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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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• (1205)

[English]

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

I'd like to thank our guests for being with us today.

Senators, welcome. Obviously we were delayed in starting because of votes. I know you're all too familiar with that.

I'd like to thank you for taking the time today to meet with the committee to talk about the report that you have completed. We invited former senator Rompkey and Senator Watt. They're unable to be with us today, but we look forward to hearing Senator Manning and Senator Patterson elaborate further on the report that was completed in 2010 by their committee.

Both senators have opening statements. I'll turn the floor over to Senator Manning to begin with his statement first. Then, Senator Patterson, you can follow right afterwards.

Senator Manning, the floor is yours.

Hon. Fabian Manning (Senator, CPC, Senate): Thank you, Chair.

I know I speak for Senator Patterson as well in saying that it is an honour to be here today.

I had the privilege at one time in another life to sit in the chair you're in as chair of this committee in the House of Commons. I just want to let you know that I'm looking forward to not coming back.

Some hon. members: Oh, oh!

Hon. Fabian Manning: But we're delighted to be here today.

Honourable members of the committee, Chair, thank you for the invitation to appear before your committee today.

My name is Fabian Manning, and I am a senator from Newfoundland and Labrador. I currently chair the Standing Senate Committee on Fisheries and Oceans. I am here today to speak about the main findings and recommendations emerging from two reports that the Standing Senate Committee on Fisheries and Oceans tabled on Arctic fisheries issues.

One report, tabled in 2009, is entitled, "Nunavut Marine Fisheries: Quotas and Harbours". The other report was tabled in May 2010 and is entitled, "The Management of Fisheries and Oceans in Canada's Western Arctic".

I am accompanied today by my colleague, Senator Dennis Glen Patterson. At the time the 2009 report was completed, I was a member of the committee. When the 2010 report was completed, Senator Patterson was co-chair of the committee, while I was still a member.

I understand that former senator William Rompkey was to appear before you today along with us but is unable to be here. Mr. Rompkey was chair of the Senate committee when these studies were completed. I would definitely suggest that he is a man with a wealth of knowledge in this industry. He chaired the committee in the Senate for many years. I would suggest that if you get the opportunity you invite him again to appear before you.

Senator Patterson and I hope that our collective memory will serve you well as we answer questions you may ask us concerning these reports.

Before going into some detail on each report, I would like to briefly remind committee members of some of the characteristics, challenges, and opportunities that are unique to the Arctic.

The Arctic, as you know, covers a vast region with many small communities living sparsely and remotely. Aboriginal peoples have traditionally occupied the region. They comprise 80% of the population in some communities. Aboriginal peoples want to preserve a way of life that is based on their traditions, culture, and their values. They want to partner in priority-setting, policy-making, and decision-making in relation to economic development and the preservation of the environment.

Climate change is having a disproportionate impact on the Arctic. The ice cover is reportedly becoming thinner, covering less of the circumpolar Arctic, and receding more quickly than previously believed possible. This has significant implications for the people and for the biodiversity of the Arctic. In addition, it has rendered parts of the region more accessible to natural resource development and to marine navigation, as in the case of the Northwest Passage.

Communities living in the Arctic face significant challenges in the promotion of economic and social development; however, the region offers great potential to develop commercial fisheries. Commercial fisheries are particularly important to residents of small communities in which income-earning opportunities are limited. Two important aspects to consider in the expansion of commercial fisheries in the Arctic are their isolation and the high cost of transporting products to southern markets.

Against this background, the Standing Senate Committee on Fisheries and Oceans initiated and concluded its study on Arctic fisheries. The overarching thrust of the recommendations contained in the two reports is that the expansion of sustainable commercial fisheries in the Arctic should be pursued to take advantage of emerging opportunities and to generate much-needed economic and social benefits, while at the same time be used as a means to demonstrate Canada's exercise of its sovereignty and jurisdiction.

The 2009 report on the Nunavut fisheries is based on public hearings held here in Ottawa, and in both Iqaluit and Pangnirtung, in Nunavut. It contains eight recommendations.

Some of these recommendations were acted upon, such as the building of a small craft harbour in Pangnirtung to foster the expansion of small boat community-based fishing in Nunavut.

The federal government also supports the recommendation that calls on Fisheries and Oceans Canada to continue to assign 100% of the Northwest Atlantic Fisheries Organization's division 0A turbot allocation to Nunavut until Nunavut has achieved a comparable level of access to adjacent marine resources.

Other recommendations include that DFO put in place a policy giving Nunavut stakeholders the right of first refusal to purchase, at a competitive rate, all fishery quotas in Nunavut's adjacent waters that are transferred or sold; and that DFO increase funding for exploratory research in Nunavut's adjacent waters in order to gain knowledge of the stock of various species and to inform decision-making in the development of commercial fisheries.

