



House of Commons  
CANADA

## Standing Committee on Fisheries and Oceans

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FOPO • NUMBER 034 • 2nd SESSION • 39th PARLIAMENT

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EVIDENCE

**Tuesday, May 13, 2008**

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**Chair**

**Mr. Fabian Manning**

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• (0945)

[English]

**The Chair (Mr. Fabian Manning (Avalon, CPC)):** I call the meeting to order.

Welcome to everybody here, and thank you for coming out this morning. We are the Standing Committee on Fisheries and Oceans, and we're in the process of conducting a study into the small craft harbours portion of the Department of Fisheries and Oceans.

We've had the opportunity to travel to the east coast of Canada. We are travelling to the west coast in the latter part of this month. Today we have the opportunity to be in Belleville. Our purpose is to try to put forward some suggestions to improve the delivery of the program and enhance its funding.

We have heard from stakeholders throughout the country and from people within the department. They've had an opportunity to look at and hear about a little different aspect of what we've been used to thus far.

Our committee is made up of all parties of the House of Commons. There's the Conservative Party, the Liberal Party, the Bloc, and we bring along the NDP just for moral support. He's down there in the corner. As long as you don't play soccer any more, you have one less risk to worry about.

So we're delighted to be here today. Before we begin the formal part of our meeting, I'm going to ask Mr. Daryl Kramp, the MP for the area, to give a little welcome. Then I'll come back and we'll begin our meeting.

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Thank you, Chair, Parliamentary Secretary Kamp, all the members of Parliament here, and the clerk and all the staff who work hard to bring about something like this—translation, etc.

Welcome to Prince Edward—Hastings. This is an opportunity to further the study on the divestiture of the small craft harbours. We're here in Belleville and the county because we have a number of sites, all in various stages of completion and/or divestiture. I believe an examination of these sites and the various problems and opportunities that have been presented by them will prove valuable in the assessment of this committee in future deliberations as to how we should continue the divestiture program, discuss issues of funding, etc.

Welcome to Prince Edward County to people here for the first time—with the exception of Scott Simms. Welcome back, Scott, after attending Loyalist. If you're from this region, it is affectionately

known as the county here. If you call it anything other than that, they know you're not from here. What you really have here are miles and miles of beautiful beach, a provincial park, agriculture, quaint shopping, some world-class wineries, a strong farming base, and a really active arts and culture community.

We have our representatives from Belleville here today, and of course that's where we came in on the train today. Belleville is the industrial and commercial epicentre of our riding. Everything flows from that: our governance at the county and municipal levels. We're very well represented here today.

Of course, if you happen to be like most Canadians, you are a hockey fan. You'll be paying attention to the Memorial Cup, and our Belleville Bulls will be one of the teams representing Ontario. We're very proud of that, so there's always a "Go Bulls Go" chant when that comes around.

If you continue north in our riding, through centre and north Hastings, there are hundreds of lakes and rivers and a very diverse but rural population. I certainly don't want to take time away from the meeting, because there are some serious issues to discuss, but one of the things we're absolutely known for is our quality of life. I think you can see it. It's an idyllic situation with a great blend of everything. And really, the predominant feature here is the friendliness of the people. I know that's what I grew up with, and it's what drew me back here.

I'll just finish with a saying from Helen Steiner-Rice, that strangers are friends we have not met. So I can assure you that in this area no one is ever a stranger.

Enjoy the hearing today. I look forward to some information coming out that will be helpful for both our communities and the federal government in its progress.

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

Instead of me introducing our guests, I'm going to ask our guests to do it.

Basically, our set-up is that after introductions we allow an opportunity for opening statements from your group. Then we'll open the floor for questions from around the table.

First of all, I'll let you introduce yourselves, for the record.

**Mr. Neil Ellis (Mayor, City of Belleville):** I am Mayor Neil Ellis, from Belleville.

• (0950)

**Mr. Steve Hyndman (Chief Administrative Officer, City of Belleville):** I'm Steve Hyndman, and I'm the CAO for the City of Belleville.

**Ms. Marjorie Buck (Director of Recreation and Community Services, City of Belleville):** I'm Marjorie Buck, director, recreation and community services, City of Belleville.

**Mr. Rick Kester (Director, Engineering and Public Works, City of Belleville):** I'm Rick Kester, director of engineering and public works, City of Belleville.

**The Chair:** Thank you very much.

The mayor will make some opening remarks for us.

**Mr. Neil Ellis:** I'll make this quick.

I'd like to thank Daryl and everybody for putting this together on such short notice. It's just great. It shows both governments working together and having input. It's fantastic that we could come here today and speak on probably one of the biggest projects in our city's history. It's great that this project is going to go forth. There were a few obstacles, but it seems that with Daryl and our staff, we've been able to get through them.

Today we'll have a tour in Belleville at around 3:20. We'll go through the project and see firsthand what's going to happen.

With that, I'd like to turn the floor over to our CAO, Steve Hyndman.

**Mr. Steve Hyndman:** Thank you very much, Mayor Ellis.

I'm going to speak a little about the divestiture program in general, in terms of the experience from Belleville's perspective. Then Marjorie Buck is going to speak specifically about how the program worked in Belleville.

The first thing I need to say is that I believe the divestiture program the federal government is instituting is very good policy. I think it's the direction the federal government needs to move in.

Harbours and waterfronts, in most instances, are an integral part of the character of the communities in which they are located. Therefore, it's extremely important, in my view, that there be local control and local say in how those waterfronts and harbours are used. That is what this program enables local municipalities to do. From Belleville's perspective, from my perspective, I believe the government is instituting a very solid policy in pursuing this particular approach.

For some communities, and this may not be quite the case in Belleville, the harbour itself really is the most important economic development platform they have. It is an extremely important one for Belleville. It's not the only one, as Daryl mentioned. We have a very strong industrial base in this city. But the harbour has a tremendously important impact on the character of our community. Even though we have a strong industrial base, the harbour in Belleville is what I believe makes the city what it is. That's how important the harbour is to our community. I think that's the case for pretty much any community across this country. From that perspective, I believe the work you're doing is extremely important.

I'm going to ask Marjorie Buck to speak specifically about the program in Belleville and about some of the issues and problems and things we uncovered through the exercise.

Go ahead, Marjorie.

**Ms. Marjorie Buck:** Thank you, Steve.

It's my pleasure to speak this morning about the waterfront of the city of Belleville. I'm going to speak from two perspectives: first as a resident of the area—I did live in the county for a good number of years, Daryl—as well as a city employee.

I want to first stress the fact that the Belleville waterfront is unique, inasmuch as when you look at our area—and I'm very proud of the county—there's one aspect of the county at the north end: its limited access for the public. There are very few areas where we can get to the waterfront without going over private property.

The City of Belleville had the foresight many years ago to start looking at the waterfront and start working with our federal government and entering into an agreement. In 1984, we took over the management of what we refer to as the Meyers Pier, which is our number one harbour.

We have two that are in your jurisdiction. The second one is Victoria Harbour, and we operated it with volunteers many years ago. In 1994, the City of Belleville created an agreement with the federal government, with a lease for the waterlot, and we took over the management of it.

Since 1984, the City of Belleville, in conjunction with the small craft harbours program, has invested a lot of money into our waterfront. We had non-capital funding from the federal government and we had capital funding. This has allowed the City of Belleville to develop a waterfront that is unique, and we refer to it as the jewel of our community.

In the region, we have many municipalities that have waterfront, but again, limited access. We have Meyers Pier. It allows transients to come to our region and enjoy what we have in the city of Belleville. It also permits our seasonal boaters, our local people, to enjoy our waterways. We are fortunate that we got into this agreement.

When the federal government announced the divestiture program, we had great concerns initially. We were afraid we would lose access to our waterfront and that the city would not have the opportunity, because the dollars required to operate it would not come forth.

Fortunately, our federal government came forward, and we entered into a number of agreements over the years to allow us to get involved with the divestiture program and take a look at where we can go in the future. We did share-costing programs to do a master plan, and we did some environmental assessments. Then finally, with the results of those studies, we entered into an agreement in 2003-04 for a partnership whereby, through the small craft harbours program and Treasury Board and a number of other departments within the federal government and through the city, we could look at cleaning up the Meyers Pier and waterfront area and developing it for the city to take it over.

That was a \$10 million commitment from the federal government and a \$5 million commitment from the City of Belleville. At the City of Belleville, and in particular in my department, a \$5 million expenditure, let alone the money you're providing, is a lot of money for city taxpayers. We have the commitment, and we made this commitment with the view that with the combination of \$15 million we could have an outstanding waterfront and be able to operate it safely for everyone involved.

In the years that have passed since we got into this partnership, a number of things have changed in the province. Our Ministry of Environment regulations have changed, and we need to adhere to those as a municipality. The federal government, of course, works with the provincial government and tries to adhere to them, but we have to adhere to them.

Unfortunately, in our original projection we were looking at \$10 million and \$5 million as a reasonable amount to get to where the city could afford to operate it. Now, to date, as of this past week, we have spent \$3,060,000 on studies, to get the waterfront area studied and get our certificates of approval from the Ministry of the Environment and conditions of use for our property. So there have been a lot of extra studies, and a lot of extra money has had to be spent.

• (0955)

Believe me, I do appreciate the \$10 million, but we are now looking at possibly considering that there are some additional liabilities that are going to come along. In our tour this afternoon I will gladly show the committee members where we're going to go and how we're going to proceed.

The \$15 million—I'm pleased to say we put our tender out, and the tender is within budget, so we're ready to enter into that.

As it relates to the city operation, in our 2008 operating budget for the City of Belleville, we're forecasting \$49,000 of tax subsidy to operate the waterfront area. When we as a city take it over, there are a number of issues we need to address in regard to costing, and that will be the costing as it relates to the need to have a pre-treatment plant for the water, the underground water, because of the contamination at Meyers Pier, and also the need for maintenance of the facilities, because the infrastructure that presently is the federal government's will be ours and we'll have some liabilities.

We, as a city, want to take this on, and we want to have that waterfront a reality for us. However, I also have to look at what the impact is on our taxpayers for that operation. Our council is committed to it. We are here now to see whether the committee would look at the future in regard to the small craft harbours operation in their budget. Would there be consideration for the small craft harbours program to work with the City of Belleville, as it relates to a fund that would allow us to slowly go into the full cost of operation of that harbour, whether it's a reserve fund or some kind of funding, through your annual budget, which would be allocated out for these types of harbours?

I know you still have a number of harbours left on the sites. I believe there are approximately 120 that are still federally owned and are involved with this divestiture. But there are realities in regard to the costing for any taxpayer, whether they're paying taxes to the

federal, provincial, or municipal government. We, as a city, want to proceed and are committed to proceed. We would ask this committee to recommend that the funding for such harbours that are being divested to the various municipalities be given consideration for operating costs and potential additional unexpected capital costs.

• (1000)

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

Is there another presentation?

**Mr. Steve Hyndman:** I believe that is the end of our presentations.

I believe, Mayor Ellis, you were going to speak on behalf of Angela Genereaux.

**Mr. Neil Ellis:** It is unfortunate that Angela had another appointment. She is our partner with the Chamber of Commerce. Basically, as a city we partner with the Belleville Chamber of Commerce on tourism, to promote the area.

The chamber is behind the project presented, as we all say, but the point is to make Belleville more than only a stop on the 401 for a Timmy's and a gas break. I think with this waterfront property, if we can get the means to make it a tourist destination.... The problem we have is tax dollars. When we look at taking it back and cleaning it up, we're still with a piece of land that really has no infrastructure on it, in the sense of buildings, skating rinks, etc. Our long-term master plan, which we have drawn up, is a plan that is going to cost, probably, upwards of \$20 million to \$30 million once we complete the dream.

Unfortunately, in Belleville the tax base and our income is only on the backs of user fees and property taxes. So as Director Buck stated, in order to keep parkland going, there's a cost. When \$700,000 is basically 1% of the tax base, or a 1% increase in taxes, we have to look at partnerships and whether the partnership can continue with the upper tier governments, in a sense, to get the project to make it a tourist destination.

That's basically where the chamber is at. We can promote Belleville and we can get people to stop, but it's a matter of keeping them here and making this a destination and an economic driver in the tourism business.

When you look at Ontario as a whole, we have been very fortunate regarding employment and having a diverse economy with industry and a shopping destination. Our tourism has probably lacked in the sense that we do not have any big tourist attractions. We've been a kind of gateway to the winery in the county and a stopover.

With the harbour project, we see concerts being booked on the waterfront and hotels being booked up to come and see Belleville. I think if we can get people here and get them to stop, they'll stay, but we need to put more money in the waterfront.

I think a lot of the public feels that the cleanup is going to build buildings, that it will have a skating rink and is going to be complete, but basically the cleanup will only get us to the point where the Bay of Quinte waterway will be a better place to live, the contaminants that are leaching into the bay will stop, and it will be the start of the jewel, as Director Buck said.

