



House of Commons  
CANADA

## Standing Committee on Transport

---

TRAN • NUMBER 009 • 1st SESSION • 38th PARLIAMENT

---

EVIDENCE

**Tuesday, November 30, 2004**

—  
**Chair**

**The Honourable Roger Gallaway**

All parliamentary publications are available on the  
"Parliamentary Internet Parlementaire" at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on Transport

Tuesday, November 30, 2004

• (1535)

[English]

**The Chair (Hon. Roger Gallaway (Sarnia—Lambton, Lib.)):** Welcome to everyone.

Today, pursuant to the order of reference from the House of October 18, we continue with our study and examination of Bill C-3. We have with us today Mr. John Adams, who is the Commissioner of the Canadian Coast Guard. With him is Yvette-Marie Kieran, who is the senior counsel of legal services.

We welcome you both on a very, very peculiar day on the Hill. We're glad you're here and that you got through the wall to get here. Welcome.

As you know, you can have an opening statement of up to ten minutes. I would invite you to proceed, please.

**Commissioner John Adams (Canadian Coast Guard, Department of Fisheries and Oceans):** I have no opening statement, Mr. Chair. I'm here to answer your questions.

**The Chair:** All right. That being the case, we will proceed to Mr. Gouk.

**Mr. Jim Gouk (British Columbia Southern Interior, CPC):** Thank you, Mr. Chairman.

I have no preconceived questions. I walked in and got some information. Rather than ignore it, because I haven't had time to read it, if you'll indulge me, I'll try to get through this with you, and perhaps together we can find out what it's about. It's from Canarctic Shipping. It's dealing with marine services fees in waters north of 60 degrees.

As I gather—and I've only glanced at this quickly—they were exempted from paying fees in the past. Is that correct?

**Commr John Adams:** Not to my knowledge, no. Not since I've been the Commissioner of the Coast Guard.

**Mr. Jim Gouk:** I just want to read it. There's a quote here—

**Commr John Adams:** Is this related to Bill C-3? I'm sorry, I...

**The Chair:** Before Mr. Gouk proceeds, it's my understanding that it is. They're committee meetings, so we allow wide latitude on these questions.

**Commr John Adams:** Mr. Chair, I would be prepared with my fees expert if I had known we were going to get into fees.

**Mr. Jim Gouk:** I had no idea what we were getting into either.

There's a quote here, but it isn't attributed to anyone. The marine services fee program is clear on the application in waters north 60 degrees:

Fees will not apply for the provision of services north of 60°, including the waters of Hudson, James and Ungava Bays, Lake Athabasca and other remote ports at this time. The exemption is based on socio-economic conditions of the North.

Unfortunately, in providing this quote, they didn't provide a reference to whom it was from.

To the best of your knowledge, fees are applicable?

**Commr John Adams:** In this particular case, yes, Mr. Chair. Those fees have been reviewed by an objective third party, because there was an interpretation of the rules and regulations associated with those fees. Our interpretation was different from that of the company you're referring to. We took it to a third party, and they have come down with our interpretation, and our minister has responded accordingly.

**Mr. Jim Gouk:** Mr. Chair, perhaps I could pass if others have questions. I'll have more time to read this.

**The Chair:** On a point of clarification, who would that third party be?

**Commr John Adams:** It was the Transportation Review Board.

**The Chair:** I'm sorry...?

**Commr John Adams:** It was the Transportation Safety Board.

**The Chair:** Thank you.

Monsieur Carrier.

[Translation]

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Thank you, Mr. Chairman.

We've already received some information about all of the maritime safety and enforcement operations that have been transferred to Transport Canada. Among other things, we've heard mentioned that 155 employees would be affected by this transfer of responsibilities from the Coast Guard to Transport Canada.

How many employees will remain with the Coast Guard? It's a known fact that you are currently understaffed. If 155 employees are transferred, how many persons will remain on staff?

My second question concerns the fleet. In its report on the Coast Guard, the Standing Committee on Fisheries and Oceans noted that the size of the fleet had been cut in half since the transfer of responsibilities from Transport Canada to DFO. It was also mentioned that on average, vessels were 20 years old. I'd like to get your comments on the state of the fleet. Would a large part of the fleet again be transferred, this time to Transport Canada? What will remain of the fleet which already had been reduced by 50 per cent? I'd like an answer to that question.

• (1540)

[English]

**Commr John Adams:** Thank you very much.

On the basis of this question, I think there's a fair amount of confusion, so if I may, Mr. Chair, I'll try to explain what has gone on.

In round figures, there are 4,000 people in the Canadian Coast Guard. We transferred 139 to Transport Canada. We transferred all of the resources, both people and financial, associated with essentially three aspects of our business: the Office of Boating Safety; the folks administering the NWP, the Navigable Waters Protection Act; and the folks associated with the regulatory and policy side of the environmental response. We also transferred a few people associated with the review of the new Canada Shipping Act. With all of those responsibilities went the resources and people. There were 139 people and, in round figures, \$17 million that went with them. So those responsibilities went with no other physical assets. The rest of the Coast Guard, the remaining 3,900 people, stayed with the Department of Fisheries and Oceans, together with all of the fleet assets and all of our fixed assets. Just people and money went to Transport Canada.

This was simply a refinement, if you will, of a transfer that occurred back in 1995. So all we were doing was tidying up the loose ends with respect to the split that occurred in 1995. Some of the policy and regulatory aspects of water safety and environmental response came with the Coast Guard to Fisheries and Oceans; some stayed behind with Transport Canada. What this change instituted on December 12 was to take the policy side, the regulatory side, back to Transport Canada. Everything else, the operational and the service delivery sides of the Canadian Coast Guard, stayed with Fisheries and Oceans. That's really what December 12 did—a very small element of coast guarders left the Coast Guard to go back to Transport Canada.

