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## **Standing Committee on Fisheries and Oceans**

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**EVIDENCE**

**Wednesday, May 5, 2010**

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**Chair**

**Mr. Rodney Weston**



## Standing Committee on Fisheries and Oceans

Wednesday, May 5, 2010

• (1535)

[English]

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

I'd like to thank the officials for taking the time to come and meet with our committee today to discuss main estimates.

Mr. Bevan, I appreciate you bringing staff with you here today. I would ask you to introduce the staff members with you, and their roles, and if you want to proceed right into your presentation to the committee, then we'll follow up with questions. I know that you're quite familiar with how things work here and with the time constraints that the members are limited to.

I'll let you take right over, Mr. Bevan.

**Mr. David Bevan (Assistant Deputy Minister, Ecosystems and Fisheries Management, Department of Fisheries and Oceans):** I'll just quickly introduce our members.

Unfortunately, we had a reorganization, and Michaela, I have to confess that your title has changed so many times in the last year that I need to be briefed on it.

**Voices:** Oh, oh!

**Ms. Michaela Huard (Assistant Deputy Minister, Human Resources and Corporate Services, Department of Fisheries and Oceans):** That's fine. I'm the assistant deputy minister for human resources and corporate services.

**Mr. David Bevan:** Siddika Mithani is the assistant deputy minister of oceans and science. I'm the assistant deputy minister of ecosystems and fisheries management. Roch Huppé is the CFO, and you'll be hearing from him on the main estimates. Michael Gardiner represents the Canadian Coast Guard.

**The Chair:** Please proceed, Mr. Huppé.

**Mr. Roch Huppé (Chief Financial Officer, Department of Fisheries and Oceans):** Thank you.

I believe that you all have a copy of my short deck, which I will go through.

Please turn to page 2, which is basically the table of contents. The goal of the presentation today is to provide you with the various views of the 2010-11 main estimates and the various breakdowns. Also, I will provide some explanation on the variance we see between the 2009-10 main estimates and our 2010-11 main estimates.

What you see here, basically, is a high-level picture of our 2010-11 main estimates compared with the 2009-10 main estimates. As you can see, our main estimates for 2010-11 are close to \$2 billion—\$1.967 billion—compared to our main estimates for 2009-10, which were approximately \$1.6 billion.

This view, as you can see, is broken down into what we call votes, which are basically our major buckets of money or types of expenditures. Vote 1 is operating expenditures, which includes our personnel salary expenditures. Then there are capital expenditures and our grants and contribution expenses.

You can also note that we have an increase of \$326 million. As I said, I will provide a little bit more detail on that later in the presentation. As you will also note, over 90% of this increase is basically tagged to vote 1, which is operating expenses, and to major capital expenses.

Page 4 provides a different view of our main estimates. What you see here is basically the \$1.967 billion divided and spread out over program activities. Note here that our vote 1 operating expenditures are actually split between the personnel perspective, meaning our salary costs, and other operating expenditures. I'd like to make the point that basically, if you take a look at it, 58% of our operating expenses are dedicated mainly to salary costs. If you add the statutory portion—our employee benefits plan—of \$127 million, what we come out with is 70% of our real, true operational costs being dedicated to personnel expenses.

As for the increase of \$326 million, you can see that close to 80% of this increase is tagged to Canadian Coast Guard program activity and small craft harbours program activity. I have in the annex a further breakdown of that \$326 million increase.

I thought it would be important to touch on the budget 2009 money we received for our economic action plan projects. It was important, because we received a considerable amount of money last year—close to \$450 million—through budget 2009 for this purpose. And \$217 million, which is part of our main estimates this year, is one of the reasons for the variance of \$326 million.

I'd like to make the point that when I say the increase was \$326 million, it's not necessarily an increase to our budget from 2009-10 to 2010-11. This is the variance between what we call the 2009-10 main estimates and the 2010-11 main estimates. For example, last year, of the money earmarked for us as part of budget 2009, we actually got and spent over \$200 million of it as part of our 2009-10 fiscal year, but due to timing issues, it did not appear in our 2009-10 main estimates.

The budget comes in basically in the spring and the main estimates are already tabled by that time. Through the supplementary estimates process—through supplementary estimates (A), (B), and (C)—we then access the funding for that particular year. We also include, as part of the annual reference level in the process, the amount of money for the incoming year, which then makes it to our main estimates.

What I am telling you is that our total budget last year, including what was accessed through supplementary estimates and the total spent, was in the neighbourhood of \$2 billion. We're still projecting approximately \$2 billion in spending for this fiscal year. Again, we have some money tagged in budget 2010. This money is not showing, obviously, in the 2010-11 main estimates you're seeing here; we will access these funds as part of the supplementary estimates process.

Also, as you know, in budget 2010 there was a restraint measure, with a freeze on operational funding. These funds will be clawed back by Treasury Board, so to speak, through the supplementary estimates process. They do form part of our main estimates, but will be returned to the centre as part of the supplementaries process.

• (1540)

So again here, as part of that \$217 million that makes up the \$326 million increase compared to last year's main estimates, we have close to \$100 million that is dedicated to the second year of the small craft harbours infrastructure repair and maintenance program. It will go towards that.

The Canadian Coast Guard will actually receive \$175 million for both years: \$90 million went to year one and \$85 million is tagged for year two. It's the portion dedicated to vessel procurement, life extensions, and refits.

We have close to \$25 million for federal laboratories and \$8.6 million for the contaminated sites action plan.

We also got money for the Pangnirtung harbour construction of which money has already been accessed for 2009-10 and used for that construction. Part of the money that's earmarked in our 2010-11 is \$1.8 million at this time, but we still have a little money to be accessed through 2010-11 through the supplementaries process for the completion of that construction project.

Basically, that's a little detail on the economic action plan funding that we received.

If we flip to page six, I'm not going to dwell on this page, as it's basically the same information that you saw in a different format on page four. The pie chart shows the breakdown of our main estimates, again by program activity. You will note that the larger part of our program spending obviously goes to Canadian Coast Guard program activity, fisheries and aquaculture management program activity, and science activities.

On page seven, we're giving you a slightly different view. It's another pie chart of our budget, broken down by organizational structure in the department, basically the different sectors that we have, including the coast guard. There's additional information here. On the previous page, you saw by program activity that 18% of our budget is dedicated to what we call internal services. On this page,

you can actually see the breakdown of that 18% and what the internal services are made of.

It basically shows the sectors for chief financial officer, HR, strategic policy, communications, executive direction, and legal services. A large part of the internal services are actually the real property services, which are included in the 21.4% that you see under infrastructure and information management. Also included in that is the IM-IT spent.

As we move to page eight, I promise you that this is the last pie chart you're going to see today. This pie chart actually gives you a breakdown, again, of our main estimates. It gives you the regional perspective and shows how the money is disbursed throughout Canada. The important point to make here is that, as you can see, as part of our main estimates process, a large part of the money is earmarked for what we call national programs.

Through our budget allocation process, as we're actually going through right now, this money is distributed throughout the regions, excluding the national capital region. The larger part of that national program money included there is real property activities. We have the aboriginal contribution programs that are also included in that. So through a process where there's an analysis of the projected investments on the capital front, for example, based on our investment planning and long-term capital plans, we then distribute this money. As I said, it's part of the initial budget allocations of the department. The money is then distributed to the regions.

I'd like to finish off now. Again, I'm not going to through all the details. I have two sets of annexes. Annex A gives a complete listing of what makes up the \$326 million variance. I'd again like to point out this is a variance, not necessarily a budget increase.

I'm not going to go through all of them. I basically went through the major ones, which are linked to the economic action plan funding that we received in the second year. On other important items that make up the \$326 million are adjustments to our compensation resulting from collective agreements.

• (1545)

We then have \$32.5 million, as you can see, related to what we call the re-profile of funding for the midshore vessels project. This is not new money coming in. This is departments adjusting their spending pattern for money we already received. It is in our budget and in previous budgets.

For example, if you receive \$100 million over five years and the initial earmarked amount of that funding is \$20 million a year for the next five years, as you deliver that project you can adjust your spending pattern, depending on the environment—for example, how construction is going.

Through what we call the annual reference level update process, we can tweak how we spend this money. If we come to the conclusion in year two that we're going to spend \$10 million instead of \$20 million, and \$30 million in year three, we adjust that spending. That creates a variance in the main estimates. So this is not new money, exactly; the budget envelope for this money remains the same. It's just distributed differently based on our spending pattern, which can change over the year.

