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Chair

Mr. Bruce Stanton

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• (0855)

[English]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good morning, members, and thank you for joining us here on this rather snowy morning.

Our orders of the day today, pursuant to Standing Order 81(5), are supplementary estimates (C), 2010-11. This is on votes 1c, 5c, 10c, and 15c under Indian Affairs and Northern Development, referred to the committee on Tuesday, February 8.

As is customary, we welcome Minister John Duncan, Minister of Indian Affairs and Northern Development. It's great that you could join us, Minister.

You know the drill, of course, having been a dutiful member of our committee yourself in the past. So go ahead with your opening statement and we'll take it from there.

Welcome.

Hon. John Duncan (Minister of Indian Affairs and Northern Development): Thank you very much, Chair.

I apologize for being a tad late. There were some countermanding instructions as to where I was supposed to be this morning, but I'm happy to be here.

Thank you for inviting me to discuss the 2010-11 supplemental estimates (C) of the department. These complement the recently tabled main estimates in the report on plans and priorities. I'd be pleased to speak to any of them.

[Translation]

This committee plays a valuable role in ensuring Canadians' tax dollars are used wisely and achieve the intended results. I welcome your review of my department's expenditures, which demonstrate that we are doing exactly that.

[English]

Through these estimates the department accesses the funds required to continue delivering on our government's commitment to improve the quality of life for first nations, Inuit, Métis, and northerners. Our progress has been noteworthy. My department is achieving concrete results in areas such as the construction of new schools and housing, women's rights, land claims and self-government, economic development, and safe drinking water.

I've witnessed this program first-hand. I've had the privilege of travelling across the country from coast to coast to coast meeting extraordinary Canadians. I've seen how our government's invest-

ments are making a meaningful difference in the lives of aboriginal people.

Take the example of the new Frenchman's Head elementary school in Ontario's Lac Seul First Nation, which I officially opened last November. Education is a priority for this government. Equipping children with a quality education is the best possible way to make sure they have the means to succeed. That school, by the way, took 14 months to build, from the time we made the announcement to the time they opened the school. It shows what can be done if the local first nation has a project that is shovel-ready.

Our government is committed to ensuring first nation children achieve the same educational outcomes as other Canadians. That's why we are collaborating with the Assembly of First Nations to establish a national panel that will lead a broad engagement process. The panel is mandated to advise on the development of options, including legislation, to improve elementary and secondary education outcomes for first nation children who live on reserve. We are working to ensure that students always come first.

[Translation]

I've also had the opportunity to initial several groundbreaking agreements that are empowering aboriginal communities.

[English]

Just last month I signed an agreement with Teslin Tlingit Council that recognizes its jurisdiction to administer, enforce, and adjudicate its own laws. This agreement represents a significant step in the implementation of first nation self-government in Yukon and nationally.

A few weeks earlier, in January, I travelled to Yellowknife to co-sign the Northwest Territories devolution agreement-in-principle, a historic development for the territory.

I was happy to participate in ceremonies marking major milestones reached in the Fort William First Nation boundary claim, as well as the Toronto Purchase and Brant Tract specific claims agreements with the Mississaugas of the New Credit First Nation, both in Ontario.

I've also taken part in moving ceremonies that acknowledged past wrongs and set them right. I was honoured to be in Inukjuak to deliver, on behalf of the government, the high Arctic relocation apology. I visited Resolute and Grise Fiord as well, where I participated in the unveiling of monuments commemorating the lives and hardships of those who were relocated.

Another of our accomplishments is Bill C-3, the Gender Equity in Indian Registration Act. It ensures that eligible grandchildren of women who lost status as a result of marrying non-Indian men are entitled to Indian status in accordance with the Indian Act.

• (0900)

[Translation]

Mr. Chairman, I am especially excited about some of the promising economic development activity taking place across the country.

[English]

In January my department was proud to co-host the second Métis economic development symposium in Vancouver. This was a follow-up to the very successful first symposium in December 2009. Along with Métis nation leaders and the aboriginal affairs ministers from the five westernmost provinces and industry leaders, we explored successful approaches to economic development. We also discussed practical ways to strengthen entrepreneurship among Métis women, because our government is committed to ensuring that Métis fully share in economic development opportunities across Canada.

I also took part in the alternative energy for B.C. first nations gathering in Vancouver last month. First nations in B.C. are involved in wind, solar, biomass, and hydro projects throughout the province.

We are making headway on important social priorities as well. Access to safe drinking water is a significant challenge for some first nation communities and one we are working hard with our partners to address. Our government has allocated approximately \$2.5 billion for water and waste-water infrastructure in first nations since 2006.

We are determined that first nations will have access to the same quality of drinking water as other Canadian communities. I made that clear when I spoke to the Standing Senate Committee on Aboriginal Peoples just two days ago about Bill S-11, an act respecting the safety of drinking water on first nation lands. This act will allow for the development of federal regulations for drinking water and waste water in first nation communities.

I'm pleased to announce today the reappointments of two treaty commissioners: the Honourable Bill McKnight as treaty commissioner for Saskatchewan, and James Brook Wilson as commissioner of the treaty relations commission of Manitoba. In addition to their appointments, the mandates of the Saskatchewan and Manitoba treaty relations commissions will be extended for another three-year term.

Tomorrow I will be in Saskatchewan to announce a new memorandum of understanding to promote active measures strategies focused on first nation labour market participation. Our government is joining forces with Saskatchewan first nations, tribal councils, the Government of Saskatchewan, provincial employers, and training institutions. Together, we're pledging to increase first nation participation in Saskatchewan's workforce and enhance employment outcomes for first nations.

Meeting the needs of northerners also remains a high priority. As committee members are aware, the cost of living north of 60 is very high, particularly in isolated communities. This includes the cost of

food. We want to make sure that northerners, like other Canadians, have access to good-quality, nutritious food.

Yesterday I was in Iqaluit. We announced that the Nutrition North Canada program would re-list the items that had been de-listed as of last October until October 2012 to allow for two more sealift seasons. This will ease the transition for the retailers and make sure that there's a smooth transition through the supply chain, which was turning out to be a bit of an issue. That's a very significant development, but the program itself is still going kick in on April 1, just three weeks from now.

This new program will provide higher subsidies in eligible communities for nutritious perishable foods such as fruits, vegetables, bread, meats, milk, and eggs, along with reduced subsidies for less healthy items.

• (0905)

We saw the problems with this program, we said we were listening, and we made changes.

During my travels to the north I've had the opportunity to make a number of important announcements that support the development of a prosperous northern economy. The Canadian Northern Economic Development Agency, also known as CanNor, is a key player in delivering on this priority, and we continue to take action across a variety of sectors to support a strong, diversified north that benefits northerners and Canadians.

[Translation]

A key sector in building a sustainable and dynamic northern economy is tourism. Attracting more visitors to the north will help create and build significant long-term business opportunities and create local jobs.

[English]

Since February 20 we've invested something over \$5.5 million in tourism-related projects across the north to promote the region throughout Canada and around the world as a dynamic tourism destination. Those have been very well-received programs, and their statistics on tourism are very good, actually.

Northerners have many exciting developments to look forward to in the coming years. One important initiative for the north is the Nanisivik naval facility. This deepwater docking and refueling facility for Arctic offshore patrol ships and other Government of Canada vessels will be a valuable economic and security addition to the region. To date, a contract has been awarded for the facility design, and a site assessment is in progress. The construction of the on-site administration building to support military exercises is expected to be completed this year.

The Canadian high Arctic research station in Cambridge Bay is another big project that will be taking shape in the north in years to come. The station will advance Canada's knowledge in areas including economic development, sovereignty, the environment, and healthy communities for the benefit of northerners and all Canadians. A feasibility study is currently under way to establish the functions of the facility and outline the preliminary project costs and building schedule.

Mr. Chair, we need the committee's approval of these supplementary estimates to maintain this momentum. The department's spending levels for the 2010-11 year, which is drawing to a close, will be \$8.3 billion. This will include \$51 million in these supplementary estimates.

In addition to the items I've already noted, these supplementary funds will be used to address health and safety concerns in first nations communities through the emergency management assistance program; advance outstanding land claim and treaty issues in Yukon; enhance the northern regulatory system and implement the cumulative impact monitoring program in the Northwest Territories and Nunavut; and renew the Naskapi capital funding agreement and the Naskapi operations and maintenance funding transfer payment agreement. These initiatives, along with those from Budget 2010 and Canada's economic action plan, are essential.

I look forward to discussing these issues with you and I welcome your questions.

Thank you, Mr. Chair.

● (0910)

[Translation]

The Chair: Thank you, minister.

We'll now begin the first round.