As for the whole rationale, there were a number of reasons, but one of the advantages of that was that there's one-stop shopping for policy and regulatory affairs, which would be Transport Canada, and then CCG and Fisheries and Oceans would be the service deliverer, if you will. So it made it simpler for Transport Canada, for us, and, more importantly, for the folks we service in the public. So that's what December 12 was and that's what it did.

Now, as far as the fleet goes, one of the other advantages of the amalgamation or merger of the Coast Guard with Fisheries and Oceans was that we amalgamated three fleets. We took the Coast Guard fleet, the red and white fleet, which was focused in those years on marine safety and environmental response only, and we amalgamated it with the white fleet, which was the science fleet and part of the old Fisheries and Oceans, and amalgamated those with the

grey fleet, which was the conservation and protection fleet and also part of Fisheries and Oceans. So we took the red and white fleet, the white fleet, and the grey fleet, and we rolled them into one fleet. In so doing, we were able to eliminate duplication and overlap, and we reduced the total fleet from 198 vessels, in round figures, down progressively to 107 operational vessels now.

What we have been able to do, by changing the way we do business, by multi-tasking vessels.... To give you an example, a vessel that is out doing conservation and protection duties could also be a primary search and rescue vessel. It would be in a zone where it would be doing conservation and protection, but at the same time it could also be there for primary response. So by multi-tasking vessels, by changing the way we do business....

Another example is that we took six large vessels out of the inventory, brought in some smaller shore-based vessels, and in so doing we were able to reduce the number of large vessels, with smaller, more cost-effective search and rescue vessels based inshore, which is where the vast majority of our incidents occur.

Through those actions, we've been able to deliver the same level of service with fewer vessels.

Now, with respect to the future of that fleet, you made reference to the age of the fleet. You're absolutely right: our larger vessels are getting old.

• (1545)

Our new fleet consists of the small search and rescue vessels. We have 41 small search and rescue vessels. These are not watch-keeping vessels; they are vessels that are shore-based. They respond to incidents and then come back.

We are in the process now of replacing that entire fleet. By the time we are finished, three to four years from now, we will have virtually a new small-boat fleet.

It's the large fleet we're now worried about, the watch-keeping vessels. We have been in negotiations with central agencies with respect to this upcoming budget, hoping that we will be able to begin the recapitalization of that fleet.

That fleet is 107 minus 41—my math isn't that quick—whatever that number is. That number of vessels is going to have to be replaced between now and 2030-31, so it's a long-term plan. What we've been looking for is the first tranche of moneys that will enable us to replace the most critically required vessels, i.e., those vessels that are no longer able on a continuous and reliable basis to meet their demands. If we can get that allocation of moneys or something close to that in this next budget, we'll begin the recapitalization of the fleet. If we can't, we'll obviously continue to try to stretch the fleet out as long as we can.

We're saying now that we need that money as soon as we can get it to start recapitalizing the fleet, and we will do that progressively between now and 2030-31.

**The Chair:** One final question, go ahead.

[Translation]

**Mr. Robert Carrier:** Will the vessels transferred to Transport Canada be used for enforcement operations, an activity for which the department is responsible? Are some of these vessels in good condition, or do they need to be replaced, as is the case with your vessels?

[English]

**Commr John Adams:** Mr. Chair, there are no ships. No ships have been transferred to Transport Canada. The only fleet that Transport Canada got were the surveillance aircraft, the fixed-wing aircraft that went to Transport Canada to do the surveillance tasks associated with oil spills. There were no vessels.

**The Chair:** Ms. Desjarlais.

**Mrs. Bev Desjarlais (Churchill, NDP):** So just to clarify, what's happening then is some vessels are being replaced. There are 41 new shore-based smaller vessels to replace them, and—if my math is correct—66 larger vessels that are still there, which all have to be replaced.

**Commr John Adams:** Over time, Mr. Chair, yes.

**Mrs. Bev Desjarlais:** Did I hear 2031? Was that the date?

**Commr John Adams:** Yes, 2030-31.

We have them phased out for three reasons, basically. It's based on the requirement, i.e., the age of the vessels and their ability to continue to perform. It's based upon industry's capacity to build them, to replace them. And it's based upon our internal capacity to define the exact requirement and manage the replacement.

**Mrs. Bev Desjarlais:** Is the intent to replace all of them, or to phase out a good number and replace only so many?

**Commr John Adams:** Right now, if our current plan comes to fruition—it's a 35-year plan, so it may change between now and the end—it's our intent to reduce from 107 vessels to 95 vessels, again, by combining capabilities on the one vessel.

As a small example, on the east coast at this particular moment we have three scientific trawlers with which we do trawls for the fisheries people, the fisheries scientists, and we have an oceanographic vessel. What we're hoping to be able to do is reduce down to two specific trawlers and a third vessel that will have a trawl capacity but also an oceanographic capacity. In that way, we can go from four vessels to three.

That would be one example of how we will reduce without reducing our capacity to meet the clients' demands. So we'll go from 107 to 95 between now and 2030-31.

• (1550)

**Mrs. Bev Desjarlais:** I get the impression that the intent was to somehow clarify who is responsible for what, but I have to tell you, on going through it, it's not necessarily clear who is going to be responsible.

Just for clarification, clause 17 of the bill amends section 116, which generally prohibits a person from going on board a ship without permission, to recognize the right of access of pollution response officers conferred by new subsection 175(1). Who will be the responding officer?

**Commr John Adams:** This is environmental response. I am not an expert on law and I'm therefore not an expert on legislation. I'll give it to you in language that I hope will make it a little clearer.

With respect to environmental response, in the past we had responsibility for all environmental response, all of it, everything from who did what to whom to when we would respond and with what. And we would set the standards as to how you would test, who would test, and what would be tested.