I think it is important for us to keep the partnerships with both governments, and hopefully more infrastructure money will come down the pike in order to build buildings and make it a draw, not only for the health of the community and the residents of Belleville to enjoy the waterfront, but for others to stop and keep the dollars in our city.

**The Chair:** Thank you, Mayor, and thank you all for your presentations.

Mr. Byrne is going to start our questions.

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Thank you very much, Mr. Chair.

It is wonderful to be here. I certainly enjoyed the drive in, but I am looking forward to a tour of the harbour facilities this afternoon.

I want to thank you for your hospitality, but we're engaged in a very important study, so I want to get right to the heart of the matter.

You mentioned that you had entered into a divestiture agreement. The agreement, I understand, and correct me if I'm wrong, was contingent on the expenditure of \$15 million over a period of I am not sure how long—perhaps you would make notes and you can answer that. I will kind of clew up where I'm going and then we'll get into a back and forth. So it was an expenditure of \$15 million over a certain period of time, and then you would assume ownership of the real property asset, the water lot and all upland developments related to the pier.

Is that a binding contractual agreement, or is it a sort of general understanding without any legal context attached to it?

•(1005)

**Mr. Steve Hyndman:** Perhaps I will start. We initially entered into joint project agreements to do some of the preliminary work, but it did eventually lead to a letter of understanding that was signed by both the small craft harbours program and ourselves that set out the game plan, if you want to look at it that way. It was not a binding agreement, but it was sort of an understanding of how we would go about studying this particular exercise.

It would lead to a point in the process whereby both parties would eventually have to commit, and we have reached that point where city council has committed. In a sense, we have bound ourselves to move ahead with this because we have committed to fund the major cleanup works that are now under way.

In a sense, council could have chosen to not award the contract, if you will, and decide not to go ahead with the program and we could quite rightly have parted ways at that point in time. But it was only about two weeks ago when that decision was made to move ahead, so we are now committed.

**Hon. Gerry Byrne:** For the \$15 million, what time period are we talking about? I'm just trying to get the context of how this evolved as it did.

**Ms. Marjorie Buck:** With regard to our commitment of the \$10 million from the federal government and \$5 million from the City of Belleville, it was originally planned that this project would commence and be completed by March 31, 2007.

Unfortunately, due to some provincial Ministry of the Environment regulations, it was delayed, and we asked for an extension to March 2008. Now we're committed to having the final funding completed by March 2009.

This is a partnership through which small craft harbours staff, in conjunction with Treasury Board, were able to secure the funds.

**Hon. Gerry Byrne:** So of that envelope you've probably spent roughly \$3.5 million. Have the small craft harbours people in DFO engaged in spending their \$10 million share?

**Ms. Marjorie Buck:** Yes. Of the \$3,060,000 spent to date, the small craft harbours program has committed to upfront money with regard to it, so the combination would be \$15 million.

The funding we've received from the small craft harbours program to date is in the neighbourhood of \$2.9 million.

**Hon. Gerry Byrne:** So the three and a half million was not out of the tax base or the general revenues of the municipality. That was the combination on a 50-50 cost sharing. You've spent approximately one-fifth of what you envision the budget to be thus far.

**Ms. Marjorie Buck:** That's right.

Just for clarification, if I may, \$2,033,000 has been spent by the federal government and \$965,024 by the City of Belleville.

**Hon. Gerry Byrne:** So you're not necessarily committed to taking on real property ownership yet. It depends on how it goes.

**Mr. Steve Hyndman:** I think we probably are at this point, and let me explain the reason why. The work to complete the cleanup is a \$12.5 million contract with the city. We have hired the contractor to do the work, so now we're committed to honouring that contract.

And of course, in my view, the understanding we have with small craft harbours staff is because we've made that decision, we have in a sense committed ourselves to going ahead.

So our intention is, and council fully anticipates that at the end of this exercise we will assume ownership of the asset.

**Hon. Gerry Byrne:** The interesting question is that you raise cost overruns to complete the vision as you've outlined it—about 100% over what was originally forecasted or anticipated.

Will you still assume ownership after the expenditure of the \$15 million if under some circumstances you can't access the other \$15 million you suggest you require?

•(1010)

**Mr. Steve Hyndman:** We are committed to assuming ownership regardless. Council made that decision knowing full well what the implications and liabilities were, so they went in with their eyes open, if you want to put it that way.

Council knows there are issues yet to be addressed and is accepting responsibility for some liabilities, if you will, in years to come by virtue of the decision they have made.

As Marjorie explained earlier, we see those issues for us, but the harbour is so important to this city that council felt it was important that they move ahead, regardless of those liabilities. We are just expressing our concern for what those might be and seeking some consideration, if you will, for our future.

**Hon. Gerry Byrne:** Thanks very much.

Mr. Chair, I think my colleague has questions.

**The Chair:** Go ahead. You have three and a half minutes, Mr. Simms.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** I have a comment at the end too, when my time is up, if that's all right.

Ms. Buck, you mentioned some non-capital funding. What type of funding is required in your situation? That's the non-capital funding I'm speaking of.

**Ms. Marjorie Buck:** When it comes to the non-capital part, by the city's definition it's the funding to assist in the study that occurred prior to entering into the joint project agreement with the small craft harbours program. The federal government assisted us with the financing of our master plan for the waterfront and some studies. I refer to studies and consultants' reports as non-capital.

**Mr. Scott Simms:** I see. Then let me ask you about the commercial activity in this harbour area. What type of commercial activity do you have there?

**Ms. Marjorie Buck:** Down at the Meyers Pier operation we have a very small restaurant set up. We have some minor sales of souvenirs, etc. It's very limited. Most of our operation in the harbour is focused on boaters and their needs, such as fuel services. Our harbour is focused more on our transient and seasonal boaters.

We have on occasion had tourist boats that will come and use this as a staging area, but that doesn't happen on a regular basis.

**Mr. Steve Hyndman:** I might point out that the city had commercial activity in years gone by—large freighters. But that ceased many years ago.

**Mr. Scott Simms:** I think that's what I was getting at. I'm not sure what kind of industrial activity you're seeing. That's a thing of the past, I would gather. It's not something you're looking for in the near future.

**Mr. Steve Hyndman:** We see the harbour's future as recreational rather than commercial. So the focus in our master planning is more in the recreational area, not in the working commercial area.

**Mr. Scott Simms:** From a jurisdictional point of view, this is completely the City of Belleville. What is Prince Edward County's role in all this?

**Mr. Steve Hyndman:** They're a neighbouring municipality. They are on the opposite side of the bay, so they are an immediate neighbour. On the tourism side of it, which is probably our strongest relationship, we share a common vision—we want to advance our opportunities for tourism growth within Belleville and in Prince Edward County.

**Mr. Scott Simms:** You have full ownership of this and you're going ahead with your master plan. How much of your master plan is complete?

**Ms. Marjorie Buck:** In regard to the master plan that was submitted for this study and the commencement of our divestiture, it would be less than one percent. The issue for us is the environmental concerns that have arisen through our studies and the change in direction required to ensure that the property is properly cleaned. Our focus for this coming \$12.7 million expenditure—and the contract has been awarded—has more to do with remedial cleanup and infrastructure. Our plans for a commercial facility on the land instead of out on the pier, for a restaurant operation, for a souvenir shop, for the development of a hotel for entertainment—those have been set on the back burner. The focus has to be to get the land clean and safe for the public to use, so that we meet the Ministry of the Environment regulations.

•(1015)

**Mr. Scott Simms:** I'm a graduate of Loyalist College. It's a beautiful area, and I commend you, because it's improved vastly over the past 10 to 15 years. It's quite a destination.

**A voice:** Since you left.

**Mr. Scott Simms:** Yes, since I left, it's improved greatly.

Just to give you a little connection with hockey, I believe Daniel Cleary is from your riding. Daniel Cleary is a hockey star for Detroit. Before he joined the NHL, he was a proud member of the Belleville Bulls and one of their superstars.

**The Chair:** Well trained.

**Mr. Scott Simms:** Yes, indeed.

**The Chair:** Mr. Blais is a Montreal Canadiens fan, but we won't go there today, will we?

Go ahead, Mr. Blais.

[Translation]

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Indeed, if we want to talk about hockey, we'll talk about the Montreal Canadiens. The other teams, that's something else.

Good morning, ladies and gentlemen. Thank you for being with us. First I would like to ask you whether it is possible to provide us, in writing, with the project as a whole, the business plan, if there is one, as well as the financing plan. You've provided us with figures, timetables and a few details on financing. I'll tell you quite frankly that I'm lost in it. I'd like to see some figures that would give me a better understanding of the whole financial structure that you've managed to prepare or plan.

Also—and this is an easy question—I'd like to know who or what caused the contamination.

[*English*]

**Mr. Steve Hyndman:** The contamination was really through a number of sources. The City of Belleville itself was one of the sources. Some of the lands were used as a landfill. This was back in a time in our collective past in this country where we didn't value waterfronts as we do today. Unfortunately, that was chosen as a landfill site. That was only one source.

Another source was the fact that the federally owned lands were used as a commercial working harbour. There were ships that came in that unloaded coal, that unloaded oil. Some of the federal lands were leased to oil companies that had tank farms on the property. Those activities resulted in contaminants leaching into the soil. So there were a number of different sources of those contaminants.

The fact that the city was part of that problem, if you will, is partly why I believe it's important that the city invest in the cleanup, which is what we have committed to do. It really was a problem caused by a number of different participants and users of the site.

[*Translation*]

**Mr. Raynald Blais:** I also see that the divestiture program may, in principle, be a very good program, but, in practice, that's another matter. First, there is an agreement that must be negotiated. A share of responsibility belongs to one partner. At the same time, there could also be changes over time or, I wouldn't say concealed defects, but amounts of money or an additional budget that would be necessary because the economic situation would have changed or because it has been discovered that the evaluation that was originally conducted has also changed.

So there are a lot of considerations before a win-win agreement is really reached. My big fear is that a divestiture program can be used by the government to get rid of infrastructure that it does not want to maintain properly. You know very well that the Small Craft Harbours Program represents \$100 million Canada-wide, but that annual amount is not enough to do the job because the situation across Canada is deteriorating from year to year.

So there is a risk that somewhere we may believe that the divestiture program is being used to reduce the financial responsibility of the Department of Fisheries and Oceans, but that someone else, the municipalities, for example, might eventually take it over.

I would also like to hear what you have to say about a partner I'm not hearing about and that doesn't feature in what you've said so far, and that is the provincial government, in the area of financing, and what you call the county. Have steps been taken with regard to potential financing by those two groups, the county, in a way, and the provincial government?

● (1020)

[*English*]

**Mr. Steve Hyndman:** Yes, that's an interesting question about provincial participation.

The provincial government, through the initial years, did not have a role to play in this. It wasn't that we wouldn't have sought their participation. There simply was no program or opportunity for us to pursue to bring them into this particular project. That was the case until fairly recently.

Just last year the provincial government announced a program that Ontario referred to as MIII. The municipal infrastructure investment initiative is the long version of it. That program became available, and it actually linked up very nicely with an issue that had developed through the study process that we had going on. By virtue of the filling in of the federal lands over the many decades that this occurred, it became apparent that it created some problems upland, outside the federal lands, on private lands to the north. That needed to be resolved at the same time as the work for the harbour was being done. Initially it appeared that this was going to have to be an additional cost to the city, the reason being that it was not federal land that was affected, it was an indirect impact on private land.

What we were able to do was make application under the MIII program to obtain provincial funding to assist us with those upland areas. We have now secured \$3.7 million from the provincial government to deal with the reconstruction of lands to the north of the federal property, which is now being done as part of the same program. We now do have provincial participation, in a sense, indirectly, but it's all related to basically resolving the problems with the misuse of these lands over the many decades that have led us to the present time. Fortunately, we do now have provincial participation.

**Ms. Marjorie Buck:** If I may add to Mr. Hyndman's comments, the focus of the MIII programming relates to our water, sewer, and streets in the area immediately north of the federal lands. When we looked at it, the federal lands, being the infill, were causing flooding to the private homes.

We're anticipating that the changes to the infrastructure—the water, sewer, and street upgrading Mr. Kester is involved in—will help our residents and take care of items that are a major expenditure for the City of Belleville. We're marrying the two together, so that working in partnership with our engineering department, we're able to cost-share a little more in the city's budget. Doing this project with a divestiture, along with Mr. Kester's project of the streets, will save the city money. A \$50 million project for the City of Belleville is a large one. It increases the odds of getting a very competitive bid, and we had outstanding competitive bids by doing this partnership together.

[Translation]

**Mr. Raynald Blais:** I know my time is up. Is a share of funding coming from the county?

[English]

**Ms. Marjorie Buck:** They are not.

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

Mr. Stoffer.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Thank you, Mr. Chairman, and thank you, ladies and gentlemen for appearing today.

