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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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• (1530)

[English]

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

I'd like to start by thanking Minister Shea for being with us here today. I appreciate your appearance, Minister. I know you have a delegation with you from the department. I'm sure you will introduce them or the deputy will introduce them at the appropriate time.

I guess, Minister, I don't have to go through the procedures. I know you're quite familiar with how our committee operates.

I'll ask if you want to proceed right into your opening statements.

Hon. Gail Shea (Minister of Fisheries and Oceans): Thank you very much, Mr. Chair, and thank you for the invitation to appear before the committee on Fisheries and Oceans main estimates. Before getting started I want to say it's great to be working as the Minister of Fisheries and Oceans in this important portfolio, and I'm delighted to have the chance to work with all of you.

Joining me are members of our DFO senior management team.

We have David Gillis, acting assistant deputy minister of ecosystems and oceans science sector. Next to David is the chief financial officer and assistant deputy minister, Marty Muldoon. Then we have associate deputy minister David Bevan. We have the Deputy Minister, Matthew King, as well as the Canadian Coast Guard Commissioner, Marc Grégoire. Next to Marc is assistant deputy minister of ecosystems and fisheries management, operations, Trevor Swerdfager. And last but not least is the senior assistant deputy minister of ecosystems and fisheries management, Kevin Stringer.

The department's 2014-15 main estimates total \$1.6 billion. The key elements include increases in funding for science vessels, oil spills, and aquaculture regulation, along with decreases in funding related to ongoing vessel projects and recent spending reviews. The CFO will provide the committee with an overview of these shortly.

My remarks will focus on our priorities for the upcoming year.

I want to begin by highlighting our investments in our country's fisheries and oceans that support job growth, competitiveness, and quality of life for fishing families and the communities that rely on them.

For example, our economic action plan 2014 includes \$15 million over two years for the recreational fisheries conservation partnership program. It also includes \$40 million over two years to accelerate

repair and maintenance work at small-craft harbours across the country. It includes important investments for the national conservation plan and the health of the oceans program. It includes, Mr. Chair, a tax credit for search and rescue volunteers who perform at least 200 hours of service a year. It also includes \$66.1 million to renew the Atlantic integrated commercial fisheries initiative and the Pacific integrated commercial fisheries initiative. The latter investment will allow increased participation of first nations fishing enterprises in Canada's integrated fishery.

All budgetary measures will support economic growth and create jobs in Canada, especially in rural, coastal, and aboriginal communities.

For 2014-15 our focus will be on improving fisheries management practices, giving the coast guard the tools they need, ensuring responsible resource development, and pursuing operational excellence.

Our first order of business will be improving the way in which we manage our fisheries. Domestically the department is working with fishermen to strengthen the competitiveness of the fish and seafood sector. Abroad, we continue to strengthen Canadian access to export markets for fish and seafood products, while also promoting and protecting our traditional industries.

Our efforts to expand markets have paid off. Recently the Government of Canada and the Republic of Korea concluded negotiations for a bilateral free trade agreement. The trade agreement is Canada's first with an Asian market. Phasing out high tariffs on fish and seafood products will create new opportunities for Canadian exporters and put them on a level playing field with U.S. producers.

Another excellent example is the Canada-EU comprehensive economic and trade agreement announced last October. The EU is the world's largest importer of fish and seafood products, importing over \$25 billion annually, and our second-largest trading and investment partner. When this agreement comes into effect, it will give the industry preferential access to the EU's 500 million consumers and their \$17 trillion in annual economic activity.

I'd like to briefly mention the challenges highlighted by the Maritime Lobster Panel report and the "Independent Review of the Prince Edward Island Lobster Industry". I reviewed these reports with great interest and have given much consideration to the recommendations directed at DFO, in particular those that were outlined in the report of the Maritime Lobster Panel.

It called on us to continue rationalization of the lobster fleet, to improve how we work with harvester organizations, and to develop an electronic data collection system for catch and effort. The success of our response to help the lobster industry, however, relies on the support, consent, and cooperation of industry groups and the provinces to successfully carry out each of these initiatives.

• (1535)

We're committed to the future of the lobster industry and small-scale fisheries. That's why we have a policy in place called preserving the independence of the inshore fleet in Canada's Atlantic fisheries. This is known as PIIFCAF for short. Introduced in April 2007 the purpose of this policy is to ensure that the benefits of fishing licences flow to harvesters in the rural coastal communities in which they live. As of April 12, after a seven-year grace period PIIFCAF will be fully implemented. This policy reiterates my department's ongoing commitment to owner-operator and fleet separation policies and to support the independence of the inshore fleet in Atlantic Canada.

Our next priority in 2014-15 is giving the Canadian Coast Guard the tools they need for their important tasks of ensuring safe and efficient navigation for all Canadians. We are also taking steps to establish an incident command system to improve the coast guard's ability to manage responses to marine pollution incidents. We will continue to work in collaboration with our key emergency response partners to protect our oceans.

The next order of business will be implementing the fisheries protection provisions contained in the new Fisheries Act and will concentrate on a modernized aquaculture regulatory framework. As you know, aquaculture is the fastest-growing food production sector worldwide, now supplying over 50% of the global demand for fish and seafood. Canada generates 174,000 tonnes of aquaculture product. This is worth over \$2 billion annually and translates into 14,000 jobs in rural, coastal, and aboriginal communities. That's why the government is proud to invest \$54 million over five years for the renewal of the sustainable aquaculture program. Renewing the sustainable aquaculture program will help to support the sector's challenges to grow by streamlining regulations, by improving the regulatory management, providing transparency, as well as by increasing scientific knowledge and supporting science-based decision-making.

As indicated in budget 2013, the department was asked to contribute to the government's fiscal balance. To achieve the targeted

savings we have focused on improving how we use technology, in particular video conferencing, simplifying the management structure in the organization, reducing some administrative overhead, and strengthening the department's decision-making processes. We now have in place a leaner department, better integrated, and with a results-based approach to our work.

That said, DFO continues to maintain a significant presence in all regions of the country. The fishing industry will continue to be able to count on the support of people with local knowledge and sensitivity to local issues. We continue to focus on eliminating the deficit and balancing the budget by 2015. This year's estimates continue to steadily decrease in the amount of voted spending. This reduction reflects the ongoing success of the cost-cutting measures the government has put in place and our unwavering resolve to cut unnecessary spending and balance the budget. With these investments and changes to how we do business, my department and this government will continue to modernize how we deliver results for fishermen across the country. We will continue ensuring safe and efficient marine navigation for all Canadians, as well as the long-term sustainability of essential coast guard assets in support of safe and secure waters.

Let me close by saying a few words on the seafood expo that took place mid-March in Boston. As you probably know, this is North America's largest and most important seafood expo and it has been an outstanding success. This was an excellent opportunity to showcase our Canadian products. It was extremely gratifying for me to visit one of the world's leading seafood expos and witness first-hand the positive reception to Canadian seafood products and to Canadian industry practices. That interest in and support for our products should make every Canadian proud. It also gave members of our seafood industry a chance to meet with potential buyers from a huge American market and to establish contacts with some European buyers as well. Our trade agreements with the EU and the Republic of Korea represent huge opportunities for Canada's fish and seafood sector. While these agreements are not fully implemented yet, I can tell you there was a lot of optimism at the seafood show.

In 2013 we saw the largest annual growth in seafood export values since 2010 and I'm certainly optimistic that this upward trend will continue thanks to this very ambitious trade agenda.

• (1540)

Thank you very much. Marty Muldoon has a short presentation on the estimates as well.

The Chair: Thank you.

Mr. Muldoon, I presume you're going to give us a brief explanation of the slide deck you distributed. Thank you.

The questions are on the estimates, so please proceed, Mr. Muldoon.

Mr. Marty Muldoon (Assistant Deputy Minister and Chief Financial Officer, Department of Fisheries and Oceans): Thank you, Mr. Chair.

Good afternoon. I'm pleased to be here in my new capacity in the organization and to have this opportunity to provide you with a very brief overview of DFO's proposed main estimates. We did provide the committee with this, as the chair was just noting, and I will speak to that, beginning on page 4. I know your time is valuable.

As the minister just noted, our estimates total some \$1.6 billion.

Under vote 1, operating expenditures, we're seeking just over \$1.1 billion. I would note that \$724 million of that is for salaries. Under vote 5, capital expenditures, we're seeking \$325 million, of which 73% is in relation to the Canadian Coast Guard fleet and shore-based asset readiness. Under vote 10, grants and contributions, it's a fairly steady story here, at \$57.9 million.

The last two items, statutory in nature, are the contributions for the department as a whole for employee benefits and the statutory increase for the salary and motor car allowance of some \$80,300. It's rounded to \$0.1 million, as you see in the table.

Altogether, it's at \$1.605 billion, compared to \$1.669 billion last year. That represents a \$63.6-million year-over-year decrease in the main estimates for this institution.

Page 6 is where I'll spend the bulk of my time. I'll be pretty much wrapping up right after that. I just want to take a moment to walk through the key changes in variance between the two years of the main estimates. These items are taken directly out of the part II main estimates at pages 139 and 140.

The first item is a \$32-million increase for procurement for the Canadian Coast Guard offshore science vessel program. We're bringing in funding this year for this program in order to carry out the engineering phases and what we call the "long lead procurement items"; the items we will procure or begin the procurement process for well in advance of their arrival in time for the shipbuilding phase. These are for the propulsion systems and navigation systems, so here this is simply the staging of the cash profile. It's not a new item. This stems from the \$5.2-billion renewal announcement from the fleet readiness approvals in budget 2012.