• (1210)

Finally, the last recommendation underlines the need to monitor the effects that increased marine activity, particularly due to cruise ships visiting the area, could have on individual marine species and ecosystems. The report recommends an assessment of the impact of all vessel activity on whales and the development of protective management measures, such as vessel exclusion zones at certain times of the year.

The 2010 report on the western Arctic is based on public hearings held here in Ottawa, and in Yellowknife and Inuvik in the Northwest Territories. It makes 14 recommendations for sustainably developing both coastal and freshwater fisheries to the benefit of both the western Arctic region and Canada as a whole. As you may already know, some of these recommendations have been acted upon. One of them led to the creation in August 2010 of the Tarium Niryutait marine protected areas, an initiative to conserve and protect the biological resources in the Beaufort Sea and support the viability of a healthy population of beluga whales.

Another one relates to the moratorium on commercial fishing in the Beaufort Sea, which was implemented in 2011.

Some other recommendations include the establishment of an intergovernmental DFO-Nunavut working group to develop a strategy to expand the Arctic char fisheries in the territory. Commercial fishing for Arctic char represents an opportunity for economic growth and social development.

A comprehensive strategy to revitalize the commercial fishery on Great Slave Lake was another recommendation. The recommenda-

tion calls on DFO to collaborate with fishery stakeholders and territorial bodies to formulate and fund the strategy. A key element would be facilitating the entry of young aboriginal fishers to the industry.

Another recommendation calls on the federal government to provide the Fresh Fish Marketing Corporation, FFMC, with adequate assistance to upgrade equipment and modernize processing plant operations. The FFMC is the single-desk seller for freshwater commercial fish harvested in most of western Canada, and it provides access to domestic and international markets for small and isolated fishing communities.

The committee also recommended that commercial fisheries and economic development in the Arctic be underpinned by thorough research on the ecosystem to develop baseline data. Research should also be undertaken to determine the species of fish that have the potential for commercial development.

Finally, some recommendations address Canada-U.S. bilateral issues. One relates to the bycatch of Yukon River chinook salmon by U.S. pollock fishermen. Another one recommends the development of a complementary Canada-U.S. approach to ecosystem-based management in the Beaufort Sea.

To conclude my opening remarks, I would like to stress the Senate committee's long interest in issues facing the Arctic. In 2010 we also tabled "Rising to the Arctic Challenge: Report on the Canadian Coast Guard". This report describes the impact of increased international shipping traffic in the Northwest Passage and concludes that a stronger coast guard is needed to protect Canadian interests, and that more thought must be given to its future role in projecting Canada's sovereignty in the region. Among other things, the committee recommended acquiring new heavy icebreakers capable of operating year-round in the Arctic Archipelago and on the extended continental shelf. It called on the coast guard to recruit Inuit whenever possible.

My colleague, Senator Patterson, has a few remarks to make, and then we'll be pleased to answer any of your questions.

Thank you.

The Chair: Thank you, Senator.

Senator Patterson.

Hon. Dennis Glen Patterson (Senator, CPC, Senate): Thank you, Mr. Chair.

I am, indeed, honoured to have this opportunity to appear before your committee to discuss the findings of our two reports prepared by the Standing Senate Committee on Fisheries and Oceans.

Before speaking to the issues and recommendations of the reports, and I'm going to focus on Nunavut, I'd like to take a few moments to give a bit of an outline of my background and the context which you may want to take into account in your work on the northern and Arctic fisheries, particularly as it relates to Nunavut.

I first arrived in Frobisher Bay, as it was then named, in 1975 to run a legal aid clinic in what is now Iqaluit, the capital of Nunavut.

There was no commercial fishery on or offshore Baffin Island. There was some Arctic char harvested near the western Nunavut communities of Cambridge Bay and Kugluktuk, but my first experience with the abundance of Arctic char in Nunavut was in the summer of 1975 when I was invited to a summer fishing camp, a traditional Inuit fishing camp, at Iqalugaardjuk, where we fished under the midnight sun using traditional spears, kakivaks, amidst stone weirs in the river which had been used for millennia. On Sunday we stopped fishing and held church in a tent in the morning. There was abundant Arctic char.

There was some sports recreational fishery and some fishing lodges, but really the subsistence fishery was the Inuit way of life. Groups of families left the community to live in summer camps on the land in the summer. There was also a subsistence winter fishery through the ice because, as you know, Arctic char winter in freshwater lakes. Of course, whales, seals, walrus, and other marine and freshwater species were also part of the subsistence renewable resource economy, as well as caribou, polar bear, and small game.