Mr. Russell, you have seven minutes.

[English]

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chair.

Good morning, Minister. It's good to have you and your officials with us again.

I want to ask a couple of very specific questions. Responses shouldn't take long, I don't believe.

I had the honour of meeting with the Sayisi Dene this past week. It was my first experience meeting with their leadership, their elders. They certainly took me through their tragic relocation story of the 1950s.

I understand there was an impromptu meeting between some of your officials and them this past week. They indicated that you had agreed to meet with them and to discuss Dr. Bartram's report, which was presented to the department in 2009 and was reviewed by your predecessor, Mr. Strahl, in 2010. I want to confirm whether that meeting is going to go ahead, sir.

Hon. John Duncan: There was an occupation at my office, a most inappropriate occupation at my office yesterday when I was travelling, and my chief of staff met with the people who were there. I have agreed to a meeting sometime in the future.

I'm well aware of Dr. Jeremiah Bartram's ministerial representative report. We are in the process of reviewing that report.

I have also met with Minister Robinson from the Province of Manitoba. As you know, they're a significant participant in all things to do with the Sayisi Dene, and they have transferred or are in the process of transferring significant land to the Sayisi Dene.

I will be meeting with them. I don't think we have pinned a date down at this point.

There was no request, by the way, before two days ago, so this was all very much a hurried affair. They came to Ottawa and demanded a meeting, as opposed to calling ahead and asking for one. So I think, not to re-till that ground but just to answer your question, that there will be a meeting planned, and, yes, we've been reviewing the circumstances. I am aware that this whole relocation was a subject in the Royal Commission on Aboriginal Peoples report.

Mr. Todd Russell: Thank you for that, Minister. I'm sure they will appreciate the opportunity to meet with you.

On a separate issue, the Sliammon negotiations, there was a handshake deal—I guess they had reached a deal on a final agreement—in June 2010. It's my understanding that the community itself, with support from the Municipality of Powell River—I had an opportunity to meet with the mayor and also with the leadership, Chief Williams, yesterday with my leader, Michael Ignatieff.... They and the province have signed off on this.

They have indicated that similar agreements, such as the Maanulth and the Tsawwassen agreements, basically advanced in about eight weeks, and now we're into the ninth month. Can you give us a quick sense of why there is delay in the negotiations and where they might stand in terms of looking to the federal government's moving forward with it?

Hon. John Duncan: There has been a delay. I have been engaged in conversation on this with the first nations summit, the province, and the B.C. Treaty Commission. We are reviewing our circumstance. I expect that we're just a matter of weeks away from being able to make progress on this.

Mr. Todd Russell: I thank you for that. Of course, these negotiations are tough. They have been going on since 1994, and people want to get to a resolution, as I'm sure the government does as well.

Moving to the east coast of Labrador, can you update us, Minister, on two particular claims in my riding? There's the Innu Nation claim. I know there are significant issues regarding some overlap with the Innu of Quebec, but there's an environmental assessment happening now over a major hydroelectric project, the Lower Churchill project. No doubt claims negotiations with the Labrador Innu and the Quebec Innu are going to significantly impact upon this. I'd like to know what stage these are at.

As well, the Nunatukavut have a claim, formerly the Labrador Métis Nation. They've had a claim in since 1990, resubmitted in 1996. Additional information has been provided, I think, up until last year. The department had undertaken to speedily review this additional information and arrive at a decision around acceptance or non-acceptance for negotiation.

Can you update me on both of those particular files, as they're very relevant and very important.

• (0915)

Hon. John Duncan: I heard three files. Was it just two?

Mr. Todd Russell: Primarily it's the Innu of Labrador situation and the Nunatukavut. On the Nunatukavut, do we have a timeframe for when we're going to have a response from the department?

Hon. John Duncan: I had conversations with Premier Williams when he was still premier and with the Innu leadership. That was a significant three-way meeting. As government we've had further discussions with Premier Dunderdale. We are reviewing the request from the Innu Nation and from the province. I'm not in a position to be able to say any more than that.

Obviously this project at Muskrat Falls on the Lower Churchill is very important and very significant, and we do understand the economic significance of it.

Just briefly on the overlap issue, we have named a special representative, Fred Caron, who I understand has been making some progress on that file. I'm probably not very well versed on the Labrador claim.

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): The Labrador Métis group, now styled as Nunatukavut, is in the courts in Newfoundland trying to resolve whether the environmental assessment should go ahead first. So I think we're going to have to let that play out before we can negotiate the claim, which overlaps considerably with the Innu claim.

[Translation]

The Chair: Thank you, Mr. Russell.

Now I invite Mr. Lemay to take the floor for seven minutes.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chairman.

Minister, I know your time is limited, and mine is as well. I've just had a real shock. I'll tell you why. A nice document was tabled. That was the 2011-12 Estimates. When you look at that nice document and go to page 73 of the French version—unfortunately, I don't have the page number in English—with all due deference to your parliamentary secretary, who will no longer be able to use Canada's Economic Action Plan, it states the following:

A reduction of \$289.3 million reflecting the sunset of funding to support investments in first nations infrastructure for school construction, water and wastewater projects, and on-reserve housing (Canada's Economic Action Plan).

To offset this phenomenal reduction, you're announcing the creation of a national expert panel to study the education engagement process. That panel will be meeting to examine the studies that have already been done and their findings. Do you want me to tell you the conclusion they'll reach? That panel, which will

cost us a fortune, will recommend the creation of aboriginal school boards. That's what's coming, and that's what the first nations want. We don't need a national expert panel, minister.

I'm shocked. We're talking about \$289 million! I have a specific question. How many schools in Quebec will be built or renovated next year, despite the announced \$289 million cut? Before investing in first nations wastewater treatment, are you waiting for Bill S-11 to reach the end of its life in the Senate and to come back here, which has little chance of happening before the summer adjournment? Otherwise, how much will be invested in wastewater treatment in Quebec in 2011-2012?

That's my first question. Wait till you hear the next one!

• (0920)

[English]

Hon. John Duncan: The simple answer on the water and wastewater spending for next year is that it is \$280 million, but that's across the country.

Mr. Michael Wernick: That is for schools alone. The \$280 million is for schools alone.

Hon. John Duncan: Okay.

On the supplemental estimates, I think we have to recognize that the economic action plan was in a stimulus phase. Yes, indeed, we are throttling back somewhat on our spending, because we are heading towards trying to balance our budget. So yes, you've probably seen the high-water mark for departmental spending for a while at \$8.3 billion.

There's still very significant infrastructure that's going to be funded across the country. We're also looking increasingly at other ways of financing infrastructure, because everything we're doing right now is basically cash-based. There are many ways to leverage the funds, which is why we've gotten into capitalizing lending institutions, such as the First Nations Finance Authority, and so on. They are very optimistic about the fact that they're going to be able to leverage a lot of money.

Now, in terms of the education panel, I can tell you that this is a joint exercise with the Assembly of First Nations. We've developed a work plan together. We've agreed on the terms of reference. We've agreed on the timeframe. We've agreed on the panel members.

[Translation]

Mr. Marc Lemay: That's fine.

[English]

Hon. John Duncan: Once again, this is not an exercise of operating in a vacuum because we think we know best. We're genuinely doing something in a way that is tilling new ground. We know that working collaboratively—

[Translation]

Mr. Marc Lemay: Yes, but—

[English]

Hon. John Duncan: —has the possibility of getting us to a better place than we've ever been able to get to before.

[Translation]

Mr. Marc Lemay: Minister, minister, stop! I've been here for six years, and I've seen three ministers of Indian and Northern Affairs. You're the third. You're the second one who has established a review panel to review the studies of the studies prior to the education studies. You have the solutions. It's the money that's lacking. You're right on that point.

However, we're not going to solve the problem by cutting \$289 million, as you're getting ready to do. That's not true. You're going to shovel forward.

I have another question for you. The Honourable—

The Chair: You have 30 seconds left.

● (0925)

Mr. Marc Lemay: All right.

Further to Judge Slade's appearance, I want to have the certainty and your promise that the independence of the Specific Claims Tribunal is a priority for you and that you will do everything to ensure it remains.

[English]

Hon. John Duncan: The specific claims panel is arm's length, and I've treated it that way, as have my predecessor ministers. To not treat it in that way would be very dangerous territory for me to trod upon.

[Translation]

The Chair: Thank you, Mr. Lemay.

Ms. Crowder, go ahead, please.

[English]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Mr. Chair.

Thank you, Minister and department representatives, for coming. I have a couple of quick questions.

I noticed that in the supplementary (C)s there is reprofiling of funds. Of course, I ask this question every time you come, but I wondered why in this reprofiling there was no money for the First Nations Education Act in British Columbia.