Now, what we have done is as a coast guard, we are the government's response agency. In other words, if there's a spill and they need someone to respond, we would respond on behalf of the government. However, there are response organizations—ROs, as we call them—and any shipping company, anybody in a vessel in our waters, has to have a contract with an RO to respond. If they don't, it's a contravention. But if they don't and nobody else responds, we would respond. If there's a mystery spill—in other words, we don't know where the oil, the pollutant, came from—we would respond.

With respect to the rest of the environmental response regime, it is now the responsibility of Transport Canada. We simply provide the response service.

**Mrs. Bev Desjarlais:** Okay, let me get this right. In essence, normally the coast guard would have responded and dealt with this. I recognize that it's environmental response, so apart from the question I have as to why this is going to Transport Canada and not Environment Canada, which I'll deal with after the fact... As I went through I was thinking, why the heck is a lot of this still with Transport Canada? If we're going to move things around and muck around with legislation, why not put it in Environment Canada, which makes sense to me.

So apart from that, what will now be happening is that the companies that are involved will be the response team. The shipping company that's involved must have their own team to respond to the issue. Is that correct?

**Commr John Adams:** That was the case before.

**Mrs. Bev Desjarlais:** Okay.

**Commr John Adams:** But they must have, yes, they will have a contract with a response organization.

**Mrs. Bev Desjarlais:** Okay, and the response organization is the coast guard?

**Commr John Adams:** No, the response organization is a private company. It depends on what part of the country you're in, but in eastern Canada it would be ECRC, the Eastern Canada Response Corporation.

**Mrs. Bev Desjarlais:** Could I have a list of all the response teams?

**Commr John Adams:** Certainly; we'll get that to you, yes.

**Mrs. Bev Desjarlais:** I'd appreciate that.

That's what I wanted to clarify. Thank you.

On clause 22, again, it mentions response organization and the fact that they have to have a certificate attesting to the arrangement...?

**Commr John Adams:** On the arrangement and their capability, their capacity to respond.

**Mrs. Bev Desjarlais:** Okay. Is that available right now? Is that certificate, that type of process, in place right now?

**Commr John Adams:** Oh yes. We used to administer that process, but now that is the responsibility of Transport Canada, because we see it as regulatory in policy.

**Mrs. Bev Desjarlais:** Okay.

Has there been any issue with the response or with the work that's been done in response? Have there been areas where there wasn't a proper response team put in place?

**Commr John Adams:** No. All areas of the country are covered. They have been certified. They're reviewed on a regular basis, and we have not had a problem.

The problems we've had have been related to mystery spills, where there's no one to respond, or those bad shippers, who didn't have a contract and when they had a problem, we'd have to respond.

If we went to a response organization, they would respond, but we'd pay. We would prefer that the polluter pay.

**Mrs. Bev Desjarlais:** That makes sense.

I'm curious then, did the coast guard respond at one time? Were response teams in place, or has it always been private response teams?

**Commr John Adams:** Certainly in my time at the coast guard, the last six years, we've always had response organizations. And it has been one of the best, if I may make just a small advertisement, public-private partnerships I could give you. You have the private sector dealing with the private sector in cooperation with the public sector, and we step in only when there isn't a contract or if the response organization says it is bigger than they can handle and they need our help. Then we would work with them.

I should clarify, this is all south of 60. North of 60 there are no ROs; CCG is responsible.

• (1555)

**Mrs. Bev Desjarlais:** Okay.

**The Chair:** One last question.

**Mrs. Bev Desjarlais:** I'll go back to Mr. Gouk's.

Let's continue with north of 60. Seeing that you happened to mention north of 60 and Hudson Bay and James Bay, I think it's only fitting to inquire.

My understanding is that at one time it was under the marine service fee program and the federal government's application in waters north of 60...that's when the fees did not apply, recognizing the economic situation in the north.

Could you tell me why the Transportation Safety Board was brought into the picture to do a review?

**Commr John Adams:** What had happened was the fee schedule and the fee arrangements were agreed between the government.... This was before my time. I arrived in 1998, so it must have been in the middle to late 1990s. There were negotiations, consultations, between the government and the shipping companies and shippers.

Both the owners of the ships and the users of the ships negotiated the fee schedule—who would pay for what, when. The private sector side of the negotiation was widely represented, as I understand it. They arrived at a schedule that was agreed between the government and the private sector—who would pay for what, when. That then became a fee schedule that was interpreted by both sides.

In this particular instance the interpretation applied on it by Transport Canada was different from our interpretation. Our interpretation was that the vessel sailed in southern waters, went through southern waters to the north, but was not exclusively trading in the north. It came down to the south, and our interpretation of the schedule was that the fees applied. So we applied the fees. They took exception to that interpretation and said no, it was not intended to apply to that particular operation. We agreed to disagree and said we would go to a third party. That's where we brought in the Transportation Safety Board, to review the schedule as had been agreed between private sector and government, and on the basis of that it said no, the schedule was meant to apply.

There is another question. Is it correct that it apply? Is it correct in the sense that it is morally correct or what have you. That is subject for discussion. But we have a number of those kinds of complaints associated with the fee schedule that have to be resolved. They will be resolved in time, but not one at a time, because we want to put them back into the pot to go back and renegotiate the fee schedule at large.

So that's where we are on that particular issue, as I understand it.

**The Chair:** Mr. Karygiannis.

**Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Thank you, Mr. Chair.

I would like to welcome you here today.

I have a couple of questions, if I may. Listening to my colleague from across the way, Bev, regarding response units and if something were to go wrong, a spill and all that stuff, was it best handled when part of this department was with the coast guard, or is it best that it is handled in the Department of Transport?

**Commr John Adams:** Far be it from me to comment on what Transport Canada's doing. First, I don't know how it's going; and second, I wouldn't feel comfortable doing that.