Today this has changed a lot. As you will hear from Nunavut fisheries, over about a 30-year period, Nunavut is now an emerging participant in the offshore commercial fishery, utilizing large vessels for world markets. The industry has evolved from no vessels owned to two offshore factory freezer trawlers and three large fixed-gear vessels, owned or substantially owned, by Nunavut Inuit. It's a great story.

Investments are being made in infrastructure, fishing licences, science and research and training, as well as increasing returns and benefits to local owners. Inuit are moving up from the lower decks, thanks to over 30 years of training and certification and, by the way, thanks to the Atlantic fisheries ministers and fisheries training locations in Saint John's, Newfoundland, and Pictou, Nova Scotia, who started taking our first trainees in the 1980s.

I do want to mention the environmental movement. Our fishery still exists and is thriving despite the destructive efforts of the environmental movement which, as you know, has worked relentlessly to destroy the traditional hunting way of life of the Inuit. Particularly, the decimation of the market for seal pelts has had disastrous consequences on the renewable resource economy and has deprived hunters of a significant source of income to assist with the high costs of gasoline, boats and bullets. I want to acknowledge to our federal government and our parliamentary colleagues the deep gratitude felt by the people of Nunavut for your strong support for the Inuit traditional seal hunt and the maritime seal hunt.

The viability of the subsistence fishery has been affected by the higher cost of fishing and hunting. Nunavut Inuit today are facing some serious challenges on matters relating to access to nutritious food at affordable prices and the consequences to their health of consuming more and more food products from southern Canada that have not been part of their traditional diet.

The federal government implemented the Nutrition North program to encourage retailers in northern communities to provide fresh, healthy food at affordable prices. The list of eligible categories of food for subsidy was narrowed to healthy perishable food. Those changes were made in the last couple of years.

●(1215)

The changes have produced some complaints. One MLA from the Nunavut legislature complained to the legislature that Cheez Whiz had been taken off the freight subsidy. There are people in Nunavut, including that MLA, who are spending a lot of time complaining about the continuing high costs of perishable food imported from southern Canada by air. Now I mention that, Mr. Chair, because I would rather see the Nutrition North program refined to subsidize our healthy what we call "country food"—char, seal, trout, and shrimp—rather than flying up lettuce and tomatoes from southern Canada.

Our government is spending over \$60 million per year on the Nutrition North program, for which we are grateful. Most of that is spent on Nunavut, but it's also for remote off-road locations in the northern provinces. We are grateful for that, but here's what I would recommend to you: what if we were to instead focus on providing modest incentives to make it viable for subsistence harvesters who use their personal equipment to harvest Arctic char, seals, and other fisheries resources through inter-settlement trade? My personal vision, and this is a personal view, is that the Nutrition North program will evolve to support more of the healthy, abundant and very well-regulated natural resources in Nunavut, rather than, as I say, flying up lettuce and tomatoes from Ottawa or Winnipeg, some 1,300 to 1,500 miles. That's one source of support for developing the domestic Nunavut fishery. By the way, it is wild char in Nunavut. You can get char in Ottawa, but our char from Nunavut is wild. It's not the farmed char that is available from Yukon and other sources.

The other thing I want to very briefly mention, Mr. Chair, is that since the Senate committee's last reports, our territories have experienced an unprecedented increase in mining exploration. I just want to mention that to set the stage for how Nunavut has been evolving since the last reports were done. We are forecasting a potential, and this is only a potential, of \$12 billion of investment in mineral resource development in all three regions of Nunavut in the coming decade. I just want to make a few observations in the hopes that they will help your committee.

First, the Nunavut offshore fishery has achieved a great deal in a competitive and regulatory industry. There are real opportunities for expanding the Arctic char fishery in western Nunavut. Nunavut's economy is being transformed from a government economy to a diverse private sector economy through mining. But not everyone wants to work in a mine. I just want to point out what you already know, I'm sure. Inuit are a marine people. All of the 27 communities in Nunavut are on the coast. There are no inland communities. That's because the Inuit have a marine economy. This is an extremely important economic, cultural and spiritual resource for the Inuit.

My colleague, Senator Manning, has commented on specific recommendations in these reports. I won't go over that ground, although I will send you a written update on some of the recommendations, which, by the way, I think provide a very good basis for moving forward as you look at the potential through your study.

In closing, Mr. Chair, I would strongly commend our two reports which my colleague referred to. I think we've made a lot of progress in the directions previously recommended.

• (1220)

Minister Shea did generously allocate a turbot fishery, the Greenland halibut, to Nunavut in area 0B off southeast Baffin Island. That is what the committee had recommended, that the principle of adjacency should apply in Nunavut as it does in Atlantic Canada. I'd like to commend her for that.