Hon. John Duncan: We've allocated \$30 million, did we not?

Mr. Michael Wernick: If we do get an agreement, we'll have the funds in place.

Ms. Jean Crowder: So it hasn't happened yet.

Mr. Michael Wernick: No.

Ms. Jean Crowder: There's a rumour going around that the Saskatchewan region is going to receive a \$250-million cut in its budget. Can you just answer yes or no, is that true?

Mr. Michael Wernick: No.

Ms. Jean Crowder: No, not true. Okay, great.

I want to look at the reprofiling of funds. Mr. Lemay touched on the first nations water and wastewater action plan, and I understand the plan is to put some of this money into future years, but I just want to turn for a moment to the 2010 report of the Commissioner of the Environment and Sustainable Development on monitoring water resources.

Of course I don't have time to go through everything in this report, but the report raised some very, very serious concerns about the monitoring of water on federal lands. In paragraph 2.31 on page 11 in the English version, and of course I don't expect you to have that in front of you, they're talking about Environment Canada, but they found that "the program is not monitoring water quality on most of these lands...it was unable to show how current monitoring sites on federal land met the criteria or why some federal lands are monitored and others are not."

They go on to say, "the Department does not know whether other federal departments may be monitoring water quality or quantity on this land."

This report was pretty scathing in terms of federal lands and Environment Canada, and the relationship with other departments. I guess, anecdotally, we hear fairly consistently from first nations that where there are water systems, not all of the people on reserve are connected to these water systems. We know there are a significant number of reserves, not included in the work that you're doing, that have contaminated wells, and they're having to truck in water.

I guess I have two questions. I'm wondering why there couldn't be projects that could be funded in this fiscal year, with this water money, number one. Number two, how is your department working with Environment Canada to address these very serious concerns raised in the environment commissioner's report?

Hon. John Duncan: One thing we've done is we've commissioned, and the field work's certainly done, a complete review of water systems on reserve—

Ms. Jean Crowder: Excuse me, Minister—

Hon. John Duncan: —and that includes the wells.

Ms. Jean Crowder: It does include the wells—

Hon. John Duncan: Yes.

Ms. Jean Crowder: —and any other water.

Hon. John Duncan: Yes.

Ms. Jean Crowder: So it would give us a full overview—

Hon. John Duncan: Yes.

Ms. Jean Crowder: —of water on reserve, not just the systems that are...?

Hon. John Duncan: Yes.

Ms. Jean Crowder: When will that report be available?

Hon. John Duncan: It should be available before the end of June.

Ms. Jean Crowder: How quickly will the parliamentary committee have access to that report?

Hon. John Duncan: Before the end of June.

Ms. Jean Crowder: So we'll get it then, that's great. So with these concerns that were raised in the environment commissioner's report, and this reprofiling of this money, there were projects and what not available that could have been funded in this fiscal year?

Hon. John Duncan: I don't know if there were shovel-ready projects. One of the reasons I think we had some reprofiling—I may not be correct here—was we had a big project at Six Nations that ended up not being able to meet its deadline, so I think that's where that money probably came from.

• (0930)

Mr. Michael Wernick: The reprofiling is entirely about capital projects, and it's because of deadlines. It would have been a little irresponsible to try to force the Six Nations project. The bidding would have come in so high that we would have spent too much on the project. So we're simply going to do it through our regular program. They will get their project.

Ms. Jean Crowder: Sorry, sir. So the money that was allocated for Six Nations is still going to be available for them; it will just be in the next fiscal year.

Mr. Michael Wernick: That's right. And that's true of another project as well. We just didn't think forcing it before March would have been smart project management.

In the base of the department and the extra money that we got in previous budgets, there is money that goes for testing, monitoring, and inspection. I wouldn't claim it's perfect coverage, but we inspect about as aggressively as any province does. I think Environment Canada is drawing attention to a lot of groundwater issues, which of course affects wells. Most reserve systems are pipe systems, as you know. We'll never get to 100% coverage on reserve with pipe systems. That's not what happens in small communities across the country, as you know.

We're trying to focus on health and safety. The really clear benchmark is to know what's safe to drink, and that's why there's been such an emphasis on standards.

Ms. Jean Crowder: On the pipe system, I know in my own riding there are a number of reserves that are on wells. They're not pipe systems; they're on wells.

Mr. Michael Wernick: There are many small communities in Canada that are on wells and cisterns as well. Not everybody has—

Ms. Jean Crowder: I'm in a fairly urban area. We've got reserves that are butting up against municipalities that are on wells and there is some suspicion. People can't afford to have them tested regularly, and there are some serious problems.

Mr. Michael Wernick: We'll always have to take whatever money we have and divide it among training of operators, inspection and monitoring, and building facilities.

Ms. Jean Crowder: Do I have more time, Mr. Chair?

The Chair: You have one minute left.

Ms. Jean Crowder: Quickly, Minister, I heard you say that \$8.3 billion is the high-water mark. We know that since 1995-96 there has been roughly a 2% funding cap on first nations spending. We know the average population growth is 6%, and in some cases it's much higher than that.

We've seen first nations on reserve significantly falling behind. It's a major concern to hear we've hit the high-water mark when we know underfunding continues in health, education, and in many, many child and family services. How do you propose to close this funding gap, if this is the high-water mark?

Hon. John Duncan: A lot of that money was increased spending. If you look at the number of schools we put in place during the economic action plan, for example, that was unprecedented. The housing moneys we put in were unprecedented.

We're committed to making child and family services work. We've signed agreements with the provinces. We've topped up moneys.

We're doing the same thing with education, but we're not going to do it until we know the money is going to results and not just adding to the current system. That's why the FNESC model is what we're following, and that's why we have the K-12 panel.

The Chair: Thank you, Ms. Crowder.

Now I will go to Mr. Rickford.

Yes, Minister.

Hon. John Duncan: I have to be at cabinet. They want me there for 9:30. I know my colleagues would love to question me—

The Chair: You have to go now.

Hon. John Duncan: —but I really have to go. I realize it's 45 minutes, not an hour, so I can come back after the break, if you choose.

The Chair: I think we do have something in the schedule for main estimates as well, which will be in the next series of weeks.

Thank you, Minister.

Members, we'll suspend momentarily and we'll resume shortly after.

• (0930)

(Pause)

• (0935)

[Translation]

The Chair: We'll now resume our proceedings. We welcome Mr. Michael Wernick, who is deputy minister of Indian and Northern Affairs Canada, and Ms. Susan MacGowan, who is chief financial officer. I would also like to welcome Mr. Michael Nadler, who is director general, Canadian Northern Economic Development Agency.

[English]

Members, we're going to continue at the same place we left off, so we have one question left in this round. That will go to Mr. Payne and then we'll come back and continue the regular order.

Mr. Wernick, you didn't have any opening remarks, did you?

Mr. Michael Wernick: No, I try not to talk out the clock.

I do have an answer to Ms. Crowder's question if we could just tack it on, at least as far as the north goes. Actually, it's timely, the money in these supplementary estimates for the general monitoring programs up north responds directly to some of the concerns of the sustainable development commissioner.

The Chair: All right, let's go to Mr. Payne.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chairman.

Welcome to the officials here today. I'm glad to see you could make it on this wonderfully snowy day.

Mr. Wernick, how accurate were the original projections for the common experience payment and the independent assessment process? If you could work me through that, it would be beneficial.

• (0940)

Mr. Michael Wernick: There are two parts to that. The common experience payment simply goes to anyone who could demonstrate that they attended one of the eligible residential schools. There was a fair bit of work done before the government agreed to the settlement agreement.

The projection done about 2005-06 was that about 80,000 students would be eligible, and we've come in at 76,700. So it's turned out to be very accurate. There are still a few cases in appeals and reconsideration, but that's a small number now. So I would say this was quite an accurate forecast and there's no backlog in CEP at all. We're winding down that part of the overall settlement agreement.

The independent assessment process addresses the more serious cases of alleged physical and sexual abuse. It has turned out that a much higher rate of those cases has gone for adjudication at the IAP. I think the original forecast was in the 15,000 range, and we think we're going to be considerably higher than that. That indicates that a higher rate of abuse was going on in the schools than people knew. It's hard to have forecasted that, because we had no way to be sure

how many people would come forward and be willing to tell their stories and enter into an adjudication process.

Mr. LaVar Payne: I want to go back to the common experience payment. That forecast you had was quite accurate. You said there was no backlog, but maybe you could tell us what kinds of payments were made through that process.