I'll just make the point that there are a few more following on this same page that are all around timing. They're not really around the issue of a new incremental ask. It's busy work trying to synchronize the estimates to when shipbuilding actually occurs.

The next item on the list is \$24.3 million to strengthen "the prevention, preparedness and response regime to oil spills from ships". Budget 2012 provided funding for this initiative, the focus being on spill response capacity on the west coast of Canada and developing spill trajectory models. Last year, we brought in the funding for this important initiative through supplementary esti-

mates. This is our first year to be able to actually book them in and regularize them through the main estimates.

The next item is pretty similar to that. It's the \$10.5 million in sustainable aquaculture that the minister just referred to. This program was sunset in 2012-13 and was renewed in budget 2013. The department received its five-year renewal. The first year of the funding we brought in through supplementaries, and now we're at the stage of being able to permanently reference-level that five-year project through the 2014-15 main estimates.

There's a couple of notable increases that aren't on the list and made it into the main estimates. I'll just quickly cover those. There is \$6.4 million for the continuation of the recreational fisheries conservation partnerships program, and then, as the minister noted, that's a two-year extension to the original approval, so we'll see that again in next year's main estimates as we go through the next year. The second item I would draw your attention to is the \$3.3-million increase for the Asian carp issue in the Great Lakes.

Now, switching to the red ink and dealing with the decreases, the first item you see on the list is \$45.2 million for the strategic and operating review. I'm sure we're familiar with the fact that stems from budget 2012 announcements. This, for us, marks the final year of what we had otherwise called the SOR reductions. Having this reduction, we have now fully addressed both the strategic review, its predecessor from the previous budget, and now SOR. We have one more year of reductions left with what's known as targeted review. We'll see that again next year in the main estimates.

The follow-on item is another one of those timing issues that I talked about. In terms of the marine fleet, this is \$36.8 million relative to the midshore patrol vessels. This one has a different sort of layout to it. The department had \$212.5 million approved for this important initiative. We were to build and put into service nine midshore patrol vessels. We've completed and received seven of those vessels, and two more will come in this year, in 2014-15.

•(1545)

The reason for the reduction is that we had \$69.4 million in authorities last year and in this coming year we only need \$32.6 million. The difference is \$36.8 million, so we need to reduce our authorities to match the outflow of that project requirement.

We're on to the next one of \$30.2 million for what's called the vessel life extension and mid-life modernization program for the Canadian Coast Guard.

These two tangential programs either ensure that our vessel fleet reaches its intended useful purpose, or when it's necessary—as we're going to see coming up now on the icebreaker program for instance—if we need to continue a vessel well past its normal expected life, we have to put an extension program in place.

In this instance, this is part of the \$5.2 billion program for the fleet renewal. A total of \$360 million was approved for this activity.

We're getting down to the bottom two. I mentioned a moment ago a targeted review of \$5.4 million. This is year two of the three-year plan and next year we will be in the final year.

The last item is \$5 million related to the sunset and completion of the initiative to support the Quebec and Atlantic Canada lobster harvesters and lobster fishery in those regions.

In 2009, Fisheries received \$64.8 million over a five-year window. This program will sunset as it was intended to, today basically, so the mains reflect the removal of the \$5 million in authority that rested in our final reference levels, and that program is now effectively, successfully concluded.

There's another form of a change which we made depending on where we go in the discussions. It may pop up. We just went through a fairly low-key but important restructuring. A number of areas in the department moved from one side of program activity to another. We needed to make a number of changes in the main estimates to reflect those consequential budget movements. It's basically a minus here becomes a plus somewhere else. I'll have an example in just a second.

I'll wrap up very quickly by moving through the last few slides just as reference points. I'm on slide 6.

In summary, the department has 25 programs. We see the first number of them under this area called safe and secure waters. We plan to spend something in the order of \$676 million. I would point out that about 81% of this whole area is going to be spent in the coast guard on the two big areas you see on the pie chart: fleet operational readiness that ensures our fleet and our ships crews are ready to go; and shore-based assets which provide the essential ground support to them.

On the next page we move into what's called economically prosperous maritimes sectors and fisheries program activities and strategic outcome. Here, \$401 million, and of that about 57%, is spent on fisheries management, which is both commercial and recreational as well as small craft harbours.

On the last summary page by strategic outcome area we have sustainable aquatic ecosystems, \$238 million. The point here is to

notice that 69% of that program is being spent on the compliance and enforcement side which includes monitoring and surveillance as well as the fisheries protection program.

Our last program area summed up on slide 9 is internal services. This area is going to be \$290.6 million this year. That's up a small increase of \$4 million. This is the example I gave a moment ago of some internal restructuring, so it's not really getting new money. Some of the IT services that were located in some areas, pockets of programs, have now been reconsolidated with the CIO branch which falls under internal services. It's a net increase of about \$4 million. On this page it is a bit interesting that about \$111 million out of the total spend is for our real property program.

I'll close off by saying that subject to the approval of these main estimates, as the minister noted, we would be in the area of about \$1.605 billion. From there we would see, over the year, the opportunity to increase that amount with those budget 2014 items as noted. Then also, of course, there is the in-year opportunity to bring in our operating and capital carry-forwards. These aren't reflected in the mains due to timing issues.

So at the end of the year, I'm expecting we'll be somewhere in the order of about \$1.75 billion in total estimate authority level.

Thank you again, Mr. Chair, for this opportunity.

•(1550)

The Chair: Thank you, Mr. Muldoon, and thank you, Minister Shea.

We'll move into questions and we'll start with Mr. Chisholm.

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

Madam Minister, it's a pleasure to see you here before the committee. There are so many things for us to discuss with a \$1.6 billion budget responsibility for your department covering fisheries management, habitat protection science, research, search and rescue, coast guard, and we have 10 minutes in which to have that discussion. Nonetheless, we have to try to break this down into a few questions.

We will be sharing the 10 minutes among ourselves.

You raised the issue of PIIFCAF, and I want to acknowledge how pleased the owner-operator fleet is with the way you have gone toward the deadline and the way you have implemented the PIIFCAF program. People are very pleased with the recognition that you and your department have given to the value of the owner-operator fleet and the connection between the ownership of the fishery, the conduct of the fishery, and the communities that benefit from it. I applaud you and your department for that effort.

In that context I want to raise my concern about the other coast, the west coast, and the fact that the independent fisherman is less confident with the way the industry is being managed there. With the ITQ fleet, of course, with the allocations, the cost of fishing is upward of 80% of landings and what's left over for the crew and the skipper is minimal. There is now an effort it appears—people feel there is an effort to push ITQs into the salmon fishery.

Given your support for PIIFCAF on the east coast, I think you would recognize the alarm that many owner-operator fishermen and communities are feeling with this push to ITQs, the disconnect between the ownership and the prosecution of the fishery in that sector. Would you take the same commitment you and your department have shown to the owner-operator and fleet separation policies on the east coast and make sure that is reflected on the west coast as well?

• (1555)

Hon. Gail Shea: To comment on this PIIFCAF policy on the east coast, I have never seen anything bring 36 organizations of fishers together so fast to stand side by side on one issue. There is good support for it, and we'll go forward to implement it.

On the west coast, of course, this management measure has been in place for a number of years. I've talked to a lot of people on the west coast. Some want to revisit it, so ITQs have varying degrees of support. Of course, ITQs and IQs make it easier to manage a fishery but at the same time it's the *T* that causes a lot of trouble, not just because *T* is for trouble, but because it stands for “transferable”. It allows people to transfer their quota and maybe live in some other country most of the year while someone else is fishing their quota.

We're open to having conversations. We pride ourselves on consulting with fishermen all the time on a regular basis on all management measures. It's definitely an issue I'll be following.

Mr. Robert Chisholm: Thank you.

I just want to reiterate the fact that those people in the salmon fishery are trying to push back against efforts by the department, and I would ask you to try to hang tough with your commitment to that policy.

Now I will ask my colleague to ask the next question.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you, Robert.

Thank you, Madam Minister.

The first thing I'd like to do is acknowledge that yesterday was the 100th anniversary of the 1914 sealing disasters off Newfoundland when the SS *Southern Cross* was lost at sea and when the SS *Newfoundland* lost a number of fishermen on the ice. In total 251 Newfoundland and Labrador sealers were killed. It was the

anniversary yesterday. I just wanted to acknowledge that at the beginning of the meeting.

My specific question has to do with shrimp quotas off Newfoundland and Labrador. The word in the industry in my province, Madam Minister, is that total biomass is down, and it's down dramatically, and the industry is actually expecting cuts in the shrimp quotas in the order of 15,000 to 20,000 tonnes. Now that creates a number of interesting scenarios in terms of how you as the minister and your department decide how to cut the quota. It's either the last-in-first-out policy or you go with the new principle, the principle of adjacency, which is being promoted in a lot of areas in my province. How exactly would you address cuts to the shrimp quota?

Finally, shrimp seems to be yet another in a long list of commercial stocks off Newfoundland and Labrador that have collapsed. DFO just can't get the management right. The simple question is why?

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): I'll give you my question too, Madam Minister.

[*Translation*]

On December 16, 2013, just before the House of Commons took a long break from work, the National Energy Board and the Department of Fisheries and Oceans signed a memorandum of understanding that will make the board responsible for evaluating the potential impact of pipeline projects on aquatic species at risk.

That is exactly the kind of decision that can only remove credibility from the impending consultation of the National Energy Board on the energy east pipeline, which includes the construction of an oil port on the St. Lawrence River.