On fisheries training, I just want to say that the track record is impressive. There have been 1,000 course participants, with a completion record of 89%, and 500 are now employed in the industry. This is tremendous news with our high unemployment rate, which is at least 12%, and a rapidly growing younger population.

My closing point is that we have a very great situation in Nunavut with the aboriginal, with the Inuit majority, as my colleague was mentioning, because they have a settled land claim that gives them the right to participate in the management of the renewable resources, the fishery, through a co-management board, the Nunavut Wildlife Management Board. They—Inuit, the territorial government, and the federal government—participate in managing and allocating the quota. This is a wonderful success and a collaborative approach.

I would urge your committee to reach out to the Inuit and their land claim as partners with whom to develop our fishery. I would respectfully recommend that you hear from them. They will tell you there is some work yet to be done to implement their claim. I'll just mention that in closing. There need to be Nunavut fisheries regulations developed under the federal Fisheries Act to respect the land claim that was signed in 1993. There are still some ambiguities and some discordances between the existing regulations and what was promised by the crown in the land claim.

You will probably hear from the Inuit, and I support it, that the next major collaboration.... The DFO has collaborated with the Inuit on developing a narwhal management scheme. That was a very successful and mutually beneficial exercise, but the next task is to develop the Nunavut fisheries regulations.

Thank you, Mr. Chair, for this opportunity to make a presentation, and for your committee's interest in this, the vital development of our northern and Arctic fishery.

• (1225)

The Chair: Thank you very much, Senator.

We'll start off our questions with Mr. Sopuck.

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

Welcome, senators.

First, from the studies that you have, what gaps exist in our knowledge of northern fisheries? Should an examination of these gaps be a focus for our committee?

Perhaps you could be as specific as possible.

Hon. Dennis Glen Patterson: Thank you for that question.

One of the Senate committee's recommendations was recommendation 7 of the Nunavut study in 2009. It urged the Department of Fisheries and Oceans to "substantially increase its funding for exploratory research in Nunavut's adjacent waters, and that it commit to a multi-year, multi-species research program".

I think our federal government has worked in cooperation with co-management partners, the Inuit communities and stakeholders. They've developed a narwhal integrated fisheries management plan and a Greenland halibut integrated fisheries management plan based on this exploratory research.

There are other species, though, and further research should be conducted. We've made a start, but it's not complete. I think the Inuit, if they come here, would probably have some advice on that. Narwhal and halibut have been done, but there are many other species.

It should be ongoing. That would be my answer, my recommendation.

Mr. Robert Sopuck: You're saying that a priority for our committee should be to examine the research needs in all fisheries in Nunavut and the western Arctic. That should be the focus.

Hon. Dennis Glen Patterson: Yes.

Mr. Robert Sopuck: Thanks. That's very helpful.

Senator Patterson, you talked about barriers to the use of country food. Can you be more specific on what those barriers are? Why aren't there more wild foods in the stores in Nunavut these days?

Hon. Dennis Glen Patterson: Thank you for the question.

I've had the privilege to travel to Greenland. I don't know if members of the committee have been to Greenland, but in every community there's a country food market. It's not a sophisticated operation. It's hunters who come in from the sea, similar to what you see in some southern ports, and they sell their product fresh in local marketplaces.

In northern Canada it seems that we are much more constrained by Agriculture Canada and other regulatory requirements. There are approved processing plants in Cambridge Bay, Rankin Inlet, Pangnirtung, and Iqaluit, but we can't do it the way they do it in Greenland. We have been constrained from doing so.

I believe that the inspection by Agriculture Canada is important for products that go to offshore markets, or even markets in southern Canada, but I know that our MP and I both believe that for inter-settlement trade in the north, which is the traditional way it has been done for millennia, there should be reduced inspection requirements and barriers to traditional inter-settlement trade. That's the part which I think we should work with Agriculture Canada and other regulatory authorities to loosen up.

•(1230)

Mr. Robert Sopuck: You talked about the rapidly growing mining industry in Nunavut. Given that what comes with mining industries are mining camps with lots of workers, would those be potential markets for commercial fish? Could those be set up?

Hon. Dennis Glen Patterson: It's very interesting. There is a very large iron ore mine proposed for the high Arctic called the Baffinland iron mine, and it's near a community called Igloodik. The people of Igloodik have been saying for years that they would like to develop the commercial char fishery. A commercial quota has been identified near Steensby Inlet, which is planned as a possible port location for the mine. It's going to ship iron ore from a railroad to a port.

The president of Baffinland Iron Mines Corporation said that this is a great opportunity for them, that they're going to have a camp with a thousand people and there's an Arctic char fishery nearby, and that they'll partner with the Inuit of Igloodik to develop this fishery up until now.