Mr. Michael Wernick: There's a fair bit of detail on our website. In ballpark terms, if it's helpful to you, there was originally about \$1.8 billion or \$1.9 billion set aside in an account for this purpose. We'll have spent about \$1.6 billion, I think, before we close, which leaves a remainder.

The average payment is running about \$21,000 per claimant, and it's very formula-driven. There's a base payment plus an amount multiplied by the number of years that you can establish you were at the school. If there is any ambiguity about missing records, the benefit of the doubt is given to the claimant.

Mr. LaVar Payne: Let's step back to the independent assessment process. As of today, how many files have you had, and how far along are those files?

Mr. Michael Wernick: I think my numbers, which are about a month old, show just shy of 18,000 claims. A little less than half have had their hearing and have had a disposition. So about 7,000 have had full decisions rendered. The claims are generally paid out within about three weeks of the actual hearing by the independent adjudicators.

So we've paid out about \$949 million to \$950 million to the claimants, plus contributions toward the claimants' legal fees. The average payment for IAP—and there is quite a range—would be running about \$120,000 to \$125,000 per case.

Mr. LaVar Payne: Is there any plan for additional deadlines for the IAP?

Mr. Michael Wernick: It's important to be clear that it's not a government program; it is a court-administered settlement agreement and the judges supervise and make all the decisions about this. We are on track for the original agreement plan, and we will be putting out notices in March and April that the deadline will come for applying for CEP. People have been given four years to apply. We'll have a very aggressive advertising plan to try to reach every corner of the country so that people have had a fair chance to apply.

The IAP gate is supposed to close in September 2012, but frankly I think that will be up to the courts to review about a year from now as to whether they're comfortable with that date or not.

Mr. LaVar Payne: In terms of the additions to reserves, could you tell me how many ATRs were completed in 2010?

Mr. Michael Wernick: Additions to reserve are exactly what they sound like: it's taking land and adding it to an existing Indian reserve. Most of these south of 60 involve dealing with provincial crown land, so the process involves the province making land available and then we go through a legal process to add it to the reserve. There's a lot of discussion with neighbouring municipalities, third-party interests, and so on. So it's never a very straightforward process, but we do have quite a bit of momentum on that.

My figures for the last year, the fiscal year March to March, are that we've done 21 of them in Saskatchewan; eight in Manitoba, which involved some pretty serious acreage; five in British Columbia; two in Ontario; two in New Brunswick; and one in Quebec. It adds up to quite a number of acres, or hectares if you're metric.

• (0945)

Mr. LaVar Payne: It sounds like quite a lot of work that your department has done moving that forward.

Can you tell me how many there are outstanding? What do you look at in terms of progress for that?

Mr. Michael Wernick: There's quite a potential out there. One of the largest reasons to add land to reserves is outstanding obligations under the prairie treaties, which you'll be familiar with, in Saskatchewan and Manitoba, and other parts of the country. At the original time of taking treaty the nations were promised so many acres per man, woman, and child. Those haven't all been fulfilled. We have a framework in Saskatchewan and Manitoba to move through those. As I said earlier, we need the full cooperation of the province, because it's largely provincial crown land we're talking about.

The other reason would be specific to the circumstances of a community. They might simply have run out of room for housing. They might want to add land for economic development purposes and create an industrial park or something like that. So there are other reasons that ATRs happen, and we have quite a lot of business right across the country.

The Chair: Thank you.

Thank you very much, Mr. Payne.

Mr. Bagnell, we are starting the five-minute round now. Please go ahead.

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

Thank you, Mr. Nadler, for being here. Pass on to your management our thanks for the great job they're doing, and we're looking forward to the answer on the Whitehorse winter games project.

Mr. Wernick, it's great to see the person who, within two months, will be the longest-serving deputy minister at Indian Affairs. Congratulations for surviving.

Mr. Michael Wernick: Not ever, Mr. Bagnell, just in recent days. One of my predecessors was there for 26 years, and I have no intention of trying to break his record.

Hon. Larry Bagnell: You've survived this long, which is good.

I'd ask you to be really quick with your answers, because I have a lot of questions.

The committee heard glowing reports on the Aboriginal Healing Foundation—even from the last minister, who thought it was a great program—and recommended it continue. But last weekend one of our projects, Project CAIRS, was doing a fundraiser to stop from closing its doors. Is the department going to continue these great projects that were going on under that program?

Mr. Michael Wernick: The Aboriginal Healing Foundation to the best of my knowledge is alive and well and still has resources, and got additional resources from the churches last year. The government contribution was reduced in last year's budget, as we discussed at this committee before.

I'm not aware of any intention of the government to make additional contributions directly to the foundation. They are trying to do the best they can with the resources they have and do other fundraising and make sure that the churches meet their commitment.

If you have information about a specific project, we would certainly be happy to bring it to the attention of the foundation's management.

Hon. Larry Bagnell: Thank you. It's not acceptable to us, but that's fine.

You've negotiated an agreement with the Northwest Territories on devolution. I'm wondering if you're willing to sit down or have already sat down with the Yukon government to look at renegotiating the resource revenue sharing aspect of their agreement.

Mr. Michael Wernick: The resource revenue sharing issues would be decided by the Department of Finance, the Minister of Finance. They're caught up in territorial financing agreements, all of which I think run their course a year from now, if I'm correct. The whole territorial formula financing—TFF, as they call it—will be on the table. All three territorial premiers are interested in a new deal on resource revenue sharing. That's really a question for the Department of Finance.

We are working with the Government of Yukon on the YESAA, Yukon Environmental and Socio-economic Assessment Act, the act that governs project review, and we're engaged in that part of it.

Hon. Larry Bagnell: The department stalled all the negotiations on the B.C. land claims because of the fishery study on the Fraser River. A number of the claims had nothing to do with sockeye and the Fraser River, and they still stalled their land claims. Will you go ahead with those?

● (0950)

Mr. Michael Wernick: We were given direction that we shouldn't be making offers related to fish while the Cohen inquiry is under way, so that has had an impact on treaty tables.

Several tables are active. We are at the table. There is a ratification vote this week at Yale, I think, and as the minister said, we'd like to close on Sliammon. There are places where I think we can make progress this year.

The option is always open to the first nations if they want to sign an agreement on all the other aspects of the treaty and leave the door open to add a fisheries chapter later, but it's a decision for the first nation.

Hon. Larry Bagnell: Thank you.

It's totally unacceptable that the irrelevant fish are holding up agreements.

You spent about \$2 million on the food mail, and the final report hasn't been released yet. Is it going to be released soon?

Mr. Michael Wernick: Which report? I'm sorry.

Hon. Larry Bagnell: The food mail, Nutrition North. There was an interim report. Is the final report the consultants were doing going to be released soon? You've already made decisions on the program.

Mr. Michael Wernick: I'm not aware there's anything outstanding. I'll certainly undertake to release everything we have.

Hon. Larry Bagnell: Is the advisory committee appointed, and has it met?

Mr. Michael Wernick: It has been appointed. The list of members is on the website.

Hon. Larry Bagnell: Has it met?

Mr. Michael Wernick: There's a conference call. They haven't physically met. They will be meeting, I think, in the next month.

Hon. Larry Bagnell: And for fiscal year 2011-12, my understanding is that it's about \$53 million for the subsidies, \$7 million for administration, and for Health Canada for their programs.

Mr. Michael Wernick: Yes, plus the cost of the measures the ministers announced yesterday, which would be approximately.... We're not absolutely sure, because we always need to know how many kilos, but that could be another \$8 million, \$9 million, \$10 million next year.

The Chair: Thank you, Mr. Bagnell.

Let's go to Mr. Dreeshen for five minutes.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you, Mr. Chair.

Thank you to the department officials for being here today.

As you know, the committee recently tabled a comprehensive report on economic development in Canada's north. We had the opportunity to travel there, and saw first-hand the barriers and the opportunities northerners were faced with. We spent a lot of time on this study.

When you have a committee report that's entitled "Northerners' Perspectives for Prosperity", you can imagine that many aspects of

our study and recommendations seem to tie in with the department's activities that are already being undertaken in the Arctic.

My question is with regard to research. Can you explain what the specific areas are where the government is investing in research in the Arctic?

Mr. Michael Wernick: We are aware, as we have the committee's report, and of course we'll respond to it in due course as a government response to the committee.

In the area of science there are two main pillars. One would be the International Polar Year activity, which was a serious injection of resources around IPY, and the moving forward on improving facilities. Under Canada's economic action plan about 20 facilities across the north got money for renovations, upgrades, and so on. The list of those is on the website. All those projects were completed on time as part of that. The third pillar would be the high Arctic research station in Cambridge Bay that the minister alluded to, which we look forward to in the next few years.