Madam Minister, could you explain to us the justification for such a counterproductive decision? Could you also name a single pipeline project in the past 20 years that was prevented by a study that was needlessly prolonged by Department of Fisheries and Oceans experts? I am asking you to name a single scenario where the presence of the Department of Fisheries and Oceans prevented a pipeline project from moving forward.

Thank you.

[*English*]

Hon. Gail Shea: Thank you. I will ask one of my staff to respond to your last question.

On the shrimp quota, of course we have to manage the fishery based on science, and it is concerning that the shrimp stocks seem to be shrinking. We had some cuts in area 7 last year and now we're seeing that the shrimp stock seems to be declining in area 6, so we will be having a conversation over the next week or two at DFO. I'll be getting a full briefing on the science.

I've talked to many of the stakeholders, and of course you know the history of this is, when the cod collapsed, the shrimp population ballooned, so the shrimp fishery was opened up to new participants. It is well documented in letters that went back and forth between groups, including the union, at the time when the decision was made to allow new entrants, that they would be allowed in based on the fact that they would be the first to go when the stocks declined.

The increase in the shrimp population was allotted on a 90-10 basis, so 90% of the increase in the shrimp quota went to create an inshore fishery, and 10% went to the existing offshore fishery.

So that's the essence of the LIFO policy. It is a very difficult decision, of course, because people have been in this industry now for a number of years. The bigger concern I guess is that the population is declining. Now we've had some discussions within the department and maybe science can give you something more accurate, but it does appear that when you have an increase in the cod stocks—what we're seeing now, those stocks seem to be rebounding—we have a decrease in the shrimp quota. So the issue is that, of course, fishermen cannot fish the cod and sell it for as much as they are currently receiving for shrimp or crab.

So there is a concern of what is happening there in the ecosystem, I can tell you that. We'll be making a decision on the shrimp quota in the next week or two.

My officials will respond to the St. Lawrence question.

• (1600)

The Chair: Are the officials going to answer the question?

Mr. Stringer.

Mr. Kevin Stringer (Senior Assistant Deputy Minister, Ecosystems and Fisheries Management, Department of Fisheries and Oceans): The other question was about Fisheries Act authorizations around pipelines, and our process. I'll just speak briefly to what we do.

Section 35 of the Fisheries Act basically says that no project, including pipelines, may cause "serious harm to fish that are part of a commercial, recreational or Aboriginal fishery". It used to say that "harmfully alters, disrupts or destroys habitat". Either way we are responsible for authorizing that harm. That is a process that we undertake. So there are authorizations regularly issued with pipelines. We did it before the changes to the Fisheries Act. We do it now. We do have arrangements with others, and sometimes it's provinces and sometimes it's other agencies. We established the standard that must be met to be able to reach that serious harm level. At the end of the day, it's the minister who issues the authorizations.

We've done it, as I said, often. What is often the case is if there is harm, the minister can authorize the serious harm, but there must be an offset provided by the pipeline company in this case, an offset to make up for the impact on fish habitat.

The Chair: Thank you, Mr. Stringer.

We'll move to Mr. Sopuck now.

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

Minister, I was very pleased to see that the funding for the recreational fisheries conservation partnerships program in the main estimates was not only maintained, but increased dramatically. Canada's 4 million recreational fishermen, who support an \$8-billion industry in this country, are very appreciative of what you and your department have done.

In terms of the first round of funding, can you talk about the types and number of projects that were funded in the first round?

Hon. Gail Shea: This is proving to be a very popular program, with lots of uptake in every province and territory. Under the first round there were 94 different projects funded. That was approximately \$6 million in federal funding alone. Of course, with the other partners that would be a lot more.

The projects varied, and I attended many of them, but they all had certainly stream enhancement, habitat enhancement, and fishery enhancement at the core of their projects. Of course, there were as many varying partnerships as well across the country.

We currently received a second round of applications. We received over 150 applications in the most recent round, totalling over \$7 million in requests. Early this spring the results of that second round will be made public.

Mr. Robert Sopuck: Great. I must say that having been a little bit involved with the development of the program, I'd like to publicly compliment the departmental staff for being able to administer what obviously was a fairly complex program, and administer it in a manner that was very congruent with what the angling groups wanted. Things were done on time; funding was advanced on time. I think the department itself, Minister, under your watch, deserves a lot of credit for how the program was rolled out, and we're certainly looking forward to the next round as it unfolds.

I'm in fairly constant touch, as the chair of the Conservative hunting and angling caucus, with angling groups across the country. They're very excited about what your department is doing under your watch.

Speaking of further good news under your watch, Minister, it has been reported that the department is estimating record Pacific salmon runs off the west coast. Specifically, the sockeye salmon run is projected to be a record, but in the article written by Mark Hume, he also talks about up and down the B.C. coast, chinook and coho being at record levels. I would make the point that the record salmon run in 2010 off the coast of B.C., and the expected even larger run off the coast of B.C. in 2014, was under the watch of this Conservative government, under your watch as well, Madam Minister. I think the point has been proven that the changes that we have made to the Fisheries Act and the fisheries management programs are working.

Can you discuss what we're looking forward to in terms of that Pacific salmon run?

• (1605)

Hon. Gail Shea: There certainly is a lot of optimism for 2014 up and down the coast of British Columbia on almost every salmon run. I'm a little hesitant to put numbers out there, because sometimes the fish don't do what you want them to do. I remember well in 2009 when we had the same anticipation, and they were a year late coming, but they did come.

I do have to say that I have never witnessed a population so engaged in the salmon fishery as the population in British Columbia. For every family and every community, salmon is just king, and you feel that when you go and talk to people. Even kids in schools are learning about salmon. They have aquariums in their schools where they learn everything about the life cycle of a salmon. It is very impressive how people in B.C., just the general population, take ownership of this. It's who they are. It's such a cultural icon. I credit a lot of the health of the salmon population to the residents of B.C. and to organizations like the Pacific Salmon Foundation that do incredible work.

Mr. Robert Sopuck: Agreed.

In terms of that run, can you or perhaps your staff speculate as to the biological and ecological factors that all came together to create this perfect storm of a salmon run?

Hon. Gail Shea: I'm going to turn that over to Dave Gillis.

Mr. David Gillis (Acting Assistant Deputy Minister, Ecosystems and Oceans Science Sector, Department of Fisheries and Oceans): Mr. Chair, we're pleased to see the results of the estimates we've been able to arrive at for the 2014 run. There are probably a couple of important factors at play here that could be mentioned. First off, as the minister mentioned earlier, these are the prodigy of the run from 2010, which was a very large run as well. We are expecting to see a healthy return four years later, after their normal migration at sea. It's also the case of course, as it is with shrimp, which you referred to in your earlier question, that ocean conditions have a lot to do with the survival and growth of all species including Pacific salmon. It certainly appears, as we understand it, that the conditions for these particular fish on their sojourn into the ocean have been quite good.

Putting those two things together, we have a very strong estimate for returns. There is some uncertainty, and, as the minister says, the fish are not in the bank until they're in the bank, but we certainly look forward to a strong return in 2014 based on the combination of those factors.

Mr. Robert Sopuck: I'll turn it over to Ms. Davidson.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Thanks very much, Mr. Chairman.

Minister, thanks so much for being with us again today. It's always a pleasure.

In my riding the aquatic invasive species are of huge interest and particularly the very devastating effects that the Asian carp could have if in fact it gains a stronghold in the Great Lakes. I was pleased to hear Mr. Muldoon outline the \$3.3 million for the Asian carp initiative in the Great Lakes. I wonder if you could speak to that

funding that has been provided, and to the government's plans for early detection and enforcement.

• (1610)

Hon. Gail Shea: Maybe I will turn that over to Mr. Gillis as well, since he's well versed in specifically what we'll be doing with that funding.

Mr. David Gillis: I'll elaborate on part of it, and then I may pass it to my management colleagues as well. Certainly the Asian carp program is an important one. We realize, based on the risk assessment work that we've done from a strong science basis, that this is a species that we need to monitor very carefully.

There is a science program associated with the Asian carp funding that is helping us do some research to develop new tools to monitor for the presence of Asian carp in Canadian waters and to make that information available to colleagues in management who will be using that as the basis for a rapid response program. Science and management work closely together to learn and then inform one another about how to respond, should we see reports of Asian carp or indications of Asian carp in Canadian waters.

Hon. Gail Shea: Would you like to add to that?

Mr. Kevin Stringer: I can make a couple of points.

First of all, it's an enormously important program. The Great Lakes fishery is a major economic driver for the Great Lakes areas, and the Asian carp program funds that were part of this, as you note, are part of an overall \$17.5-million investment by the government in Asian carp prevention.

There are four elements. There's prevention, working with such groups as the Ontario Federation of Anglers and Hunters, the aquatic invasive centre in Sault Ste. Marie, and others in terms of education and doing a risk assessment around the potential impacts of what would happen if they did get into the Great Lakes areas. There's early warning, where we've identified 24 sites around the Great Lakes as potential areas that we are watching. We have work on eDNA, which identifies DNA from droppings and such in the Great Lakes themselves. There's rapid response, which we had to test twice when we found what we thought was an Asian carp in the Grand River and elsewhere in the Lake Erie basin. Testing that out has actually worked well. There's also management, where we're working on regulations and we're working on training RCMP officers, etc.

Those are the four elements. We will remain vigilant. It is an important challenge and threat to the Great Lakes, and this funding is helping in that regard.

Mrs. Patricia Davidson: Okay. Thank you.

The Chair: Thank you, Ms. Davidson. Your time is up.