Another important point to make is that in part of the \$326 million is one of our contribution programs, the lobster sustainability program, at \$14.9 million. Again, that program was initiated in fiscal year 2009-10, so we accessed the first year of funding through the supplementary estimates process in the last fiscal year. That is why it did not show up in the 2009-10 main estimates. The second-year funding earmarked for that now shows up in the 2010-11 main estimates.

I'm not going to go through everything. If you have questions on any of the other items that created the variance, I'd be more than happy to answer them.

As you can see on page 11, obviously the \$326 million is a net amount, so there have been increases and decreases. This shows a list of the main ones. Some of the money we got has been re-profiled in delivering certain of these projects.

If you take a look, you'll see the key items. The \$8.4 million at the bottom is basically a re-profiling of the money we received to implement an automatic identification system. That's a marine traffic monitoring system. There's \$7.1 million related to the construction of St. Andrews biological station.

Again, money was simply re-profiled from year to year, and spending was advanced in 2009-10 rather than 2010-11. We have \$4 million that was sunseting in one of our programs, the invasive alien species strategy, and that money for budget 2010 was reintroduced to DFO. That \$4 million was sunseting, so it created a variance. That money is still not part of our 2010-11 budget. Because it was part of budget 2010, we're going to re-access this money through the supplementary estimates process through the course of the year.

I'd like to finish off with page 12. It gives you a quick view of the transfer payments for grants and contributions. The changes in funding that you see from 2009-10 to 2010-11 are mainly due to timing issues and not necessarily to changes in our actual authorities for these programs through increases or decreases.

The only one that could be considered a modification to our authorities in the last couple of years is the \$14 million for the Atlantic lobster sustainability measure, which I talked about in the overall modifications. That makes up most of the variance, to bring our total programs to \$129 million.

That concludes my presentation. Thank you very much.

• (1550)

**The Chair:** Thank you, Mr. Huppé.

Mr. Byrne.

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

Thank you to our witnesses.

I want to zero in on the small craft harbours program. This committee just produced a report to the House. One of the principal recommendations, a very serious recommendation we offered to the government, was to get the small craft harbours budget out quickly so that we would actually have time to do the contracts in the period for which the money was originally intended.

There was an announcement. I'll use the specific example of Newfoundland and Labrador. The Province of Newfoundland and Labrador had \$20.3 million—not \$20.4 million, not \$20.2 million, but \$20.3 million—allocated to it. I believe Senator Fabian Manning made the announcement. That's a pretty exact number. It implies that there was a specific set of projects that were tied to that number; otherwise, it would be sort of arbitrary to say \$20.3 million.

What we found was that the government's spokesperson for the announcement said that no list of projects has actually been approved: "I'm just here making this global announcement and, by the way, I'd really like to see Arnold's Cove and Flatrock done". That was the government's spokesperson, Senator Fabian Manning, who made that recommendation.

Mr. Bevan, or any witness here, we'd like to know if a list actually got sent up from the Newfoundland region of small craft harbours to Ottawa as part of that budgetary envelope, or was it just a number that was floated out there, as if it was, "We really don't know where we're going to spend this, we haven't made any decisions", and maybe maybe Flatrock and Arnold's Cove might get done after all, even if they weren't on the list.

Because you know what? All of us on this committee, being rather experienced at this process, know that when small craft harbours officials go out and meet with people, we kind of get an idea of where the small craft harbours program is going with where they're going to spend their money, or at least where they're going to recommend it be spent. It seems that in the Province of Newfoundland and Labrador that really doesn't matter, and that the people on the ground working for small craft harbours in DFO really don't have much to say in this process.

Is there a list that went up from Newfoundland and Labrador and the other provinces to Ottawa or is it all just a political process once we get up here?

**Ms. Michaela Huard:** All of our regions, as you mentioned, have a lot of work to do with the harbour authorities. That's part of their regular day-to-day business. They work with the harbour authorities to look at what projects need to be done.

They do put forward lists of projects that they think should be done. There's always a longer list than we have money for, so there are very long, detailed discussions. We spend months, actually, discussing them with staff to determine what our priorities can be. We have criteria, as I believe the committee is aware, by which we select projects.

Recommendations go forward every year for an expenditure plan to meet the budget we have in any given year, and then those projects are announced. I believe that's what you're referring to: the announcements we're starting to roll out now with respect to the projects being approved.

**Hon. Gerry Byrne:** So what you're saying to us is that all that work by the small craft harbours officials...because I think they're going to be listening to this particular testimony right now. What you're really saying is, don't worry about it, what you have to say; when it comes up to Ottawa, we really don't listen to it very much anyway. All of your work, for 12 months a year, planning and trying to provide good advice as to where the money should be spent... when it gets here to Ottawa, we may change the whole thing.

Let me ask you something, Michaela. Do you think that Arnold's Cove and Flatrock will end up on that list after all?

**Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC):** Mr. Chair, on a point of order, honestly, I was listening to what I just heard and then I was listening to the paraphrase, which didn't track it. I just want to—

**Hon. Gerry Byrne:** Mr. Chairman, he'll have his opportunity to question the witnesses or make any statement he wants.

**Mr. John Weston:** No, if you want to lead a witness and put words in her mouth, Mr. Byrne, that's really not fair. It's not appropriate—

**The Chair:** Mr. Weston—

**Mr. John Weston:** It's not parliamentary—

**The Chair:** Mr. Weston—

**Hon. Gerry Byrne:** Could you cut the clock, Mr. Clerk? I'd like to have my time back.

**Mr. John Weston:** —and you don't have to be a lawyer to know that.

**The Chair:** Actually, you have a bit more time because we forgot to start it.

Please proceed, Mr. Byrne.

**Hon. Gerry Byrne:** Can we anticipate that we will have announcements soon related to the small craft harbours program at least in Newfoundland and Labrador, if not the entire country, under the recommendations that this committee provided? Those recommendations actually said that once we know how much money is there, get the approvals in place so that we can get the contracts done. Shall we see announcements and approvals soon, yes or no?

**Ms. Michaela Huard:** First of all, I'd like to say that yes, I think I was saying the opposite, Mr. Chairman. I think I was saying that the work of our regions is very important in influencing what we actually choose to do. Yes, I expect that you will see announcements on specific projects as soon as possible, likely in the next couple of weeks.

•(1555)

**Hon. Gerry Byrne:** So let me ask you this: will you be prepared to release the list that was brought forward by the regions, as opposed to what the list is that is finally approved, yes or no? Is that work valuable enough to you and to everybody up here in Ottawa to allow you to release that list? Because the lists should really pretty well coincide one-to-one with each other.

**Ms. Michaela Huard:** I think I'd like to consider that one. I don't know. I'd have to check—

**Hon. Gerry Byrne:** I've asked you that question before, Michaela. I've asked you that question before and you considered

it before, and you've never gotten back to the committee on it. I've asked you to release the list as presented by the regions to Ottawa, and you have never replied to this committee.

**Ms. Michaela Huard:** Mr. Chair, I believe we have replied. I'll have to go back and check, but I take a lot of effort in making sure that our replies are complete.

I believe we could probably make that release—what the projects are—but I would have to check and confirm that and get back to you, Mr. Chair.

**Hon. Gerry Byrne:** COSEWIC recently announced that its recommendation was to place Atlantic cod on the endangered species list. Members of the Department of Fisheries and Oceans sit on the advisory process within COSEWIC. Is it the position of the Department of Fisheries and Oceans that Atlantic cod should be placed on the endangered species list?

**Mr. David Bevan:** I would point out that the comments received were from members of the committee. We have people on the committee. They are not representing the Department of Fisheries and Oceans. They are there with respect to their own individual expertise and bringing that to the committee.

We have not yet received a report from the committee, nor will we receive a report until later in the fall. At that point, we'll have the advice from COSEWIC, and we will then determine what the position of the department and the government is at that point in time. But certainly we don't have anything officially to respond to at this point, so we have not formed an opinion.

As I said, the members of the department who are on the committee are not representing the departmental view. They are there to provide expertise to the committee.

**Hon. Gerry Byrne:** In terms of a stock rebuilding plan, which is a pretty fundamental or pretty important stage in all of this process, is there a credible plan in place that the Department of Fisheries and Oceans has recognized to put in place? And where's the funding for it?

**Mr. David Bevan:** We have funds to implement species at risk. We have gone through a process as a result of the previous listing process, or advice, from COSEWIC to look at cod rebuilding plans. We have seen some success in some areas and, certainly, none in other areas. We have continuous challenges in terms of very high natural mortalities in the southern gulf, for example, in the Scotian Shelf, and in the northern gulf. There have been a little bit more positive signs, but just preliminary, on the northern cod. But we'll have to review those rebuilding plans once we receive the COSEWIC advice in an official forum and determine what the response of the government will be.