On those provincial changes that were imposed upon you after the negotiations with the federal government, when those changes were announced—besides the MIII program—did they consult with you in any way about those changes, that by costing you additional dollars...that there would be provincial money flowing at that time?

**Mr. Steve Hyndman:** No, they did not. When we started to develop some of our risk management plans for how to deal with the contaminants on the site, the nature and the degree to which these provincial changes in policy were going to impact us became apparent. We did actually ask ministry staff to come down and spend time with us on the site to try to problem-solve together. Unfortunately, the ministry felt they could not operate in that fashion. They saw themselves as more of an independent adjudicator, as opposed to a participant in problem solving. I guess that's a philosophical decision they had to make. So unfortunately, we did not have the opportunity to pursue that with them as much as we would have liked.

To some degree, I believe the provincial government was using what we were doing as a bit of a test tube, or a process, so they could learn just how well their programs and policies were working. Hopefully they learned a good deal. We certainly did.

•(1025)

**Mr. Peter Stoffer:** To be perfectly clear, when all is said and done, the town of Belleville will own the wharf. Is that correct?

**Mr. Steve Hyndman:** Yes. Our intention is that at the end of this process we will take ownership of the federal assets.

**Mr. Peter Stoffer:** So the federal government will be completely out of it. There are some divestitures happening on the east coast where the government still owns the property, but it is managed by a harbour authority.

Will you have a specific harbour authority, independent from the Belleville council, that will manage this complex for you?

**Mr. Steve Hyndman:** Council has not made the decision to do so yet, although it's within their mandate to make that decision. At the moment it's administered by one of our departments under Marjorie Buck.

**Mr. Peter Stoffer:** Are you anticipating user fees for recreational use?

**Mr. Steve Hyndman:** Yes.

**Mr. Peter Stoffer:** I assume the community is aware what these fees may be in the future.

**Mr. Steve Hyndman:** We have them in place today. As far as what they might become, Marjorie can speak to how that might be determined.

**Ms. Marjorie Buck:** The user fees are presently based on the small craft harbour regulations. For this year we have advised our boaters that following the construction and completion, the city will look at the cost operations relevant to the harbour. We'll look at our fees, and they may be adjusted.

The focus of the City of Belleville has been on a user-fee mode for our services. Our department staff will be recommending to city council that they copy what we do in our arenas, so the very minimum would be a 50% user fee. So if you're going to spend \$100, then your user fee will be \$50. Of course, that's subject to a complete report and a business plan presented to city council.

One of the unknowns we have as a department that we need to address is the costing relevant to the water pre-treatment plant. We have some estimates from our consultants on what that will cost us annually, but they aren't firm yet. We will be looking at a direction, anticipating that we will keep our subsidy at the same level we have now. But we won't know the facts until the project is totally complete.

**Mr. Peter Stoffer:** This is my last question for you.

This divestiture program, in various forms, is happening across the country as well as in the great province of Ontario. Are there any cities, other than this one in Ontario, that you're cooperating with in terms of best practices and understanding the dialogue with the small craft harbours people so that instead of just going on your own, you're either assisting other communities or they're assisting you in this development process?

**Ms. Marjorie Buck:** A number of years ago, actually, when this program was first announced as a divestiture, there was a regional group that got together in the profession of operating municipal harbours, and we have shared information since the beginning of this program. We continue to talk to each other with regard to the direction we are going in. As a matter of fact, I'm very pleased to advise the committee that it was through the efforts of two individuals—one who has worked for our department and one who went to harbour operations in the city of Kingston—that a harbour administration group got going and is now active with regard to some provincial bodies. We are sharing information and working together to ensure that when the bottom line comes out, the city has something that it can afford and the public can enjoy, and the federal government has a lower liability.

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

Mr. Kamp.

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Thanks, Mr. Chair, and thank you for appearing before us. Thank you for the invitation to come.

It's great to be here, and as my colleagues have said, it's good to be here with Daryl. I can assure you that he represents you with enthusiasm in the House of Commons. We have similar last names, as you may have seen, and we get confused for each other. I guess that's because we look quite a bit alike too. He has more hair than I have. Anyway, it's great to be here.

I just have a few questions, and then I'll kick it over to Daryl.

Can you tell me a little bit more about the history of the harbour? You've alluded to it. For DFO to own this, obviously it was something other than a recreational harbour. You said it was commercial, but was there ever any commercial fishing out of this harbour?

• (1030)

**Ms. Marjorie Buck:** I guess the short answer to that, if I may use a personal experience, is that at one time we did have some commercial fisheries along the bay, in terms of our causeway, and some of the boaters did come into what is now known as Meyers Pier. Meyers Pier tended to be more of a cold storage area. The apples were there. The lakers came in. The coal freighters came in. Commercial fishing was limited to along the causeway and some in the Meyers Pier area. They, of course—and I'll go back to when I was probably about 14 or 15 years of age—slowly disappeared, and it's now recreational fishing that's the focus, save and except some of our native fishing.

**Mr. Randy Kamp:** Are there commercial recreational enterprises?

**Ms. Marjorie Buck:** Yes, we do have some private charter boats in this region. For about three years we had about seven boats at Meyers Pier that used the docking.

**Mr. Randy Kamp:** If I understand what you've told us so far, for many years it was owned and operated by DFO, and at one point—I wasn't sure I heard—in 1984 or 1994, the city or somebody took it over more or less as a harbour authority to manage it on behalf of DFO. DFO continues to own the property up to now. Am I right so far on the chronology?

**Ms. Marjorie Buck:** In 1984 the City of Belleville took over the management and operation of the harbour on behalf of the small craft harbours program.

**Mr. Randy Kamp:** What were the sources of your income at that point? Were you doing minor repairs to the facility based on user fees and so on?

**Ms. Marjorie Buck:** The majority of the repairs we've had at Meyers Pier and Victoria Harbour over the years have been done through cost sharing—50% small craft harbour funding and 50% from the City of Belleville, from its operating budget for the site.

**Mr. Randy Kamp:** When you made the decision to go down this divestiture path, was there a point where you could have made the decision to continue with the status quo, or was there pressure on you from DFO, from the small craft harbours program, to divest? How did you come to this decision?

**Mr. Steve Hyndman:** Perhaps I could respond to that question.

No, certainly the intention of the small crafts harbours program was clear, and the opportunity was presented. But the challenges we were facing were certainly well known. Fortunately, Lyle Vanclief, a previous member for our riding, was very instrumental in securing some additional funding to help deal with the environmental issues. It was really that initiative at the federal level that kind of put it over the top, if you will, in terms of the city's willingness to pursue this aggressively. Until that point, the city was certainly aware of the opportunity, but was greatly concerned. Now, we saw the opportunity to perhaps bring this to some sort of a conclusion that would be to everybody's liking.

So we did not see that as pressure; we saw that as an opportunity. What we failed to appreciate at the time—and of course everybody did—was exactly the challenges we'd face getting through the provincial Ministry of the Environment. But we still see this as an opportunity.

**Mr. Randy Kamp:** I have just one final question.

Are those who use the facility there enthusiastically supporting this direction of the city owning the property?

**Mr. Steve Hyndman:** Yes, I think so. Certainly the community, I believe.... Maybe Mayor Ellis can speak to that question in terms of the community.

**Mr. Neil Ellis:** Again, we've seen other communities that have given up their waterfronts, and I think I could probably pose the question as this. What would the federal government do if we didn't take it over? That was a question that was really never answered by the Department of Fisheries and Oceans.

As a political football, it didn't seem there was really a good outcome unless we took it over. Now whether it was a bluff that we would have had to play and say we weren't interested in spending the money, and see what the next step was.... Obviously, the land is leased to us, and I believe the lease is up in the next year. So council did support it with some reservations, I guess. The reservations are about the next step. We've seen some of our waterfront down the road that is industrially polluted and in the wrong hands; we'd end up with the worst nightmare, if somebody does take it over and doesn't do a proper cleanup. If we lose our waterfront, what are we going to leave with our citizens down the road? That's my children and your children. The sense is that if it does go into private hands and it's not cleaned up properly—and we see that right now in another land case—it could get a whole lot worse.

The only situation I'll allude to is that recreation is not profit-bearing for the city. Taking the property over, we're definitely going to have greater operating costs, and I don't see any way of any revenue really coming out that's going to cover those costs. When you look at our long-term master plan, yes, recreation contributes to our being a healthy community. It's a circle. When you have waterfront festivals and you have the tourism coming in, it doesn't really benefit the city coffers. It benefits the tax base, as in the hotels and the business, but we really don't have any income. And when I look at the facilities and what we have there, the people who walk away with the money are the provincial and federal governments, with the GST and PST. We have an event and we spend \$100,000 on a waterfront festival, and we end up breaking even or contributing money towards it, and with the GST and the PST, the federal and provincial governments are the ones that benefit. Again, it helps jobs and it helps industry, but it does cost the taxpayers money to have these events.

I've always been wondering, in the sense of what we need... I guess to say it politely, the tax system is broken. For every dollar that's collected in taxes, the municipality gets 8¢ and the upper tiers get the 92¢, and we provide 60% of the services. We've taken this land over, we're going to be providing more services, and it's going to cost us more money. That's what we have to be aware of overall.

•(1035)

**Mr. Randy Kamp:** Thanks very much.

I'll see if Daryl has anything.

**Mr. Daryl Kramp:** The one difficulty I see with the whole waterfront area that is not similar to every other divestiture is the major environmental issue we have. This is not a stand-alone, because there are similar issues in other parts of the country, but it is not your typical divestiture, because you had an unknown.

The concern I have is, what if? What happens with the environmental concern if you take it over, and what happens if you don't take it over? We still have an environmental concern that has to be dealt with either way, so some significant dollars have to be put into the environmental remediation.

Quite honestly, I am very pleased that a working arrangement is in place and is going forward. I have a number of concerns yet, but I'm delighted to hear your tendering is within budget. That's remarkable, given some of the circumstances we're hearing today.

The original cost of the remedial action has dramatically gone up over the years. Could you give me a breakdown on the inflationary aspect of this? We're not talking about a one- or two-year cycle; you've been involved with this for 10 years or more. Is it strictly due to inflation, or has it been due more to increased levels of bureaucracy—i.e., approvals and mandates from the various environment ministries, etc.?

**Mr. Steve Hyndman:** Certainly inflation will have had some effect, but the remedial actions we need to take are probably more sophisticated and certainly involve a greater degree of study and assessment than was anticipated at the very beginning. It's probably the standard, more than any other factor, that has resulted in the increase in costs.

•(1040)

**Mr. Daryl Kramp:** Has there been any discussion with DFO with regard to the increased costs involved?

**Mr. Steve Hyndman:** We have talked about that. We've talked about the operating costs or the longer-term liability costs with DFO staff, and they've been very sympathetic to our concerns. We've had an excellent working relationship with the staff, and they've been very cognizant of our concerns. They of course are limited in terms of what they can do by virtue of some of the parameters of the program, but they were certainly sympathetic to our concerns.

As a result of the challenges we faced in working through some of these obstacles, they've been very supportive of the extensions and some of the frustrations they've had to go through in terms of helping us get through the process. I think there's a clear understanding by both parties—both DFO and the city—as to what's been going on and why these costs have increased over time.

**Mr. Daryl Kramp:** I was reading the previous report of the standing committee back in December—

**The Chair:** I'll come back to you in a minute. I want to do a five-minute round.

Thank you, Mr. Kramp.

Go ahead, Mr. Byrne.

**Hon. Gerry Byrne:** Your testimony is very helpful to us. We're not probing this particular harbour or facility; what we're doing is using your experiences to analyze what needs to fit our recommendations to the national program.

I think what you're saying is really important. What I'm hearing is that you've got a base agreement of \$15 million—\$5 million and \$10 million—and it's a quantum, a fixed amount of money. You've spent \$3.5 million or thereabouts; you've got another contract tendered that is legally binding to you for \$12 million, so the \$15 million will now be spent. You'll be left with a good, pristine, as-it-was site, environmentally remediated.

But not one cent will be spent on water lot improvements such as breakwaters, wharfs, or slipways, nor will one cent be spent on upland development such as restaurants, boardwalks, or tourism infrastructure. You're committed to taking this over as soon as this \$12 million contract is completed and the site is remediated.

Are you aware that once you take over real property ownership, the small craft harbours program is no longer eligible to fund anything related to this harbour facility?

I'm asking these meanspirited questions simply to get confidence that you understand the situation in front of you. Unless you get additional moneys prior to taking real property ownership of this from the small craft harbours branch, there's really nothing on the table afterwards. Once city hall does take ownership of this, the only opportunities are from existing cost-shared federal-provincial-municipal government programs, such as the MRIF, the Building Canada fund, and so on. Are you very clear on that?