We'll now move to Mr. MacAulay.

Hon. Lawrence MacAulay (Cardigan, Lib.): Thank you, Mr. Chairman.

Minister Shea, welcome to you, and welcome to your backup team. It's good to have them here.

I apologize for being a bit late, but it's pretty rough down on Prince Edward Island, I can tell you. It's a job to get out. Anyhow, it's good to be here and good to have a chance to ask a few questions.

I think, Minister, you're fully aware of the great importance of the tuna fishery in the gulf. Hopefully you're fully aware that the hook-and-line fishery is one of the best managed and most sustainable fishery methods in the world, and that longliner fisheries have some of the most destructive means of fishing.

Are you considering an application to have an experimental longliner fishery in the gulf, and if so, why?

Hon. Gail Shea: I'm not aware of one, but I don't know if someone in fisheries management can answer that.

Mr. Kevin Stringer: Not aware, but we can check and see and get back if we're wrong about that.

Hon. Lawrence MacAulay: Thank you very much. That will relieve a lot of tuna fishers, because the tuna fishery is so valuable.

Regarding the order paper question I sent to you concerning the DFO libraries, it has been indicated to me that there is no way to track which materials were digitized, and no public outreach was done to offer the material to the public.

I just would wonder why this took place. There was material gathered for over 100 years that was valuable not to the walk-in people precisely but very much to the government scientists and the fisheries scientists. Why did this happen?

• (1615)

Hon. Gail Shea: The library consolidation happened because we have a walk-in client base of five to twelve people in the run of a year, so obviously it's not the best use of taxpayers' funds. Everything that is in that library has been maintained, will all be digitized, because that's what people are asking for now. Many of the publications have been given to other partners who have research collections.

This is responding to, I guess, the 21st century requests that we're getting for information. That's how people want their information now. They're not actually going to the library. We've ensured that all of the material is maintained. It will all be digitized, and we'll provide a better service to the public.

Hon. Lawrence MacAulay: Thank you, Minister, but your order paper letter to me indicated that your department had no way to track what was digitized and what was not, so how can we know what was saved and what was not saved? How do you know what material was saved and what material was not saved? What amount of time did the scientists have to evaluate this material and to know what should be saved?

We all saw the dumpsters out, and the material going, and a lot of people involved in the library system quite concerned about what was taking place. I'd just like you to elaborate on that, if you could.

Hon. Gail Shea: Everything has been saved. Anything that has been disposed of would have been 45 copies of the same magazine. We don't need to keep 45 copies of the same magazine. The originals of everything have been saved. Whether or not we have a list of everything that has been digitized—I'm sure that exists in different forms—eventually everything will be digitized.

Hon. Lawrence MacAulay: The problem I have is with a letter that I received from you that indicates quite clearly that DFO has no way to track which DFO library of material has been digitized and that no outreach has been done to offer the material to the public.

Was the letter right or they don't know? I can't understand how you could tell me in a letter that you do not know what's digitized and then you're telling me that whatever should be digitized is digitized? Is the letter right?

Hon. Gail Shea: Everything will be digitized, yes.

Hon. Lawrence MacAulay: Everything will be digitized, so we can only go by your words that it will be digitized; and the letter I received from you indicating that we do not know, I disregard.

Hon. Gail Shea: I'm sure we know it's all going to be digitized. I can't tell you for sure whether or not there was an itemized list of everything that has been digitized,

Hon. Lawrence MacAulay: My only concern is that the letter I got back tells me there's no way of tracking what has been and what has not been, but whatever, we've dealt enough with that.

The small craft harbours program has been continually cut. As you realize it was over \$200 million at one time; and \$111 million in 2012-13 and now it's down to \$94 million. The DFO report on plans and priorities forecasts a budget of \$92 million for 2016-17. As for this year's budget announcement of \$40 million over two years on a cash basis, can you give us any detail on how, when, and where this \$40 million would be spent? How would you access it?

Hon. Gail Shea: The \$40 million, of course, was put in place to be spent over the next two years and to accelerate the work that needs to be done. So we take health and safety issues into account when making decisions on which harbours get priority. The small craft harbour budget has not been cut. As a matter of fact \$20 million has been added to the base budget of small craft harbours.

Hon. Lawrence MacAulay: So the \$94 million is incorrect?

• (1620)

Mr. Marty Muldoon: The \$94 million is our opening budget, sir, from the main estimates of \$94.277 million. We will seek the budget increase the minister referred to from budget 2014 in addition to that amount.

Hon. Lawrence MacAulay: What's the addition, sir?

Mr. Marty Muldoon: The \$20 million per year for two years, so we'll get \$20 million on top of the \$94.3 million.

Hon. Lawrence MacAulay: So per year it'd be around \$100 million and it was \$111 million last year. In the new math I have, that would be a cut in the budget.

Mr. Marty Muldoon: Maybe I'm adding wrong, but \$94.3 million plus \$20 million would put us up in the \$114 million range and that would be in excess of \$111 million.

Hon. Lawrence MacAulay: I apologize, my math was wrong.

Thank you very much.

Madam Minister, there's great concern, of course, about habitat protection and what's going to be protected and what's not going to be protected. The DFO fisheries protection program will face a \$15-million cut over the next two years. Can you comment and explain how these moves will be put in place and what the cut will be?

Hon. Gail Shea: I'm going to refer this to Kevin Stringer.

Mr. Kevin Stringer: There were indeed reductions associated with the strategic operations and review process. The legislation changed, the focus is on serious harm. We have consolidated the office from a large number of offices, and done some economies of scale to ensure that we have sufficient people in the offices we have to do the work we have to do.

While those reductions were being made, the government has also done the investments of the \$10 million a year that the minister and DFO spoke to with respect to the recreational fisheries partnership program. In terms of the overall investment in fisheries protection, yes, there is a reduction in the staff who were reviewing projects. There are processes, consolidation, etc., to address that, but there's also an increase in the recreational fisheries partnership program that helps to offset that.

Hon. Lawrence MacAulay: How many DFO scientists have been fired or relieved of duty in the last two years? Can you tell me that, Minister?

Hon. Gail Shea: In the last two years, I'm not 100% sure, but I know that right now we have about 1,500 people working in that section in our department, doing all kinds of good science work. Our science budget has remained fairly constant over the last number of years. What we've done is ensure that we focus on our science priorities and that we get our priorities completed.

If I may, I'd like to share some examples, because DFO science does such good work, and I want the committee to be aware of some of the work that is being done right now.

We're working to examine how cold ocean conditions impact snow crab development off Newfoundland and Labrador in the southern Gulf of St. Lawrence and in the eastern Bering Sea.

We also have a multi-year project whereby we're identifying and quantifying a suite of microbes that affect B.C. salmon and their effect in the interplay between wild and cultured salmon.

Our scientists are also, on the south coast of Newfoundland and Labrador, working with the local fishermen's union in an aquaculture company to determine whether there are any changes to the benthic bottom environment as a result of establishing an aquaculture farm site.

We are also doing science to inform hydro-electric development; we're doing science on the narwhal summering aggregation; we're doing science, which we talked about, on the Asian carp; we're also

doing science on the behaviour of oil spills in the marine environment.

We're also doing science, with small craft harbours on the northeast coast of Newfoundland and Labrador on meeting the challenge of climate change. What they're doing is exploring the potential use of floating breakwaters as a cost-effective option for minimizing the damage that could happen from severe winter storms.

The Chair: Thanks, Minister.

Mr. MacAulay, thank you. Your time is up.

Mr. Weston.

• (1625)

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

Minister, on a day when British Columbia's premier is here in Ottawa to shrink the distance you've spoken about in relation to your many visits to British Columbia, you've told us about your observations about the passion and commitment of the communities. As a British Columbian, I think it's great to hear. I know many people who are part of that passion and commitment. We thank you for your understanding.

One of the things the government has done in response to that is extend the amount of proceeds from the salmon conservation stamp that will go to the Pacific Salmon Foundation.

Minister, would you like to expand on that a little bit?

Hon. Gail Shea: What has happened in the past is that the Pacific salmon stamp was worth, I believe, six dollars. One dollar would go back the Pacific Salmon Foundation for habitat enhancement projects, which they do so very well. The industry, with which we have worked on this, asked on several occasions that the entire stamp value be returned to the Pacific Salmon Foundation for direct investment in the salmon industry in British Columbia.

This past year our government agreed with that, and we're now returning all of the proceeds of the Pacific salmon stamp to the foundation. This provides an increment of more than \$1 million to the Pacific Salmon Foundation that they weren't receiving before.

I have to point out that the Pacific Salmon Foundation prides itself on leveraging even more money to invest in the salmon industry with that. They leverage anywhere from \$7 to \$10 for every \$1 invested. That is a significant amount of money, which translates into a \$10-million investment in Pacific salmon.

Mr. John Weston: Minister, you've already spoken about the recreational habitat partnership program. Do you foresee some leveraging through volunteers in the same way as you've seen it through the Pacific Salmon Foundation?

Hon. Gail Shea: We do for sure. It is necessary and mandatory that there be a partnership with the recreational fisheries partnership program. That as well will leverage a huge investment in Pacific salmon. There has been a great uptake in British Columbia in this recreational fisheries partnership program; there is in this upcoming round, as there was in the last round. This is leveraging a lot more money from private sources and other government sources.

What it does as well is provide encouragement to the volunteers who work so hard to make these projects come to fruition. If we can provide some funding that helps them get these projects completed.... It's absolutely amazing what can be done.