**Hon. Gerry Byrne:** Under these main estimates, what exactly is the funding you anticipate or have targeted for the Atlantic cod rebuilding plan? On the question of natural predation that you've alluded to in the southern gulf in particular, is it your understanding or view that it is that four-letter word s-e-a-l that actually causes a lot of that predation?

Because COSEWIC was rather absent in describing that; they specifically recognized that predation was a major influence in cod stock decline, but they did not, in their brief discussions, actually indicate where the predation came from.

So there are two questions. What exactly is the funding for the cod recovery plan? And does the Department of Fisheries and Oceans feel that seals are the major predatory element or a major predatory element in causing their extirpation?

**Mr. David Bevan:** We obviously have a budget for species at risk—

**Hon. Gerry Byrne:** Which is...?

**Mr. David Bevan:** I'll turn to my colleague to give you the number. That is going to be used as a catalyst for funding.

We also, obviously, have fish plans. We have enforcement. We have a number of ongoing activities that are related to conservation of populations of fish and preservation of the marine ecosystem. So those are already spent, but we do have money to use as a catalyst for development of the recovery plans and to help with additional activities as required.

It's not targeted towards a particular species. That comes through the whole process of determining what the actual recovery plan would be.

With respect to your question on seals, there is a growing scientific consensus that in the southern gulf in particular the very high natural mortality is contributed to by the presence of grey seals.

• (1600)

**Hon. Gerry Byrne:** Grey seals? What about activities from harp seals? Are there any scientific conclusions that could be reached within the Department of Fisheries and Oceans on harp seal predation?

**Mr. David Bevan:** With respect to the southern gulf cod, they're very transient in the southern gulf, as you can appreciate. They come down to whelp, and once that process is over, they all go north. It's of very short duration, that stay in the gulf. Our view is that the grey seal population is the more serious contributor to the natural mortality in the southern gulf.

I would point out that we do not have that same level of scientific consensus in other areas because of the fact that, for example, Scotian Shelf cod were depleted substantially, even in the absence of any groundfish fishing, over the course of the last 15 to 20 years. We didn't look at that question scientifically at the time when there were still enough cod to allow for some determination of the contribution of seals to their high mortality. But high mortality in that area was extreme.

**Hon. Gerry Byrne:** Is the department still on track and fully prepared and able to meet its full objectives, as were stated at this committee, in terms of the transition from provincial to federal jurisdiction of the management of certain regulatory regimes for aquaculture in the B.C. area? Can you report to this committee as to the staffing will be done, it will all be in place.... We heard testimony earlier that everything was on track. Is it still on track?

**Mr. David Bevan:** It's still on track. The regulations are nearing completion and will be published shortly in the *Canada Gazette*. We

have looked at program design and we have initiated some of the hiring and are looking at doing the rest, but we are on track to be up and running as of December 19, 2010.

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

As for your comment, Mr. Byrne, about a request from the committee, I've asked the clerk to review any outstanding requests that the committee might have made to the department and a follow-up will be made.

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

I do believe that the request was made at the last main estimates meeting, where I specifically asked for the list of the projects sent up by the regions versus the projects that were actually finally approved.

**The Chair:** I appreciate that, Mr. Byrne. I've asked the clerk to look into that, report back, and follow up. Thank you.

Monsieur Blais.

[*Translation*]

**Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ):** Thank you, Mr. Chairman.

Good afternoon, ladies and gentlemen.

My first question deals with the future. We are told that the Department of Fisheries and Oceans will be one of the departments targeted for a 5% cut in its overall budget.

Do you know if that 5% will come from the 2010-2011 budget, or from a regular budget, excluding amounts for economic stimulus measures related to the Coast Guard, and excluding the \$200 million for small craft harbours? Clearly, if those amounts are removed, the 5% corresponds to a lot less than \$100 million. If the overall budget is cut by less than \$100 million, the impact will not be as great.

**Mr. Roch Huppé:** The target for the strategic review is based on our budget amount, excluding the funds allocated for the Economic Action Plan—in other words, excluding the \$200 million.

**Mr. Raynald Blais:** What about the money set aside for the Coast Guard?

**Mr. Roch Huppé:** The funding for the Coast Guard is also excluded; all those amounts are excluded.

**Mr. Raynald Blais:** Is there funding to address the crab crisis in the Atlantic region?

**Mr. David Bevan:** No. We have changed our policies with respect to crabbers. We are currently meeting with the provinces to talk about crab processing plant workers. There is no budget to address that crisis, because the situation is expected to improve soon—in 2012, we hope. So, the crab population should rise between now and then. It has happened in the past that the total catch was about 8,000 tons, which is pretty much what it was this year. Subsequently, the total catch rose to almost 30,000 tons. So we hope the same thing will happen this time around.

•(1605)

**Mr. Raynald Blais:** As far as Fisheries and Oceans Canada is concerned, however, you are confirming that there is no departmental funding set aside to address the crisis in the crab fishery. However, some monies could be allocated by other departments, through ACOA or the Economic Development Agency of Canada, for example. Did I understand your answer correctly?

**Mr. David Bevan:** There is no budget at Fisheries and Oceans Canada to manage the crisis in the crab fishery.

**Mr. Raynald Blais:** I would like to move on now to talk about seals. I have information from Mr. Rodrigue Morin, Chief of the Marine Fish Section for the Southern Gulf of St. Lawrence at Fisheries and Oceans Canada. I suppose you know him quite well. According to his estimates of cod mortality in the southern gulf, 45% of adult cod die in ways other than cod fishing. Seals, and grey seals in particular, I imagine—although the type of seal is not identified, I believe we are talking about grey seals—are apparently the culprits. Can you confirm that?

**Mr. David Bevan:** That is the view of our scientists and the Department of Fisheries and Oceans, yes. Grey seals have caused significant mortality in cod populations in the southern gulf.

**Mr. Raynald Blais:** For three years now, I and probably others have been asking for a grey seal cull plan. I have been waiting for the answer for three years now. For three years, people have been telling me that it is coming. I would like to know whether it is planned for this year.

**Mr. David Bevan:** We have obviously established the total catch for grey seals and the first step is to establish good markets. The Minister has worked very hard with China and other countries to establish markets for grey seals. We would also like to make the harvesting operation more efficient than it has been previously. If that doesn't work, we'll see what other options we have to deal with that major challenge.

**Mr. Raynald Blais:** But are you able to confirm that a grey seal cull plan is in the works?

**Mr. David Bevan:** Not at this time. There is a harvesting season, and that is the first step. Then we will see whether there is a need for another plan. For the time being, there is none.

**Mr. Raynald Blais:** I will just repeat for the umpteenth time, as I have said before to you, to the Minister and to Committee members, that every day that passes without a grey seal cull plan, the seal continue to eat the cod—every day. There is no interruption in that process; there is no season. They are not seasonal workers.

I would like to move on to something else now. Mr. Byrne mentioned earlier that wharves were to be repaired and that upgrades had been announced, but nothing has been done yet. I would like to talk about the wharf in Port-Daniel—which is quite appropriate, because I am from that village. In the 2008 budget, as I recall, it clearly stated that the wharf in Port-Daniel would be one of the ones to be upgraded, because repairs had been needed for some time already. We are now in 2010, and will soon be in 2011; so, what is planned this year for Port-Daniel?

[English]

**Ms. Michaela Huard:** Mr. Chairman, I don't believe the announcement has been made yet with respect to the province of

Quebec and the projects we intend to have there this summer. With respect to that specific one, I would have to ask for the details of it. I don't have it with me today.

[Translation]

**Mr. Raynald Blais:** Could you forward us that information? I would also like to raise another issue, which is the transfer of the Carleton wharf. A transfer between DFO and Transport Canada is planned. I would like to receive some information regarding the status of that transfer.

•(1610)

**Mme Michaela Huard:** I can provide that to you in writing.

[English]

**The Chair:** Thank you.

Mr. Stoffer. It's good to see you back.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** What an honour it is to be back here

I have several questions that will all be fired at you at the same time. How many MPAs do you plan in the very near future and how many are in Canada right now?

On the Georges Bank moratorium, the United States has placed a moratorium on their side. What is the government doing to assist the Province of Nova Scotia? Is it the view of the government to maintain the moratorium as well, or whatever, by 2012?

Mr. Loyola Hearn, the previous minister, promised us seven harbours in Nunavut, but I only see funding for Pangnirtung. I wonder what happened to the other six harbours.