**Mr. Steve Hyndman:** Yes. The council was very aware of those facts and was very aware of what we'll call long-term liabilities. They made the decision to proceed regardless because of the importance of the harbour to the city.

Perhaps Mayor Ellis might want to comment on why that was done.

**Mr. Neil Ellis:** Again, that was kind of the gun to our heads. The alternative was unknown. I think it was Mr. MacDiarmid, from Fisheries, who came to council. The alternative was that our lease might not be renewed and that a fence could be put up.

When you look at it, it all might wash out well. On the other hand, we have a big liability we're assuming, because we feel it's the right thing to do. It will keep the waterfront in our coffers. I don't think there was really an alternative. It was either take it or lose it, and that's the way it was kind of presented to council.

**Hon. Gerry Byrne:** Mr. Chair, Mr. Simms, I think, might have....

**Ms. Marjorie Buck:** If I may, I'll just add to the comments relevant to the city's operation. Of course, with the small craft harbours program giving us the extension, rest assured that the staff has already approached the small craft harbours people for some minor capital funding for issues that we know will have to be addressed at the time we take over ownership. So we're trying to take advantage of a delay.

I'll speak as a longstanding employee of the City of Belleville and as someone who has been involved with this particular site for a long time, even prior to taking over the operation. Every city council has come to the table since the decision about divestiture. We have stressed to council that this harbour needs to remain under the operation of the city so that when it comes to development, we as a city will be able to write the direction and not have it written by somebody else.

Prior to Mayor Ellis coming to office, and even prior to Mr. Hyndman coming on staff, there were private developers who wanted to do a development down at the waterfront, which would basically have taken it out of public hands. It would have changed the character of the site and changed access to the site. That was an argument and a discussion for politicians.

•(1045)

**The Chair:** Go ahead, Mr. Simms.

**Mr. Scott Simms:** I just have a couple of quick questions.

This is an offshoot of small craft harbours. You talked about the gas tax issue. This is probably a question for you, Mayor Ellis. With

regard to the gas tax, that five cents of the excise tax, provincial and federal, would some of that be eligible, once you take ownership, with regard to the harbour? That's my first question.

The second one is to the others.

**The Chair:** I thought you only had one question.

**Mr. Scott Simms:** Basically, what would you recommend be changed in the divestiture program itself?

**Mr. Neil Ellis:** I guess touching on the gas tax, we pretty well have most of our gas tax spent. We're building bridges and roads, and unfortunately, with our infrastructure probably not like any community in Ontario, we probably need about \$300 million to correct the problems we have. We're fortunate that we're not as badly off as some communities with their wants and needs, but we're slowly getting that way.

Again, on the gas tax, I believe we have allotted it in our budget to about 2012—Steve can touch on that—for a link on a bridge to a highway.

**Mr. Steve Hyndman:** The gas tax moneys have been greatly appreciated, because we do have some very serious issues. The road issues and the bridge issue are, as Mayor Ellis mentioned, where our priorities are. I think we'll find that throughout the community there are going to be some extremely important priorities that will have to get attention with gas tax dollars, which might preclude money going into the harbour. It's a case of needs versus wants, and that's the challenge we'll face.

In terms of the program itself and what should be changed, frankly, as I mentioned in my opening remarks, I think the program is a good policy. It's a good practice for the federal government to pursue. I think you should continue to pursue this line of approach with regard to harbours.

What I would suggest, however, is that perhaps the government needs to look a little more carefully at the kinds of liabilities it's passing on to local communities, not just in terms of the present situation but into the future as well. Maybe there should be some flexibility in the funding to enable municipalities to enter into agreements with a greater degree of certainty and clarity as to how issues that might evolve over time are going to be funded.

If we had a perfect crystal ball and knew that our financial world would be a much more attractive place in 30 years' time, we'd be much more comfortable taking those risks. But we don't know that. So at this point, we're going into it blindly. And that does cause us some concern, not to the point that we're saying no, because we see the opportunity there, but I would suggest that this may be something that perhaps the program should look at.

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

Mr. Lévesque.

[*Translation*]

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Thank you, Mr. Chairman.

I listened to all your explanations, and there were a lot of them. I'm going to say good morning and welcome to the committee.

Tell me if I've understood. You've reached an agreement with the Department of Fisheries and Oceans for the divestiture of the port concerned. If I understand correctly, around that port, you intend to create an additional holiday resort that will attract tourists. When you started work on the wharf, you discovered problems. I don't want to accuse the government, Fisheries and Oceans, or the municipality of bad faith in the negotiations. Let's say there are unforeseen circumstances.

You invested only \$3.6 million for the unforeseen circumstances that arose. Does that \$3.6 million come from the \$15 million that you obtained, and is it therefore subtracted from the \$15 million? If that's the case, I don't know whether you've approached the department—I'm going to tell you all this in one shot, and then you'll answer me—to obtain assistance to address those circumstances. Earlier I listened to the mayor, who said they wanted to retain... I think that keeping the tourists for a few more days is the idea of the entire municipality or of the entire county. We know that's good for all the businesses, the hotel industry and so on. We see that a bed tax is charged in a number of places, a fixed amount of \$2 in addition to the price of a hotel room, which goes to the municipality for development. I believe Ontarians have been aware of this way of doing things for a long time. I believe Quebec has copied Ontario. The fact remains that, eventually, you'll definitely feel an impact.

Have you calculated that in the administration of the port as such? You have additional infrastructure. Is the shore infrastructure calculated in the \$15 million, or is that only for the transfer of the wharf?

• (1050)

[English]

**Mr. Steve Hyndman:** Perhaps I'll try to answer, and Marjorie can assist as need be.

To confirm the first question, the \$3.1 million that's been spent does come out of the \$15 million. That's not an extra on top. The Mill moneys that come from the province are on top of the \$15 million, but of course that's not part of the agreement between DFO and the city.

Have we asked DFO for additional assistance? In a formal way, no. In an informal way, we have made it clear that we are facing some challenges. So we've spoken to staff and we've spoken to Mr. Kramp about this. In an indirect way, yes, we have expressed those concerns, but there has not been a formal request or a formal application, if you will, that's been put forward. We'd certainly welcome the opportunity, presented by our appearance today, to perhaps make that concern somewhat more formally.

In terms of tourism, yes, we do see this as an opportunity for us to grow our economy. With the county and the city participating in this, we do believe there is opportunity for growth, and the harbour is a very important part of that future. On the idea of the city realizing some benefits from that, indeed, we would certainly hope that would be the case.

We do recognize that oftentimes jobs created through the tourism industry are seasonal. They're not quite the same in terms of income and they don't have quite the same long-term economic impact as, say, a full-time manufacturing job. We'd have to take that into

account, not that we still don't want to pursue it. That is a factor certainly that we're very well aware of.

We haven't done any formal long-term economic impact assessments with regard to this. There's no question that the benefit of harbour divestiture, of harbour development in terms of the city's long-term prospects for tourism, was a factor that helped council make the decision to, if you will, take the risk and move ahead with the program, because they do see those benefits. We haven't quantified those impacts in any formal way.

I hope that answers your question.

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

Mr. Stoffer.

**Mr. Peter Stoffer:** Thank you very much.

I admit I'm very pleasantly surprised that a council would want to keep something in the public hands. It is sort of like a good New Democratic, social democratic type of thing to do. I'm glad to see that your chamber of commerce supports that, because where I come from, most chambers of commerce are strictly there for the private sector and not necessarily for a municipal council. So I'm very pleased to hear that.

Have you done a survey or an estimate of how many boats you anticipate would use the pier or the harbour on a regular basis? From that, have you done an estimate of how much revenue you would be able to generate just from recreational boating itself?

• (1055)

**Ms. Marjorie Buck:** In regard to the change in our operations, I'm actually very pleased to advise the committee that Meyers Pier in Victoria Harbour right now is at approximately 80% capacity.

So anticipating that we can just take that extra little step and have a full operation, we are looking at, from our seasonal boaters, an approximate revenue of \$150,000 per year.

If we have the opportunity to advance in regard to our commercial development on the pier itself and make that an attraction... What we are hearing from our boaters who pass us by and go down to Cobourg, which is another outstanding harbour that the municipality is involved with, is that our amenities are lacking. We need to look at our infrastructure for wireless communication for boaters who take their work on vacation or who just want to be in touch with their family.

From our transient boaters, we average about \$35,000 a year in revenue. Our fuel sales range anywhere from \$120,000 to \$141,000 a year. Regarding improvements, which are covered under this contract coming up, we are changing our fuel system, which should enhance it.

We are competing against our neighbours to the west, Quinte West, which is the entrance to our Trent-Severn system, and again, if our boaters are doing the Trent-Severn system, they'll go by and they'll fuel up at the Fraser docks.

If we had the extra amenities, I think they would stay and look at it. We're projecting that with some investments, commercially as well as to infrastructure for the actual boater, we should get up to at least a 90% to 95% factor.

**Mr. Peter Stoffer:** So at the end of the day, when all is said and done, the hope is that this won't cost the taxpayer money, and if anything, it could be revenue neutral.

**Ms. Marjorie Buck:** That's our focus and our direction. When it comes to our existing budget, right now, for instance, our city taxpayers are subsidizing that site at \$49,000 a year, but out of that \$49,000 there is an annual payment to the federal government—not that we begrudge that at all—of \$38,000. So that subsidy right off the bat will be reduced, because your share of the revenues will remain in the City of Belleville.

**Mr. Peter Stoffer:** Very good. Excuse my ignorance on the following question.

Is there any first nation component to this development? Are there any commercial fishers, any land concerns, any rights issues in that particular regard?

**Ms. Marjorie Buck:** No, there is not, at either Victoria Park or at Meyers Pier. There is a plan that is dated 1838 on that particular site. I forget the proper name for it, but it was from 1838, and it was well established. Actually Victoria Harbour was part of the harbour commission back in the 1800s.

**Mr. Peter Stoffer:** I wish you the very best of luck in your future plans. All the best.

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

Mr. Calkins.

**Mr. Blaine Calkins (Wetaskiwin, CPC):** Thank you, Mr. Chair.

It certainly is a pleasure to be here in Daryl's riding. He speaks very highly of the people who support him and who he works with here. It is certainly great to be here. I'm one of the few permanent members of the committee who is from a landlocked riding.

I actually live in Alberta, and I certainly have a keen interest in the fishery and small craft harbours. I think we have three in Alberta, from the federal government. I've been to all of them, and I'm looking forward to seeing some of the harbours you have here.

Most of my questions have already been answered. I just wonder, if you have the information, whether it is available.... The \$15 million you've had to spend, I would imagine, has escalated since the process began—I think in 1994—or since we've started going down this path. Some of that is to address concerns of the Government of Ontario. Of the \$15 million, how much has to be spent to address environmental concerns of the Government of Ontario?

**Mr. Steve Hyndman:** It's tough to put a number on it, but I would say certainly the majority of it. Even when you look at some of the surface materials—

**Mr. Blaine Calkins:** How much of a majority are we talking about?

**Mr. Steve Hyndman:** I would say virtually all of it. Part of it has to do with the capping of the site. The site has to be capped for environmental reasons, so we've been able to use the process of this program to make choices as to how to do the capping, in a way that

satisfies the Ministry of the Environment concerns but that also advances our work towards the long-term plan. Whether you consider that as environmental or not is subject to some debate, I suppose.

•(1100)

**Mr. Blaine Calkins:** Has your municipality ever tried to access other funds, whether it's through the Province of Ontario...? We talk about the MIII and so on, but I know there are some federal programs for federal contaminated site cleanups. Has there been any attempt to access any of that funding, or has it simply been through DFO?

**Ms. Marjorie Buck:** When we started this process, not only did we have the small craft harbours people at the table in the discussions, we also had representatives from the federal Department of the Environment. Mike MacDiarmid could probably answer this better than I, but the \$10 million is funding through the small craft harbours program and Treasury Board—and I believe the Department of the Environment has money at the table—for this whole project.

**Mr. Blaine Calkins:** I'm going to turn it over to Daryl in a second, but I think it's quite amazing, when the small craft harbours program is spending about \$1.5 million a year to divest 15 to 25 harbours, that you have about a \$10 million commitment over time. For your community to get that kind of funding out of the small craft harbours program is quite exceptional, so I certainly congratulate you. You must have worked very hard to get that money.

I'll leave it to Daryl to finish my time, Mr. Chair.

**The Chair:** You'll have a minute and a half, Mr. Kramp.

**Mr. Daryl Kramp:** Thank you. I'll get right to the point rather quickly then.

The mayor brought up what I think is a bit of a concern for all of us. If you have a pre-determined budget and know exactly what you're going to spend, then obviously you can plan accordingly, you can operate efficiently, and you can reach a desired conclusion. One of the difficulties we have, of course, is the unknown. We've had some unknowns for two reasons: this has gone on for a number of years, and of course there are changing environmental standards and changing bureaucratic rules.