What I will tell you is it went very well when CCG was doing it. I don't think that will change, because CCG continues to be the government's response organization. The response organizations that existed in the past continue to exist. The contracting arrangements between the shippers, the shipping companies, and their ROs continue to be negotiated and continue to be effective. So I would see no change, frankly.

**Hon. Jim Karygiannis:** What was it that we moved over from one department to another department? It was policy people only, wasn't it?

**Commr John Adams:** Policy and regulators, yes.

**Hon. Jim Karygiannis:** Policy and regulators, so—

**Commr John Adams:** I don't know if you were in the room. We did move over the fixed-wing aircraft associated with the monitoring of spills.

• (1600)

**Hon. Jim Karygiannis:** But wouldn't policy and then regulation be in the transportation of dangerous goods? It might be the spill of diesel fuel or crude fuel. Wouldn't that be under the Department of Transport under the TDG act? Wouldn't that be their responsibility?

**Commr John Adams:** No. It was.... Can I go back to the SOA business and why we ended up where we are?

For years, ever since I've been there and I'm told years before, there was debate about whither the CCG. Probably many of you have heard the debate: are we best in Fisheries and Oceans, or should we have been left in Transport, etc.? The situation became more compounded, or more convoluted, with the maritime security enhanced role that we have been asked to take in that area. So once again, are they best able to do that in Fisheries and Oceans or in Transport Canada or National Defence, or now even in the new Department of Public Safety and Emergency Preparedness, PSEP, as we refer to it?

As a result of all that discussion, the bureaucracy was preoccupied with what to do with the coast guard. It was moved in 1995-96 from Transport to Fisheries and Oceans for a number of reasons—first, not least of which was the amalgamation of the fleets, where we were able to eliminate...as I talked about earlier, and I don't think you were in the room; and second, the fact that there was no real legislative basis upon which the coast guard did its business prior to the Oceans Act being introduced, and that act is administered by the Ministry of Fisheries and Oceans.

**Hon. Jim Karygiannis:** Sorry, just hold on a second.

**Commr John Adams:** I'm going to get you to where you want to go.

**Hon. Jim Karygiannis:** No, I know, but I think you're dancing around, so let me just ask this. What was moved over? Is it correct that it was policy people only?

**Commr John Adams:** This last time, yes.

**Hon. Jim Karygiannis:** Yes.

**Commr John Adams:** I was going to take you back.

**Hon. Jim Karygiannis:** This last time, policy people were the only ones who were moved over.

**Commr John Adams:** Policy and regulators.

**Hon. Jim Karygiannis:** Are transportation of dangerous goods policy and regulators in the Department of Transport?

**Commr John Adams:** Yes.

**Hon. Jim Karygiannis:** So the only people who were moved over were policy and regulators, and everything else was left where it was.

**Commr John Adams:** Yes; the operational side of the CCG was left.

**Hon. Jim Karygiannis:** So I just want to clarify that the only people who were moved over were policy and regulations people.

The people who are on the ground on an everyday basis, carrying the work, are still the way they were.

**Commr John Adams:** As I said before you came in, there were 4,000 people before, and there are now 139 fewer. That's all. The rest are in the coast guard.

**Hon. Jim Karygiannis:** So the work being done on a day-to-day basis is still being done by the same people.

**Commr John Adams:** Same work, same people.

**Hon. Jim Karygiannis:** But the policy and—

**Commr John Adams:** And regulators, 139 people. Sorry, I didn't....

**Hon. Jim Karygiannis:** That's all.

**The Chair:** Mr. Gouk.

**Mr. Jim Gouk:** I want to clarify what you said, or what I believe you said: that nothing has really changed, other than who this now falls under—no change in policy, other than who's responsible for the policy; no change in fees, other than who applies the fees.

**Commr John Adams:** That's correct.

**Mr. Jim Gouk:** Okay.

The reason I ask this is I was handed some stuff as I walked in, which is probably not an appropriate way to get information. The people involved have to know that if they want to have stuff done at committee, it has to be done more than two minutes before the committee starts.

I have nothing further for you on that.

Thanks.

[*Translation*]

**The Chair:** Are there any other questions? Mr. Roy.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Thank you, Mr. Chairman.

Good day, Mr. Adams. We've seen each other often in recent weeks. I have a question for you that may shed some light on the situation for the benefit of committee members. What still needs to be done before the Coast Guard can become an independent, autonomous agency? Certainly, we're moving in that direction. What steps still need to be taken before this becomes a reality? That's my first question.

[English]

**Commr John Adams:** What we have to do is prepare a Treasury Board submission that explains, if you will, the new mandate of CCG, again, in layman's terms, not a repeat of Bill C-3. We have to prepare a business plan as to how we're going to deliver on that mandate. We have to have a strategic overview within which it all fits. Then we take that forward.

What we will be looking for in the Treasury Board submission are some flexibilities, authorities that we currently don't have but that can be made available to an SOA. An SOA is intended to be more business-like, if you will, than a typical line department. So we will be looking for both financial and administrative flexibilities to enable us, we hope, to deliver the services that we deliver to Canadians in a more cost-effective way.

So that's what's left to be done—to identify what those are, to seek the agreement of the board to give them to us, or if not to give us exactly what we're asking for, what they would recommend. We first have to take that through the minister and then deliver it to the board.

That remains to be done. We would hope to have that ready by January 2005, take it to the board, and seek approval to commence our new operation as an SOA.

I would have to correct Mr. Roy just a little bit. We will not be an independent SOA on the basis of the December 12 decision. We will be an SOA embedded in Fisheries and Oceans, still responsible to the Minister of Fisheries and Oceans, but we will have the flexibilities of an SOA, which would enable us to operate in a more business-like way.

• (1605)

[Translation]

**Mr. Jean-Yves Roy:** I'm talking about an independent agency along the lines of the RCMP—maybe that's not a good comparison—that would report to the Minister of Justice. It's important for the Coast Guard to be an autonomous entity.