The science priorities are very much around environmental monitoring and management, what is going on up there as the climate changes: ecosystems are changing, wildlife is changing. A lot of it's related to the science that will allow regulators and governments to make decisions about economic development projects: where is it safe to drill, what are the consequences of mining, and so on?

The other big priority is human science issues, health issues in the north, which Health Canada is particularly interested in.

Mr. Earl Dreeshen: Thank you.

My second question—perhaps it even ties into some of that—has to do with education. Your department announced last December that a panel of experts would be appointed to report to the minister on education issues that were facing first nations. I wonder if you can update our committee on what the department has done since announcing this panel.

Mr. Michael Wernick: I don't want to scoop the minister; he'll be making a more fulsome announcement in the coming days. But we've been working with the Assembly of First Nations to make this as collaborative a project as possible. I think its core focus will be on education legislation. One of the biggest problems in first nation education across the country is there's no statutory framework—there's no law similar to a provincial education act. So I think that is the core they will work on. Some of the ideas have been around for a while, and they may be able to crystallize those as advice to the minister and the national chief very quickly.

I guess what we don't know is whether the panel will go into other issues around the delivery of education, services, funding, and all that sort of stuff. The deeper they go, the longer they'll take. The panel is free to give the government its best advice, as it sees fit.

● (0955)

Mr. Earl Dreeshen: So when we speak to culturally appropriate education, we could look at different types of delivery models as well. These are part of the things that are also being discussed, I assume.

Mr. Michael Wernick: Yes. I think this is similar to other areas. It's very hard to come out with a national framework that is going to work equally well in the Fraser Valley, Vancouver Island, northern Quebec, or southern Ontario. Education is so important to communities' sense of themselves, and they want a lot of control over it. So my prediction is that we will end up with enabling legislation, framework legislation that clarifies some accountabilities and roles and responsibilities, but with a great deal of local delivery, just as it is for non-aboriginal Canadians.

The local school boards, parents' councils, and the communities are really going to be the key, but we have to give them the tools and the accountability—the kind of structure that will make them more successful and more investment-grade going forward.

The Chair: You have 30 seconds left, Mr. Dreeshen.

Mr. Earl Dreeshen: On the backlog of registrations as Indian, can you give us an update as to what is happening in dealing with that?

Mr. Michael Wernick: Yes.

We have a fairly steady business at the registry, as long as there's an Indian Act and people have status defined by the Indian Act. People are born, die, marry, adopt, and so on, so there's a lot of business at the Indian registry. We'll also have new business because of the people enfranchised under Bill C-3. It was identified about a year and a half ago that a backlog was building up. Things were coming in faster than we could get them out. I'm very pleased to say that with some hard work and process engineering, that backlog has been eliminated.

[Translation]

The Chair: Thank you.

Thank you, Mr. Dreeshen.

We'll now go to Mr. Lévesque.

Mr. Lévesque, you have five minutes.

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

Mr. Wernick, I'm sure you have highly developed accounting skills. You've proven that over the years.

The Nutrition North program will go into effect on April 1. I know you can't answer me on behalf of the Department of Health, but I would like to know what savings the Department of Indian and Northern Affairs will achieve by transferring the Food Mail program's transportation costs to the Nutrition North program.

Furthermore, the demand for housing in the north is enormous. Already last year, there was demand for 1,000 additional housing units, and they were absolutely necessary.

We made a recommendation to the minister, but I don't know whether he will accept it. In view of the obligations that will be imposed on retailers in the north under the Food North program, we suggest that the department build and maintain warehouses in order to avoid unduly transferring costs to consumers.

I would like to know whether you have set aside any reserves for that purpose.

Mr. Michael Wernick: Thank you, Mr. Lévesque.

I believe your question can be divided into three points. First, there will be no saving to the department. I believe the new program will cost more than the old one. The largest amount that we've spent for the old program is \$66 million or \$68 million. We'll spend more than that next year. In the subsidies, importance will be attached more to the goods targeted by the program. However, there will not be any savings as such.

There will be a table of subsidy rates for each community. The subsidy rate for community X will be different from that for community Y. The difference is that we now have a much more competitive model. The retailers will be able to choose their source of supply. Canada Post will no longer have a monopoly. All efforts will go into looking for the most effective ways to get the best supply of goods. I believe there will be enormous efficiency gains. Of course, there will be an adjustment process for retailers and the communities. That's why the minister has decided to extend the transition period.

Let's consider a third aspect to this same program. Our department does not intend to create a major subsidy program for storage and all that. However, I believe we'll be cooperating with the economic development agencies. If a cost-benefit analysis is good, an investment in those kinds of infrastructures in the context of a more competitive market will be a good project. I believe there will be investments by the economic development agencies. We're going to provide consulting services to the people who now have to deal with a much more open and competitive market. We'll be hiring experts to work directly with the communities.

•(1000)

Mr. Yvon Lévesque: Let's discuss the economic issue, Mr. Wernick. Considering the fact that the carriers will have to negotiate with a single retailer at a time, that they will be taking the retailer's size into account, that they won't know the volume of goods that has to be transported every day and that they also won't know the days when they will have to transport them, do you actually believe that the retailers' capacity will be greater than that of the Canada Post Corporation so that they can negotiate lower transportation prices?

The Chair: Give a brief answer.

Mr. Michael Wernick: As is the case for the open and unsubsidized markets, there are now electronic systems with which we can measure the daily demand for goods very accurately. There will be a model. We have a lot of information on the models used at the time of the old program, on what people eat, on what they order and on what they buy. These data will vary a little in future.

I believe we've given the power to the retailers and consumers—personal options are always important. They'll find the most effective ways to get the best offers. I believe the carriers will meet that need.

The Chair: Thank you, Mr. Lévesque.

[English]

Mr. Weston, you're up, for five minutes.

[Translation]

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

We've just heard our minister's remarks. Among other things, he said that our government would be investing in tourism in the north.

Mr. Wernick, can you tell us a little more about what our government is doing to support tourism in the north?

[English]

Mr. Michael Wernick: Thank you for that question. I will turn it over to Mr. Nadler, because these programs of direct business support and economic development are now delivered by the Northern Economic Development Agency.

[Translation]

Mr. Michael Nadler (Director General, Policy and Planning, Canadian Northern Economic Development Agency): If that's possible, I'll answer in English.

[English]

Tourism is a very important sector for all three territories in the north. Since CanNor's creation in 2009 the agency has invested \$11 million in tourism-related projects in all three territories. As the minister mentioned, since February around \$5.5 million in projects have been invested. Tourism is an emerging sector in Nunavut, in the Northwest Territories, but a well-established sector in Yukon. We've seen some very recent projects announced in Yukon, and as a consequence that sector is very important to the Yukon economy.

[Translation]

Mr. John Weston: Are there any other projects?

Mr. Michael Nadler: There are a number. We're going to launch a national project to promote tourism in the north. So that will be a national campaign. We're also going to promote tourism in the north in countries such as France and other European countries.

•(1005)

[English]

We're supporting projects that will bring tourism from southern Canada into the north, into all three territories. This is a pan-territorial project, but also reaching into other markets around the world. That includes countries in Europe and also countries in the Asia-Pacific region.

[Translation]

Mr. John Weston: I believe that's quite consistent with the emphasis our Prime Minister is putting on the issue of sovereignty in the north.

May I ask a question about the Mackenzie gas project?

[English]

What actions have been taken now that responsibilities for the project have been transferred to the Department of Indian Affairs?

Mr. Michael Wernick: Minister Duncan has been given responsibility for the project and for the associated things, like the impact fund. The project is at a point where it's basically come out of the regulatory process. The joint review panel is done; the NEB process is done. There are a number of licensing and permitting issues we'll have to work through, and my department will be handling those.

The other issues have to do with the economics of the program of the project, and that's really up to the private sector proponents. They will have to make a market decision as to whether to construct or proceed, I think, about two years from now. In terms of the impact fund, it's really just sitting there. If there's no pipeline, there will be no impact fund disbursement. We're quite optimistic the project will proceed, but it really is going to be a private sector decision.

[Translation]

Mr. John Weston: Is the Department of the Environment involved?

[English]

Mr. Michael Wernick: Yes. A lot of departments are involved in the permitting and licensing associated with the pipeline project—Fisheries and Oceans, Environment Canada, Transport, and others—so we coordinate all of that. There was and is a Mackenzie gas pipeline project management office and we are bringing that into the department smoothly. I'm not aware of any glitches or issues in terms of that hand-off.

[Translation]

Mr. John Weston: All right. Thank you.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Weston.

We'll now go to Ms. Crowder.

