this process in one of our regions, because of a report by the auditor general.

I will continue in English.

[English]

The Auditor General's report in 2009 said that a number of departments, including the Department of Fisheries and Oceans, were not taking sufficient action to adequately protect intellectual property. So we looked at our procedures, and our procedures did not make it clear in this one region that the approval process applies both when our scientist is the primary or the sole author of a document and when our scientist is a secondary author. There may be intellectual property that we need to protect. The adjustment is to ensure that this is taking place.

So it is a small adjustment in the procedure. As the minister has said, the practice of approval—which takes place within the science sector, it should be noted—has been longstanding.

The Chair: Thank you very much, Mr. Stringer.

Mr. Sopuck.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Thank you, Mr. Chairman.

On the issue of consultation, Minister, I would just offer the suggestion that a year ago our government and the Prime Minister announced the creation of the Hunting and Angling Advisory Panel, of which every single major angling group in Canada is a member.

So this is probably a suggestion to Mr. Swerdfager, who is undertaking those consultations. You have a ready-made group already in place and I would strongly suggest that this be the consultative body from the recreational fishing community.

In terms of recreational fisheries versus commercial fisheries, I understand that the value of recreational fishing in Canada is about \$8 billion a year, with about four million people participating, and the value of commercial fishing is in the \$2-billion range. The departmental expenditures seem to be the exact opposite of those values.

Do you see a day, Minister, when the department will begin to place more emphasis on the recreational fishing industry/activity that is so critical to many areas, especially in rural Canada?

• (1235)

Hon. Keith Ashfield: You're absolutely correct about the recreational fishery and its importance to many Canadians, me included. I suggest there are probably others around the table who participate in the recreational fishery.

We're always cognizant of what we can do in the recreational fishery, a lot of which is provincial in nature. A lot of the work in that area is done by the provinces, but certainly we're happy to participate in it.

For example, for the halibut fishery in the recreational fishery on the west coast, we increased the percentage for that to 15%. It was well received by most, but by some it was not so well received. In any case, I think it was an important thing to do. It's one of the things that we have done to recognize the value of the recreational fishery to Canadians.

It is an incredible source of income for a lot of people as well. It has an economic side to it. There are social and economic sides to it that are important to Canadians.

Mr. Robert Sopuck: I appreciate that answer.

There possibly could be a federal role though. The management of inland fisheries is clearly under provincial jurisdiction, but again, your department has the salmonid enhancement program which is funded to almost \$30 million a year.

Do you think there could be the possibility of replicating fisheries enhancement programs that provinces largely don't do? Could that be a possible role for the federal government?

Hon. Keith Ashfield: It's possible if the moneys were available to do that. It's always an issue of what we can afford to do.

I don't know if any of my officials have any comment to make on this.

Mr. Bevan.

Mr. David Bevan: I think the salmonid enhancement program on the west coast was designed with that context in mind. There's mixed stock fishing by recreational fishers. There was a desire to try and provide more opportunity. That's a program that's been fine-tuned over the years. It is an area where we have jurisdiction. It's a saltwater fishery and an in-river fishery, but we have the jurisdiction to manage those.

I think it's a different context when you look at the recreational fishery in the interior of the country that's managed by the provinces. You have numerous lakes. Where would you enhance and what kind of enhancement would you be considering? It would have to be worked out with provincial jurisdictions.

Perhaps there are better ways of approaching the recreational fishery, which is thriving in those jurisdictions at any rate. There's a different history around the west coast salmonid enhancement program.

Mr. Robert Sopuck: I understand that, but I can assure you that as a former regional fisheries biologist myself, a federal role in fisheries enhancement and helping fisheries productivity improve would be very welcome, because there are recreational fisheries in inland Canada that are in difficulty and could use some support.

Under the new Fisheries Act, there is a clear provision to allow for partnerships with conservation groups. One partnership which I think is a model that could be replicated across the country is the one...apparently there's a partnership between DFO and the Atlantic Salmon Federation to work to enhance Atlantic salmon stocks. There has been some very great successes there.

Minister, can you talk about that particular activity of the department?

Hon. Keith Ashfield: I forget which year, but there was a fund made available to the Atlantic Salmon Federation, I believe it was, and the Pacific equivalent, for x number of dollars. From the interest garnered from those accounts they are to do enhancement work. It's been very successful in Atlantic Canada, although they would suggest that they would like to have more funds made available to do more important work as well. Overall, it has worked very well. They have had a lot of significant projects in Atlantic Canada with a lot of groups.