I have another question for you. Obviously the purpose of the bill is to centralize policies at Transport Canada. However, it's very clear in my mind that you remain the government's enforcement instrument or arm.

I am, however, concerned about the Coast Guard's service delivery capability, given the age of your vessels and the equipment that you have. You touched on this problem briefly.

I'd like to mention one thing in particular and this is also true in so far as the West Coast of BC is concerned. Shipping is increasing almost exponentially at the present time because of globalization. Port traffic on the West Coast is very congested. Data that I've obtained on vessels transiting through the St. Lawrence Seaway and into the Great Lakes shows that traffic in this region is also up considerably. We're talking about 8,000 vessels per year, or 4,000, if we divide the number in two to take into account round trips. Moreover, the volume of highly toxic substances being shipped on the St. Lawrence Seaway has also increased.

How would you respond to a disaster? Would you have the capability to respond? That's my question. It's no secret that the Coast Guard has been seriously underfunded for many years, that is

for the past decade. You're facing serious problems in terms of fleet renewal. You've stated that you've had to plead your case to Treasury Board to try and get the funding for replacement vessels.

Given your current situation, would you be able to respond to a request for assistance from either Transport Canada or DFO if a disaster were to occur in the St. Lawrence?

[English]

**Commr John Adams:** The way we've always responded is with everything that we have, and it's more than that. Heaven forbid there should ever be a disaster greater than our capacity, but if there is, we would cascade resources both nationally and internationally to that area of disaster.

For example, the ROs would come four-square behind us with all of their resources, in the same way that we would jump in if they had the challenge. We would turn to our memorandum of understanding with the United States of America. We would turn to our memorandum of understanding with Iceland, and with Europe, for that matter. We would cascade every resource that was available in, if you will, our North American hemisphere to throw it at that disaster.

We have the capacity for a very immediate, quick response to contain a disaster, but a *Valdez* accident, no matter where it is, is going to stretch anyone's resources. We feel that with the cascading approach with the international memoranda of understanding that we have, we could respond such that we would mitigate the damage. We couldn't prevent it, but we would mitigate it, and then we'd begin to clean up the mess. It would be a challenge.

Is there ever enough? It's like an insurance policy. Can you have too much insurance? We feel that we have enough to respond effectively, but heaven forbid we should ever be exercised to really do that. We do exercise on a regular basis. I shouldn't say exercise. If the reality should ever show up, we do exercise regularly with our American colleagues, Environment Canada, and our TC colleagues to ensure that the system can muster the resources in the shortest time possible and is sufficient to respond to the demand.

In the other measures, where we can measure, which is lives at risk, for example, and our search and rescue responsibility, in fact, in spite of the explosion in ecotourism, and in tourism and recreational boating, for that matter, we've been able to sustain our success rate with respect to our capacity to respond to lives at risk. We've kept it at about the 97% to 98% level, which means in 98 out of 100 cases of lives at risk, for whatever reason, we've been successful in saving those lives. We've kept the same levels for the last five to six years, in spite of that explosion, with the resources that we have available.

We're doing some of it with technology. We're doing some of it with improved vessels, such as the search and rescue boats that I mentioned earlier that we've brought into the system. We have the 54-footer, which is a British design, and the 47-footer, which is a U.S. design. We only have six of the 54-footers. In the main, we've replaced them with 47-footers. They are a U.S. design, and they are incredible self-righting vessels, very capable, and high-speed. They've been there when we've needed them, and they will continue to be there as we replace the rest of the fleet.

• (1610)

**The Chair:** Thank you.

We'll move on to Ms. Desjarlais.

**Mrs. Bev Desjarlais:** How many fixed-wing aircraft were moved to the Department of Transport?

**Commr John Adams:** I want to say three—two that we own and one that we chartered, I believe—but I'll verify that.

**Mrs. Bev Desjarlais:** Is that the entire fleet that does the air surveillance of pollution?

**Commr John Adams:** Yes.

**Mrs. Bev Desjarlais:** In the report that comes out from the ship-source oil pollution fund or whoever looks after it, I believe it was commented on over the last number of years that a number of mystery spills are mysteries because there is no way of detecting the ships that left them because there wasn't enough air service in place. Is that your view as well?

**Commr John Adams:** I was never satisfied that we did as much surveillance as I would have liked to have done, but we did as much as the resources would allow us to do.

**Mrs. Bev Desjarlais:** Is it the ship-source oil pollution fund that pays for the cleanup in all of these instances?

**Commr John Adams:** Sometimes. They have very stringent requirements with respect to when they'll pay and how much they'll pay, but, yes, in the main, they will reimburse us for the costs associated with oil cleanups.

**Mrs. Bev Desjarlais:** Would they also pay the other companies that do it if it's more than one company?

**Commr John Adams:** No. The polluter pays.

**Mrs. Bev Desjarlais:** The polluter pays the bill.

**Commr John Adams:** The ship-source oil pollution fund is to cover public expenses.

**Mrs. Bev Desjarlais:** Okay, very good.

On the last one here—

**Commr John Adams:** It's also for all mystery spills, when you can't find a culpable company or individual.

**Mrs. Bev Desjarlais:** Okay.

A new subsection in the bill, clause 34, talks about how management plans for fishing, aquaculture, and fisheries management have to reflect the fact that where those plans touch on marine navigation and marine safety, they will now be made with the agreement of the Minister of Transport. Could you give me some instances of when those plans would touch on marine safety?

**Commr John Adams:** Parks Canada would be one where it would interfere with access, but another one would be, for example, if you had aquaculture activities that interfere with safe navigation in and out of.... No? All right, I'm not into the law.