That is absolutely a possibility, and I was delighted to see his openness to doing that. It would be a win-win situation, because the people of Igloodik haven't been able to afford to develop their fishery up until now.

Mr. Robert Sopuck: Of course that also raises the important question about the sustainability of char stocks, because they can be very fragile.

Focusing on Arctic char for a minute, this remarkable fish is both a commercially caught fish and a domestic fish, and it's becoming an increasingly important recreational fish.

Senator Patterson, could you continue on that line? What do you see as the future for the utilization of Arctic char stocks in Nunavut?

Hon. Dennis Glen Patterson: Mr. Chair, I think this is a fabulous product. I've been to high-end restaurants in New York and other cities in the world where Arctic char is a prized and expensive asset, but so far we have not developed our commercial potential, and so there's very sporadic and tentative marketing of char to these international markets.

When you look at what happened with turbot, the Greenland turbot that we are harvesting now in Nunavut waters in great numbers, partly thanks to increased quotas from DFO, is going straight to China. There's a very high market for that high-quality, Arctic, cold-water fish in China. We have trouble getting it stopped on its way to China for our domestic use. I think the same could be done for char. It's an untapped enormous resource, and maybe you all know what a very special, beautiful species it is.

Mr. Robert Sopuck: Thank you.

The Chair: Thank you very much.

Mr. Stoffer, we haven't seen you for a while at this committee. Welcome back.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Chair, I was looking at my friend Mr. Kamp, you, and Lawrence. It's like old-home week here.

First of all, I want to thank the two senators very much for coming before us.

In 1998 the Standing Committee on Fisheries and Oceans did an outstanding job on the Nunavut report and made 22 recommendations. Did your committee at any time look at that report and some of the recommendations that were made back then, or were you even aware of the report?

•(1235)

Hon. Fabian Manning: No, 1998 was a little before our time, so I'd have to defer on questions about that time.

Mr. Peter Stoffer: I have a copy here which I can give to the clerk and you can have later on.

Hon. Fabian Manning: While we were doing our study, Mr. Rompkey referred to other reports that he had been part and parcel of and learned from. They may be incorporated here, sir.

Mr. Peter Stoffer: Senator Manning, it's quite interesting that you talked about wharf infrastructure for Pangnirtung. It's exactly what was in recommendation 22 back in December 1998. Here we are in 2013 and we're still making the same recommendation. It's rather unfortunate.

Hon. Fabian Manning: The wharf is done in Pangnirtung now.

Hon. Dennis Glen Patterson: It's going to be open this summer.

Hon. Fabian Manning: It's going to be open this summer.

Mr. Peter Stoffer: They still use the kite system for fishing, don't they?

Hon. Fabian Manning: Just to let you know that it was an opportunity to do something in the north in relation to small craft harbours. It was the first of its kind, and the cost was increased due to the fact, I guess, of the learning process with permafrost as they went forward. They had a lot of issues with supplies, the ice, and so on, but the job is complete, and it's going to be open this summer.

The people in Pangnirtung, from my understanding, are absolutely delighted that they have a safe and accessible wharf.

Mr. Peter Stoffer: When we were up there back in 2002, we knew there was a lot of tension between the Nunavut Wildlife Management Board and the Baffin Fisheries Coalition. Mr. Ben Kovic happened to be a member of both. You talk about sort of greasing the wheel on both sides of the thing. That happened and it was a very serious concern.

Senator Patterson, I'd like to know how that relationship is now, how that has improved and if they are working together for the betterment of all the fishermen up there. That's my first question.

My second question goes back to you, Senator Manning. You talked in your committee about the Freshwater Fish Marketing Corporation, which is a single-desk seller for fish.

As you know, Saskatchewan has either pulled out or they're about to pull out of that system. I believe Alberta already has pulled out. I find it rather ironic that when the Wheat Board discussions came up, there was great opposition from our Conservative counterparts regarding single-desk selling of wheat. They were opposed to it and believed that farmers should have the opportunity to sell their wheat to whomever they wish.

I'm quite curious as to why as a Conservative senator you would not have recommended the same. Why wouldn't you recommend the destruction of the Freshwater Fish Marketing Corporation—which I personally don't think is one of the finest organizations on the planet, and I'm putting it mildly—and allow fishermen, especially northern fishermen and aboriginal people, to sell their fish to whomever they wish, very similar to what Ontario does?

Hon. Fabian Manning: Again, I'll answer my part first, if I could. In regard to the Wheat Board, we were inundated with representations from the farmers in the area wanting to get rid of the Wheat Board, wanting to do away with it. I know there were other people who didn't want to do that, but we had an immense number of people coming forward who wanted to.