[English]

Ms. Jean Crowder: I just want this on record. It's not my question, but I found the numbers out of the environment commissioner's report. The report says that the freshwater quality monitoring program is not monitoring on most federal lands. On first nations reserves, the number of federal lands is 3,000, and the number monitored for our freshwater quality monitoring program is 12. So I think there's a bit of a gap there.

The question I wanted to ask was on the First Nations Land Management Act. I'm asking in the context of the supplementary estimates because \$24.1 million is the allocation on an annual basis. I'm sure that changes from year to year. Typically, over the last few years only \$13 million to \$16 million have been used. I know there's a significant list of first nations that are wanting to be on the program. I think it's about 80. There are ones that are in development and then there are 80 waiting to even get to the development stage.

The other thing is that KPMG has done a study on the economic benefits of the FNLMA and it has demonstrated that there are economic benefits to the first nations on reserves: it adds to self-sufficiency, it speeds up a number of other processes, and so on. It seems like it's a win-win-win. My understanding is that the department and the government is very supportive of FNLMA.

I have a couple of questions about this. Why the delay in bringing new people onto the program? You've demonstrated with the supplementary estimates that you can roll money over. I know it's capital versus operating, but you've demonstrated that money can be rolled over. So why hasn't the money in the past been rolled over into a program that seems to be working quite successfully for first nations and presumably for the government, because it is contributing to economic self-sufficiency? Can you comment on that?

Mr. Michael Wernick: Thank you for the question.

And yes, we're very positive about this new tool. It gets reserve communities out of the worst parts of the Indian Act, and it gives them a lot of control over local land management decisions and so on.

We are not the gatekeeper as to who gets in and who doesn't. This was set up very much as a collaborative process with first nations, so the lands advisory board actually is the gatekeeper in recommending—

• (1010)

Ms. Jean Crowder: Mr. Wernick, I met with the chair of the board, and he indicated that the block isn't with the board. They're ready to go. They are supportive and want to see this happen.

Mr. Michael Wernick: Yes. Well, we're all waiting to see the federal budget in a couple of weeks, and perhaps I can give you a more definitive answer in April, when we come back for main estimates. We've made a pitch for additional resources. We'll see what happens, and if we don't get additional resources we may have to reallocate within the department and find some money. But we'd like to—

Ms. Jean Crowder: But retrospectively, there is money there that hasn't been used, sometimes up to \$11 million, so—

Mr. Michael Wernick: When you actually look at the cases, they're not as ready as they may look. Lots of people would like to

be ready, but there are a number of things that have to be ticked off in terms of environmental assessments and regulations being in place, and so on. We will move as many first nations through as we can over the coming year or two. I can't give you a precise number.

Ms. Jean Crowder: Just so I'm clear—because this is a public record—what I'm hearing you say is that the department is ready to go; it's the first nations who aren't ready.

Mr. Michael Wernick: It's a combination. We need to allocate resources for this activity, and you have to have proposals that are good to go. And I think we'll be able to move a significant number of nations through next year.

Ms. Jean Crowder: So when you say you have to allocate the resources to it, are there resources that you require in order to expedite the process?

Mr. Michael Wernick: We'll either obtain additional resources in the budget or move vote 10 resources or vote 1 resources from other uses to FNLMA. But it's always the same issue: If you want to put more resources into one thing, something else has to give.

Ms. Jean Crowder: Again, forgive me: you've had money, and it hasn't been spent, so that tells me the resources are there.

Mr. Michael Wernick: But the projects weren't ready.

Ms. Jean Crowder: So in those cases you're saying the department had the resources but the projects weren't ready. I think that's an important message.

We'll talk to the chair of the board and relay that back to him so that he can work with those nations that thought they were ready but you're saying they weren't.

Mr. Michael Wernick: It's a very linear process, and we are working with the board. We would like to unclog it and move as many nations through next year as we can. I won't know how many that's going to be until I know a bit more about the resourcing of the department. But we would like to squeeze through as many as possible, because the economic benefits to the communities are very clear.

Ms. Jean Crowder: Just on the gender—

The Chair: You're actually just out of time there. You have maybe ten seconds, Ms. Crowder.

Ms. Jean Crowder: I can't do that.

The Chair: We'll probably have time if you need to come back.

Let's go to Mr. Payne.

Mr. LaVar Payne: Thank you, Mr. Chairman.

Mr. Wernick, you did talk a bit about the additions to reserve, so I just had a sort of supplementary thought as you were talking about the ATRs, and particularly about how the land was to be set aside for each man, woman, and child. Maybe you could help me to understand. In terms of that, was that already in the original treaties, or is it based on the population at that time, or is it based on current population? How does that whole process work?

Mr. Michael Wernick: There are two acronyms, which you have probably heard being thrown around: one is ATR, and the other is TLE. The two kind of overlap. A treaty land entitlement is exactly what it sounds like. In the prairie treaties there was an entitlement to land. What was promised would vary slightly from treaty to treaty, and it was based on so many acres. I stand to be corrected, but it was based on the population at the time. And there is an unfulfilled sort of debt to be paid in fully meeting those treaty obligations.

An addition to reserve is any generic transaction that adds land to an Indian Act reserve.

Mr. LaVar Payne: Thank you very much.

Thank you, Chair.

The Chair: Let's go to other questions from the Liberal Party.

Mr. Russell.

Mr. Todd Russell: Thank you, Mr. Chair.

We're glad to have you with us, Deputy Minister, Mr. Nadler, and Ms. MacGowan.

I want to follow up on a couple of questions I asked the minister relative to Labrador on the Innu Nation claim itself, but there are significant overlap issues. The minister indicated he'd had meetings with the former premier, the premier, and the leadership and negotiators of the Innu Nation. Can you give us a bit more detail on where we are with that? Do we have any sense of a timeframe? These negotiations bear significantly on the potential for the Lower Churchill hydro development at Muskrat Falls.

As well, I was very interested in your response to my question about the Nunatukavut Community Council, formerly the Labrador Métis Nation. They had submitted supplementary information in concert with the department, and the department had undertaken to look at this new information in an expeditious fashion and get back to the NCC. Of course, I believe there are some agreements around other processes that may occur if there is no agreement.

You indicated that the injunction that has now been laid with the court in Newfoundland regarding the EA process may have some impact upon the department's process itself regarding the claim.

• (1015)

Mr. Michael Wernick: No, I hope that wasn't the impression—

Mr. Todd Russell: Could you clarify those issues?

Mr. Michael Wernick: We're at the table with the Innu and we're at the table with the Métis group, the NCC. I'll have to get back to you specifically on where the negotiators are at this point. I'm aware that the Métis group is in court trying to block the entire environmental assessment process around the project, and I'm sure that's where they're spending their time and energy.

Both the former premier and the current premier have said they won't go ahead with the project until they resolve the issues of the Labrador Innu. The province, in my understanding, has resolved essentially all the issues within provincial jurisdiction. That leaves the ball in our court to deal with the classic land claim issue. We are at the table and we hope to make progress, because it's a necessary condition for the project going forward, and both governments would like to see the project go forward, as I understand the Innu do, although I'm not going to speak for them.

It's a little bit of which thread you want to pull at. We are aiming to negotiate an agreement in principle on the claim within this calendar year. Whether that is going to be feasible or not will depend on the negotiating table.

Mr. Todd Russell: Again, on the Nunatukavut claim, there is additional information that has been submitted in concert with the department, the historic claims and research branch. Can you tell me at what stage that process is? It was submitted, as I understand it, nearly a year ago, or close to a year ago. The department was supposed to get back in an expeditious fashion to respond to that new research, if it was in fact going to negotiate the claim out or if there would be other processes that would follow.

Where is the department in terms of its assessment of that information and getting the response back to NCC?

Mr. Michael Wernick: I don't have very current information for you, Mr. Russell. We'll have to get back to you through the clerk, if that's possible. I know that we have the material. It's under review by the lawyers and others. I know that it overlaps significantly with the Innu claim, and that is going to be an issue down the road. If you settle with the Innu, they'll have to do an overlap arrangement with the Métis; if you settle with the Métis, they'll have to do an overlap arrangement with the Innu.

I'm not aware of where we are at the table in terms of responding to the Métis group, but I will provide that information as soon as I can get it.

Mr. Todd Russell: Okay.

Just very quickly, on the whole issue of first nations policing services, does that impact upon the Department of Indian Affairs at all? Do you guys have any mandate around those particular services? It is becoming a huge issue, with a potential 19% cut in first nations policing services. It is something that is so vital to the safety and security of first nations citizens, and not only first nations citizens but others. I'm just wondering what involvement INAC has in that.

Mr. Michael Wernick: It has none. It's delivered by the Department of Public Safety, so it's speculation about another department's program. I really shouldn't go there.