The mayor mentioned the word contingency. Was there a contingency costing put on the original estimates? In other words, if you're going to build a building, you add 15% or 20% for contingency. Was there contingency built in?

**Ms. Marjorie Buck:** Yes, there was.

**Mr. Daryl Kramp:** And what percentage was it? Do you have any idea?

**Ms. Marjorie Buck:** At the time of the initial meetings in regard to entering into this whole project, we were anticipating the standard 15% as a contingency.

**Mr. Daryl Kramp:** And we sense that we have a problem and we're going to be over that, obviously.

When we have something outside the norm like this, then, when it's generally beyond a person's normal business plan, I'm wondering whether the committee would entertain some possibilities and some options to see whether there are means or mechanisms, such as a contingency fund, to deal with unusual circumstances. Is that something DFO and/or Treasury Board should consider?

I'm throwing that out for the committee's evaluation as something related to your point, because I think this is one that is a bit of an exception. It sits outside the norm, and it doesn't look as though we're adequately prepared for this down the road. We all want environmental concerns looked after and we want municipalities and the governments to share costs, and I think we have a win-win all the way through here. There's been a great working relationship, and I would like to see it able to be extended.

**The Chair:** Thank you, Mr. Kramp, and thank you to our witnesses. It's been a different sort of discussion here this morning from what we've been used to in our travels. But it's good to get the perspective from your success to date. Once again, I thank you for your presence here this morning.

Committee members, we're going to take a five-minute break to get ready for our witnesses from the County of Prince Edward.

Thank you once again.

•(1105)

(Pause)

•(1115)

**The Chair:** Once again, I welcome our witnesses here. I'm going to throw the floor open to some opening comments, and then our committee members will have a round or two of questions.

First of all, I'd like you to introduce yourselves, and then tell us all about your...

**Mr. Leo Finnegan (Mayor, County of Prince Edward):** My name is Leo Finnegan. I am privileged to be mayor of the beautiful County of Prince Edward. I have with me this morning, Barry Braun, our commissioner of recreation, parks, and culture.

I'd like to first welcome you to our county. We're almost an island. We have 500 miles of shoreline here and we're connected by four bridges and a ferry. It's largely an agricultural community; however, in recent years...we now have 14 operating wineries, which started about 15 years ago. So wineries are attracting lots of attention. We have a provincial park here, the Sandbanks Provincial Park, which is well known. About half a million people visit the park each summer and about a million tourists go through this county every year.

As I said, it's largely an agricultural community. We have one of the best natural harbours on the north shore of Lake Ontario at Picton, which you're going to see later on today, I understand. And we also have a harbour at Wellington, which you're going to see also. So we're very proud of our community and we're anxious to see it grow. And it is growing. Many people find this county by boat.

They're either sailing from Toronto, or whatever, and they sail into Prince Edward County and there's an expression, "They come for a day and stay for a lifetime".

I'm going to turn this over to Barry Braun, our commissioner, and have him explain what happened as far as the divestiture of our docks is concerned.

Barry.

•(1120)

**Mr. Barry Braun (Commissioner of Recreation, Parks and Culture, County of Prince Edward):** Thank you, Leo.

Welcome. As Leo has indicated, thank you for the opportunity to address the committee. I understand this committee doesn't get to Ontario very often, so this is great.

I'll start by providing a little background about the divestiture of recreational harbours in the County of Prince Edward. Following the 1995 decision of the government to divest, the municipality at that time decided to commission a study. It was a harbour divestiture, infrastructure, and economic assessment study, to determine whether or not it was in the best interests of the municipality to divest.

We had six possible locations that could be divested, six federal properties. The study recommended and council approved that we divest five of those six. The only one that was not divested was Point Traverse, which is located at the southwestern tip of the county. It has since been designated as a national wildlife area, so presumably it went to the Ministry of the Environment.

I will walk briefly through each of the divestitures we have completed and the ones that are remaining, simply to give you a little bit of our experience with each of them and to give you an indication of how they've benefited the county.

The first one we divested is referred to as Northport and is located in Sophiasburgh Ward on the Bay of Quinte at the northern end of the municipality. The Bay of Quinte, of course, we share with the municipality of Belleville and others.

The federal dock was on site there. It was about a 30-metre wharf, with a smaller inner wharf next to it, so to speak, of 12 to 15 metres. That was the only federal property, but the municipality owned a boat launch ramp right next to the property. The federal property is also attached to a three-acre municipal park on the mainland there.

The Department of Fisheries and Oceans provided \$10,000 in 2001 to make the required repairs to the wharves, based on research and quotes and analyses the municipality did of the condition. Once the repairs were completed, the property was legally transferred in 2003.

The property, now municipally owned, continues to be used as a docking facility, primarily for recreational boating and fishing, and together with the park it's attached to, it hosts numerous community events, picnics, family gatherings, and those kinds of things. Certainly, from our perspective, it is serving a good recreational purpose.

Waupoos mainland was the second one that was divested, and it's located in North Marysburgh Ward on the shore of Lake Ontario. The property included an approximately 30-metre wooden wharf that needed to be totally replaced. In 2003, the Department of Fisheries and Oceans, through the federal Department of Public Works, replaced the wharf at a cost of approximately \$240,000, and then the property was formally transferred to the county in 2004.

This facility serves as a home for a barge that provides access to Waupoos Island, because that's the only way to get there—by boat, of course; it's an island. There is sheep farming that takes place on the island, and the barge is docked at Waupoos mainland dock and serves the purpose of moving livestock, as well as equipment and people, to and from the island for farming and visiting purposes.

● (1125)

Waupoos Island was next in line. It's located in Lake Ontario, off the shore of North Marysburgh Ward. It had a 20-metre concrete dock that was in need of some repair. In 2004, the DFO provided \$20,000 in funding. Through that funding, the municipality made the repairs to our satisfaction. The ownership was transferred in 2005.

This dock primarily serves the farming industry on the island. There has been some application for permanent residence on the island. There are houses on the island, but they have not been occupied for a number of years. The owners are looking at making it more usable for residential living, so the barge may be used in the future to transport the people who live there.

Those are the three harbour properties that have been divested to the municipality.

The Wellington facility is now in the process of being divested—the transfer documents are actually in the hands of our solicitor. Wellington facility is very much a success story. It's a good news story. The community has rallied around the development of Wellington Harbour. There is a large beach area. With the work that DFO and the federal government have done with the municipality, you have become very much a partner in the development of the harbour, along with numerous volunteer community organizations. It's nice to see the feds in this partnership.

This year, the Department of Fisheries and Oceans provided \$266,000 to replace a 58-metre docking facility owned by the feds. This has recently been completed, and you'll be able to see the finished product today when you visit.

Significant improvements have taken place at the harbour over the last two or three years. It's the main wharf in the harbour, a jewel in the development, and we appreciate the involvement of the federal government.

There are a couple of issues that we will address later regarding Wellington.

The only remaining federal property to be divested is in Picton, and the federal property there is located at the Prince Edward Yacht Club in Picton Harbour.

We've had a subcontracting agreement with the yacht club for a number of years. They manage and collect the fees for the docks. We are hoping to divest that into work with DFO sometime in 2009.

There has been some research done on that site by federal Public Works, I believe, regarding the requirements there. Seawall issues have to be looked at before the municipality will be in a position to assume ownership. We're hoping to do that in 2009.

Picton and Wellington are by far our busiest harbours. Picton is easily at 85% to 90% capacity for most of the boating season. With the expansion and development during the last two years, we're anticipating a similar situation for Wellington. Last year, Wellington was 65% to 70% occupied, and we're expecting that to increase this year with the additional docking facilities that we've been able to provide.

● (1130)

In general, the municipality of Prince Edward County has been very pleased with the divestiture process. The staff at DFO have been significantly cooperative and helpful in many ways, and fortunately we've been able to deal with the same people from the beginning, so that certainly helps.

We have been pleased in all cases. The funding required to bring the facilities to the standard that was acceptable to the municipality has been met, and in turn, the bureaucracy, for lack of a better term, has been pretty easy in terms of bureaucracy. It hasn't been a major issue and there haven't been a lot of political ramifications in any way, shape, or form. So we've been pleased with the process over the course of the last five or six years that we've been divesting our federal properties.

The most significant issue we have with our harbours is in fact in Wellington. Every two years the municipality is spending in the neighbourhood of \$80,000 to \$100,000 to dredge the channel, to ensure safe access to the harbour and the facilities that are within the harbour. Years ago, I think it was in the late 1980s, the channel was developed with the cooperation, at that time, of a multi-partnership between the municipality, the provincial government, the federal government, and the local conservation authority. I'm not exactly sure of the division of responsibilities during that development, but I know that all four groups were involved in building the channel to create the access from Lake Ontario into Wellington Harbour. Since that time there has been no provincial or federal money put into that channel. The jetties on both sides of the channel have deteriorated significantly, to the point where there is going to have to be significant dollars spent on them within the next two to three years, at the very outset.

We have, through various means, tried to look at long-term solutions to the silting problem, and for the last four years we have looked at every possible solution that I think is available. We have run into one that is almost identical to our situation in Pickering, in Frenchman's Bay. They are currently working with both the provincial government and the federal government on funding. It sounds like 50-50 funding between those two governments for what is going to be approximately a \$7 million project to extend their jetties to alleviate the problem they have been having, very similar to ours, which has been dredging every two years.

We're hoping we can look at doing a similar project with provincial and federal support, to eventually resolve the issue we have there in Wellington, from having to spend upwards of \$100,000 every two years just to ensure that boats can get in and out.

So that's where we currently stand with our divestiture process. As I said, for the most part, the municipality has been pleased, Mr. Chairman, and we're certainly willing to answer questions or have further discussion.

• (1135)

**The Chair:** Thank you, Mr. Braun and Mayor Finnegan.

Mr. Simms, for questions.

**Mr. Scott Simms:** We'll split our time.

Let me start. Certainly between the witnesses before and the witnesses now, we seem to have a model area for divestiture—at least one of the candidates thereof—so it's good news all around.

I have just a few questions about the barge you spoke of. Which harbour is that again?

**Mr. Barry Braun:** Waupoos.

**Mr. Scott Simms:** And the barge is owned by whom?

**Mr. Barry Braun:** Currently it is privately owned. It used to be owned by the Oblate Fathers, which is a religious component of the Roman Catholic Church, I believe.

**Mr. Scott Simms:** So do you derive any revenues from this barge other than the docking fees?

**Mr. Barry Braun:** We do not. No, we have an agreement with the barge operator, who purchased the barge from the Oblate Fathers, and he runs the sheep farm on the island. So he now owns the barge, and he has an agreement with the municipality. It's a written agreement dealing with damages to the dock and those various things that we look at on an annual basis and discuss with him.

**Mr. Scott Simms:** Okay, so it doesn't provide an essential municipal service, per se?

**Mr. Barry Braun:** No, it doesn't.

**Mr. Scott Simms:** Okay, fine. Let me go to the situation described with the dredging, which you anticipate doing every two years, right? But you want the investment similar to what's being proposed in Pickering. Is that correct?

**Mr. Barry Braun:** I believe that would be, from what we've been able to see so far, ideal in our situation because theirs is very similar, and it's going to give us an opportunity to see how they progress. But from all the studies we've done—and we've done numerous studies—on how we can resolve this on a long-term basis, extending those jetties farther into Lake Ontario and slightly at an angle appears to be the primary solution.

**Mr. Scott Simms:** What do you figure will be the cost estimate on that?

**Mr. Barry Braun:** Well, looking at Pickering's, which is very similar in size, we've been estimating anywhere between \$5 million and \$7 million.

**Mr. Scott Simms:** And have you approached DFO about this? Have you—

**Mr. Barry Braun:** Not formally.

**Mr. Scott Simms:** Not formally. You plan to, I gather?

**Mr. Barry Braun:** Yes. One of the things we're doing now is trying to gather some additional information from Frenchman's Bay in Pickering, so that we in fact have a decent proposal.

**Mr. Scott Simms:** All right. And they're going through that similar process now in their negotiations for divestiture?

**Mr. Barry Braun:** Yes. I believe they have since 2006, but I'm not exactly sure what the current status is. They're working with the Toronto and Region Conservation Authority on this project. We have met with them, and all indications from them are that both governments are very positive about the project. I don't know whether that means it's totally approved yet or not. That I don't know for sure.

**Mr. Scott Simms:** Okay. Of the other harbours you have divested thus far, I believe the number was five. Is that right?

**Mr. Barry Braun:** Actually three; we're in the process of the fourth.

**Mr. Scott Simms:** Now, in that process of what you've divested thus far, what environmental speed bumps have you come upon thus far?

**Mr. Barry Braun:** Actually there haven't been any.

**Mr. Scott Simms:** There haven't been any.

**Mr. Barry Braun:** No. In all cases it has been wharf facilities and boat ramps, and there hasn't been an environmental issue or a circumstance we've had to deal with.