**Ms. Yvette-Marie Kieran (Senior Counsel, Legal Services, Department of Fisheries and Oceans):** In this case, I think it's going to be me.

Actually, clause 34 is an amendment to the Canada National Marine Conservation Areas Act, which is the Parks Canada legislation, not DFO's or Transport Canada's. Those management plans arise when Parks Canada decides to protect a marine area but there would be an impact on aquaculture or fisheries. What this clause says is that they have to consult Fisheries and Oceans because there is an impact on aquaculture and fisheries. If there is to be an impact on navigation, then they have to consult with Transport, because navigation is now their responsibility.

**Mrs. Bev Desjarlais:** It's the Canada National Marine Conservation Areas Act. So is it Parks Canada that would then be consulting?

**Ms. Yvette-Marie Kieran:** Either Fisheries and Oceans or Transport, or both, depending on the impact of the conservation area they want to put in place.

• (1615)

**Mrs. Bev Desjarlais:** And if there was a disagreement, whose is the overriding rule?

**Ms. Yvette-Marie Kieran:** If it's to restrict navigation, then since it would be a regulation of navigation, normally the overriding rule would be that of Transport, but it really depends on the facts and what the issue would be.

**Mrs. Bev Desjarlais:** Clause 18 talks about how the Minister of Transport has the responsibility to recommend to the Governor in Council regulations for navigation services, except for regulations respecting the administration and control of Sable Island and maritime search and rescue. Why are they exempted?

**Commr John Adams:** It's because we're responsible for maritime search and rescue, and because Sable Island historically has been the responsibility of the Minister of Fisheries and Oceans because it was very much part of the safety regime. Because of the number of shipwrecks that occurred on Sable Island, the minister was responsible for it.

Also, the other reason or part of the reason that he was responsible for it is that we manned light stations on that island and we were there, we had a presence; Fisheries and Oceans had a presence, so the Minister of Fisheries and Oceans was responsible.

**Mrs. Bev Desjarlais:** And they are going to still be responsible for those areas?

**Commr John Adams:** Yes, the Minister of Fisheries and Oceans remains responsible for Sable Island.

**Mrs. Bev Desjarlais:** The maritime security enhanced role was given as part of the reason why some of the changes had to be made?

**Commr John Adams:** Yes. It was one factor they factored in as to what to do with CCG, yes.

**Mrs. Bev Desjarlais:** Why was it felt there would be these types of changes in relation to the security side of it? What value would the changes that are happening be in relation to the security side? I made a note when you brought it up that it had something to do with maritime security.

**Commr John Adams:** To get back to where I thought I wanted to go in response to another question, which I didn't need to do, what they wanted to do was to create the CCG as an SOA to give us more flexibility and perhaps enable us to be better at what we do, which is deliver service to Canadians. An SOA, traditionally, is policy-neutral. In other words, SOAs do not give policy advice to ministers. One of the things they did was they purified, if you will, CCG of policy and regulations so that they could then create it as an SOA. That's the relation between what moved and what stayed.

**Mrs. Bev Desjarlais:** My understanding, if I got it correctly, is it was only the regulatory and policy side on environmental protection that was moving over. Was it all policy?

**Commr John Adams:** All policy and regulations associated with boating safety, the Navigable Waters Protection Act, and environment. Those were the only policy areas that we were in. The rest of the policy, ports and things, was left in TC when they pulled CCG out of Transport back in 1995-96.

**Mrs. Bev Desjarlais:** Thank you.

**The Vice-Chair (Mr. Jim Gouk):** Thank you.

Monsieur Carrier.

[*Translation*]

**Mr. Robert Carrier:** I have a short question for you, still in the hope that you can shed more light on the bill.

Last week, a Transport Canada official explained that responsibility for policy matters was being transferred to his department, along with certain operational responsibilities pertaining to pleasure boats, shipping services, pollution prevention and pollution response. However, the pleasure boating and shipping sectors are not without their problems. There are frequent complaints about accidents involving pleasure crafts and about the excessive speed of Great Lakes vessels plying the waters of the Seaway. As I understand it, Transport Canada is responsible for regulatory enforcement.

You stated that no vessels had been transferred to Transport Canada. I'd like to know if Transport Canada already had its own vessels to conduct enforcement operations.

Finally, are responsibilities being transferred to Transport Canada in order to improve enforcement actions and ensure security of shipping operations? Is that the real purpose of the bill?

• (1620)

[*English*]

**Commr John Adams:** The enforcement was not the responsibility of the Canadian Coast Guard, nor is it the responsibility of Transport Canada. The enforcement of those regulations is the responsibility of the police of local jurisdiction. So in the case of

Ontario, it's the OPP; in the case of Quebec, it's the Sûreté du Québec; in the rest of the country, it's the RCMP.

With respect to the objective of this bill, what this bill is doing is simply putting in legislation the reality post-December 12. It's so that people reading the bill will realize what minister is responsible for what. The objective of the December 12 announcement was along the lines of what I was saying: to create the SOA; to have one-shop stopping for policy and regulations; and, by creating the SOA, to maintain the CCG as a national institution capable, we hope, of responding in the most cost-effective way possible to the demands of the boating public.

**Mr. Robert Carrier:** So it's only for politics, *au chapitre des politiques*, in French?

**Commr John Adams:** *C'est ça. Exactement.*

**The Vice-Chair (Mr. Jim Gouk):** Does anyone have more questions? Is everyone finished?

Mr. Adams, thank you for coming, and Ms. Kieran. We appreciate your testimony. There were some questions definitely needing answering that we got answered.

**Commr John Adams:** It was my pleasure. Thank you very much.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Chair, as a point of information, are there more witnesses to be heard on the bill?

**The Vice-Chair (Mr. Jim Gouk):** There are none at this time who have put forward their names. There is another person who has indicated he wanted to appear, but he has not put forward his name.