On icebreakers, the government also promised us an icebreaker in the near future, called the *Diefenbaker*. Those cost anywhere from \$750 million to \$1 billion. I'm wondering where the funding would be for that.

On light stations, I know there's a review on whether they should continue to be staffed. I'd like to know, if it's possible, how the review is going, when it will be finished, and when we will have an answer on that.

On the funding from the Pacific salmon treaty with the United States, if we've received any funding from that, would that be in the estimates as well?

Also, Asian carp is also a big problem for fishermen in the Great Lakes. What is the government doing to assist the United States in terms of the Asian carp problem? If they get into the Great Lakes, our fishery could be wiped out, as you know.

Last, how many fish species are on the endangered list in Canada?

If you don't have time to give us answers to all of these questions, we'd be very happy to take them in the near future.

It's good to see each and every one of you again. I have a question for each of you, do you see that?

**Mr. David Bevan:** Yes. It might be more efficient for us to respond to those in writing, Mr. Chair.

**Mr. Peter Stoffer:** If you don't mind.

**Mr. David Bevan:** There's quite a number of questions and we can provide written responses to them.

**Mr. Peter Stoffer:** That would be very kind.

If I may focus on one specific thing, then, it's the coast guard. As you know, even the head of the navy yesterday, in an interview with Tom Clark regarding shipbuilding—not just for the navy—indicated that the coast guard also has a major expenditure for rebuild and for new acquisitions. We've heard from previous governments and from the current government that this is a priority.

I know that there have been some small midshore vessels built. I know that there has been some retrofit money assigned. But with regard to the new builds, especially to have them built in Canada, I'm wondering when the glorious day will be that we'll actually see a tender go out to a company in Canada to start building those icebreakers and those larger vessels that we require.

Is there any indication from government that this is happening?

**Mr. David Bevan:** I'll turn to my colleague.

**Mr. Michael Gardiner (Director General, Major Crown Projects, Department of Fisheries and Oceans - Canadian Coast Guard):** Thank you very much, Mr. Chairman.

To update the committee and the honourable member on the current status of our major vessel builds, I'd like to confirm that the midshore patrol vessels, the nine midshore patrol vessels, 142-foot, for conservation, protection, and security are actually in contract with Halifax Shipyard. We look forward to cutting steel in the summer. The first vessels will actually begin to be delivered in the summer of 2011, so it's well in hand.

On the other two science vessel projects, the offshore oceanographic science vessel, the replacement for the *Hudson*, our request for proposals for firms to complete the detailed design work for that project is closing this coming week, and we hope to have in contract quite soon. It will take about a year to complete the design work, then we'll be in position to move to the shipyard to construct, with delivery in the order of 2013.

Similarly, with the offshore fishery science vessels—the replacement for the vessels that do the stock assessment work—it's a very similar track to that of the CCGS *Hudson* replacement. We're about to conclude the RFP process for the design work. In about a year, we'll be in a position to have the design in hand and then be in a position to go to the shipyard for construction.

Then, for the polar icebreaker, there was \$720 million announced in a budget several budgets ago. That is on track for delivery and entry into service in 2017. That's a very major project and is taking longer than the others.

**Mr. Peter Stoffer:** If I'm not mistaken, to design, to tender, and to build a vessel of that type could take up to seven to nine years. They don't simply come off the rack tomorrow; you can't go to the store and buy them tomorrow. They take quite a long time to build.

Wouldn't there be any funding allocations starting now, indicating that you get so much this year and so much next year? Wouldn't there be some sort of an indication that this is happening? Because it sure would be kind of neat, especially now that we have a major deficit facing our country. This is one of the projects that I fear may

unfortunately be set back because of that. I'm wondering if the funding is indeed on the way for that project.

● (1615)

**Mr. Roch Huppé:** We've actually accessed some funding, starting last year, of close to \$8 million. We have \$8 million earmarked for this fiscal year. We're actually in the design phase of this project. So yes, money has been accessed to start the project.

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

**Mr. Michael Gardiner:** Just to update you on that, we expect the design contract in 2011.

**Mr. Peter Stoffer:** Thank you. That's good news.

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

Mr. Kamp.

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

Thank you, colleagues, for coming and helping us with these main estimates.

I have just a few questions. If there's time left, maybe my colleagues will have some as well.

With respect to small craft harbours, did I hear correctly that there has been a kind of structural change about where they fit into the organizational structure? I just wonder if you can tell us anything about that.

**Mr. David Bevan:** Yes. Small craft harbours will be a part of the ecosystems and fisheries management sector. My colleague is helping me out with the details and responses, as the learning curve is probably a little longer than two days.

**Mr. Randy Kamp:** So they're going to report to you now instead of—

**Mr. David Bevan:** That's correct.

**Mr. Randy Kamp:** Where were they before?

**Ms. Michaela Huard:** They had reported to me as part of infrastructure and information management. Then, as of December, they reported to me as part of human resources and corporate services. But as of Monday, as David says, they are reporting to David.

**Mr. Randy Kamp:** So you're probably happy to give that up.

**Ms. Michaela Huard:** No, actually, I wasn't, but that's where it belongs right at the moment.

**Mr. Randy Kamp:** I asked the minister about this when she was with us last, I think.

On this freeze on operating budgets that was announced as part of our restraint approach to government, what can you tell us in terms of how that's going to play out, how it's being received, and whether it is affecting morale? I realize that it doesn't mean a freeze on wages as such, but if you could just give us any more detail about that, it would be welcome.

**Mr. David Bevan:** It does create a pressure that we're going to have to manage. That being said, we've managed pressures for every year that I can recall and have been able to keep the operations going. So that causes the same challenges that have been caused by other factors in the past.

We do have a lot of opportunity relevant to the demographics, so there are not expected to be any major impacts on individual staff. It's not having a significant impact on morale as far as I can tell.

Perhaps you could add some details.

**Mr. Roch Huppé:** I'm not sure about morale, but what I can say is that from a financial perspective, yes, we are dealing with it. Obviously we're in budget allocation mode right now, as we speak, and that freeze is, at this point, estimated, because we have yet to receive the final number from the centre. TBS is indicating that sometime this summer they will have completed their analysis.

We have done our own internal analysis. It represents approximately \$10 million to \$11 million for us. That's what is projected right now. We're actually building that into the allocation of the budgets process as a good practice so that managers can actually have a good knowledge as to where their budget stands and there can be better budget management to absorb that pressure.

**Mr. Randy Kamp:** Okay. Related to that, a strategic review has already been mentioned. As we know, Fisheries and Oceans is one of the departments that will have the pleasure of going through that process. I do know that it's a very interesting and challenging process. I wonder if you could tell us more about it, about the internal workings of it.

I assume that it's a challenge to identify 5% of lower-priority programs and so on. How do you finally get there? Also, what is the whole process of getting it back to Treasury Board and so on and where you finally land with some decisions?

**Mr. Roch Huppé:** As you know, I guess, the details of it are confidential. The numbers will actually come out through budget 2011, but I think the department is well on its way to addressing strategic review.

We've built a solid governance structure to address that, so we have steering committees. We have formed what we call challenge teams, which include certain ADMs. We're building the information. As you know, strategic review is basically a government-wide reallocation exercise. It makes us do a complete review of all of our expenses. I think that's the important point.

Right now we're at the level where we're finishing off the review of all of the expenditures of the department and all of the programs, and we're basically working on putting forward proposals for reallocation. We're working closely with the central agencies on that part. They're actually included in our steering committee and our challenge team.

We actually got some feedback saying that the process we're following is a model that should be followed, so I think it's going out well. Now, I mean, it is a tough exercise, but at the same time, I think it's also an opportunity to redesign our program delivery.

• (1620)

**Mr. Randy Kamp:** So you look at every program, then, or at every expenditure, most of which I assume are in programs, and you look at available evidence to see that it's actually meeting our mandate or your mandate in a cost-effective way. So what do these challenge teams do, then?

**Mr. Roch Huppé:** To come back to what you said, yes, we look at every program and we do rely on certain data, such as, for example, audits and evaluations that would have been done on the relevance and effectiveness of the different programs. We take a look at it from the aspects of relevance, effectiveness, and the efficiency of the delivery of a program.

The difference this year is that the central agencies have also asked us to do a complete review of what we call our internal services expenses, and not only the program expenses, so we have to produce data on that front also.

The challenge function is basically that of challenging the different areas and different ADMs as to the assessment of the different programs being high-priority programs versus low-priority and the high risk of putting something on the table, and looking at the funding aspects and the savings that could be generated from those decisions.