In regard to the Freshwater Fish Marketing Corporation in the north, there was a local vote taken from the fishermen. Senator Patterson may be even more aware of this than I am. They had a two to one majority of those who wanted to keep it.

Certainly, while we may believe one thing or the other, the fact is that the local message is we don't think we should be interfering with the wishes of those people in the north. They had an opportunity to have a democratic vote, which they did. It was two to one or more in relation to keeping the board. In regards to the Wheat Board, it was totally the other way around, in our view.

Hon. Dennis Glen Patterson: I could add, Mr. Chair, that I checked on this anticipating a question. I am informed that the Government of the Northwest Territories—and the NWT is the main customer of the Freshwater Fish Marketing Corporation from Great Slave Lake—after the December 9, 2010 vote of the fishers—and there were not a lot; it was seventeen to nine as Senator Manning has said—to remain with the Freshwater Fish Marketing Corporation, the responsible minister in the Northwest Territories, the Hon. Robert McLeod, said that they would respect the vote of the fishermen and that the Government of the Northwest Territories would not repeal the NWT Freshwater Fish Marketing Act to withdraw from the federal marketing system.

I'll answer the other question that Mr. Stoffer asked. Yes, indeed, you're very well informed. There were tensions between the Baffin Fisheries Coalition and a group that had broken away from Qikiqtarjuaq, Pangnirtung, and Pond Inlet, I believe. That was then.

Now both groups are with the benefit of access to quota and support from DFO to allow them to develop joint venture arrangements that give them cash to acquire vessels. Both organizations have acquired their own vessels. It seems there's enough resource now to allow them both to thrive. I don't think that was the case when you were there. The fishery has grown and the rivalries are healthy now, I would say.

• (1240)

Mr. Peter Stoffer: Thank you. I have a last question for you.

A few years ago when Senator Willie Adams was here, he and I went up there together, and we had major discussions in Grise Fiord, Resolute Bay, and Arctic Bay, etc., regarding the concerns on marine service fees. As you know, the higher the ships go up, the more the fees cost.

It is a credit to Mr. Flaherty at that time that after two requests he actually reduced those fees for a certain number of years. Again, I can't recall how many years that freeze is on for. Are you aware of any further discussions to ensure that the fee structures for marine service fees for all the goods and supplies that go up to those far northern communities stay reduced, or will they unfortunately be subject to what is called the market system? As you know, sir, when you go to Arctic Bay and you see 1.6 litres of grape juice at \$32 a bottle, you kind of think, "What the hell...?" Wait until it turns into wine, and then it'll be all right, but....

Voices: Oh, oh!

Mr. Peter Stoffer: Are the marine service fees being looked at by your committee and by the government in terms of ensuring there's an adequate cost structure so the people can afford the goods and services they require to live in those extremely isolated communities?

Hon. Dennis Glen Patterson: Mr. Chair, I very much appreciate the question.

It is very expensive to deliver anything to the Arctic, whether by ship or by air, although by ship is to be preferred, and I believe our government should provide incentives for people to use lower cost shipping instead of higher cost air.

As for what has happened with the service fee of the coast guard through DFO, I'm told that it's under review by the department but they have extended the moratorium on charging that northern marine service fee for the past two years pending this review. We are generally pleased that the boom hasn't fallen yet, although we do understand that DFO is looking for revenue opportunities. We just strongly believe, because of the fragility of the fishery and the high costs, that the north should be exempted, because it's already terribly expensive.

One other minor point I'll mention is that although we're grateful for the moratorium, there is a concern that there was an arbitrary line drawn south of 60, so a couple of communities like Sanikiluaq, where vessels have to transverse the Arctic Circle but then go to a southern destination below 60, have not been exempted from the fee increase. We don't think the moratorium was quite fairly applied in the last year, and I've written to the minister about that.

We are grateful that overall the moratorium has been continued for the last two years, but it will have to be addressed, and we hope that it's going to be permanently eliminated.

Thank you very much for the question.

The Chair: Thank you very much.

Mr. Weston.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Thank you.

It's always interesting to follow on the heels of the shy and retiring Mr. Stoffer—

Voices: Oh, oh!

Mr. John Weston: —and it's great to have you back. It's an amazing wealth of experience and information that we have here today.

The study that we contemplate will engage substantial resources, potentially, in terms of taxpayers' money if we visit places in the north, and we want to make sure that what we do is effective, so I have two process-related questions.

You've done two studies. Both of you have been thoroughly involved, and I'm sure your levels of jubilation and frustration come from that. Do you have any recommendations for us in terms of how to structure our study so that our recommendations will bear fruit and won't end up gathering dust somewhere, recommendations in terms of who we engage along the way or what we should focus on?