**Mr. Francis Scarpaleggia:** What stage are we at now?

**The Vice-Chair (Mr. Jim Gouk):** The bill is due for clause-by-clause on Thursday.

**Mr. Francis Scarpaleggia:** Then it is confirmed we'll be doing clause-by-clause on Thursday.

**The Vice-Chair (Mr. Jim Gouk):** That is what is scheduled.

Bev.

**Mrs. Bev Desjarlais:** Mr. Chair, just to be up front with everyone, I do have concerns related to the environmental side and the fact that we're going to be changing legislation. I intend to have discussion with my environmental critic just to see, since we're changing legislation anyway, why some of this wouldn't be better reflected through the Department of the Environment. I just want to be up front with the committee that I am going to do this. It's not my intent at this point to call any other witnesses, because I recognize that if we go through clause-by-clause we could do that, but if there are some larger concerns I will try to make the committee aware as soon as possible.

**The Vice-Chair (Mr. Jim Gouk):** Could you not only make the committee aware, but if you are really intent on some changes you could perhaps look for ways to present it as an amendment and what the explanation would be?

**Mrs. Bev Desjarlais:** I will do that, sure.

Thank you.

**Hon. Jim Karygiannis:** Is there any way we could have a 24-hour notice, which means tomorrow sometime?

**Mrs. Bev Desjarlais:** I'll do my best.

**The Vice-Chair (Mr. Jim Gouk):** That would be at the end of business, because we don't meet until 3:30 on Thursday. At the end of business tomorrow—

**Hon. Jim Karygiannis:** Right after question period would be okay.

Thank you.

**The Vice-Chair (Mr. Jim Gouk):** Yes.

**Mrs. Bev Desjarlais:** I'll do my best.

•(1625)

**The Vice-Chair (Mr. Jim Gouk):** We do have committee business.

I talked to Roger earlier today with regard to what we're doing beyond Bill C-3. What was suggested by Roger is that the two big issues, from his perspective, are trucking hours of operation and airport rents. Roger was wanting to proceed with trucking because he felt it might be handled in a single meeting and airports would take longer. My personal position is that, yes, the airport rent issue in its entirety is going to be lengthy, but it's a pressing issue in that we're looking at a big rent increase on January 1. We need to deal with that aspect of the rent prior to the time we rise for the break. Consequently, I would like the committee to discuss the possibility of asking the minister for a moratorium on that increase until the committee has time to study it. We should do that before the break and then move on to the truckers' hours of operation.

Bev.

**Mrs. Bev Desjarlais:** I'm certainly in agreement that we need to deal with this. I recognize that there is an increase intended. I also was of the impression that a study has been done and they were going to try to get information to the committee in relation to the study that was done on the airport rents. Has that happened yet? My guess would be that if it's as indicative as I was given to believe, that would make our study a whole lot quicker.

**The Vice-Chair (Mr. Jim Gouk):** The committee has received nothing, but perhaps the parliamentary secretary has some information.

**Hon. Jim Karygiannis:** I can certainly look into that for you and get back to you as soon as possible, preferably sometime today or tomorrow.

Going back to the trucking issue, there is going to be some sense of development at the meeting that's happening on Thursday. It depends on what happens there. We might want to visit the trucking hours very quickly. There is a Canadian Council of Transport Ministers meeting on December 2. There was a meeting that was held previously, and they were given 60 days to study it and that is happening on Thursday. So we might want to pick up on that when we finish our clause-by-clause on Bill C-3. The trucking hours might be something the committee would want to examine very quickly in order to make sure we provide the Canadian travelling public, especially over the holidays, the safest environment that is possible

before decisions are made that we, as a committee, might feel were not in the right way.

Rent control at the airport is something we can certainly deal with, but rent control can always be deflected to a later date. The trucking situation is something we need to discuss. Again, that's up to the chair, but it is an immediate issue.

**The Vice-Chair (Mr. Jim Gouk):** Bev.

**Mrs. Bev Desjarlais:** In light of the meeting on Thursday, and the possibility that there are going to be changes to the regulations, I would agree that it's important, but it's equally as important to deal with the airport rents. Actually, I was given the impression that there weren't going to be any immediate changes in the hours of service for truckers.

**Hon. Jim Karygiannis:** Not from us. This is an outside body that has been looking at it.

**Mrs. Bev Desjarlais:** Then it wouldn't necessarily mean that those changes would be made by the government. If the minister has been up front with us, I was given the impression there weren't going to be immediate changes in the hours of service for truckers. If that hasn't been the case and we weren't—

**Hon. Jim Karygiannis:** Mr. Chair, in order not to mince words and be specific, I think a consultation was done. It was in agreement. The consultation asked for a 60-day reflection, and that reflection is going to be given.

This is not the department, and this is not the government. As a committee, we also might want to voice our means, reflect on the hours of service, and tell the minister where we want to go. It's very important that we reflect before a decision is made, so that we don't come back and say we didn't have a chance to be reflective of that decision.

**The Vice-Chair (Mr. Jim Gouk):** Bev.

**Mrs. Bev Desjarlais:** In consideration and respect for the minister's wishes for the committee to try to deal with issues before they become a problem, if those words were said in good faith by the minister, I would suggest that he follow through and ensure no changes happen. Otherwise, he'll be dealing with people who will not respect his words when he says them. He did give us the assurance that he would try to resolve problems before they happen. He wanted things to work out. He was going to try a new way of doing business. I think we gave him credit to follow through.

**Hon. Jim Karygiannis:** This is what I think the reflection is at this point.

**The Vice-Chair (Mr. Jim Gouk):** From the conversation, it seems that there's going to be some time involved in this, and we're probably going to have some witnesses. There are some answers that we need to seek, perhaps even from the minister.

On that basis, from the committee standpoint, given that I believe we can resolve the airport rent issue only in regard to the raise that is scheduled for January 1, we can resolve that very quickly.