You have to keep in mind that in the strategic review exercises, as these proposals are accepted by the centre, the actual funding will be removed on a three-year basis as part of our budget on April 1. So I think one of the important aspects of making this a success is to ensure that the decisions made will actually generate the savings in the timelines we will have set for ourselves. Because if they don't show up, it creates additional pressure from a funding aspect.

**Mr. Randy Kamp:** Finally, on a different topic, I wanted to take this opportunity to welcome Dr. Mithani. I think this is the first time we've had an opportunity to meet you. I wonder if you are able to tell us a little bit about how you came to be in this position and where you came from? Was it from within the department or elsewhere?

Do you have the general layout of the science program as you see it? Do you bring any new perspectives to it, or new focuses, new ambitions? With respect to the main estimates, do you see us spending enough on science and how it's broken down and so on?

Could you give us just a general overview of your position?

**Dr. Siddika Mithani (Assistant Deputy Minister, Oceans and Science, Department of Fisheries and Oceans):** Thank you very much.

I come from Health Canada. I had been in Health Canada for a very long time. My background is that of a scientist, so from Health Canada I bring my scientific experience as well as regulatory knowledge, with which I hope I can make a valuable contribution to the Department of Fisheries and Oceans.

When I look at science in DFO as compared to science elsewhere, I actually feel privileged to be in this department, because science is independent, it's transparent, and it's open. For me, the scientific priorities are really well articulated in our science plan as well as in the plan of the department. So from my perspective, it's very exciting to be in an organization where science is not only part of the department but also provides a service to the other sectors.

As we move forward, some of my focus is going to be on ensuring that the science we have is quality, that it has an impact, and that it's relevant, as well as on looking at partnerships externally, with academia and industry, and also internationally, in terms of being able to get the best science possible so that we can make fundamentally appropriate science decisions.

• (1625)

**Mr. Randy Kamp:** What's my time?

**The Chair:** You have 30 seconds left.

Mr. Andrews.

**Mr. Scott Andrews (Avalon, Lib.):** Thank you, Mr. Chair.

I'll get back to the small crafts and harbours announcements and the funding allocations. I have a few questions.

Michaela, does the department have input into when these announcements are made and the preparation going into them? Whose decision is it to make these announcements and when?

**Ms. Michaela Huard:** The government usually chooses when to make particular announcements. We had to work on the plan. We had to provide the advice. Decisions had to be made with respect to the plan. Then work has to be done with respect to preparing for the announcements.

As I recall, the committee's recommendation was to ensure that decisions were made, approved, announced, and tendered by June 1. That's what we're working very hard on to ensure it happens. Work is continuing. I do want to point out that the work is continuing. We're not holding up any of the tendering or the work in the harbours, which I think is the critical part.

**Mr. Scott Andrews:** Was the department ready to make these funding announcements when they were made?

**Ms. Michaela Huard:** Yes.

**Mr. Scott Andrews:** I find it very strange, because we have five cleverly crafted press releases from the department, and all of them are exactly the same, except to insert one sentence from one particular minister or unelected senator.

Other announcements from the departments have come with backgrounders. One that was done on February 15 on small craft harbours came with a backgrounder. The ones that were done last year came with a backgrounder. Why were backgrounders not provided with these five announcements last week?

**Ms. Michaela Huard:** I have to confess that I'm not responsible for the communications function in the department. I don't know the details of any discussions there have been with respect to the minister's office as to particularly how the announcements are to be done.

We're very lucky this year to have so much money with the economic action plan. There are a lot of projects to get out and I expect it was simply a decision that we wanted to get the information out as quickly as possible. We've done it by province. I know there are further announcements that are being made. As I said, I believe there will be one in Quebec this week. There will be further ones and the details will be out as soon as possible.

**Mr. Scott Andrews:** When Mr. Byrne asked the question, you said that you would be announcing the projects later. So why wasn't it done the same way as it has been done every year? Can anybody answer that?

**Ms. Michaela Huard:** I wasn't involved in those discussions, so I couldn't tell you precisely.

**Mr. Scott Andrews:** Is the money that was announced—\$20.3 million for Newfoundland and \$12 million for Nova Scotia—actual money that's going to be spent on small craft harbours? Does that work include only small craft harbours?

**Ms. Michaela Huard:** Yes, those are the amounts for projects in those particular provinces for small craft harbours.

**Mr. Scott Andrews:** So we'll see a list that will tally \$20.3 million for that particular province.

**Ms. Michaela Huard:** Yes.

**Mr. Scott Andrews:** So there was no planning money put into these announcements as part of a total package in terms of the figure?

**Ms. Michaela Huard:** Okay. If I might be clear with respect to what we mean by planning money, when we do a project, there is money required to do the engineering studies and environmental studies, and there is work for construction. All of that will be totalled in a project.

If that's what you mean, the announcements.... Some of those projects will start at the planning phase and some will be in construction. Some will require tenders right away. It varies by project.

**Mr. Scott Andrews:** So it's not departmental planning money that was put into that figure to come up with \$20.3 million?

**Ms. Michaela Huard:** Do you mean the work involved in us coming up with determining what the totals would be? No, that would not be included in those amounts.

**Mr. Scott Andrews:** How quickly can we get a list for what you've announced? How long will it take to provide us with a copy of the list on the announcements that were made last week?

**Ms. Michaela Huard:** I believe the minister's office is working as we speak to roll out the rest of those announcements.

**Mr. Scott Andrews:** So are you going to re-announce it? I'm a bit confused. How come you can't say "here's your list for \$15 million, \$12 million, \$8.5 million, and \$3.2 million"? How come we can't get that list, like, tomorrow?

**Ms. Michaela Huard:** I believe that the government...that our minister's office has determined that it wants to announce these projects and will be doing so in the next few weeks as soon as they are in a position to do that. There is work to be done to prepare the releases, to prepare the detail to get that out there. I believe that's what's under way now.

**Mr. Scott Andrews:** But you've already made the announcements about the money and you've flipped out names of communities; in all of these cases, there are no specifics in any of them like there were in previous years. Now you're saying, okay, we're announcing it once, and we're going to come and announce it again next week. In your opinion, were these announcements rushed?

• (1630)

**Ms. Michaela Huard:** Mr. Chairman, I don't know the discussions; this is discussed between our communications section and our minister's office. I was not involved in those conversations.

**Mr. Scott Andrews:** I have one other question. Is the small craft harbours divestiture program only for recreational harbours? Has anything changed on that?

**Ms. Michaela Huard:** No. It includes some non-core harbours as well as recreational harbours. The emphasis with the \$45 million that we got in budget 2008 or 2009—I forget which year—is mostly on recreational harbours, but there are divestitures of non-core harbours happening as well.

**The Chair:** Thank you.

Monsieur Blais.

[Translation]

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

That reminds me of Mr. Andrews' question, and what tends to happen both in Quebec City and Ottawa. It is almost a Liberal trend, or at least, something invented by the Liberal government—announcing funding for a specific project, and then making individual announcements, on a case-by-case basis, when the work is about to begin, then again when a progress report is made on the work that is underway, and then another announcement when the work is over. You can see how many announcements may end up being made about a single project. It can end up being announced ten times.

My question relates to prevention. I suppose the Department does do some planning in anticipation of potential disasters. The one in the Gulf of Mexico has been a shock and has made us realize the kind of thing that can happen.

Has the Department thought about an environmental disaster occurring in the Gulf of St. Lawrence where, rather than being filled with resources, it could be oil spilling from a ship, such as what happened with the *Irving Whale* off the coast of the Magdalen Islands. We have experienced this kind of thing before. What plan is in place to deal with a disaster such as this? Has this kind of thing been considered?

**Mr. David Bevan:** Of course, there are currently problems with respect to the ground fish population and the productivity of the Gulf of St. Lawrence where ground fish and other species live. We want to examine the situation and see whether major changes are occurring in the ecosystem.

As regards a disaster such as the one in the Gulf of Mexico, there is no similar industry in the Gulf of St. Lawrence. Were there to be one, the government would have to make decisions and set standards, in order to avoid the kind of problems that occurred in the Gulf of Mexico.

**Mr. Raynald Blais:** Commentators and experts are saying that if a disaster similar to the one in the Gulf of Mexico were to occur in the Gulf of St. Lawrence, it would be even worse because the land is close to the shoreline and the geography is completely different. I suppose that we have an obligation to be even more vigilant now, in case something like that happens.