In a related vein, I wonder if each of you could suggest a couple of priorities that you think should receive our focus. Our biggest problem certainly is not finding issues to explore, and I think the greatest threat to the effectiveness of what we do here is that perhaps a lack of focus will dilute the ultimate effectiveness.

• (1245)

Hon. Fabian Manning: I'll start, if I may.

As I mentioned in my opening remarks, the Arctic has its challenges and none greater than the geography. I would suggest, from the work we have done, that you narrow your focus. You could spend forever studying the Arctic and all the different aspects of it, but I think you need to prioritize what you want to do, set a goal of three or four different items you would like to do some work on, and then focus on those knowing there is always the possibility to do another study, if required, from what you do.

We tried our best to focus as much as we could on a couple of important items. Certainly, if I were to give any advice I would pass along—and Senator Patterson can make his own comments—it would be in relation to not being all over the globe, literally, in the Arctic, but to focus on some of the concerns that are there.

A couple of the recommendations we would like to see followed up on are to do with climate change and the concerns with the melting ice in the Arctic. There has been and will be increased marine activity there, whether it's cruise ships, whether it's other countries, whether it's research vessels, whatever the case may be. I think you would need to look at how much of that is happening now, the effect it is having on the Arctic, the effect it's having on the fisheries that are in place there now, and the effect it's having on communities that are depending on the natural resources that are there. Certainly research it.

There has been and continues to be a fair amount of research on the north, on different aspects of it. It might be an idea to zero in again on a couple of important parts of the research that's been ongoing, to delve in to see if there are enough financial resources being put into the research. Is it goal oriented or is it just plain research, and what are the results of some of the research that has been done already?

Certainly foremost, from reading the reports and listening to the people from the north, is that whatever happens in the Arctic, the people there want to have a say. I think that finding a mechanism to allow them to express their concerns and express their suggestions on how to go forward is something your committee certainly needs to work at because these people live there. They know the challenges that are there, but I truly believe they're seeing the opportunities that are there also.

Mr. John Weston: That is a really interesting answer, but let me interrupt before you respond, Senator Patterson.

In the budget there is \$10 million for partnerships, which is designed to leverage the local communities around the country. Do you see any role there? Do you think we should be exploring how those partnerships may become alive?

Hon. Fabian Manning: Yes, I do, and maybe Senator Patterson can acknowledge that.

Hon. Dennis Glen Patterson: Mr. Chair, I'd like to thank the member for that question.

We all know the aboriginal fishery can be a source of tension in parts of the country. I don't want to comment on that. What we have in Nunavut, as I said in my presentation, is we have the Inuit involved in managing the resource through co-management boards, which they have guaranteed representation on. They take ownership of the decisions and they are committed to the conservation and sustainable principles.

I believe Nunavut is an excellent place for your committee to explore the potential for collaboration with the aboriginal community because it's working. DFO and the Inuit go to CITES together, with a management plan for narwhal, to show the world we are managing narwhal responsibly. It is harvested but it is within reasonable limits. This kind of collaboration does not always happen with the department in other parts of the country.

I would recommend that focus. Look at the management regime of aboriginal collaboration, engage with the Inuit. I recommend you invite NTL, Nunavut Tunngavik Inc., to come here. Ask them what they think you should see.

I agree with Senator Manning that climate change is something that is new and providing concerns but also benefits to the northern fishery.

Finally, the committee takes some credit for recommending the first small craft harbour in the north, in Pangnirtung. You should go and see it. You should take a look. I think with targeted travel you can visit typical communities in Nunavut, and also in the NWT, where there's a great potential fishery at Great Slave Lake. Without having to go everywhere, you can target places where our fishery is most advanced.

•(1250)

Mr. John Weston: Maybe someone will take this up. I was going to ask what distinguishes between the two categories.

The Chair: I'm sorry, it's a good try. Thank you very much.

Mr. MacAulay, the floor is yours.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you very much, Mr. Chair. I welcome the two senators to the committee.

Senator Patterson, I certainly like your tie and vest, and I firmly believe we need a lot more of those ties and vests on the market.

Hon. Dennis Glen Patterson: I have a franchise—just kidding.

Hon. Lawrence MacAulay: Very good, I hope there's some heavy demand for your product.

Senator Manning, we go back a little way. A good friend you are, and I'm very pleased to see you here.

Hon. Fabian Manning: Thank you very much.

Hon. Lawrence MacAulay: You have a good view of what's going on in the fishery, and you've been on this committee.

I would like both of you to address the mining aspect and the potential for problems with mining and the fishing industry itself, and pollution.