Mr. Todd Russell: Okay.

How much more time do I have?

The Chair: You have 15 seconds.

Mr. Todd Russell: That's enough for two questions.

Thank you.

The Chair: Thank you, Mr. Russell.

We'll go back to Mr. Rickford.

Mr. Greg Rickford (Kenora, CPC): Thank you, Mr. Chair, and my thanks to the witnesses.

You worked through a number of different files. We'll take this opportunity to talk about a few things.

Could you tell me a little bit about the state of Bill C-3 implementation? I want to get a firmer sense of how many applications will be received, some of the activities on your website, and a description of the team you have put together that's dedicated to this Bill C-3 process.

• (1020)

Mr. Michael Wernick: The minister referred to the bill. It's a significant accomplishment. It's also going to be a significant piece of work to implement it. We have some resources in place for the registration process, and we've set up a dedicated unit to deal with Bill C-3 claims, some of which are going to be fairly straightforward and some of which are going to be complex because of family history, genealogy, and documentation.

The latest numbers I have show that a little less than 4,000 people sent in some kind of application or request, even before the bill got royal assent. We will handle them. We're not going to send them back.

Mr. Greg Rickford: How many applicants are you anticipating?

Mr. Michael Wernick: Since January 31, we have received about another 4,000, so we're just under 8,000 applications in the door. The projections under the Clatworthy study and others were that we would get about 70,000 applications, of which about 45,000 would be successful. It's too early to know if we're on track or not.

Mr. Greg Rickford: That's fair, yes.

Mr. Michael Wernick: But we actually have registered our first, if you want to call them that, C-3 Indians. About 220 people have received registration.

Mr. Greg Rickford: And the registration process, as I understand, has been amended to take into account the uniqueness of the cases, to ensure that we have an efficient service model. Is that true?

Mr. Michael Wernick: That's right. Unlike all the other generic things, such as births and deaths and adoptions and marriages, this is a specific set of tests that are clear on the website. You start with who your grandmother was. It should be relatively straightforward to sort out whether applications are in the ballpark or not. We are developing a specialized team that really knows this subject area well, and we're sure that we'll get the processing times up as people adapt and learn how to handle the files. We think that will be an efficient approach.

Mr. Greg Rickford: The Treasury Board had approved a specific number over a five-year period. Are you satisfied that those resources are appropriate for the scope of work?

Mr. Michael Wernick: Yes, it's about \$20 million, give or take. What we're really trying to do is have an efficient process that deals

with people coming into the registry for all kinds of reasons. We're going to handle the cases related to the Qalipu Nation in Newfoundland, we're going to handle the Bill C-3 surge, the normal life events I referred to, and we're trying as much as possible to compress the process of registering and getting a card into a single process, so that if you come in you'll get the card quickly, and if you apply for the card for other reasons, it helps us clean up the data in the registry. So we look at it as one project with two or three components.

Mr. Greg Rickford: Because we are televised today, I might take this opportunity to say that I understand there is a special application form for Bill C-3 now available on the INAC website. This is available through the regional offices, Service Canada centres, or call centres. Do you have any information you'd like to put out there right now?

Mr. Michael Wernick: We're trying to bring together the card issuance with the registry process. Bill C-3 is an opportunity to try that out with a specific target population to perfect our business process. If we can do it well for the Bill C-3 intake, we'll be able to do it for everybody over the next few years.

Mr. Greg Rickford: I hope it's easy enough for somebody like me to go online. I'm not that technologically literate, but I hope it's accessible for folks.

I think Ms. Crowder had a question she wanted to get to.

The Chair: Yes. I have Mr. Lemay, then we'll come back to see if there's anything else, and then we'll come back to Ms. Crowder.

Monsieur Lemay.

[Translation]

Mr. Marc Lemay: Mr. Wernick, since your staff is extremely competent, I invite you to get hold of the Saturday, March 5 edition of *La Presse*. I know you can't engage in politics, but I'm inviting you to read the article by Michel Girard on the Harper government's sense of priorities. It concerns a number of things about Indian affairs that I find very interesting.

I don't need an answer today. You're going to cut \$289 million. With all due respect to the parliamentary secretary, he will no longer be able to talk about Canada's Economic Action Plan as of next week. The government created expectations with Canada's Economic Action Plan, particularly among the aboriginal communities, which learned late—and I mean very late—about the possibility that they could request new schools, housing, water mains and sewers.

I don't need the answer today; you can send it to me in writing. I'd like to know, for the Quebec region, how many schools will be built, altered and transformed using funds provided under the 2011-12 Estimates. How many water mains and sewers will be modified and transformed? How many houses will be built and in what communities? I need that information unless you can give it too me right now.

I have a question for you on Bill C-3. I've been told, and I'd like you to confirm for me whether that is the case, to watch out because Bill C-3 should have a specific effect. New people will become status Indians, but those status Indians will be living outside the communities, taking advantage of post-secondary education and education, and also health care. Can you confirm that for me? If so, have you informed your colleague the deputy minister of health? I get the impression he'll be paying the bill. In your case, have you set aside any budgets for, among other things, the post-secondary education of a lot of aboriginal students, who will now become status Indians or become status Indians again?

If you can't answer those questions, you can send me answers in writing.

• (1025)

Mr. Michael Wernick: In response to your first question, we can provide the lists of specific projects. For the fiscal year starting on April 1, there will be a list of schools, treatment plants and so on. We can provide you with very specific lists from our budget for next year.

As for housing, there may be a little more flexibility with regard to possibilities for the building season, but we'll do our best to provide you with that kind of list. We had a long list of projects that were ready to start under the Economic Action Plan. There have to be projects, including all the plans, characteristics and sites, which are approved by the community. That adds a little time because these are very important projects. They're going to discuss and decide on the details for each project, and that adds a little time. However, there are still projects that are in an advanced state across the country.

I believe the question you asked me about Bill C-3 is the same as the one raised by Mr. Rickford. We'll see how soon people register as Indians. It's true that, from the moment they're registered, they're eligible for Health Canada's programs and for our post-secondary student support program. We've sent our analysis to our colleagues. They're ready to receive it. These programs will not draw any distinction between a "Bill C-3 Indian" and other Indians.

Mr. Marc Lemay: Is the site bilingual? A lot of aboriginal people live off-reserve or far into the reserves. Obviously, they won't have Internet access. Are there any other ways?

Mr. Michael Wernick: When the Government of Canada provides information, it's in both languages. In addition, we often add information in aboriginal languages. If you have any specific suggestions to make regarding the communities and what we can provide, send them to us.

• (1030)

The Chair: All right.

Thank you, Mr. Lemay.

Mr. Rickford, do you have another question?

[English]

Mr. Greg Rickford: No.

The Chair: Madam Crowder.

Ms. Jean Crowder: Thank you.

I have one final question. I know that some of the money has been reprofiled into the emergency management assistance program. I assume that was based on the February 2010 evaluation of the emergency and management assistance program. I have a comment, but I'd like you to specifically say where you're going to target the money.

In the community I live in, and I'm sure it's true of many other communities, over the last while we have seen some catastrophic weather events, which have directly impacted reserves. A couple of years ago we had a 200-year flood. People were literally kayaking and canoeing down some of the streets. The event had flooding both on the reserve and off reserve.

In meeting with some of the emergency preparedness officers from reserves, I know they have not had the funds to develop an adequate emergency preparedness plan. They haven't had the resources to do training on reserves. There has been no money around mitigation, and with the flood we had, there was some mitigation that needed to happen around some of the diking and what not.

People fully expect those kinds of weather events will continue. I wonder if you could specifically talk about this \$28 million that's been reprofiled and what it will be used for.

I also wonder if it covers fire measures. A lot of the reserves don't have fire equipment. For example, Kuper Island, which is the Penelakut people, are challenged when there's a fire on reserve. They have antiquated equipment, and of course you have to take ferries or emergency vessels to get to the island if there's a catastrophe.

I wonder if you would comment on that.

Mr. Michael Wernick: There are quite a few facets to this area, as you've identified.

The way we have dealt with the basic financing is that you cannot know where acts of God will land, where the floods and fires and evacuations will be. We have a system in place that works very closely with the first nations and with provincial and local emergency management. They deal with the situation. They don't worry about who's going to pay the bills. And then we advance the funds as required.

There were quite a few instances last year of fires and floods. We've had both. We go to Treasury Board somewhere towards the end of the year to say this is what we've spent. And we do get the money back. That's why you're seeing it in supplementary estimates, because—

Ms. Jean Crowder: What about the more proactive thing with the planning and the mitigation? I mean, it's one thing once an event occurs, but what I'm hearing from the emergency officers, who often wear many hats, is that they don't want to be in the position of having to deal with it when the event occurs. They want to be able to plan ahead.