**Mr. David Bevan:** It is difficult to answer your question, because we are talking about a hypothetical situation.

**Mr. Raynald Blais:** The *Irving Whale* disaster did occur, however.

**Mr. David Bevan:** Yes, that's true.

**Mr. Raynald Blais:** This is not a hypothetical situation; it has happened before. Hydrocarbons and PCBs from the *Irving Whale* were put in bags. They were buried in the subsoil of the Magdalen Islands. Now those bags are emerging from the ground. It is just unacceptable. This has happened before, so we are not talking about a hypothetical situation. How are you responding to this sort of situation?

**Mr. David Bevan:** We dealt with the *Irving Whale*. We set up a closed area around the site where the *Irving Whale* sank. We did respond. The Coast Guard also took a very effective action. Do you need additional information in that regard? If you do, we may have to forward it to you later.

• (1635)

[English]

**Mr. Michael Gardiner:** With respect to the safety and planning for any contingencies around offshore oil platforms, they are with the National Energy Board and Natural Resources Canada in the first instance.

The coast guard maintains the capability to respond to ship-source oil pollution, and of course, in any urgency like that seen in the Gulf, we would stand by to put forward all the resources of the coast guard to help the lead agency to mitigate. But the planning and response for offshore oil platforms in Canada are with the National Energy Board in the first instance.

[Translation]

**Mr. Raynald Blais:** That is not what I am asking about. You are in charge of a Department whose responsibilities include conserving the resource. An oil spill affects the resource. I am wondering how the Department is preparing for this kind of eventuality.

**Mr. David Bevan:** It is a possibility, from the government's standpoint, obviously. If a problem occurs in future, we will do what has to be done to resolve it. As for the *Irving Whale*, it was refloated and is no longer there; we took action to avoid there being health problems for consumers. We had to close off a small part of the Gulf of St. Lawrence.

We have to work with the other departments to deal with the problems and take action at the appropriate time. I cannot tell you what will happen in future, with respect to an industry that does not currently exist.

**Mr. Raynald Blais:** What you are saying is that the Department may react. It will react, but it will not act.

Personally, I am not asking you to react. I am asking you to act. There is a difference.

[English]

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

Mr. Donnelly.

**Mr. Fin Donnelly (New Westminster—Coquitlam, NDP):** Thank you, Mr. Chair.

I apologize for being late. I understand that my colleague was here for the first round of questioning, and he may have to jump in if he's already asked these questions.

In terms of the overall department, I'm wondering if you could quickly give me the percentage of the budget that will be spent in the Pacific region, what the actual dollar amount will be, and how many FTEs that will be.

Finally, based on Minister Day's recent announcement in terms of the 5% reduction, where will this be realized in the department and where will the cuts come?

**Mr. Roch Huppé:** Basically, the funding allocated to the Pacific region as per the 2010-11 main estimates is \$266 million. I don't have the details on the number of FTEs at this point.

**Mr. Fin Donnelly:** Thank you.

Can you just tell me what percentage that is of the overall budget?

**Mr. Roch Huppé:** Yes, I have that on another page. Actually, we went through that presentation. From a personnel perspective, I can tell you from a Pacific perspective that out of the \$266 million, \$179 million is affected to personnel costs—for example, salaries. Percentage-wise, we're talking about 13.5% of the overall budget.

**Mr. Fin Donnelly:** Thank you.

Could you forward the FTE numbers at a later date?

**Mr. Roch Huppé:** Sure.

**Mr. Fin Donnelly:** In terms of the cuts, do you have any information?

**Mr. David Bevan:** There's a process in place right now in which we're looking at proposals to take through a process; we need to have material going to Treasury Board on June 10. After that, there will be discussions and decisions taken by the government as to which proposals they wish to proceed with, etc. We will not have those cuts identified until budget 2011.

**Mr. Fin Donnelly:** Thank you.

In terms of the wild salmon policy, what funding is allocated for ensuring the implementation of the wild salmon policy?

• (1640)

**Mr. David Bevan:** The policy is first approved and put in place. There was funding provided. I'll have to provide that to you in

writing, as I can't recall the exact amount, and we'll have to look at whether that funding has been continued in this year's budget.

**Mr. Fin Donnelly:** Great. Thanks.

In terms of the funding for watershed stewardship, how would you describe the funding for that? Has it increased or decreased, especially in the Pacific region?

**Mr. David Bevan:** Again, we'll have to get back to you with the details. There has been money set aside for groups in the Fraser River. That has not changed and is still there, but I think your question needs a more specific response.

**Mr. Fin Donnelly:** I'm not sure if my colleague asked a question on the coast guard.

**A voice:** Yes.

**Mr. Fin Donnelly:** He did? Okay. I'll move on to looking at science.

I'm wondering why there's no capital investment earmarked this year with regard to the program for healthy and productive aquatic ecosystems or, if there is an allocation for scientific research, it's somewhere else.

**Mr. Roch Huppé:** [Inaudible—Editor]...capital funding earmarked for that purpose, actually.

**Mr. Fin Donnelly:** I'm just looking at last year's numbers and wondering if they're the same. I'm looking at the allocation for scientific research. Maybe you could enlighten the committee as to what the amount was last year and if it's the same this year or if there's an increase or reduction.

**Mr. Roch Huppé:** On the research aspects?

**Mr. Fin Donnelly:** Yes, for scientific research in general for the department.

**Mr. Roch Huppé:** For science-based activities, what we have as part of these numbers is basically about the same thing. All science activities relating on that basis are close; if you take a look at the main estimates, you'll see that our numbers are within a couple of million dollars.

To come back to your potential capital number, there's no actual capital from a science perspective, but there are investments in ships, for example, for science equipment. That forms part of the capital expenditures under, for example, the funding that goes into building the ships.

**Mr. Fin Donnelly:** Okay. Thank you.

**The Chair:** Mr. Allen.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

I just have three questions. For whatever time is left, one of my colleagues might want to use that.

On your “Significant Decreases” page, I have two areas. One is the invasive species. I understood from the earlier comments that some of that is going to be re-accessed for 2010-11. That's to come up with a strategy for dealing with aquatic invasive species. Where would the money be in this budget to actually deal with a work plan where you had to get rid of an invasive species? Next, and maybe first of all, when is that strategy going to be done?

**Dr. Siddika Mithani:** Mr. Chairman, I'm wondering if I could have one of my technical experts respond to that question.

**The Chair:** Sure.

**Dr. Siddika Mithani:** Thank you.

**Mr. Roch Huppé:** Maybe I could tell you in the meantime that the \$4 million has been reintroduced. The actual number is \$4 million in an ongoing purpose for that under budget 2010, so it's the same amount going back in.

**Mr. Mike Allen:** But you call it a “strategy”.

**Mr. Roch Huppé:** Yes.

**Mr. Sylvain Paradis (Director General, Ecosystem Science, Department of Fisheries and Oceans):** What happened five years ago when we had the first plan is that we sat down with the provinces and developed a full action plan with numerous actions. Then, what the government decided to do was to invest in prevention, because when the different species are established, it's very difficult to deal with.

The \$4 million is actually for direct activities. There's \$2 million of the \$4 million that is attached to the sea lamprey program in the Great Lakes. It's a Canada-U.S. joint agreement that has been going on for about 50 years now. This \$2 million was actually to bring the Canadian contribution to par with the American one.

The extra \$2 million is for the performance of various scientific activities, policy and regulatory activities, and all associated socio-economic activities. For example, \$600,000 is being provided to the regions to do monitoring and detection of new species.

There's about \$600,000 that is going directly to research. Out of the \$600,000, there's \$200,000 that goes to support a joint DFO-university research network on invasive species that is funded by NSERC at the level of \$1 million per year. Over the last five years, we've had that. The network is based at the University of Windsor and they're coming back with a proposal to expand further and have some Arctic activities because we're facing new challenges up there.

• (1645)

**Mr. Mike Allen:** So for example, if someone introduced—I won't call it an alien species—a species that is common in North America but not in the specific watershed, would that same type of funding come out of there for action taken by DFO to eliminate that?

**Mr. Sylvain Paradis:** The department has been putting in more than this \$2 million. We have other funds like those in the habitat program and the fisheries management programs where we can actually devote some of those resources to direct watershed action.

We have the smallmouth bass issue in Miramichi—

**Mr. Mike Allen:** Yes.

**Mr. Sylvain Paradis:** That was introduced. There is currently an action plan being developed jointly with the province to take some action.

Some of the funding to do this is coming from funding pots other than this limited \$4 million due to the fact that this is an expanding sector of activity.

**Mr. Mike Allen:** The other reduction is a re-profiling of funding for the St. Andrews Biological Station. You've re-profiled \$7.1 million. Can you tell me what that means?