It leverages money too, which is important. It's not all their money. They leverage money, and that allows them to make larger investments than they would normally make if they were just using their own dollars and cents.

It's a very successful program.

• (1240)

Mr. Robert Sopuck: Similarly, the Atlantic salmon introduction to Lake Ontario, which is an inland fishery, which I think your department participated in, is an example where you do have the capability to work in the inland waters. I would recommend, Minister, that you ask your officials to start looking for opportunities there. Again, the Hunting and Angling Advisory Panel, which the Prime Minister himself announced, would be an ideal sounding board for this particular activity.

Going back to the habitat protection provisions, I understand that now under the new Fisheries Act, guidelines can be issued for certain project activities by waterways, such as the design of road crossings and so on to allow for fish passages. Am I correct in that?

Hon. Keith Ashfield: Yes, you're absolutely correct in that.

We're focusing more on larger projects that would have major impacts on a recreational, commercial, and aboriginal fishery, with less focus on some of the smaller types of projects that we talked about last year—farmers, ditches, and so on and so forth.

So yes, you're absolutely correct.

The Chair: Thank you very much.

Mr. MacAulay.

Hon. Lawrence MacAulay: Thank you, Mr. Chair.

Welcome, Mr. Minister, and your fleet of advisers. We're pleased to have them.

I would just note that in terms of consultations, particularly when the changes came to the Fisheries Act, it was awful difficult for me to find anybody in Prince Edward Island who was consulted with. The only thing I would suggest to you, if you're going to have consultations, is that they be open consultations, and fishermen be able to attend those meetings.

But I would like to ask you this. Are you fully committed, and is the government fully committed, to preserving the owner-operator fleet separation policy as it is today? Do you intend to eliminate the controlling agreements in 2014, and do you intend to grandfather the people who are involved?

Hon. Keith Ashfield: On owner-operator and fleet ownership, I think I have been pretty clear that we're not going to touch that. That was not the intention of my so-called open consultation, which became much more than open. A few people chose their own avenue of attack—

Hon. Lawrence MacAulay: We were pleased.

Hon. Keith Ashfield: —and I would suggest, or I know, that a few might be right around this table.

Some hon. members: Oh, oh!

Hon. Keith Ashfield: In any case, it never was the focus of my open consultation. I think I have made it quite clear that I have no intention of moving in that direction.

In terms of PIIFCAF, those arrangements are due to expire in 2014. We haven't made any kind of determination, at this point, on whether or not we'll grandfather those who are still involved, or who were originally involved, into the program.

Hon. Lawrence MacAulay: Thank you, Mr. Minister.

In terms of the controlling agreements, would you agree or would you disagree that this is a way for people, other than people who own and operate the boats, to receive the benefit of a fleet that's fishing?

Hon. Keith Ashfield: Yes, I guess, if you look at it hypothetically or not.... Well, even—

Hon. Lawrence MacAulay: No, directly.

Hon. Keith Ashfield: Directly, you would be.... Yes, it could very much result in that.

Hon. Lawrence MacAulay: That's my concern, Mr. Minister.

Also, coming from Prince Edward Island, I know that we have a fairly large lobster industry. It's worth somewhere close to \$54 million or \$55 million. That's the canner lobster industry. It's directly related to the carapace size. Of course, there is an agreement that it goes up to 72 millimetres this year, but you also realize that there's pressure to put that size up substantially.

I just ask you if the people involved in this industry, which is an important industry for our province.... If the price of lobster were where it should be, it would probably be closer to a \$75-million industry, and the demand for protein around the world is increasing all the time.

Can you put to rest the fears of a number of our fishermen and people involved in the industry that it will remain at 72 millimetres for the fishermen in Prince Edward Island?

• (1245)

Hon. Keith Ashfield: As you know, there have been ongoing discussions. I have met with the fisheries minister from P.E.I. and officials. I have also met with the official opposition, as a matter of fact, from P.E.I., and with the New Brunswick fisheries minister and the MFU, the fishermen's union, on this particular issue.

Of course, on the New Brunswick side they're interested in moving the carapace size up. P.E.I. wants it left at no more than the 72 millimetres that is coming into play this year. I understand their position quite well. They've developed a niche market for that product, and it is a fairly lucrative market.