**Mr. Scott Simms:** Any with the Wellington divestiture process?

• (1140)

**Mr. Barry Braun:** No.

**Mr. Scott Simms:** So you really never had any heavy industry involved in this area whatsoever?

**Mr. Barry Braun:** Well, not where the federal properties have been involved. There was a canning industry, as an example, in Wellington; however, it did not impact on the federal property area. If and when we're able to proceed with some long-term solutions to the dredging, that may be one of the things we will have to deal with, the environmental issue.

**Mr. Scott Simms:** Okay. One final thing before my colleagues ask questions. When it comes to the fishing activity, is it primarily recreational? Do you have any commercial fishing enterprises whatsoever?

**Mr. Barry Braun:** We have some small commercial fishing, I believe, primarily out of the Picton Harbour. We have a significant number of charter fishing activities. I think the larger commercial fishing went by the wayside years ago. We still have some small commercial fishing taking place, but I think other than recreational boating and fishing, the chartered fishing would be pretty extensive.

**Mr. Scott Simms:** And how large is that, do you estimate?

**Mr. Barry Braun:** I would suggest we probably have 30 to 40 chartered fishing enterprises in the municipality.

**The Chair:** Mr. Byrne is next.

**Hon. Gerry Byrne:** Thank you, Mr. Chair.

Gentlemen, thank you for providing some valuable insight as to the operations here. I think my colleague put it well; it sounds to me like a divestiture success story that's actually occurred here, with the exception of one project. Remind me again of the name of the harbour where you have this—

**Mr. Barry Braun:** Wellington.

**Hon. Gerry Byrne:** Yes, Wellington Harbour.

You noted that in Pickering there's a \$7.5 million ask for a proposal that seems to be moving forward. You don't know for sure if it's been authorized or accepted, but it seems—

**Mr. Barry Braun:** Very positive, from our indications.

**Hon. Gerry Byrne:** In terms of Wellington, you reported to us that you have not put in a special request yourselves. If I can read into that—correct me if I'm wrong, I don't want to speak for you—since this is proceeding in Pickering, you didn't think a \$7.5 million ask for Wellington would be in the cards until it actually appeared on the radar screen in Pickering. Would that be a correct...?

**Mr. Barry Braun:** That's certainly part of it, yes. However, we have been struggling with a solution. For at least four years we have been focusing on it significantly. We have looked at options in the U. S. and all over Canada, wherever we can get information on similar facilities. It's funny, we have one right on our back door in Pickering that we hadn't touched on before. So we believe their solution is also one that would work in our case.

**Hon. Gerry Byrne:** In terms of an engineering point of view from the administration of the small craft harbours program, especially as overseers of several harbours in this particular region, would you see it as being valuable that some sort of criteria be established, a transparent, accountable criteria, on which these multi-million-dollar decisions should be based, so that you don't feel left out or you don't feel separated from the process?

For example, if an engineering solution were available to Pickering and the circumstances were transferrable to Wellington, obviously under a criteria, an eligibility sort of assessment, would that accommodate or suit your political requirement that there be some accountability to this, so you'd know you would be part of the line, part of the queue, so to speak?

**Mr. Leo Finnegan:** Yes, very much so. We would appreciate that. In fact, as Barry has mentioned, he kind of stumbled on it. In looking for a solution all over the lake, he found one not too far away that has already taken place. If there were some way we could be aware of those things, it would be very helpful.

**Hon. Gerry Byrne:** And that would help guide the department itself in its decision-making.

**Mr. Leo Finnegan:** Right.

• (1145)

**Hon. Gerry Byrne:** For example, the minister has available to him a \$5 million discretionary reserve on an annual basis. Sometimes it's actually even greater than that amount, but of course that's discretionary. From the department's point of view, in terms of directing this funding...that way you could feel comfortable that as others negotiate deals around you, there would be some sort of transparency and accountability, that every harbour isn't of and for itself and that you would be part of a process where you could feel comfortable that your best interests are being taken care of, not simply as to whether or not you're aware of the negotiating positions of other harbours.

**Mr. Leo Finnegan:** I might add that we have spoken to your provincial counterparts about this. We made a presentation in

February to the minister responsible. The comment was that there isn't any money available at this time, but as Barry said, there have been several studies done. And certainly one of them is to angle the jetties in such a way that the prevailing wind doesn't cause the sand to drift in.

As the cost of dredging increases, the problem becomes more prominent. This year we spent \$90,000. Two years ago it was \$65,000. I might add that a number of years ago, probably 15 years ago, when I was with the cement company here, we donated literally tonnes and tonnes of armour stone to build out along that breakwall.

When you visit there today, I think you'll be surprised at what you see. It is a brand-new dock. The Rotary Club of Wellington, which is a very small club of some 30 people, has taken on a major project to make a boardwalk. They have had help from different funds for that. There seems to be a lot of enthusiasm and new life going into the Wellington Harbour. And it's the only way you can get into West Lake.

I was there last Saturday when the Ontario Provincial Police gave a used police boat to the auxiliary coast guard that has just been organized in Wellington. They were very pleased with that. It's on the north shore of Lake Ontario. It's a big lake out there, and frequently people sailing this way from Toronto find themselves in trouble. So that's going to help us.

We see that the harbour is growing. So we'd be extremely pleased to find a way to solve this problem.

**The Chair:** Thank you, Mr. Finnegan, and thank you, Mr. Byrne.

Mr. Blais.

[Translation]

**Mr. Raynald Blais:** Thank you, Mr. Chairman.

Good morning, gentlemen.

First of all, I would like to inform you that, in the next few minutes, I'll have the opportunity to give you a little souvenir of Quebec, our national fleur de lys. Failing a flag, I'm going to offer you these pins.

I'd like to hear what you have to say on those two things in particular.

[English]

**The Chair:** I have some Canadian flags in my briefcase.

[Translation]

**Mr. Raynald Blais:** You can give them away, if you want.

I'd like to hear what you have to say on those two points in particular. The first concerns the commercial fishery, and the second the way things worked for the divestiture program to succeed in the case of the three wharves.

Let's talk about the commercial fishery first. To my knowledge, there is still a commercial fishery in the region. What the witnesses have said to date gives the impression that that's not, or virtually not being taken into account in the development and future plans. I was wondering why. I get the impression that's also part of the heritage and that it has an economic and social value. In that sense, the fact that there is still a form of commercial fishery may represent a benefit for the community. It probably isn't as extensive as it was in the past, but it's nevertheless part of your history, of your heritage. It also has a definite economic value. I saw that there were still species of fish in your area. So I wonder why I'm not hearing that a form of development of the commercial fishery is possible.

• (1150)

[English]

**Mr. Leo Finnegan:** The reason you're not hearing it is because it doesn't take place from many of the harbours we've mentioned. Most of the commercial fishing takes place from Point Traverse. On the map, it is kind of a southeast corner of... There are commercial fishermen there, and they fish for smelt and all kinds of small fish like that. In the town there is a commercial fishing realtor where you can purchase fish.

So the reason we haven't spoken about it is because it's not what it used to be years ago, and it doesn't take place from any of the docks mentioned—or very little does. Basically it is along Point Traverse and Long Point and those areas.

As I said in my earlier statements, in this county we have 500 miles of shoreline. We have all these little jetties and docks, but it is not one of those that we've been divesting.

**Mr. Barry Braun:** Mr. Chairman, I can speak to your second question, on the divestiture process.

[Translation]

**Mr. Reynald Blais:** I'm going to clarify my second question, but, before that, I want to get a better understanding. Is it possible to consider a form of association, relationship or collaboration with the people who are engaged in the commercial fishery?

[English]

**Mr. Leo Finnegan:** Yes, but the point I was trying to make is they don't come to us saying, "We have a problem with the docks in our area where we fish", like at Point Traverse, or—I could show you on the map—at Indian Point and places like that. It doesn't seem to be a problem for them. So at the docks we've been talking about—for example, the one in Wellington, which you're going to see this afternoon—there isn't any commercial fishing at all that I'm aware of. There are tours. I don't know how many exactly, but there are people who take people out onto Lake Ontario to salmon fish. But those are charters. The commercial fishing all takes place in the east end of the county: Point Traverse, Long Point—

[Translation]

**Mr. Reynald Blais:** As regards the divestiture program, I'd like you to explain to me why it worked. I imagine there was a form of negotiation and that it was done by mutual agreement. I'd like to know why it worked. That would probably give you some possible solutions for locations where it's not working or working with difficulty. Why did it work, in your opinion?

[English]

**Mr. Barry Braun:** Certainly. I guess from our perspective, all of the federal properties consisted of simply a wharf and perhaps a boat launch ramp. So it was a matter for the municipality to determine. We knew we wanted the harbours, these federal properties. We believe they should be in municipal hands, because then we're in a position to control their destiny in many ways, and as the City of Belleville indicated, the option of not taking it and it possibly going commercial wasn't something the municipality wanted to see.

There haven't been any environmental issues, and as a result, for the most part, they have been simple. In all honesty, what has made the difference in our case is the relationship we've had with the Department of Fisheries and Oceans small craft harbours staff. It has made a significant difference, from my perspective. I'm the one who's dealt directly with each of the divestitures. I've been fortunate enough to deal with the same staff member from the small craft harbours program since the beginning. As a result—you create a relationship when you do that—there hasn't been anything that we haven't been able to overcome. It's really that simple, from my perspective.

• (1155)

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

Mr. Stoffer.

**Mr. Peter Stoffer:** Thank you, Mr. Chairman, and thank you, gentlemen, for appearing before us. Thank you for the cup; I appreciate that.

On the issue of the possibility that the divestiture may have gone the other way, prior to the municipality expressing interest in these harbours and wharfs, were there any private enterprises that expressed interest as well? For instance, did anyone come in and say, "Look, I'll take over all of that"? I know the previous presenters were concerned that if a private developer took over the wharf in Belleville or the harbourfront, it might restrict public access. Do you have those concerns as well?

**Mr. Leo Finnegan:** No. There isn't much industry here in Prince Edward County. There is a cement plant on the Bay of Quinte. You'll see that when you're at Picton today. They had their own dock. There used to be iron ore moved from Marmora to here, and you'll see an iron ore dock that's now used only to unload a couple of loads of salt each year.

That's about all the industry there is. The rest is all farming, so we really haven't had any industry persons come along who have had any interest in our docks.

**Mr. Peter Stoffer:** The other concern is, who manages these wharves for you? On Fogo Island, in Newfoundland and Labrador, there are five wharves and five harbours in the area and they're operated by one harbour authority. Do you have one harbour authority that looks after the five you're talking about, or is it done directly by you and the council?

**Mr. Barry Braun:** It's done directly through my department and through council. As I indicated earlier, we have a partnership agreement with the Prince Edward Yacht Club for the property in Picton Harbour. We hire a harbourmaster in Wellington who looks after the management of the docks and boat ramps there, but he works under a commission-type agreement we have with him for Wellington.

The other three sites are not manned. They are managed by our department, and the maintenance and repairs are done by the municipality. We are not collecting revenues from any of those three either. We do collect revenues from Picton and Wellington. The other three, for the most part, are free.

We had discussed putting in voluntary pay boxes, but we haven't done that yet, and we're not sure whether it would be worthwhile. To man any of those other three facilities and collect fees would simply not be cost-effective.

**Mr. Leo Finnegan:** Barry, you might mention the committee.

**Mr. Barry Braun:** The municipality has numerous committees, and one of them is the harbour advisory committee. It advises council and is made up of representatives who are stakeholders in one way or another. As an example, a commercial fisherman is involved in that committee, as are people who live on the harbour, boaters and people who have a background in harbour involvement in one way or another. The committee meets on a monthly basis and advises council on various aspects of all five harbours.

**Mr. Peter Stoffer:** The aspect of extending the piers to avoid dredging costs is very similar to a discussion we had on Prince Edward Island. I forget the name of the community that was discussing it, but they said if they could extend the piers, they could reduce dredging costs down the road. It's interesting that you have the same concern here.

Thank you very much.

•(1200)

**The Chair:** Mr. Kramp.

**Mr. Daryl Kramp:** Overall, your system and your programming divestitures went really well. Obviously there is a concern with some situations with Wellington. How about Picton? What are you looking at for timing on advancing the divestiture of Picton?

**Mr. Barry Braun:** We've had some preliminary discussions with DFO, and some engineering studies and plans were done for the improvements there, probably three to five years ago, in that range.

The staff at DFO are searching those for us, to resurrect them and take another look at them to see if they are still appropriate, and update them, if need be. We're hoping we can have the work and divestiture completed in 2009.

**Mr. Daryl Kramp:** I've been very pleased with another area, building partnerships, so it's not a complete liability for the municipality afterwards, so your ongoing expenses aren't going to go through the roof.