**Mr. Roch Huppé:** Like I said, we had spending patterns to complete the construction—just give me a second and I will flip to the right page—and basically that was earmarked as part of our budget for the funding for the St. Andrews Biological Station. Some of the money we had put aside starting in 2007 and 2008, and we had the money set aside in 2008-09, 2009-2010, and 2010-11 to complete that project. We're talking about \$200 million.

As I said earlier, as we moved into that construction project, some of the costs had been deferred to further years through what we call the annual reference level update process. What we did with the authority of the central agencies was to move money from one year to the other year so we wouldn't lose that money because it was for a construction project.

**Mr. Mike Allen:** So it's not going to have any negative impact on the construction?

**Mr. Roch Huppé:** No. The funding envelope stays the same. We're just moving the money around because the spending will happen in different years.

**Mr. Mike Allen:** Okay. Thank you.

**The Chair:** Thank you.

Mr. MacAulay.

**Hon. Lawrence MacAulay (Cardigan, Lib.):** Thank you very much.

Welcome.

In the lobster fishery there was \$15 million for transitional funding. Was it \$8.5 million that was used? How much of that went into the fishermen's hands? Will this program continue and will it follow the same criteria?

One of the biggest concerns in this program was the 25%. You had so many fishermen who were at 24%, 23%, and 22%, and in very difficult situations financially, but that meant they didn't get the money. I'd like you to address that problem.

**Mr. David Bevan:** We received the money with terms and conditions that had to be met in order for us to flow the money out. There were standards or conditions that had to be met by the various lobster fishing areas and by the people who were applying for that assistance.

**Hon. Lawrence MacAulay:** I might add, though, that these conditions were put in place by the Department of Fisheries and Oceans without consultation with the fishermen.

**Mr. David Bevan:** They were put in place by the Government of Canada and we were charged with the responsibility of administering the program and adhering to those terms and conditions. Those terms and conditions were targeted to people who had experienced a significant drop in income and who were reliant on that income. If there was an area where individuals had a suite of licences and their income didn't drop by the required amount, then they were not eligible. If they made over a certain amount of money, they were not eligible, and so on and so forth.

Most of the money was put in the hands of the fishermen. There was an amount for administration and then there was an amount that was lapsed as a result of not having the uptake. Many of the fishermen were able to offset the lower prices by increasing fishing effort and by catching more lobsters. There was less uptake than was originally expected or anticipated, and that money was lapsed. The vast majority of the money that was spent was put in the hands of the fishermen who qualified.

• (1650)

**Hon. Lawrence MacAulay:** So you would say over 90% of the money.... Was it \$8.5 million? Or what was it?

**Mr. David Bevan:** I'll have to get the exact numbers, unless my colleague has dug them out.

**Hon. Lawrence MacAulay:** The big problem—

**Mr. David Bevan:** The total payments were \$8.498 million.

**Mr. Roch Huppé:** There was another portion of the program also, for 2009-10. It was a five-year program when it was introduced last year. As Mr. Bevan said, there was \$8.6 million that went out on what we call the short-term program. For the long-term program, basically \$3.2 million out of \$6.5 million went out. We have managed to re-profile—

**Hon. Lawrence MacAulay:** What was that again?

**Mr. David Bevan:** There are two programs. One was the short-term program for income and that's over.

**Hon. Lawrence MacAulay:** Is that over?

**Mr. David Bevan:** It's over.

**Hon. Lawrence MacAulay:** So it will not be continued.

**Mr. David Bevan:** That's correct. It's over.

**Hon. Lawrence MacAulay:** So the money that lapsed goes back to the federal treasury.

**Mr. David Bevan:** On that portion, that's correct.

**Mr. Roch Huppé:** On the longer-term program side, that money continues for another four years. As I was saying, there's \$3.2 million out of \$6.5 million earmarked for last year that has been spent, leaving close to \$3 million; \$2.9 million of that was actually re-profiled to future years, so we're not losing that money. We're going to be able to reinvest it.

**Hon. Lawrence MacAulay:** But looking at the situation, the lobster price today is worse than it was a year ago. You're just in the management area of it. Over the next number of years as this rolls out, what projects, what programs, will be put in place to help sustain the fishery?

**Mr. David Bevan:** There is a program in place now for the longer term that would require the LFAs—lobster fishing areas—to identify

how they wish to respond to the conservation requirements. They'd have to come forward, as has been done, with carapace size increases, with proposals for a reduction in the participation in the fishery and so on, and how they're going to contribute to that adjustment.

Those are still in place. We are working with the fishermen's organizations to try to get those proposals developed and in to us for consideration. They will be in play for several years in the longer-term program.

But there is no direct subsidy or anything of that nature with respect to prices. We have marketing programs; we have worked on that collectively with provinces. We have the long-term program that would help respond to conservation and also adjust effort to the available resource so that people can make a bit more money.

**The Chair:** Thank you.

Monsieur Lévesque.

[Translation]

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

Before I ask my question, Mr. Bevan, I must say that I am very disappointed by the answer you gave my colleague about a potential disaster. We were talking about the *Irving Whale*. We were not talking about the *Exxon Valdez*. There is currently a glaring example, with the disaster happening in the Gulf of Mexico, and right here in this country we have a well off the coast of Newfoundland and Labrador, close to where we live. I, personally, would be concerned about the possibility that a disaster similar to what we saw in the Gulf of Mexico might occur anytime now in Newfoundland. We know that the same company would like to drill a well in the Beaufort Sea—no, not in the Beaufort Sea, but in Canada's North—making exactly the same mistakes it made in the Gulf of Mexico. As a Canadian, I would be very concerned about the lack of any plans. It would be like someone becoming ill with cancer without any studies ever having been conducted on this disease—in other words, the studies would only begin once someone actually became sick.

I very much hope that Ms. Mithani, who is a scientist, will pressure you to have studies conducted, in anticipation of a potential disaster. It may never happen, but prevention is a lot cheaper than cure. I think we should start looking at this. I believe it was Mr. Gardiner who said that this is the Department of Natural Resources' responsibility. But it is also a very major responsibility for Fisheries and Oceans Canada.

I am going to ask my question and you can respond to both items at once. As regards the seal harvest, you said that you could not authorize large-scale harvesting at this time, because you are trying to market seal by-products and negotiate with other countries to sell those products, so that there is no waste. Perhaps Mr. Huppé could also answer. Is there a budget in place for seal marketing activities, other than what is needed to secure markets? Are you targeting consumers in different countries?

•(1655)

**Mr. David Bevan:** There is no budget *per se*, but the Department has taken a lot of initiatives in that area. We have travelled considerably to discuss this with officials from European Union countries. We have also taken some initiatives to try and secure other markets. Based on our budget process, there is no specific budget allocated for seal, but there are budgets for a variety of different activities, and we have spent a lot of time looking for the best markets for both the skins and other products, such as oil. That is all I can tell you.

**Mr. Roch Huppé:** Budgets are not divided up that way. However, that does not mean there is no spending in that area.

In terms of the budget plan and the expense codes, our account chart is not structured that way. Quite a lengthy exercise would be required to identify those expenses.

**Mr. Yvon Lévesque:** Ms. Mithani, I hope you will use your weight to give some people a nudge.

[*English*]

**Dr. Siddika Mithani:** *Merci beaucoup.*

As I walk into the department and look at the work that's being done, there is no other way but to work together in looking at how we address the whole issue of reaction, prevention, and rapid response. I'd like to stop at that.

[*Translation*]

**Mr. Yvon Lévesque:** Do I have any time left, Mr. Chairman?

[*English*]

**The Chair:** You have 20 seconds.

[*Translation*]

**Mr. Yvon Lévesque:** Thank you very much.

**Mr. Raynald Blais:** What ever happened to Loyola Sullivan, the infamous Fishery Ambassador? We don't hear about him anymore. Where is he?

[*English*]

**Mr. David Bevan:** He didn't...[*Inaudible—Editor*]

**Voices:** Oh, oh!

[*Translation*]

**Mr. David Bevan:** He was in Brussels last week.

[*English*]

**The Chair:** Thank you.

Mr. Donnelly.

**Mr. Fin Donnelly:** Thank you, Mr. Chair.

I'm wondering how much is going to be spent annually for salmon enhancement in British Columbia.

**Mr. David Bevan:** Their budget has not changed for 2010-11.

**Mr. Fin Donnelly:** Which is...?

**Mr. Roch Huppé:** The total budget, as we said, was \$266 million, but I don't have the number for salmon enhancement. I can try to find it for you.