There are ongoing discussions on both sides. There has been no conclusion on what is going to happen at this point. I'll wait for them to provide me with some solutions to their problem.

Hon. Lawrence MacAulay: Okay, Mr. Minister.

A few years ago this committee wrote a report that recommended that your department provide assistance to lobster fishermen to reduce their costs. Atlantic lobster sustainability measures have now been cut, going from \$7.8 million to \$4.8 million. Can you give us more information on this reduction? Basically, is this part of the fishery a priority for your government?

You understand that there are increasing costs in every sector involved in the fishery, and to have this loss is not good for the fishery.

Hon. Keith Ashfield: Thank you.

Overall we have invested a fair bit of money, as you know, in licence buybacks, etc. for the lobster industry and we have reduced the licences considerably. It was by over 500, if I recall correctly, so there are fewer people in the business, which is probably a good thing. In terms of the overall industry, rationalization is positive in that industry.

As for the nuts and bolts, I'd ask Roch to take a spin at that.

Mr. Roch Huppé: The initial investment in what we call the long-term lobster sustainability program was \$55 million over five years, so again, from a cash-out perspective, we ramped up toward the

middle. We're in the last few years, 2013-14 being the last year, so indeed the earmarked funding to transition out of the program for next year is close to \$5 million, and it was about \$8 million for 2012-13. That's why there is a variance of \$3 million. We're in the phasing out stage of that program.

Hon. Lawrence MacAulay: The fact is, there's a loss to the program, but also I want to thank you, Mr. Minister, for the rationalization program. I fully agree with that and I think it's proved its worth on the south side of Prince Edward Island in particular.

Also, you indicated that in the Cohen report there were about 75 recommendations involving DFO. I'm just looking for some advice from you here.

Yes, you are the minister.

Looking at the situation, and the importance, and the dollars spent on the Cohen report, do you feel that Justice Cohen should at least be brought before this committee? We're just asking for direction. I know the committee decides what it does and what it does not do, but understanding the dollars that have been spent, do you not feel that this information should be brought to this committee?

Hon. Keith Ashfield: As you indicated, Mr. MacAulay.... I don't want to be in conflict with my senior, but it is the committee's business to decide what it wants to do and who it wants to call before the committee, and I would never suggest that I would interfere in that process.

• (1250)

Hon. Lawrence MacAulay: Thank you very much for such straight advice. I appreciate it very much.

The Chair: Thank you very much.

We're going to move to a two-minute round now.

I would ask members to please keep their questions very pointed so we can have as many questions and answers as possible.

Go ahead, Mr. Donnelly.

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

Welcome, Minister, and your team.

Because I only have a short time, I'm going to ask you a number of questions at once, and you can take your pick on how you want to answer.

It's now been over four months since Justice Cohen released his final report which contained 75 recommendations to improve the future sustainability of the Fraser River sockeye. In fact, the report outlined several key deadlines, some of which have already come and gone, and yet this government has been silent on how it will respond to the \$26 million report.

He also pointed out the department's conflicting mandate of promoting aquaculture while at the same time protecting wild salmon.

I'm wondering if you have given specific direction to your ministry to implement the 75 recommendations from Justice Cohen's report. Will there be funding in budget 2013 for DFO to ensure that they have the necessary resources to implement Cohen's recommendations?

I also want to ask if you intend to fully implement the wild salmon policy. Do you intend to create a position of a wild salmon policy associate regional director?

Finally, I will mention that I have a motion that I have introduced to this committee. I'm not wanting you to discuss it or talk about it, but I just want to let you know I will be bringing it forward at the next standing committee meeting. It's regarding a study on the impacts of the closure of the Kitsilano coast guard station.

In the remaining time I wonder if you could answer those three questions.

Hon. Keith Ashfield: In the remaining time, I doubt it.

Some hon. members: Oh, oh!

Hon. Keith Ashfield: There are many questions there.

The Cohen study was a three-year process. You have to understand that the report has a significant number of recommendations. We've given direction to the department to review all of those recommendations and bring forward recommendations to me for consideration.

Some of them we are already involved in and have been working towards. It's a three-year process, and we have had four months to analyze it. I think it's incumbent on us to review what Justice Cohen has had to say in a proper and systematic fashion and to take some time to do that properly.

And you don't want me to talk about Kitsilano.

Mr. Fin Donnelly: No, I want you to talk about the wild salmon policy and the position of associate director.

The Chair: Thank you, Mr. Donnelly. You've more than used up that two minutes.