Mr. John Weston: Minister, consistent with the things you're talking about—you mentioned earlier that you've seen a direct result between the efforts of these volunteer groups and the health of the salmon—there is a salmonid enhancement program, an excellent way that the government supports our iconic fish in B.C.

One portion of that program that has caught my eye is the Stream to Sea education program. It's designed to encourage youth to be better aquatic stewards. I recall that you visited the North Vancouver Outdoor School, where you saw youth involved as stewards.

Do you want to comment on this salmonid enhancement program and in particular on the Stream to Sea education program?

Hon. Gail Shea: This is a very important program for the youth in British Columbia. There are about 1,800 schools with incubators in the classrooms in 50 school districts in B.C. and Yukon. We reach about 8,000 students per year. The students often take field trips to release fish that they've raised in the classroom, so it's a real hands-on experience. They interact with other public involvement programs and with NGOs and community groups of which they may, at some point in time, become members as they grow up.

It's exposing the children to not just the life cycle of the salmon but also all the volunteer organizations that make it happen and make it a success.

Mr. John Weston: I think you've become a real minister of the people when it comes to salmon.

Do you have any words for those youth, in terms of the commitment you're talking about today, on how they should become more involved in becoming good salmon stewards?

• (1630)

Hon. Gail Shea: I think that through governments working together with the NGOs and providing the materials and things that are needed in the classroom to allow the children to learn, we are doing a good job of providing the education for children.

But they don't just get it from there. I know that when they go home they also hear from their parents and from their friends how important salmon is to British Columbia. I think it's really instilled into them, and there is such a sense of accomplishment for them that this will continue.

I believe that children, being children, will want to do what their friends are doing. So they will have role models among themselves. It's really very impressive to see the interest they take in this program.

Mr. John Weston: Let me just close by saying that the children of B.C. and all of the people who support salmon and salmon habitat welcome you back as soon as you can get to B.C.

Thank you.

The Chair: Thank you.

Mr. Leef. You have three and a half minutes left.

Mr. Ryan Leef (Yukon, CPC): Thank you, Mr. Chair.

It's great to see you before the committee, Minister.

We talked a little bit about small craft harbours. Of course, they're of significant importance to our fishermen, and keeping them in great repair is no easy task, given that they're spread all across the country—hundreds of them, in fact. Often they're in remote locations.

Can you explain how the additional \$40 million will accelerate their maintenance and, if you could, touch on some of the locations where the government's investments are among small craft harbours so that Canadians get a sense of where these investments are spread out across the country?

But specifically, how will that additional \$40 million accelerate their maintenance?

Hon. Gail Shea: Small craft harbours are certainly spread right across the country. They are spread from the north right to the coast of Newfoundland, right to the coast of British Columbia, and all throughout.

Of course, we've established a new small craft harbour at Pangnirtung in Nunavut. It is the first small craft harbour for the territory. It is certainly much appreciated in that community and very much needed as we start to anticipate more fisheries in the north at some point in the future.

The small craft harbours are spread right across the country, and there are varying degrees of needs. The first thing we have to take into account and consider is the health and safety of the users of a harbour. We have to address those issues first, and there are plenty of them. You can imagine that harbours that are pounded by raging waters and high tides take quite a beating, and they're very expensive to maintain.

That's how we decide how that funding will be spent. We have to consider health and safety first.

Mr. Ryan Leef: I appreciate that.

So we have the investment, \$20 million each year over two years.

Given some of the challenges you've articulated—and obviously it's a sensible approach, making sure that user safety and the development considerations are first and foremost—how confident are you that additional money will be spent on deserving projects and not returned back into the fiscal framework?

Hon. Gail Shea: I'm very confident of that, I can tell you.

There is never enough money, of course. Small craft harbours certainly have lots of needs. But this will allow us to accelerate some of the projects we have been trying to complete.

As I said, health and safety are first, but we will have absolutely no problem spending the budget and the additional \$20 million, as well.

Mr. Ryan Leef: Thank you for that.

I see in the graph charts we have before us there's a breakdown of where the expenditures are for compliance and enforcement, and fisheries protection. These two are separate categories in the graph charts we have under strategic outcome and program. Collectively they make up about 75% of that section of the budget, which I think is an excellent allocation to protection.

You touched on it, though, Minister, you directly dealt with this. And Mr. Gillis talked about it in his presentation. I could sense it in yours, when you were talking to us about the pride you have in DFO science work. Mr. Gillis talked about it in respect to the Asian carp initiative.

Could you touch on how important the work that DFO science does is, what it contributes to the management aspect, how they work together—as Mr. Gillis touched on—and how the science work supports the critical work of compliance, and enforcement, and fisheries protection?

•(1635)

Hon. Gail Shea: As you know, science is the basis for management decisions. It's our responsibility to ensure we have healthy fish stocks. Science forms that basis and allows us to go forward with setting total allowable catches. Then we have conservation enforcement people who come in and enforce those total allowable catches. One informs the other, but it's all very important in the big picture of having a sustainable fishery.

Mr. Ryan Leef: Thank you.

The Chair: Minister, on behalf of the committee, I want to thank you very much for being here with us today. We certainly do appreciate your time and your taking the time to answer committee members' questions. Thank you once again.

We'll take a brief recess while the minister leaves and officials re-situate themselves.

Thank you.

•(1635)

(Pause)

•(1640)

The Chair: We're ready to begin. We're going to lead off with Mr. Chisholm in a five-minute round.

Mr. Chisholm.

Mr. Robert Chisholm: Thank you, Mr. Chairman.

Gentlemen, it's good to see you again and have you here before the committee. We can explore a few issues that are hanging out there.

I wanted to start with the decision around the reopening strategy for the three major herring stock areas off British Columbia: the west coast of Vancouver Island, the central coast, and Haida Gwaii. I raise it because it appears, according to the memorandum for the minister dated December 9, that the minister went against the advice of officials. It's having particularly interesting consequences, given the

fact that the Nuu-chah-nulth have successfully argued for an injunction on the west coast of Vancouver Island and now the central coast first nations are threatening to blockade or otherwise disrupt the commercial herring fishery in the central coast.

I wonder if you could give us some explanation of why this decision was made. I'd ask the minister, of course, but we had her for only a short period of time. There are important consequences in terms of relations with the first nations and the disruption in relations between the commercial fishery and the first nations. So I wonder if you could give me an answer on that one, please.

Mr. Matthew King (Deputy Minister, Department of Fisheries and Oceans): I'd like to begin, Mr. Chair, and I'll ask Kevin to weigh in. You'll understand that it's always a little difficult for a deputy or for an assistant deputy to talk in public about advice given to a minister, because traditionally that remains a private affair. But in this case, as we all know, the advice memo was part of an affidavit, and part of it is public. In recognition, of course, that it is before the courts, we have to be careful about how we characterize this, but there are a couple of points that I really would like to make. I think it will help the public debate, and they haven't come up much in the public commentary around this issue.

We offered the minister two options—which is our role in the process—concerning the 2014 herring. I just want to start out by saying that both options—and this is a point that was really unclear—were based on the notion that on the basis of the 2013 assessment in the three fishing areas that you've referenced, the cut-off, which is the management strategy we use for the Pacific herring fishery... The system proved that the spawning biomass was significantly above the cut-off. That's the first point.

The second point is that—as we always do—these options were also discussed with industry, with first nations, with other stakeholders in the course of our deliberations.

The first option would have seen a commercial harvest take place this year, but at a 10% harvesting rate—that is to say 10% of the estimated biomass. That was the first option.

The second option, which was ultimately the option that the department recommended, would not have seen a commercial fishery this year, but it would have included time for the department to continue on initiatives like the Pacific herring licence fee reform; it would have let us advance work under the sustainable fisheries framework to look at a new management regime for Pacific herring, which we've already begun to talk to industry about; and finally, we thought it would have let us continue on with some of the science work.

I'll just finish on this very—

Mr. Robert Chisholm: Mr. King, I'm sorry. It's really important that this information get out, but I don't have enough time. So I'm going to ask one other question, and maybe in your answer to that one you can add to that.

The main estimates indicate an \$8.5-million decrease between 2012 and 2014 for ocean forecasting. I wonder if you could explain the reason for this decrease, especially given that all three of our oceans are currently undergoing significant change, including ocean acidification, warming, and changes in ice coverage.

• (1645)

Mr. Matthew King: I'd be happy to. I'm going to turn to Mr. Gillis to do that.

Mr. David Gillis: Yes, there have been several sets of changes to some of our program activity boxes in the department, including this one, and it is confusing to look on the face of those numbers and see what has been going on.

With the ocean forecasting program, what we have is that in 2011 and then again in 2012 we had a lot of money coming in to that program in order for us to conduct our climate change adaptation program. Climate change programming is very heavily based on oceanographic science; that's the underpinning for a lot of the considerations that go into climate change trends and predictions. So when we received our funding, it went into that programming box and it made it look like there was an increase.

Then, for the third year of the program, we actually created our own program box for climate change, so the money came back out of the ocean forecasting box when the climate change went into its own program activity architecture box. So on the face of it, it looked like there were significant changes between those two programs, but in fact it was money flowing in and then out 18 months later.

The Chair: We'll now go to Mr. Kamp.

Mr. Randy Kamp: Thank you, Mr. Chair.

Thank you, gentlemen, for being here.

There are just a couple of areas I'd like to cover and a third if time allows. Earlier, in the discussion with the minister, the issue of ITQs on the west coast with respect to salmon was raised. I'm not sure if the member opposite said explicitly—he certainly implied—that the department has an agenda with respect to ITQs with respect to salmon. It's my understanding that there's an advisory process ongoing, that industry is talking about this.