Mr. Michael Wernick: We always work with the first nations or the tribal councils of the authorities on identifying their needs and doing emergency management response plans, integrating them as closely as possible with the local response and alert sorts of things.

There is a lot more to be done, but I assure you there is work that goes on. We work really hard every time something happens, like the Red River flooding last year, or the fires in Quebec. It draws attention to this and more focus is put on it.

The whole exercise we went through with Health Canada and the communities on H1N1 accelerated the process of emergency management planning. We have very solid agreements with all of the provinces. They would like us to pay for everything, including all of their costs, but we don't let that get in the way of actually dealing with it.

I think there's more to be done on prevention, and there certainly are communities that have issues. They need more equipment or more training, and we'll do our best to meet as many of those as we can.

Ms. Jean Crowder: What about mitigation? Certainly up north we're seeing issues around permafrost. In British Columbia, where we have the pine beetle kill, there are some serious concerns about potential fire because this is all dead wood. I know UBCIC and the First Nations Summit have both raised the issues of mitigation around the pine beetle kill.

Mr. Michael Wernick: Well, we do work with the provincial authorities on diking and prevention and all those sorts of things. What we're trying to do is avoid what happened in the past, when sometimes the province would invest in diking and forget about the reserve, because it was—

• (1035)

Ms. Jean Crowder: In fact we've seen problems where I live with—

Mr. Michael Wernick: Yes, and there are too many examples of that. We have a lot more cooperation from the provinces now. If they're going to deal with a watershed or a river system, they are very open now to including the first nation communities in that planning.

I can think of examples, and we could provide details, of when we've done cost-sharing and have thrown in dollars from each level of government to deal with mitigation. There's a lot more to be done, for sure.

[Translation]

The Chair: Thank you, Ms. Crowder.

Mr. Bagnell, you have three minutes.

[English]

Hon. Larry Bagnell: I think it's Mr. Rickford first, isn't it?

Mr. Greg Rickford: Have we gone from two to one?

The Chair: It doesn't matter. Go ahead, Mr. Bagnell. Then we'll go to Mr. Rickford.

Hon. Larry Bagnell: You have a program for climate change adaptation, for \$14 million, that's expiring on March 31. Is that program going to be renewed?

Mr. Michael Wernick: I don't know what's in the budget. I don't know if the budget's going to be approved, and apparently we don't know if it's even going to be delivered. So maybe I should answer that question in April, when we come back.

Hon. Larry Bagnell: I know that you don't have a lot of say in the design of the new program for food mail, so it's not you I'm mad at. It's been made clear that the direction came from the top down.

As Mr. Lévesque said, it's going to cost more money. You talk about a business case, Deputy, for food mail, but as Mr. Lévesque said, there's a lot less business-case buying power for these individual retailers.

You said that you weren't interested in fully sponsoring the storage needed by these northern stores, which you're forcing them to have. You're forcing these stores to have 52 times the storage capacity, which the all-party committee recommended, because instead of getting it every week, they have to have a whole year's supply, unless you expect people to have their houses 52 times bigger for food storage.

They have to put that food and all the stuff you want to go on the boat now somewhere. How are they going to know before their one shipment how many babies there are, so how many diapers they'll need, and the quantities of food they'll need? As soon as that runs out, the costs are going to go up. There are just a lot of things that don't add up in this program.

When I was asking before, you said that there's \$53 million for this year for the subsidy part and then the other \$7 million, forgetting about the new announcement that was made. Last year the estimates show that we spent \$60 million. For a program that's supposed to be increasing costs to help people, there's already a \$7-million cut that would have gone to subsidies. As you said, there's actually going to be more now, because of this re-announcement. But had there not been a re-announcement, a new program that was supposed to help people and give them more nutritious foods and everything was actually cutting \$7 million off the money northerners were getting for food. That comes from the estimates we've been given.

Mr. Michael Wernick: There are a couple of things I can help clarify.

The Chair: We don't have very much time.

Mr. Michael Wernick: I'll go very quickly.

One of the issues with the former program was that it was a transport subsidy, so it was actually vulnerable to the price of aviation fuel. When we had a spike in oil prices, there was a spike in the price of aviation fuel, and the program costs went up. It didn't help deliver more food; it simply went to increase the subsidy to the transporters.

By delivering it to the retail end of the system, you can be more assured that the subsidy will go to foods. The subsidy schedule is torqued heavily toward the perishable commodities. Outside of a sheltered market, people will choose the most efficient option, which will be either sealift or bulk deliveries twice a year.

Because it was a sheltered, non-competitive system, people were going to a very expensive just-in-time fly-in model, and the most expensive option was the one people picked, because they had no incentive not to. Under the new system, if retailers can squeeze more profit out of using the sealift more smartly or by using bulk orders or whatever, they'll do that, and they will pocket the efficiencies.

I want to be clear: we and the regional agencies will work with communities on issues of logistics and supply chains and on potentially paying for warehouses. But everywhere else, the private sector decides what they need and what's appropriate to their market. And we'll work with them on that.

The Chair: Very good. Thank you, Mr. Bagnell.

We'll go to Mr. Rickford.

Mr. Greg Rickford: Thank you, Mr. Chair.

Thank you, Michael, for clearing up some of the issues that were raised by my colleague just a moment ago with respect to some of the key things that were flawed with the mail program—the lack of efficiency and poor visibility among communities across the north. There may have been some that benefited, but there was certainly a disparity, and of course a lack of transparency, which often left consumers with not as much of a subsidy as they would have liked, if one at all really, and not knowing who to blame.

Some folks have suggested here at committee today, and indeed when we've been working through the report, that we should just throw up warehouses everywhere and build buildings. Now I'm hearing about additional space in homes for a program that otherwise has significant benefits. But particularly with the operators, Michael, there are a number of key features with respect to some of the problems we've seen already with the messaging of this.

You talked about the just-in-time concept, which those of us who are familiar with business recognize as a key driver for the modern ways of doing business. Obviously the sealifts issue was something that had something to do with inventory management and gave rise to some stories in the media about costs of certain products.

Can you just take this last minute or two to highlight some of the initiatives under this program for small-shop operators? This is key. Not all of the operators will be the North West Company. For example, there are smaller operators in isolated communities, particularly in the great riding of Kenora, who may benefit from some of this. I was wondering if you could just speak to some of the training initiatives for their benefit.

●(1040)

Mr. Michael Wernick: We'll work with regional development agencies to support specific projects by specific businesses. These are basically SME support programs, and we know who is really good at logistics, because we spent three years studying and renovating this program. Canada is actually really good at logistics and supply chain over big geography. There are lots of Canadians who are really good at this stuff, and we will do our best to make them available to people who were formerly in a very sheltered, non-competitive environment. They are open now to competition and choice.

The small retailers will probably do reasonably well working with personal orders as well, because people will be able to place orders wherever they want. So I think they will be competitive. We'll see. Everybody is going to adjust to a new open marketplace. You'll have the opportunity as a committee to call us and retailers and other people in the supply chain back here after we have a quarter or two of experience.

The Chair: Okay.

Mr. Lévesque, we have time for only a very short question. We're talking 30 seconds, because we still have to get to our votes.

[Translation]

Mr. Yvon Lévesque: Thank you, Mr. Chairman.

I simply regret that our colleague Greg was not here during the testimony on Nutrition North. Obviously, his opinion may have been distorted as a result.

Mr. Wernick, I'd like to know whether the list that Marc requested of works to be carried out in the communities could be sent to all committee members.

Mr. Michael Wernick: Pardon me?

Mr. Yvon Lévesque: Could the list be sent to all committee members?

Mr. Michael Wernick: Yes, we'll answer all your requests through the committee clerk.

[English]

The Chair: Excellent.

Members, before us there are four votes on supplementary estimates (C). Do we have unanimous consent to vote on all four as a block, or do we want individual consideration of each?

Is there consent? There's consent.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Department

Vote 1c—Operating expenditures.....\$1

Vote 5c—Capital expenditures.....\$1

Vote 10c—The grants listed in the Estimates and contributions.....\$1

Vote 15c—Payments to Canada Post Corporation.....\$1

(Votes 1c, 5c, 10c, and 15c agreed to on division)

The Chair: Shall I report the supplementary estimates to the House?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: Okay, members, that is it.

We will see you back here on Tuesday morning after the break. We have the report on the Cree-Naskapi Commission as well as the National Association of Friendship Centres on March 22.

I thank our witnesses for their presentations and responses today.

Thank you very much for your attention.

The meeting is adjourned.

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