In Wellington, in particular, I see you've teamed up with the community and the Rotary Club, etc. Could you expand on the capacity of this partnership building, and do you have the same thing in other areas or is it exclusive to the Wellington area?

**Mr. Barry Braun:** I'll speak to it, and Leo, I'm sure, can elaborate. The relationship we have with the community and these harbours is primarily in Wellington and Picton. At Northport we have a relationship with the community. It is attached to a municipal park, and the local Sophiasburgh recreation committee and school board used the park on a regular basis. They have had some involvement in the improvement of the park and the dock area. However, this has been fairly minimal.

The partnership in Wellington has been a great one. For about four years, the Rotary Club and the municipality have been working together on the beach project, and they have spent in excess of \$40,000. This does not take into account their labour and all of the in-kind services they're able to get from the community.

In addition, the Lions Club is involved in creating one major event—an annual dragon boat race. The West Lake Catamaran Sailing School just started there last year. They assisted in providing funding to the development of the harbour so that they could run their catamaran school, and apparently it's one of the few at that level of training in the province. They are a partner.

The Wellington Harbour Improvement Program Group is a group of people in the community who wanted to be involved in the development of the Wellington Harbour. It's a non-profit group, so they are eligible for various funding programs. We have been working with them, along with the rotary and these other community groups, for probably three years now. The Wellington Harbour Improvement Program Group has purchased a number of the additional slips and docks that we are now using to increase the number of docks in the harbour, so that we can accommodate more visitors and more use by the locals.

**Mr. Daryl Kramp:** With regard to Picton, you mentioned that some of the management of the harbour is handled through the yacht club. When you divest, or when the government eventually divests itself of that property, do you foresee the municipality continuing with the same procedure? Will it become municipal property managed by the yacht club, or would the municipality be looking at allowing the property to go to the yacht club? Where do you see the ownership and management taking place?

•(1205)

**Mr. Barry Braun:** I'm not sure. I believe our discussions so far with the yacht club have tended towards continuing the current arrangement. If at some time the yacht club thought they were in a position to assume the property, then I'm sure the municipality would enter into discussions and entertain this plan. However, due to the non-profit nature of the yacht club, my guess is that they would want to continue with the kind of arrangement we have now.

Wellington has been the focus for us for the last couple of years. Within a couple of weeks, however, we will be meeting, at the behest of the Harbour Advisory Committee, with a number of property owners to discuss the long-term development of Picton Harbour.

As with Wellington, we hope to get involvement by all of the stakeholders in the harbour and try to involve as many of them as we can in the long-term development. This process is just about to start.

**Mr. Leo Finnegan:** The arrangement we have there now is working, and we're happy with that. The owner of the Tip of the Bay plans to demolish that building and build some 44 townhouses, with docks and slips and whatever, so there will be change there.

**Mr. Blaine Calkins:** Thank you, Mr. Chair. I know you were going to recognize me for the remainder of Mr. Kramp's time. I'll just go on with my question.

I certainly appreciate the opportunity to be here. I just have a couple of questions from the perspective of looking at the small craft harbours mission statement. It's obviously there for the purpose of supporting a commercial fishery.

In your particular case you've already testified that it's not much of an issue at your particular harbour. However, I'm guessing you'll have competing interests, whether it's people who are boaters, sport fishermen, commercial sport fishermen—for example, people who take people out fishing for money—whatever the case might be.

I'm just wondering, from that perspective, how do you manage those conflicting interests insofar as berthage space, or do you have enough berthage space to accommodate everybody who wants to come in? How do you handle that and give access, prioritize that access, after divestiture?

**Mr. Barry Braun:** Probably the same as we do now. Because we manage the harbours we haven't divested yet, I don't see our practice changing. In all honesty, it has not been an issue.

As Mayor Finnegan indicated, the majority of commercial fishing—that is, busy commercial fishing—is at the southeastern end of the municipality.

We do sometimes have issues with some of our chartered fishing people competing for space. However, due to the nature of our municipality being virtually an island, many of them have their own facilities already and do not necessarily depend on the harbour facilities.

So it really has not been an issue for us.

**Mr. Blaine Calkins:** Okay. In some places around the country it does become an issue after divestiture. I'm glad it hasn't become an issue for you.

As far as dredging is concerned, I notice it's obviously a concern, especially at Wellington. What would you expect to happen if divestiture at Wellington were to happen? If you got it to the status where you wanted it, would you expect that dredging would be continued by Fisheries and Oceans, or would you expect that to be part of the divested responsibility to the municipality? How do you see that working?

**Mr. Barry Braun:** I don't believe it would be considered as part of at least the current divestiture practice. First, the property in which the jetties lie is provincial and not federal. However, it's access to federal property.

I guess ideally for us it would be a similar partnership as I've referenced earlier with Frenchman's Bay in Pickering, where both

the province and the federal government partner with the municipality to ensure we have a safe, accessible refuge from Lake Ontario.

One of the things we hear constantly from boaters, both from the States and from various parts of Ontario, is that it is one of the best public refuge spots, particularly between Cobourg and Kingston. So if you're out on Lake Ontario and you have an issue, Wellington Harbour is there, particularly if you're in that area between Cobourg and Kingston.

Our concern is that it may get to the point where the municipality is not able to contribute to that dredging on an ongoing basis and the harbour would not be accessible any further.

● (1210)

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

For the committee's information, there are some individuals here who represent the eastern Ontario commercial fisheries committee. They weren't scheduled to appear here this morning, but I have consulted most of you now, and I'm going to give them an opportunity in a few moments to have a few words.

We have to finish by 12:45 p.m. in order to meet our schedule and to get back to the train. I'd love to spend the night here, but we're not scheduled to do that.

I'm going to give a two-minute round around the table. I ask you to stick to two minutes. I'm going to be strict on the time in order to accommodate this couple of individuals down here, and then we'll complete our case here by 12:45 p.m.

Two minutes each. Mr. Byrne, you're on.

**Hon. Gerry Byrne:** So we should, Mr. Chair, thank you.

Gentlemen, you mentioned the relationship with DFO small craft harbours officials as being paramount. That was part of your story. There's a relationship of trust. You negotiate with each other. You build a plan together. You developed a funding plan together.

Would you be offended if that relationship, as it evolved, resulted in the Department of Fisheries and Oceans making a final recommendation to reject a particular project that you were working on with your local, regional, and provincial officials? Would that be offensive?

**Mr. Leo Finnegan:** It certainly would be. We'd be knocking on Mr. Kramp's door immediately.

**Hon. Gerry Byrne:** Do you feel there should be some accountability or transparency built into this process?

**Mr. Leo Finnegan:** Yes, certainly we do.

**Hon. Gerry Byrne:** That's all I have, thanks.

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

Our colleagues are going fast. That doesn't leave you their two minutes, Mr. Stoffer.

**Mr. Peter Stoffer:** I have a question in terms of American boating. How much do you get in this area? You're quite close to the U.S.

**Mr. Barry Braun:** Leo may have some additional information, but we are just starting to keep track. Wellington is the most prominent. We certainly get Americans in Picton Harbour as well, but by far it's in Wellington. It's right across the lake. I would say at the moment probably 20% of our boaters in an overall season would be American.

**Mr. Peter Stoffer:** Out of curiosity, is Salmon Point Lighthouse still there?

**Mr. Leo Finnegan:** Yes, the lighthouse is still there.

**Mr. Peter Stoffer:** The reason I ask is that this committee worked very closely along with the Senate to pass the new lighthouse preservation bill, and something of that nature, if it's not divested, has an opportunity to become divested if you have a community group of over 25. Mr. Kramp could help you work on that.

The preservation of lighthouses, especially in western and eastern Canada, is very important, but a lot of us tend to forget about central Canadian lighthouses as well. In that photo it looks like a really good one, so it would be nice to keep it around for a long time.

Mr. Kramp can give you that information.

**Mr. Daryl Kramp:** I thank you, Mr. Stoffer.

• (1215)

**Mr. Peter Stoffer:** Daryl, that's in case you needed more work.

**The Chair:** Mr. Kamp, you have two minutes.

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

I have a very quick question.

You have harbours that are still owned by DFO but managed by the county, in a way, and then you have harbours that used to be owned by DFO but are now owned by the county and managed by the county. Are there other arrangements? For example, are there harbours that are owned by, say, Parks Canada or some other entity?

**Mr. Barry Braun:** I don't think so.

**Mr. Randy Kamp:** Who owns and manages Point Traverse, for example?

**Mr. Barry Braun:** I believe it's federal. It's been designated as a national wildlife area, so my assumption is that—

**Mr. Randy Kamp:** It's probably Environment Canada or Parks Canada, in that case.

Thank you very much.

**The Chair:** Thank you.

Thank you to our witnesses, and I thank the committee. I'm going to break for five minutes to prepare for our next set.

Thank you.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1220)

**The Chair:** Please take a seat, folks.

We'll call it back to order and welcome our two gentlemen here this morning. I'm sorry it was such short notice, but we have a schedule in place and we managed to move through it fairly quickly.

I know you've been here listening intently this morning, so I've taken it upon myself to consult with my colleagues. We don't do this on an ordinary basis, but since we have some time to do it, we'll certainly allow you to make a few opening comments.

We're hoping to get in a five-minute round of questions, and to do that we have to move along, so I'll advise all members that I'll be sticking to the time as much as I can.

If you want to introduce yourselves, say who you represent, and have a few opening comments, we'd be delighted to hear from you.

**Mr. Roxy Lancaster (As an Individual):** I'm Roxy Lancaster. My partner is Albert Vancott. We fish commercially out of Point Traverse Harbour. I must say, right off the bat, I've got to commiserate with the gentleman from Belleville; you do not want your harbour or your docks to fall into the wrong hands. Ours has. It's fallen to Environment Canada, whose purpose in life is basically to exclude all people from the CWS—Canadian Wildlife Service—properties at Long Point. Currently, they're encouraging the birders, but ultimately they would like it as a reserve area, where no man treads. This seems to be Environment Canada's mandate.

When Environment Canada took over the property from private hands, we had to struggle, but we made a deal with them to retain properties along the harbour side and the docks we had currently, to continue the commercial fishery in this area.

Now, I go back at least four generations, to the United Empire Loyalists, all of whom were fishermen in my past. My father's side of the family came into the fishery sort of sideways; his father had been a farmer.

Environment Canada basically has no budget. Probably because of their political games a couple of years ago, most of the staff in Ottawa has been fired. I worked for Environment Canada part-time as a contract worker, doing small repairs and such. Basically our harbour has been let go to total rack and ruin, to the point where the harbour actually was closed clear across. The beach just simply moved in and covered the entrance.

Over the past few years, most of the maintenance has been done out of pocket by the commercial fishermen and other interested user groups. The anglers and the commercial fishery get along very well here. Everybody is more than willing to throw into the pot when it comes time to dredge. For the guy who operates the dredging equipment, basically a lot of his work is unpaid. But the harbour channel now needs work, and it needs armour stone on the outside of it to prevent further closures. The problem is that in the thirties and the fifties we had high water, before the Seaway was built. It eroded away the protective entrance at the outer harbour, and this is why we're getting these problems now. If it were armour stoned one time, dredged back to a depth of nine feet, and the silt cleaned out of the harbour properly, we'd be good to go for years to come.

Long Point Harbour is a safe haven harbour. At least it was. Quite frankly, I don't like to detract from Mr. Finnegan's presentation, but if you're in trouble on Lake Ontario and you try to go into Wellington Harbour on a bad day, you're going to get yourself real dead. The Canadian Coast Guard—I think it was Canadian, it may have been American—lost a vessel in the bay outside Wellington. It was a coast guard vessel. The man on board perished. It's not a nice place to come in a bad storm. Lake Ontario needs safe haven harbours. Ours is basically the only harbour between Cobourg and, for the sake of argument, Waupoos, where there's a safe haven to get in off that open lake.

The fishery rescues sailboats and recreational boaters really often. Twice last spring, two days in a row, we pulled vessels off the end of Waupoos and the end of False Ducks, vessels that had gone on the shoals unknowingly and would probably have been broken up in very short order if we hadn't gone in and got them, at risk to our own vessel.

We need to get that harbour back into somebody's hands, whether it be the county or whoever. Basically we need to get that harbour back into the hands of somebody who cares. Right now they don't care. They would just as soon see it closed.

We are operating about six boats out of the harbour at this time, the biggest being 60 feet, mine being 35.

• (1225)

It's an active fishery, so far. I know the fishery is dying, but we're still trying. Off and on we have to work out, but most of our lives we've worked the commercial fishery.

**The Chair:** Mr. Byrne.

**Hon. Gerry Byrne:** Gentlemen, thank you.

It is very important. This committee takes the point of view of commercial fishers extremely seriously. That's why we're delighted to have you.