Mr. Woodward.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

Minister and officials, good afternoon. It's my first opportunity, minister, to speak to you from this chair at this committee, being a relatively new member.

As the member for Kitchener Centre, I share with Ms. Davidson the distinction of having a riding that is at or near the south coast of Canada, sometimes referred to as the Great Lakes. I was very interested in your comments earlier about \$17.5 million over five years being put toward the question of the Asian carp and invasive species issues. That of course is a potentially huge problem for the Great Lakes.

Can you elaborate a little upon what the government is going to be doing in relation to the early detection and interdiction of that invasive species or others coming into the Great Lakes?

Hon. Keith Ashfield: Thank you, Mr. Woodworth.

The Asian carp has been a significant problem in U.S. waters. We've managed to keep it out of the Great Lakes at this point.

It's not only our work, but in large part the work of the United States government; it has made massive investments in that area to try to keep the Asian carp out of the Great Lakes. We introduced a fund of \$17.5 million over five years in this program. It's focused on four pillars, primarily: prevention, early warning response, control, and management. That's in conjunction with our partners in the U.S.

That funding is above and beyond what we already invest in aquatic invasive species, which is about \$4 million a year. We're currently working with the provinces and territories on the development of a national aquatic invasive species regulatory proposal that would help address aquatic invasive species in Canada, including Asian carp.

So it's broader than just the Asian carp issue. It's many other types of invasive species that could potentially enter the country.

• (1255)

Mr. Stephen Woodworth: Very good. Thank you. I think that's my two minutes.

The Chair: Thank you very much.

Mr. Toone.

Mr. Philip Toone: For me too this is the first time I get to ask you questions without the drama of the House of Commons. It's a pleasant change.

[Translation]

My question has to do with the Maurice Lamontagne Institute. The Department of Fisheries and Oceans' only French-language library in a scientific environment has been closed. It was an invaluable resource for French-speaking marine scientists.

Why close the only French-language library, the library at the Maurice Lamontagne Institute?

[English]

Hon. Keith Ashfield: Because of the technology that's available today, we decided to modernize our library services and take advantage of the technology we have today and of the information resources available in a digital format.

The library resources will continue to be made available, and if somebody wants a hard copy, rather than receiving it online in a digital format they will be able to have that.

The information available in French will also be still available. It's just a change in direction and effort to try to make our system more efficient and more streamlined and at the same time to save some dollars for Canadian taxpayers.

We don't believe this is going to have an impact upon the resources we have; they will be kept protected in protected areas so that we know they will be there for future generations. But a lot of the information will be provided in a digital format.

[Translation]

Mr. Philip Toone: Am I to understand that people think that francophones are more gifted at electronic research than anglophones?

[English]

Hon. Keith Ashfield: I would never.... Well, maybe I would suggest that you are much more talented, Mr. Toone. I don't know.

Some hon. members: Oh, oh!

Hon. Keith Ashfield: That puts me in an awkward position.

[Translation]

Mr. Philip Toone: I didn't say that...

[English]

The Chair: You have created a diversion here, Mr. MacAulay.

Mr. Kamp.

Mr. Randy Kamp: In the presentation that Roch provided for us, he mentioned, as we know, the significant decreases in the main estimates, some of which relate to the implementation of the strategic review from budget 2011, and the implementation of the strategic and operating review from budget 2012.

I wonder whether the minister or his deputy could provide a brief explanation of how those two exercises differed.

Hon. Keith Ashfield: Probably the best way to explain this is to describe the direction that the strategic review took and the strategic operating review.

The strategic review looked at the effectiveness and efficiency of programs and focused on core federal roles and whether or not there was departmental creep into areas that we shouldn't be involved in. Obviously we had to look at it in terms of meeting the needs of Canadians. The overall effect of strategic review amounted to a cost savings yielding about \$56.8 million in 2013-14 and a reduction of about 286 full-time equivalent positions.

The strategic and operating review was designed to position the department to make both structural and key policy changes. The ultimate effect of that is that by 2014-15 we will have a reduction of about \$79.3 million and a reduction of about 520.3 FTEs.

To put that in perspective, at least 75% of the positions that have been reduced have been handled through attrition and retirements, etc.

● (1300)

The Chair: Thank you very much.

Minister, as always it has been a pleasure to have you here today. I want to thank you and your officials for appearing before this committee once again.

There being no further business, this committee stands adjourned.

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