I just wonder if you can give us a little bit more detail so that we really understand what's going on there.

Mr. David Bevan (Associate Deputy Minister, Department of Fisheries and Oceans): I believe that we've been looking at how to manage the salmon fishery in British Columbia over the last number of years. Clearly this year we're not going to be faced with—at least hopefully not—an abundance issue. But in the past we've had to manage small fisheries, and there was a problem with the entire fleet. They couldn't show up and have it properly managed, so efforts were under way to look at different approaches to managing those smaller contained fisheries so that they could be opened under different circumstances. Instead of having all the gillnets, for example, show up at an opening, we would have a small number pool or go to quotas, etc., to prosecute those fisheries. Those kinds of discussions have been ongoing with the industry, so it's not just an ITQ imposition on the fleet, it's a different approach to allow for those smaller contained fisheries to take place if there's an opportunity and a smaller surplus than otherwise would support a bigger fishery.

Mr. Randy Kamp: Okay, good. I appreciate that.

The main estimates talk about the \$24.3 million for the strengthening of the prevention, preparedness, and response regime to oil spills and part of our efforts to have a world-class tanker safety program.

I just wonder, Commissioner Grégoire, if you can just give us a bit more of an idea of where we're at on that. It talks about phases and stages, and if you can give us a bit more of an outline, I'd appreciate it.

Mr. Marc Grégoire (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans): Yes, certainly.

First of all, I guess, the largest piece of that funding relates to the implementation in the coast guard of the incident command system. This is a system that will allow us to manage large crises in a far better way than we have done until now.

First of all, it will allow us to manage crises with all of the involved parties, the province, the municipalities—all the players together at the same table. We had the opportunity to practise that during the Zalinski operation on the west coast, and it works very well. A good part of that money is actually to build a command centre—so to speak—in Ottawa to manage crises at a national level. It's to buy a computer system to allow all of the coast guard people involved in a crisis to work and report on the same platform. It allows for money for funding for the training of our people. That would be the bulk of it.

There are a number of other initiatives. Some of that money goes to science, and maybe Mr. Gillis will explain that.

• (1650)

Mr. David Gillis: Thank you, Mr. Grégoire.

Yes, there is another large component of the world-class tanker safety system, which goes to a number of supporting science issues. I'll mention four briefly.

First of all, we received some funding, which has largely been spent now, to improve the charts in the areas of the west coast where development might be anticipated. That work is very largely complete. We'll be wrapping that up in the current year. That's the first item.

The second item is that in the same area we are doing some work in association with Environment Canada to improve our capacity to model the movement of water masses in that area. It's a dynamic oceanographic modelling exercise that is important for us to develop in order to help project where a spill in the water may go and when, so that can be informative of efforts to deal with and recover those products.

In association with that, we are putting some significant resources into our research facility, which is actually on the east coast. It's at the Bedford Institute but is established nationally to do research related to the "fate and behaviour" of oils in the marine ecosystem, the marine environment. In particular in this case, we're focusing on the diluted bitumen—dilbit—products that might be at issue in that development. We're doing a number of trials of how bitumen behaves and what happens to it over time in a range of environmental conditions that are common on the west coast.

The last item, and it's a fairly large one, is to do what we call resource inventory. Really, this is code for us collecting all of the information that we have about resources and resource-based activities on the west coast, and to organize that, see the gaps, and fill some of the key gaps so we'll have a very organized information base that we can use to help provide advice on the design and implementation of the project.

The Chair: Thank you, Mr. Gillis.

Thank you, Mr. Kamp.

Mr. Cleary.

Mr. Ryan Cleary: My first question—I have two—is for Mr. Gillis.

Mr. Gillis, when the minister was here, I asked a question about what seem to be impending cuts to the shrimp stocks off Newfoundland and Labrador. I know that in a later answer you mentioned how ocean conditions have impacts on stocks—a big impact. There's no doubt that warming water temperatures, for example, do have an impact, but in the fall in the commercial groundfish fisheries such as cod or flounder, for example, if you were to mention the impact of ocean conditions to anyone back home in Newfoundland and Labrador and say that it was a primary reason for why stocks fell, they'd laugh at you.

The bottom line is that I think what's generally acknowledged is that mismanagement and overfishing are behind the fall of most of our commercial groundfish fisheries, for example. Again, bringing it back to when the minister was here, now we see a huge decline in the biomass of shrimp. That's going to lead to huge cuts in shrimp quotas, and again you talk about ocean conditions, so I have to take you up on that. How much faith should people have in DFO science or in the department itself when we see commercial stock after commercial stock fall? The offshore shrimp is just the latest in a whole line of stocks that have fallen under this department. How much faith should we have in the science, sir?

• (1655)

Mr. David Bevan: Mr. Chairman, I'd like to answer that.

We have a great deal of confidence in the science regarding shrimp and crab, and other species that are subject to changes in the natural environment.

When we were managing cod—and the changes took place that impacted the productivity of cod—we never adjusted our fishing practices at that time, and we've learned an awful lot from that.

What we're facing right now are changing oceanographic conditions off Newfoundland, in particular. We're seeing warmer water temperatures on the bottom and that is having a direct impact

on the productivity of crustaceans, and therefore there has been an observed change.

We also have in place the precautionary approach and decision-making framework. So in the shrimp fishery, for example, our decision rules are that we keep a very low harvest rate on those populations.

If you look at the declines in the biomass, you're seeing a 33% decline in area 6, a 48% decline in area 5 as we go north, and a 21% decline in area 4. Those are significant.

What we need to do is contemplate how to respond to those declines. But we are looking at the maintenance of very low harvest rates, notwithstanding that.

We had a harvest rate in the north of about 8%, which is low for a short-lived animal. We are going to maintain harvest rates at a level that will be acceptable to the Marine Stewardship Council and to us in terms of our precautionary framework. So we're not going to exceed a 20% harvest rate in these areas.

You can see that the declines are not coming from fishing efforts because the declines are greater than the harvest rates. We're seeing a change in the productivity of these populations relative to the new oceanographic conditions.

They're shifting back to what it was like in the sixties and seventies when the groundfish were in good shape. We're also seeing some improvement in groundfish, but not as rapidly as we're seeing the changes in the shellfish.

The reality is that we live in a natural system, and we have to respond to that and adapt to that natural system, and that's just the reality we're facing.

I think the idea that—

Mr. Ryan Cleary: I'm sorry to interrupt, Mr. Bevan. I have just another minute so I want to get another quick question in.

I do want to take you up on one point, though, that we are seeing some increase in groundfish levels. But still, 1% of 1960 levels for cod fish, for example, for me, is no increase whatsoever.

My second question has to do with a question that Mr. MacAulay asked earlier in terms of DFO libraries. As a parliamentarian I can ask a question on the order paper in the House of Commons, and I put in a question. My question was for a list of all documents, materials, books, research papers that have been destroyed by the department in Newfoundland and Labrador due to the closure of the library.

The response I got back to the question on the order paper was a charge to me totalling \$675. My question is, do you see that as being cost prohibitive? DFO wouldn't be trying to hide anything, would they, Mr. Bevan, when they do not release the information?

Mr. David Bevan: No.

First off, on the cod, I would point out that it's 15% of its former level, so it's up from 1% to 15%.

Mr. Ryan Cleary: Northern cod?

Mr. David Bevan: Yes.

Mr. Ryan Cleary: It's 15% of 1960 levels, sir?

Mr. David Bevan: It's gone back up to 15% of its limit reference point, so it's gone up by a considerable amount, but not enough to support any kind of economic activity.

Mr. Ryan Cleary: And not 15% either....

Mr. David Bevan: It's 15% of its limit reference point.

Mr. Ryan Cleary: Northern cod is at 15% of 1960 levels?

Mr. David Bevan: No, of the limit reference point, so it's not the same thing.

On the question you asked on the order paper, we provide that information. We go very thoroughly through all our information, and I have to attest to the accuracy and veracity of that information and we take that very seriously. I don't have an answer to your question here with me but certainly we'll get back to you on that.

The Chair: Thank you very much.

Mr. Sopuck.

Mr. Robert Sopuck: Thank you.

Mr. Gillis, can we say that the Pacific salmon can be considered an environmental indicator of conditions off the west coast, and indeed, of the system itself, including the freshwater spawning habitat?

• (1700)

Mr. David Gillis: I'm not trying to be evasive here, but I think what I would say is any species—when you understand a bit about its relationship with the environment in which it operates—indicates something about the state of that ecosystem.

As I said earlier, in the case of Pacific salmon this year, if our estimates are at all accurate, it looks like the current year class that's returning this year in 2014 has experienced relatively good conditions in the ocean that have allowed them to be productive and to survive, and also benefited from having a very large year class to start them off. There was very high production of small salmon from the 2010 return. So in that sense I think it is an indicator of a certain set of environmental conditions.

I think, though, like we are discussing with some other species, an ecosystem might be favourable to one species but not so favourable to another. Each type of animal in the ocean, and it would be generally true, has a set of environmental conditions that favour their productivity and others that don't.

I wouldn't jump to a conclusion about any one species, but certainly for Pacific salmon right now it looks like that ecosystem has been productive in recent times.

Mr. Robert Sopuck: But of course given the iconic nature of Pacific salmon and its importance culturally and economically, I think a focus on Pacific salmon is warranted. And given they are a group of five species that go way up into the inland areas to spawn, they need freshwater nursery habitats, they need good gravel to spawn in, then they go back to the ocean and they need a food web that sustains them in different stages of life, I think it's fairly safe to conclude if the 2010 run and the expected 2014 run are any indication, we can say the entire system, including the fisheries

management regime that manages those stocks, is all in pretty good shape. Isn't it?