Hon. Dennis Glen Patterson: If I may, I'm speaking from the Nunavut perspective, Mr. Chair. Again, just like I was talking about the partnership in managing the fishery with Inuit participation, Inuit are also at the table with our environmental review process. There is a co-management approach to environmental review in Nunavut. So when the Baffinland iron ore mine was going to ship iron ore year-round, ice-bound shipping, in a sensitive and delicate marine ecosystem, Inuit were at the table reviewing that project and placing some 200 conditions on the company relating to marine mammals, protection of the fishery, and monitoring the impact of icebreaking vessels on the fragile Arctic environment.

Yes, there's a potential for conflict and concern, but because of the collaborative approach—federal government, territorial government and Inuit—there's one table where these issues are presented and considered. The board has the independent authority to make recommendations basically as to whether a project should go ahead or not, and if so, under what conditions. I cite the Baffinland project because with the railroad on the permafrost and the marine shipping year-round—mind you, it's been scaled back since it was presented in that forum, and it's now going to be a summer shipping operation for the foreseeable future—with the full-blown proposal, the board found a way to establish conditions that would allow it to go ahead.

I think we have an effective way of balancing those sensitivities in Nunavut, and it's worth looking at.

•(1255)

Hon. Fabian Manning: Mr. Chair, I'll follow up on the comments I made to Mr. Weston earlier, in relation to involving people in the process.

I think Senator Patterson touches on the importance of that, and the success that comes from it. Down east, we know that decisions affecting our fisheries were made for decades in central Canada without the people involved in the fishery being part of those

decisions. Some people making decisions have never seen a fish. I won't say that they knew what was going on in the fishery. It's important to ensure that people in the north are part and parcel of decision-making, and I think that will reap success. We've seen success in that already in the north, and I think it will continue.

Hon. Lawrence MacAulay: I appreciate that, Senator Manning, and I'll remind you that things have not changed. It seems that all the people who make the rules know very little about the industry, and that seems to be an ongoing problem no matter what.

Are coast guard facilities sufficient? I'd like you to comment on that and on search and rescue in areas where they do fish, and in areas that you suspect would become viable fishing areas.

How far do you think the fishery will expand?

Hon. Dennis Glen Patterson: The coast guard is a valued service in the Arctic. We are pleased that the government has finally announced spending programs to replace aging coast guard icebreakers and increase vessel coverage in the north through the patrol ships.

What we're most concerned about as Nunavut residents is the coast guard's oil spill response capacity. There are steps being taken to locate resources in communities, in collaboration with local communities. They are early steps, and I think northern residents would want to see more happening as shipping increases with global warming, but the coast guard is making some progress in that connection.

Search and rescue is a very delicate subject. I won't opine at length, but I will say that we're on the wrong end of the geography when it comes to search and rescue by air, because the present DND bases for search and rescue in Canada are in southern Canada—Greenwood, Nova Scotia; Winnipeg, Manitoba; Comox, B.C.—far, far away from the region. There was concern about a rescue in Labrador last year. That's only halfway to the Arctic. We are even more remote. There is concern about the response time, the type of plane. Big slow planes or helicopters with limited range are not doing the job for us. There is strong concern about that.

My personal opinion is that some northern colleagues of mine have recommended that DND consider building on the infrastructure in place in the north already. There's a long-established aviation industry, infrastructure, operators, we believe could collaborate with the in-house assets of DND to get to the scene of a problem quicker.

Your third question has escaped me.

•(1300)

The Chair: Mr. MacAulay, you want to....

Hon. Lawrence MacAulay: Yes, Mr. Chair, I would like to move a motion:

That, due to the significant concerns over the sustainability of Canada's search and rescue services raised by the Spring 2013 Report of the Auditor General, the Standing Committee on Fisheries and Oceans immediately undertake a study on the Canadian Coast Guard's search and rescue capabilities and challenges to be tabled in the House of Commons no later than June 2013, and begin the study by calling Auditor General Michael Ferguson and Minister of Fisheries and Oceans Keith Ashfield as witnesses.

Just to elaborate, it's basically extending from what we just heard from our witnesses, and to make sure that we have the proper capability to handle problems in this country. That's what I want to see happen.

The Chair: Thank you, Mr. MacAulay.

Mr. Kamp.

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

Although we are past our time, I would like to make some comments on this. But first, I would like to move a motion that we go in camera.

The Chair: Thank you, Mr. Kamp.

It's been moved by Mr. Kamp that we proceed in camera.

(Motion agreed to)

The Chair: At this point, I'd like to thank our witnesses for appearing before us today. I certainly do appreciate all the information you've been able to provide to this committee.

Senator Patterson, you mentioned following up with some information. If you could provide that to the clerk, I'd appreciate it.

Thank you, gentlemen, for being here.

We'll take a short break to move in camera.

[Proceedings continue in camera]

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