I will go out on a limb and say that I believe everybody here is of like mind. They would not support cancelling the raise, but would support a moratorium on an increase until the committee has an opportunity to study it.

Would that be fair?

**Hon. Jim Karygiannis:** Mr. Chair, you might want to put that to a question.

**The Vice-Chair (Mr. Jim Gouk):** Can we do a straw poll on that now?

• (1630)

**Hon. Jim Karygiannis:** You can deal with this matter right now. I think you have enough members of the committee here if you want to deal with this matter.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** I like the idea of asking for a moratorium. I think it's pretty simple.

**Mrs. Bev Desjarlais:** Why don't you defer rents until after a study?

**Mr. Dave Batters (Palliser, CPC):** The increases are for rent.

**The Vice-Chair (Mr. Jim Gouk):** We'll have a moratorium. With the unanimous consent of the committee, that motion could be made right now.

**Hon. Jim Karygiannis:** We're asking the minister to put on a moratorium—

**Mrs. Bev Desjarlais:** On rent increases.

**Hon. Jim Karygiannis:** —until we have an opportunity for this committee to fully examine it.

**The Vice-Chair (Mr. Jim Gouk):** Yes.

**Hon. Jim Karygiannis:** Absolutely no problem.

**Mr. Dave Batters:** On airport rent increases.

**The Vice-Chair (Mr. Jim Gouk):** Do you need a formal motion, or do you have enough?

**Hon. Jim Karygiannis:** Yes.

**The Vice-Chair (Mr. Jim Gouk):** Okay. So directed from the committee.

**Hon. Jim Karygiannis:** Can I ask then that we instruct the clerk that it will be the next order of business after Bill C-3? We'll start looking at trucking hours right away, and, through the chair, all the necessary witnesses, be it the Canadian Trucking Alliance or the Teamsters Union, everybody involved will have an opportunity to come and present to this committee.

**The Vice-Chair (Mr. Jim Gouk):** There is one other thing. In talking to Roger this morning, he mentioned that he believed a change was possibly going to be gazetted in about a month. Do you know anything about that?

**Hon. Jim Karygiannis:** No.

**The Vice-Chair (Mr. Jim Gouk):** We'll have to check with Roger.

**Hon. Jim Karygiannis:** I will have to do that.

I have to tell you that this is a serious issue. I think we need to discuss it and we need to discuss it very soon, because if something happened tomorrow, I think we would all be held accountable. Wishing that we all have a merry Christmas and a great holiday, we certainly do not want to let the public out there think that we're not responsible for the hours of service.

**Mrs. Bev Desjarlais:** I believe this is an important issue. I think it's one the committee should be travelling on, going to a number of areas of Canada that have absolutely huge amounts of truck traffic.

We did not do it before as a transport committee. I believe we should be doing it, because the biggest stakeholders in this issue are all the people who travel in Canada, not only the Canadian Trucking Alliance and the unions that represent them; it's everyone else on the roads as well, all the people in those communities who experience it day by day.

I do not believe they really had a say in the last round of discussions, in the true spirit of taking a committee and hearing from the public. If we are going to hear witnesses, I think we should also be making a point of going to areas that have huge numbers of truck traffic.

**The Vice-Chair (Mr. Jim Gouk):** I don't object to that, but if we're going to do that I would like us to tie it in with other related issues, like border issues.

**Mrs. Bev Desjarlais:** I have no problem with that. I totally understand.

**Hon. Jim Karygiannis:** We certainly need to look at the hours of service. We need to look at the immediate response, and we need to make sure we call witnesses in the immediate area to get a sense of where they're going to go. If there's a desire to mix and match other things along with it, by all means, but I think this has to be heard, and we have to hear it in order to provide...

**The Vice-Chair (Mr. Jim Gouk):** We also need clarification on that issue as to whether or not there is some impending action. That needs to be clarified, because that can be very timely and of concern to us.

Bev.

**Mrs. Bev Desjarlais:** At the very least, I would request that advertisements go out in areas.... I can think offhand of the ones that came up before, the major crossover points in B.C., Ontario, New Brunswick, and Quebec. If there are interested parties in those areas that wish to make presentations, they should be able to. But I personally recommend that we try to travel to some of those areas.

**The Vice-Chair (Mr. Jim Gouk):** Okay. Could we defer that particular idea until Thursday, so we clarify what I heard from Roger today about the possible gazetting of the regulation?

**Mrs. Bev Desjarlais:** Yes.

**The Vice-Chair (Mr. Jim Gouk):** Okay.

Mr. Carrier.

[Translation]

**Mr. Robert Carrier:** Was the motion adopted unanimously? Could you reread it to me?

[English]

**The Vice-Chair (Mr. Jim Gouk):** No. The only motion we've actually passed at this point is with regard to airports—that we ask the minister to place a moratorium on the rent increase scheduled for January 1, until such time as the committee has time to study it and make broader recommendations.

**Mr. Robert Carrier:** Okay. What will we do for the trucking hours?

**The Vice-Chair (Mr. Jim Gouk):** In talking to the chair today, he understood there were going to be regulations gazetted relative to this in about a month. We need to clarify that. Then we can visit the issue on Thursday, relative to Ms. Desjarlais' proposal that we advertise for witnesses to make them aware that we're going to be listening, and consider the possibility of trucking hours.

• (1635)

**Mr. Robert Carrier:** Okay.

**The Vice-Chair (Mr. Jim Gouk):** Is there anything else?

**Hon. Jim Karygiannis:** I don't think you'll find anything to be gazetted, from what I understand, in the immediate future regarding the trucking hours.

**The Vice-Chair (Mr. Jim Gouk):** We'll just clarify it, and then we can deal with it on Thursday.

We're adjourned.

---





**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:  
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**