Mr. David Gillis: As I say, it certainly looks like the whole system has been successful at producing what we hope will be a very good return of salmon in 2014. I'm not sure what further I can add.

Mr. Robert Sopuck: Mr. Stringer, you talked about pipelines. I'm going to switch to something else.

Under our new Fisheries Act you are able now to apply standards to various projects, and you were unable to do that under the old Fisheries Act. Is that correct?

Mr. Kevin Stringer: Under the previous act we did try to apply standards, but we did it by policy. We now have the ability to establish in regulation an actual standard so with respect to a pipeline crossing, here is the standard you must meet. With respect to barriers or dams, here is the standard you must meet. With respect to water flow, here is the standard we require anybody to meet. We can do that now by regulation.

Mr. Robert Sopuck: It seems to me then that compared to the old Fisheries Act, where you had standards by policy that really couldn't be enforced in any courts of law, the new Fisheries Act, where you have standards that can be enforced in a court of law, is a marked improvement. Isn't it?

Mr. Kevin Stringer: There's an attempt to have regulatory clarity. There's an attempt so everybody out there who is affected by the Fisheries Act, either proponents, or conservation groups, or angling groups, or people who care about the fishery, have a good understanding of what the rules are. And we'll be able to roll those standards out and develop them with conservation groups, with angling groups, with industry, over the next few years, but it is indeed providing that regulatory clarity people were asking for.

Mr. Robert Sopuck: If memory serves me right, in earlier testimony from an earlier meeting with officials it was stated that you had under the old Fisheries Act something like 12,000 files open in a given year, and we only actioned basically 1,000 files.

Under the new Fisheries Act, of course, you are dealing with specific fisheries that people actually care about. It seems to me a large measure of those savings came from the changes to the number of files you actually had to work on. Is that correct?

Mr. Kevin Stringer: Indeed. It comes from a number of things, but certainly in terms of those 12,500 projects that happen in the country that may impact fisheries, we know from the years of experience where the likely impacts are going to be. We know we don't need to look at 12,500 projects. We have it down to about 1,000. We issue around 300 or 400 authorizations. So that is an attempt...and the standards will help us ensure we're not missing anything by having those types of numbers.

•(1705)

Mr. Robert Sopuck: And all that money saved went into our new recreational fisheries program. Makes sense.

The Chair: Thank you, Mr. Sopuck.

Mrs. Davidson.

Mrs. Patricia Davidson: Thanks very much, Mr. Chair, and thanks to the officials for being with us for the second hour.

I want to ask a couple of questions about the coast guard, if I might. I see that we've got a decrease of \$30.2 million related to the coast guard vessel life extensions and mid-life modernizations, so I'd like to have some explanation about that. We know that this government has certainly invested a lot in the coast guard compared to what's been done previously, so why are we investing before and now, why are we cutting back? Is this a normal fluctuation within the program?

I guess the other thing along that line is with regard to the mid-life modernization and vessel life extensions, and the winter that we've just experienced with the record ice cover on the Great Lakes, and I'm speaking only about the Great Lakes because that's my area. Could you address that as well? Are there impacts resulting from the very harsh winter that we've had and we know that we've had a lot of icebreaking requirements so far and probably a lot more to come?

Mr. Marc Grégoire: It would be my pleasure to do that. I will start with the second question, if I may.

First of all, as you have mentioned, the last winter has been extremely harsh. If I compare it to the last few winters, there was virtually no ice in the lakes, so to speak. But this year, we've had record ice that dates back to the early 1990s. I think the last time we saw so much ice in the lakes was in 1994. The coast guard is taking extraordinary actions to allow for the safe movement of ships in the Great Lakes and the St. Lawrence Seaway system.

The opening of the seaway was today, this morning actually. But we have sent larger ships than normal to allow for the breaking of the ice in the upper lakes. For instance, we have a ship that's en route to Sarnia, the *Radisson*. It's a ship that normally would never go west of Montreal. It's going to Sarnia and then it's going to continue to Lake Superior, which it should reach in a couple of days.

We have a second medium icebreaker, the *Des Groseilliers* that was in the locks earlier today in the Welland Canal. It was going to work on Lake Erie. We had up until a few days ago four feet of ice. So, yes, it's a lot of work, and we have had to use all of our icebreakers throughout the winter, since Christmas actually, extensively in the Great Lakes, the St. Lawrence Seaway, the gulf, and all around Newfoundland far more than we did 20 to 30 years ago.

How is the VLE going to help? It's not helping with the icebreaking in the short term, but it will certainly help in the long term.

What is perceived as a decrease—actually it is a decrease—I would characterize it as cash management. For the vessel life extension, we have received from this government \$360 million to spend over 10 years. When we asked for that money, we established a cashflow before we actually did an in-depth analysis of where we

would need the money and also without considering the operational impact.

We spent the last year doing a planning project where we consulted our user. We consulted the operators of our fleet. We also consulted the various yards in the country to see their capacity of actually doing big work on ships. After that work, we reprofiled that money.

I have a table which shows the cashflow of the money over the 10 years, so we will finish the vessel life extensions for which we were given \$360 million in the 10 years as planned, but rather than spending \$30 million, we spent more time and energy planning for this, and the money is being moved to the following years.

Next year, for instance, we are starting major work on three vessels. Last year, we completed major work on the *Amundsen*. We changed the engines and generators. All of our icebreakers will go through significant work as will many other vessels over the next 10 years.

•(1710)

Mrs. Patricia Davidson: Thank you.

The Chair: Thank you, Ms. Davidson.

Mr. MacAulay.

Hon. Lawrence MacAulay: Thank you very much.

Mr. Grégoire, this \$360-million cashflow you're talking about—is that new money?

Mr. Marc Grégoire: That was money announced in budget 2012. That's part of the \$5.2 billion for fleet renewal that was announced.

Hon. Lawrence MacAulay: I'm just trying to get a handle on it. You have taken nearly \$37 million out of acquisition and \$30.2 million per year out of the extension program. Is that correct?

Mr. Marc Grégoire: No.

That \$360 million is not A-based money, it's B-based money. It's given for a very specific project. That \$360 million is given to the coast guard for 10 years. But the cashflow that we foresaw before the actual start of the budget is different from what we really need. So we just rebalanced our needs for cashflow over the next 10 years, but we are going to use it all.

Hon. Lawrence MacAulay: Did you rebalance it with more or less money?

Mr. Marc Grégoire: It was the same amount of money.

Hon. Lawrence MacAulay: It's the same amount of money you had a year ago?

Mr. Marc Grégoire: No, but it's \$360 million. Every year we have different amounts. It was not \$36 million per year; it depended on the work we had to do on ships. For some ships we have to replace the engines, we modernize the bridge, we change the galley, we modernize rooms—

Hon. Lawrence MacAulay: So basically, if I understand, not to interrupt you, it's working capital. What was needed would be there.

Mr. Marc Grégoire: What is needed is there; it has been provided.

Hon. Lawrence MacAulay: As you're aware, the Atlantic lobster sustainability measures have been ended. A number of fisherman are quite concerned those have ended at a time when the lobster fishery is going through quite a difficult time.

I also understand that they have agreed to put one cent per pound from the fisherman into marketing. How will this be done? What role will the federal government have to play? The federal government has been involved in marketing previously. There is a precedent for this.

I'd just like to add that having attended some fisheries markets around the world, I have seen that fish is not marketed very well at all. I attended a show in Shanghai. The only place I could find a lobster was about two feet down in a freezer in which other products were displayed very well. These were people who were buying products for the retailers. Those other products, meats and other things, were done really well. Is the federal government involved in helping with the marketing of fish, or is it still the same old thing, that it's under provincial jurisdiction? Because the federal government has been involved previously.

Another thing I'd like an answer for is that 15% limit at reference points. I don't have a clue what you're talking about. I'd just like to know, and I need an answer to this too, and I'm scared that he'll cut me off.

Mr. Kevin Stringer: On lobster first, you're right. The lobster sustainability program comes to an end today. It's the end of a few years.

Over the years, we removed about 600 licences, removed about 200,000 traps from the water, established all kinds of new sustainability measures such as biodegradable traps, reductions in traps per harvester, and all these types of things, so it was a very useful program.

The panel reports—and there were two of them, the one from P.E. I. but also the one that came from the three maritime provinces—were very comprehensive and spoke to a number of different things. They spoke to marketing, spoke to the levy issue, spoke to a number of different approaches, and had five recommendations for the federal government.

The minister released something a couple of weeks ago, and she was at the lobster summit last week and spoke to it. We've accepted all five recommendations that came to us. They speak to ensuring that we have clear rules about how we work with industry providing a support function when it comes to rationalization, marketing, and those types of things as we have in the past, and ensuring that we have up-to-date modern information management systems in place.

We have accepted those recommendations. We said at the lobster summit last week, and in our statements generally, that leadership needs to come from industry but we will work with industry to make the change that needs to be done. I think everybody believes, as has been pointed out, that we're not getting full value for lobster. There are things that need to be done.

That lobster summit, which brought together governments and industry right through the value chain, is the sort of thing that needs to be done. They did discuss a levy process, which is being led by the provinces, and they did discuss marketing, but they also spoke about the federal government's role, and we've indicated that we'll be there for our part of that.

• (1715)

The Chair: I'm sorry, Mr. Bevan, time has run out.