**Mr. David Bevan:** We'll have to get you the exact numbers. It's in the vicinity of \$25 million or \$27 million.

**Mr. Fin Donnelly:** Okay. It was \$26 million last year, so it's about the same...?

**Mr. David Bevan:** Yes.

**Mr. Fin Donnelly:** I believe there was discussion in the past about having a halibut summit. I'm wondering if there's funding for a halibut summit on the west coast.

**Mr. David Bevan:** On the west coast? Again, I don't have that information. We will have to get back to you on that. Obviously we have a lot of discussions regarding halibut. There's work done scientifically and there's the International Pacific Halibut Commission, etc.

The way we run our budgets is that they're not activity-based budgets but are based on salaries, etc., and I'll have to look into whether or not there's going to be participation in a meeting under the name of "halibut summit".

**Mr. Fin Donnelly:** Okay. Thank you.

I don't know if staffed lighthouses came up earlier in the meeting, but I'm wondering if there are plans to maintain the current level of funding for currently staffed lighthouses in the country.

**Mr. Michael Gardiner:** The budgets for staffed lighthouses have not changed this year. They remain substantially the same. We can take out the numbers, but substantially there has been no change there.

•(1700)

**Mr. Fin Donnelly:** Do we foresee that continuing into the short-term future of three to four years?

**Mr. Michael Gardiner:** I couldn't speak to the short-term future. As you know, that issue is being looked at by the Senate committee.

**Mr. Fin Donnelly:** Thank you.

In terms of habitat and enforcement, I'm wondering if there's been any change in the level of funding from last year to this year.

**Mr. David Bevan:** No, nothing substantial. There might be some minor changes, but nothing substantial.

**Mr. Fin Donnelly:** In terms of the aboriginal inland habitat program, is there any comment on the stated goals and whether they have been achieved?

**Mr. David Bevan:** I don't believe there has been. We had an evaluation on the Atlantic programs, not the inland habitat, which did indicate we were meeting our objectives. There has been no evaluation of that program recently. Of course, we believe we are meeting our goals as program managers, but I think you'd be looking for something independent to verify that.

**Mr. Fin Donnelly:** Okay. Thanks. Those are all the questions I have.

**The Chair:** Thank you.

Mr. Weston.

**Mr. John Weston:** Thank you, Chair.

It's difficult to ask a question that Mr. Stoffer didn't already ask, but I'll try to do that.

**Voices:** Oh, oh!

**Mr. John Weston:** It must be an incredible task to put together a \$2-billion budget and to do it under stringent reviews as you've been doing. Congratulations for getting this far.

If I could go back to aquaculture, which has come up a couple of times, I believe we've heard that there will be some 55 new positions created to take over aquaculture in December. I know that there is a line item for fisheries and aquaculture management, but I'm wondering if there's a specific allocation for those employees.

**Mr. David Bevan:** There is. We received incremental funding for the task of taking on that responsibility from the province as a result of the decision of the court. We are in the process of doing the program design. We have the regulations about ready to be republished and put into the public domain.

We're actively looking at how to design our program. We have certain elements that are under way in terms of staffing and other elements that are going to be developed very quickly. So we're on track. We have the extra money. I'm not sure if it shows up in our budget or not.

**Mr. Roch Huppé:** It doesn't show in our main estimates because it was an off-cycle decision in the last year. It's going to be accessed; actually, there's TB submission being written to access that fund. We have, if I remember, about \$12 million set aside for 2010-11. The overall budget is some \$30 million.

**Mr. John Weston:** So that doesn't appear in what we have?

**Mr. Roch Huppé:** It doesn't appear in the main estimates because we have yet to access that in the fiscal framework.

**Mr. John Weston:** I'm wondering if a budget like this would anticipate the results of the Cohen inquiry. If the Cohen inquiry has implications for the Government of Canada, how do we accommodate that in a budget that may not have anticipated it?

**Mr. David Bevan:** Well, we don't have money set aside in anticipation of whatever might come out of the Cohen inquiry. That would have to be something we would respond to at the time we got the recommendations.

**Mr. John Weston:** I guess that answers my next question. Given the large amount of uncertainty around aquaculture and what might come out of the work done by these new employees, there's really nothing in the budget yet that would be triggered by events as they unfold. Is that right?

**Mr. David Bevan:** I could put it that way; I think what we're doing is replacing—not necessarily duplicating, but replacing—the programs run by the province, with a couple of exceptions. One is that we're looking at enhancement of requirements for information. Second is more monitoring and controlled-surveillance types of activities by fishery officers. There are add-ons to what was being done by the province with respect to the compliance side and the information side.

That might, obviously, have some response to some recommendations that may come out of the Cohen inquiry, but we are doing that anyway. We are not anticipating anything in particular coming from the Cohen inquiry, because we have to let that process follow its due course and come to its own conclusions.

● (1705)

**Mr. John Weston:** Okay.

Do you expect that DFO is going to have enough employees to take on the new 55-person quota out of Pacific region or national capital region?

**Mr. David Bevan:** No, it won't be coming out of the national capital region. Most of that is in the Pacific region. It's an operational program. It's done in the region, so very few positions are going to be here in Ottawa, and those will be ones that are focused on the information management. The vast majority of the positions will be in the region, doing the work that has previously been done by the province, or work similar to that, and, of course, by fishery officers.

**Mr. John Weston:** Okay.

I'll share my time with Ms. O'Neill-Gordon.

Thank you.

**Mrs. Tilly O'Neill-Gordon (Miramichi, CPC):** Thank you very much.

I just had one question. The estimates show that the internal services will receive an increase in both operating and capital expenditures for a total increase of \$42.129 million. I'm wondering just what this money goes towards. Does it go for more staff or more equipment? Just what is being done with it?

**Mr. Roch Huppé:** A great part of it, \$38 million, is basically for the increase to the collective agreements, so that's personnel expenses.

**Mrs. Tilly O'Neill-Gordon:** Okay.

That's fine, Mr. Chair.

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

Mr. Byrne, on a point of order.

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

I wanted to follow up on a request for production of papers that I had placed before the minister at an earlier session of this committee, regarding access to information pertaining to commercial fishing licences and also permits. That may be a new clarification, but it should include permits as well, in addition to licences pertaining to the not-for-profit sector associations and NGOs.

I had asked the minister—the question was deferred to some of her officials—whether or not that information could indeed be provided to the committee. If I remember correctly, a subsequent answer did not come from the officials but through the parliamentary secretary, I believe, saying that the information was indeed available to the committee and that it was being compiled for submission to the committee.

That was, I dare say, a couple of months ago now, so I was wondering if I could ask, through you, what the status of that particular request is and whether or not it takes two months to be able to find out who actually has fishing licences in this country.

**The Chair:** Thank you, Mr. Byrne. Your point is taken. The clerk assures me he's been working with the department. As you recall, the department did say that it would take some time. The date they gave to provide that information was May 11. In his last contact, they assured him that they should be able to meet that date, as we last discussed. We should have the information you requested by May 11, which is next Tuesday, I believe.

**Hon. Gerry Byrne:** Then, Mr. Chair, on that point, today, in a specific request, I asked specifically for the production of papers pertaining to the list of the actual recommendations submitted by the regions to the national headquarters region surrounding the small craft harbours' budgets. Given the Speaker's ruling and given the spirit of cooperation that I'm sure we have from the witnesses, would we be able to get an answer by May 11, and assuming that all is well, those lists by May 11 as well? I ask that through you to the witnesses.

• (1710)

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

I would ask if the witnesses could provide such a list and could report to the clerk on the possibility of providing that list.

**Hon. Gerry Byrne:** By May 11.

**The Chair:** By May 11. Sorry.

**Mr. David Bevan:** Thank you, Mr. Chairman.

There's some difference between the two requests. One is pertaining to the allocation that has been taken, and that is coming to the committee by May 11, as stated. The other is advice and we'll have to undertake whether or not that advice can be shared with the committee. We'll try to get you a response to that as soon as possible.

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

**Hon. Gerry Byrne:** Mr. Chair, I understand also that you've asked the clerk and I assume the researcher as well to follow up on... I do believe I made this request for information some time ago. Will you be able to report to the committee as to whether or not that indeed is a factual statement or that it's factually true...?

**The Chair:** As per your comments earlier in the discussion today, I did ask the clerk to review all requests to the department, report back, and assure us that those requests have been met. The clerk will report back, I would assume, at the earliest possible time.

**Hon. Gerry Byrne:** Thank you.

**The Chair:** On behalf of the committee, I'd like to thank the officials for coming today and providing answers to our questions.

I really do appreciate the time and your patience with us in our endeavours to go through the main estimates. Thank you once again.

Committee, we'll take a short break while our guests depart. Then we'll move into committee business.

*[Proceedings continue in camera]*

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