I'll introduce a bias. I almost anticipated you were going to talk about a conflict between recreational harbours and commercial harbours. You're not telling us that. The conflict is with another federal government department.

What exactly did Environment Canada tell you when you asked them for the resources or for them to apply the resources?

**Mr. Albert Vancott (As an Individual):** Nothing available.

**Hon. Gerry Byrne:** Nothing available.

You mentioned a time period when there was a sea change, pardon the pun, that occurred at Environment Canada. You alluded to about two years ago. Could you describe that in a little more detail?

**Mr. Roxy Lancaster:** The scandal when different government agencies were putting money into one of our political parties.

**Hon. Gerry Byrne:** How does that relate to Environment Canada's decision?

**Mr. Roxy Lancaster:** Environment Canada was one of the departments accused of shoving money into a political coffer, and heads rolled in Ottawa.

**Hon. Gerry Byrne:** Are you a political organization?

**Mr. Roxy Lancaster:** I worked for Environment Canada at the time. The man I worked for was fired. I shouldn't say fired. He and his entire staff were moved sideways. The finance people moved from Ottawa to Burlington. I work for a guy out of Long Point, Lake Erie now; I used to work for a man out of Ottawa.

We pay a lease on the properties, and nobody knows where to send the lease money at this point because the department closed in Ottawa. The fellow in Long Point doesn't know how to get our cash into his department, so we're in limbo in a lot of ways.

• (1230)

**Hon. Gerry Byrne:** Was anybody in Environment Canada in this particular region involved in a scandal where they sent money to a political organization?

**Mr. Roxy Lancaster:** I understand the department in Ottawa was accused. I don't know whether anything ever came of it. This was very public. Surely you guys remember this, don't you?

**Hon. Gerry Byrne:** But you're very confident this is very important to us.

**Mr. Albert Vancott:** It's part of the reason why there's no money. I think what Roxy is trying to say is that they're saying there's no money available for us to work on the docks and for them to maintain a harbour they took responsibility for, but at the same time, anybody who reads the paper, about every day there's something else about money being transferred to this party or money going to this government or we're sending money overseas. Yet we never seem to have money to take care of some of the things right here in our own area.

We don't have a problem with the harbours, the anglers, the multi-use of harbours or the development of waterfront if it's in a good and proper way. Our problem is, when we go and talk to somebody about trying to get the harbour fixed, it's always the same thing. There's no money available.

Whether it's the Ministry of Natural Resources saying if we can get the work done, maybe later on they can chip in some funds to help us...we always seem to get the shit end of the stick. It's always, okay, if the anglers were sitting here now complaining, Mr. Finnegan and Mr. Braun would have had lots to say about why we should build new docks for anglers' boats. He said there are no fishermen in Wellington. Within a mile to two miles of Wellington is Athol Bay. It is not that far down the shore.

We'd fish whitefish in Athol Bay, if we didn't have to run from Point Traverse. For us to go into Wellington Harbour, there are no docks available for us. There used to be, but now if you're not an angler you're not welcome, and you're made to feel not welcome. You can't leave your boat unattended without it being destroyed. It's just better to try to find someplace else to fish.

Our licence runs from the other side of Wellington all the way to Wolfe Island off Kingston. We have lots of waters to fish, and we just choose not to go up there because it's better for us.

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

Mr. Blais.

[*Translation*]

**Mr. Raynald Blais:** Thank you, Mr. Chairman.

Mr. Chairman, I want to congratulate you. Thank you for hearing my recommendation that we hear from the commercial fishermen.

What kind of fishing do you do? How many fishermen are there in the region? How are they distributed? Is there an association or associations? How does that work?

[*English*]

**Mr. Albert Vancott:** We're part of the Ontario Commercial Fisheries' Association, which actually has some licences that go across the Quebec border. Fishermen from Quebec come to our annual meetings.

I believe you have 16 licences to harvest glass eels, 14-centimetre eels, from the Quebec border down towards the east coast. I don't know if Mr. Simms would know about fishing the glass eels down there, since he's an east coaster; Mr. Manning might. We're not allowed to catch eels now because they're not available for us as a species to harvest.

The number of fishermen in the area continues to go down. A lot of people are getting too old, die off, or just plain retire. It's pretty hard to get somebody to work on a boat when you tell them you'll give them a percentage of anywhere from zero to whatever. You might make money or it might cost you money.

The number of fishermen in this area is probably down by 400% or 500% from what it was even 20 years ago. The government did some buyouts in the eighties and bought up a bunch of licences, which took more fishermen out of it. We're down to one buyer right now in the area. He has a licensed export-import processing plant. Sometimes he'll have as few as 10 employees, and sometimes he'll run three shifts with as many as 100. So the fishing industry in this area goes up and down quite a bit, as to how many are involved.

Right now out of Point Traverse we have about six full-time commercial fishing licences being fished regularly. About another 20 belong to people who are too old to go out any more. They can't get young people to go out on the boats and help them. So we are a dying breed around here.

You can see that our council and our mayor don't even think we exist any more. So it's pretty hard to say how many are actually involved in commercial fishing. I think there are about 60 licences, and they are pretty well family-type licences. There might be 10 people from one family fishing on that one licence, so it's pretty hard for anybody to know just how many of us there are.

• (1235)

[*Translation*]

**Mr. Raynald Blais:** What kind of fishing do you do? What is the economic value of landings in the region?

[*English*]

**Mr. Albert Vancott:** We had a meeting on April 2 with the MNR. Last year was one of the worst years we'd had in this area in a long

time, and I believe it was up at \$4 million or \$5 million just for the county area. So there's still a viable industry. Our fish stocks are coming back more all the time. We've started a summer white fishery. We've been involved in the summer testing program with the MNR for six years. Pickerel are coming back. As Mr. Kramp can tell you, that's a major game fish in the area. They're letting us try fishing for it this year. Of course, all the net we need for that has been illegal up to about a week ago, so not too many guys have it.

There is an industry here, and it can be blended in with tourism. People stop when we're working on nets to ask us what we're doing, because most of them don't even realize we're here.

I think Mr. Stoffer mentioned the lighthouse. We have a lighthouse at Point Traverse that went through a lot of changes, and it's basically falling apart. It's looked after by the Thousand Islands park service out of Gananoque, which makes a lot of sense. The coast guard flies up with a helicopter once in a while and checks the light next to it.

As far as maintenance on the lighthouse, you slap a couple of boards on it and hope it doesn't fall down. Nobody can go in it. You can walk around and take a look at it. A lot of people have painted it and taken pictures, but it's not really a usable thing. We've never really had the county interested in trying to take over something like that. The old lighthouse at False Duck is now at the marine museum at the head of South Bay. It gets quite a few visitors. They've opened up a mariner's museum in town, which I hear is drawing a lot of people.

At Long Point we have a viable commercial fishery. At one time on a weekend like the past one we'd have had as many as 30 boaters there—yachts and sailboats. Now the boats don't come in because they know it's not safe. It is something that should have been looked at a long time ago.

**The Chair:** Mr. Vancott, I have to move on to Mr. Stoffer.

Mr. Stoffer.

**Mr. Peter Stoffer:** Gentlemen, do you interact with any first nations fisheries at all?

**Mr. Albert Vancott:** No.

**Mr. Roxy Lancaster:** Well, actually there's Leonard Hill. There have been commercial native fishers.

**Mr. Albert Vancott:** Well, yes. There have been Mohawks who have had commercial fishing licences. We've never had any real problems with them.

The Canadian Wildlife Service had more problems with natives hunting deer on the property down there.

**Mr. Peter Stoffer:** What about your action with any American commercial fishermen?

**Mr. Albert Vancott:** It used to be that Roxy's father and my grandfather, and my dad, were quite good friends with commercial fishermen on the other side. There are not a lot over there now. It's the same with them. A lot of them have been put out of business because they didn't want commercial fishermen coming in. They wanted the anglers, the trout charters, and things like that.

• (1240)

**Mr. Peter Stoffer:** You indicated privately that you're using gillnets now to fish here, and that's obviously something new.

**Mr. Albert Vancott:** We've been using them for whitefish and perch, but for pickerel it's something new.

**Mr. Peter Stoffer:** What about invasive species? It's always been an issue in the Great Lakes with some of the concerns over sea lamprey, Asian carp, goby, and so on. Have you caught many of those invasive species? There is also the zebra mussel concern.

**Mr. Albert Vancott:** The sea lamprey hasn't been as bad... probably in 30 or 40 years. It was probably worse when I was a kid than it is now.

The zebra mussels have been a big problem ever since they came, but the fish are starting to eat zebra mussels. I think in just the last two or three years, some of the whitefish have gone from having very little zebra mussel tissue found in their gullets to now where it's half of what they're eating.

We thought the gobies were going to be a real problem. If the fish is bigger than a goby, it eats the goby. If the goby is bigger than the other fish, the goby eats it. You can cut walleyes open and what you'll find in them are gobies. The bigger the walleye, the bigger the goby inside.

**Mr. Roxy Lancaster:** Actually, one of our worst problems is the smallest of the invasive species, spiny water flea. It will actually get in the fishes' gills and basically drown them. They get in the nets, and they will spoil almost instantly.

**Mr. Albert Vancott:** The spiny water flea is a really bad thing. You have to try to clean your nets. Most of us use soap and water or put chlorine on them. Even fishing with a downrigger, if you get spiny water flea on your line reeling it up, you might as well throw the downrigger away. Your line is no good. It will bundle it up so hard.

**Mr. Roxy Lancaster:** It coats plastic. It's small, but it gets caught on the plastic, and of course we're using monofilament nets as well, and it totally spoils the net for fishing.

**Mr. Peter Stoffer:** Thank you.

**The Chair:** Mr. Kamp.

**Mr. Randy Kamp:** I have one fairly short question and Mr. Calkins has one.

My understanding is that Environment Canada assumed ownership in May 2000. Prior to that, was it owned and managed by the Department of Fisheries and Oceans? The follow-up to that is, when Environment Canada took it over, were there discussions with the users—you and others—about what their responsibility would be in terms of maintenance and so on?

**Mr. Roxy Lancaster:** There was no discussion with us whatsoever when they took it over. One day it was theirs.

**Mr. Randy Kamp:** Was it DFO's before that?

**Mr. Roxy Lancaster:** Yes, it was DFO's before that.

**Mr. Randy Kamp:** The harbour itself?

**Mr. Roxy Lancaster:** The harbour and dock, which was of course maintained by the small boats and harbours program.

**Mr. Blaine Calkins:** Thank you, Randy.

I guess I'm going to pose the same question to you that I posed to the previous witnesses that were here, insofar as competing interests in the small craft harbours program.

The small craft harbours program, as you know, designates two different classes, recreational and commercial fishing harbours. I believe most of the harbours we see here have been designated as sport fishing harbours or recreational harbours, whatever you want to call them, slated for divestiture.

However, we do have a mandate, and Mr. Byrne is completely right, commercial fishing is taken very seriously by this committee. I think you brought up earlier the fact that insofar as competing interests are concerned, sometimes sport fishermen and commercial fishermen don't necessarily agree on certain things.

Mr. Lancaster, I believe you said there was a good relationship, and then I heard Mr. Vancott say that you might not feel particularly welcome with your vessels in particular harbours. That's the perspective of my question. Can you elaborate on how that would work? It would seem to me that if you're going to continue to pursue this Point Traverse matter, it might not work out for you because of the way Environment Canada does things. That means you'd have to look for someplace else to berth. I'm wondering what that future would mean for you insofar as trying to compete with the other interests at those harbours.

• (1245)

**Mr. Albert Vancott:** Talking about harbours, we've had fishermen who have literally had to more or less make their own harbours.

Mr. Kramp might know the Harrisons at Indian Point—Dave, Harold, and John. They got to the point where the harbour they normally fished out of was bought privately. The gentleman didn't want commercial fishermen in there any more. They had to literally make their own harbour.

To try to get a harbour and build a harbour now...where Roxy lives, he has a roadway that goes down to the bay, but for him to build a breakwall out there would be a lot more money than what either one of us could ever afford. So to build their own harbour is kind of out of the question. I can run equipment, but bulldozers don't work well under water.

As far as getting along with anglers, most times we get along really well with them. When we got in trouble at the point and needed to open up the harbour in a big hurry, we've had a few anglers who'd do whatever they could. They'd buy a can of diesel fuel to throw in the excavator.

A lot of the anglers who fish out of our harbour down there know us. They know, too, that if they get in trouble out there, we're probably the guys they can count on to come out and get them, where with the OPP or the coast guard you're going to take your chances.

Anybody who knows fishermen knows we're not really sane sometimes in regard to what kind of weather we'll go out in.

**The Chair:** Thank you very much, Mr. Calkins. We were scheduled to finish at 12:45 p.m. and it's 12:47 p.m., so I think we did very well.

Thank you to our witnesses again. It was on such short notice. Thank you to committee members.

The meeting is adjourned.

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