We'll move to a two-minute round at this point in time. We'll start off with Mr. Chisholm.

Mr. Robert Chisholm: Time's flying. We have lots to talk about.

I wanted to talk about marine protected areas, in particular.

Canada has made a commitment to protect 10% of our marine areas by 2020. In 2012, the environmental commissioner's report was, I think it's fair to say, fairly critical of what we were doing to fulfill our commitments. Little progress had been made toward a national strategy. I'd like to ask you, are we going to meet that goal of 10% in 2010? Have you been working on a national strategy to pull together what exists now into some kind of a coherent strategy and plan?

Mr. Trevor Swerdfager (Assistant Deputy Minister, Ecosystems and Fisheries Management - Operations, Department of Fisheries and Oceans): I think, first, to touch on the federal role, really there are three statutes that we use to establish marine protected areas, as you probably know.

Mr. Robert Sopuck: Yes.

Mr. Trevor Swerdfager: The Oceans Act allows the Minister of Fisheries and Oceans to establish some areas, the Canada National Parks Act allows the Minister of the Environment to establish national marine conservation areas, and the Canada Wildlife Act allows the Minister of the Environment as well to establish marine national wildlife areas. All three of those tools have been and are being used to varying degrees in a mix. The federal departments involved worked quite closely to identify chunks of the landscape, or I should say seascape, rather, that are of highest priority. So there's a lot of coordination among the federal community.

As part of the budget deliberations that you're engaged in here today, I'd also note that the government has renewed funding for the health of the oceans initiative, and so this funding base for the Department of Fisheries and Oceans and for others with respect to marine protected areas has continued.

Insofar as the 10% target is concerned, I think that all participants in that process would recognize that's an aspirational target, and what one counts and one doesn't is certainly a matter of policy debate and discussion. Certainly the department is continuing to orient its efforts toward the achievement of that. The investments through HOTO and other things I think will move us along in that regard.

With respect to your question, finally, on the development of a national strategy, certainly we have concluded over time that probably it makes the most sense to work on all three oceans as opposed to a strategy that treats all oceans as the same, because they're not. The jurisdictional and management arrangements differ from ocean to ocean to ocean. Certainly the federal government is trying to take as consistent an approach as it can in its programming. But because the nature of the conservation initiatives in all three oceans differs, our focus—while maintaining national consistency—is much more ocean by ocean than on a single “one size fits all” in all three ocean contexts.

Mr. Robert Chisholm: So there won't be any national system?

Mr. Trevor Swerdfager: Well, there will be a national—

The Chair: Sorry, we're way over time here, so thank you.

Mr. Sopuck.

Mr. Robert Sopuck: Regarding the Pacific salmon run again, is it fairly safe to conclude, given that net-pen aquaculture has been going on on the west coast since 1985, and given the high run of salmon in 2010, and the expected terrific runs this fall, that the current management regime for net-pen aquaculture on the west coast is doing its job?

• (1720)

Mr. Trevor Swerdfager: I think in terms of drawing conclusions to a predicted run of salmon, and then tying that back to a management regime, what we'll need to do is see if the runs in fact come along those ways, and so on.

Mr. Robert Sopuck: Fair enough.

Mr. Trevor Swerdfager: But having said that, I think it's true that the environmental regime, the management regime in place for aquaculture in British Columbia, largely in the context of the Fisheries Act regulations that the government passed some time ago, do in fact put in place very strong environmental safeguards, both in terms of the operation of the farms themselves and the movement of fish between and from farms. It would certainly allow one to come to a conclusion that the system is working well.

Mr. Robert Sopuck: Okay, thanks.

I'm going to be really quick because there's no time, but I'm going to ask the question anyway. In terms of the east coast, the Atlantic salmon, what can we do to enhance Atlantic salmon stocks, given that some of them are not in very good shape?

Mr. David Bevan: We have river-by-river measures, so we have conservation limits that we're looking at achieving on each river. We have seen significant differences in at-sea survival. If you look at the inner Bay of Fundy, those are very stressed stocks. They're endangered. We have not been able to find the exact answers as to why those fish make a one-way journey out of the rivers into the ocean and don't come back. Others are more productive. It varies by river. So what we're doing is considering each river individually

and setting up the appropriate angling and fishing controls for that river in an attempt to meet the conservation levels. When I was involved with NASCO, we set up a collaborative agreement called SALSEA, Salmon at Sea. It's research to try to get a handle on what is going on in the high seas environment that's having an impact on Atlantic salmon.

The Chair: Thank you very much.

Mr. Chisholm.

Mr. Robert Chisholm: I'm going to ask you a few quick questions.

One, in response to that last question and particularly regarding the southern uplands Atlantic salmon, why was the decision made to bulldoze the Mersey River biodiversity station if there was any attempt to show a commitment toward the survival of the Atlantic salmon, particularly that strain?

Two, the reports on plans and priorities of the department indicate that there is a moderate risk that the department may experience challenges in responding to hazards and crises. This is regarding the coast guard. I wonder if you would please expand on that. The main estimates indicated a decrease of \$31 million over two years for the aboriginal strategies and governance file. I wonder if you could also answer that.

Mr. David Gillis: The Mersey initiative was obviously part of the budget measures that we spoke about more generally earlier in the session. In a nutshell, previously we had three facilities that were contributing to our efforts to do research and to maintain the genetic stock of Atlantic salmon, especially in the inner Bay of Fundy in the Atlantic Canadian area, and we determined that we would be able to maintain that program with just two of those facilities. We were able to bring that efficiency to that program.

Mr. Robert Chisholm: You haven't yet. You bulldozed the plant. You haven't been able to bring the efficiency.

Mr. David Gillis: Particularly at Mactaquac we've been able to maintain the Atlantic salmon genetic program through doing more of the work at Mactaquac.

The Chair: Thank you very much.

You're out of time, Mr. Chisholm.

Mr. Weston.

Mr. John Weston: I have two quick questions.

One, the minister mentioned that 1,500 scientists are part of our operations, and I'd appreciate some comment on how those scientists are contributing, how we're leveraging their work. We have the West Van lab in the riding I represent, which I visited with the scientists. They're very proud of their efforts.

Two, there was a lot of discussion about the procurement strategy and the \$360-million coast guard contract, widely lauded as a tribute to our national procurement. I wonder if you'd comment on the jobs and growth consequences of that. Although the contract was let to an enterprise in the riding I represent it's supposed to be good for the whole nation.

● (1725)

Mr. Marc Grégoire: We'll start with the fleet renewal. We have more than one contract. That contract is with the Vancouver shipyard. This is to build the large vessels, to ensure the building of all the non-armed vessels of the government, all the coast guard vessels over the next 30 years. We have other contracts that we will establish elsewhere in the country for the smaller vessels. We also have received money for the helicopter fleet renewals, so we hope to be signing contracts for the acquisition of new helicopters soon.

I have spoken already about the \$360 million for vessel life extension. That will be spread out in various shipyards in the country.

Mr. David Gillis: With regard to the science program, very certainly science remains a foundational program for all the management and policy programs in the department. Recently our coverage across the department has expanded to 100% because our climate change programming is now having us play a direct role with small craft harbours and our friends in the coast guard that we had a very modest amount of interaction with in the past. It is a very broad program and it's broadening.

Leverage is a very important word for us these days. We do a lot of collaboration with other science providers both inside and outside the country, and it allows us to extend the resources that we have available for science to bring a much wider benefit to questions related to our mandate.

The Chair: Thank you very much.

Mr. Leef.

Mr. Ryan Leef: Thank you, Mr. Chair.

The minister described the department now as leaner, better integrated, and results based. It sounds like an Olympic athlete, so I'm looking forward to some great results this year.

Could I get a comment specifically on the small craft harbour in Pangnirtung and how that came about and the significance of that investment for the people in Nunavut with that particular small craft harbour?

Mr. Trevor Swerdfager: I'm just mindful of the time, because there's a bit of a long story around that one, but essentially, in a nutshell, the key thing there is that we have opportunities for the fishery in the Arctic context to expand. A key—not the key, but a key—limiting factor was the absence of sufficient harbour facilities to allow people to prosecute the fishery from the north, in the north, for the north.

The Pangnirtung harbour construction project, which concluded this year and has opened and has worked extremely well, has allowed people who want to engage in that fishery to have a proper base from which to work. It has allowed them to grow that fishery to some extent. We'll see where the industry goes in that area.

I wouldn't want for an instant to suggest that this is the key to massive expansion and all of a sudden everything will happen, but certainly it was identified as a key limiting factor, which the government I think has addressed.

Mr. Ryan Leef: It does build on your point, outside of the discussion around MPAs, with this example in a different realm, that oceans are very different, not just from one perspective.

Do you have any additional comments on that, on the social and economic differences of Canadian oceans?

Mr. Trevor Swerdfager: Just to stay within the context of the small craft harbours program, I think when you look at where it puts its feet on the ground, so to speak, it acknowledges the difference in the three oceans. Certainly a key element in prioritizing where investments are made through the program is through the productivity of the fisheries themselves. The infrastructure is tied to support the prosecution primarily of the commercial fishery.

As you've just pointed out, because it operates differently in all three oceans, priorities are set a little differently. The configuration of the program is different. It's tailored to meet local circumstances as opposed to a single national template that applies uniformly across the country.

The Chair: Thank you very much.

Gentlemen, on behalf of the Standing Committee on Fisheries and Oceans, I want to say thank you for your time today. Thank you for coming and answering as many questions as possible. It certainly is appreciated by all committee members.

There being no further business, this committee now stands adjourned.

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