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## Standing Committee on Fisheries and Oceans

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EVIDENCE

**Tuesday, October 26, 2010**

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**Chair**

**Mr. Rodney Weston**



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• (0855)

[English]

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

I'd like to thank our guest this morning, Mr. Swerdfager, for coming to appear before our committee.

Mr. Swerdfager, you've been before the committee on more than one occasion. I know you are quite familiar with our proceedings here this morning. I'd like to invite you at this time to please proceed with any opening comments you'd like to make.

[Translation]

**Mr. Trevor Swerdfager (Director General, Aquaculture Management, Department of Fisheries and Oceans):** Thank you very much Mr. Chairman.

Mr. Chairman, members of the committee, on behalf of Minister Gail Shea I would like to thank you for the opportunity to appear before you again to discuss aquaculture in British Columbia.

As you may recall from my appearance before you on March 22, I am the Director General of the Aquaculture Management Directorate of the Department of Fisheries and Oceans. My role in the department is to support the deputy minister and minister in providing national-level strategic guidance to the department's aquaculture program. In this vein I have been leading the department's work to develop a new aquaculture regime for British Columbia.

My goals here today are to: describe for you the process used to develop the proposed Pacific aquaculture regulations; highlight the main content points of the regulations; and summarize our plans for implementing the regulations when they come into force.

I should note at the outset that my remarks are made from the perspective of the Department of Fisheries and Oceans and are not presented as legal opinions or advice to the committee. Discussion of the legal aspects of these issues is beyond my expertise and mandate.

[English]

For the next few minutes I will no longer inflict my French on you. I will switch to English instead.

The committee has no doubt already been provided with contextual material on aquaculture in general, and in British Columbia in particular, with a particular emphasis on the British Columbia Supreme Court decision on aquaculture. I will not,

therefore, rehash that general material here for you this morning. Instead, I'd like to just cut straight to the chase and focus on the emerging regulatory regime for aquaculture in the province.

As the committee will recall, in February 2009, the B.C. Supreme Court ruled that finfish aquaculture is a fishery and that the elements of the B.C. provincial aquaculture regulatory regime that address fisheries aspects of finfish aquaculture are beyond provincial jurisdiction. The court therefore struck down the finfish aquaculture waste control regulation and directed that the provisions of the British Columbia Fisheries Act that deal with aquaculture be read down to apply only to marine plants.

The court also ruled that the provisions of the Farm Practices Protection Act that apply to fisheries aspects of aquaculture are also invalid. The court, however, did uphold the province's authority to issue leases and tenures for aquaculture operations using these lands. In recognition that a new regulatory regime could not be put in place overnight, the court suspended its decision for one year to February 10, 2010. This suspension was subsequently extended by the court to December 18, 2010, at which point it will come fully into effect.

The net effect of the decision is that whilst provincial responsibilities with respect to leasing the land base for aquaculture remain in place, provincial regulations addressing finfish and shellfish operational matters, such as environmental management, escape prevention, net strength, and so forth, have been struck down and must be replaced by the federal government.

The Department of Fisheries and Oceans has responded to the decision by developing the Pacific aquaculture regulations. In November of 2009, the department issued a discussion document describing the nature of the issue and posing a series of strategic questions for public comment. Workshops were held in Campbell River, Comox, and Nanaimo. Separate workshops were held with first nations under the auspices of the Aboriginal Aquaculture Association, using funding provided to the association by the department.

In addition, under the leadership of the British Columbia First Nations Fisheries Council, 10 first nations workshops were held in first nations communities across the province to outline the nature of the regulatory issues and to directly receive first nations input and views on these issues.

Final reports summarizing these processes were submitted to the department in early April. Throughout that period, several meetings were also held with the Canadian Alliance for Aquaculture Reform, with industry associations, with several individual companies, and with other stakeholders.

Finally, we received approximately 1,200 items of correspondence via our website and regular departmental mail with respect to the proposals.

This wide-ranging input was coupled with our own internal analysis and led to the development of the proposed Pacific aquaculture regulations, which were published in the *Canada Gazette*, part I on July 10, 2010.

Committee members will of course have read the regulations, so I'll just highlight several key points in them rather than going through them section by section.

Importantly, proposed section 1 of the regulations, among other things, defines aquaculture as quite simply "the cultivation of fish". This means that the regulations cover all aquaculture in British Columbia and not just salmon farming. Shellfish, finfish, and freshwater aquaculture operations will be captured under the regulation. In addition, in order to ensure that all hatcheries in the province will be held to similar standards, salmon enhancement hatcheries will also be covered by the regulation.

Section 2 of the regulations stipulates that they will apply only in British Columbia, a point worth emphasizing. The federal government has no plan to expand their application to any other part of Canada and has no intention of seeking the resources or the policy mandate that would be required to do so. This is a regulation that was made for British Columbia and will apply only in British Columbia.

The regulations will create a federal aquaculture licence regime. When they come into force, there will be a new federal aquaculture licence that anyone wishing to conduct aquaculture in British Columbia will be required to hold. Conducting aquaculture without such a licence will be prohibited under the regulations. Aquaculture operators in the future will be required to hold this new licence, to have a permit for their site under the Navigable Waters Protection Act, and to have a provincial lease.

The regulations authorize the minister to attach a comprehensive suite of conditions to any licence issued under the regulations. These provisions really are the core of the regulations in many ways. They provide the department, we think, with all the tools it needs to effectively manage all aspects of the industry in British Columbia. And every effort has been made to equip the department with the authority to address all aspects of aquaculture management within the context of our mandate.

• (0900)

In keeping with normal practice for fisheries management regulations, this section has been designed to be enabling in nature. It sets out a menu of tools for the department to use, so that licences can be tailored to address the particular management needs of each component of the industry, rather than simply taking a prescriptive cookie-cutter approach.

In many respects, the regulations and conditions in section 4 closely reflect the existing provincial regulatory regime. As a result, to a considerable degree, at least in the short term, operational realities for the industry will not change—production limits will not increase, benthic layer protection standards will not change, and no new sites will be authorized as part of the transition to the federal regime.

However, it is our intent to fully utilize the new regulatory provisions to compel the production of operational and environmental monitoring information by licence holders, and it's our intent to publish this information on our website on a regular basis. In 2011, information regarding licence terms and conditions, farm-related environmental monitoring data, sea lice levels, disease incidences and responses, fish escapes, and a host of other operational matters will be posted on the DFO website pursuant to the information-related provisions of these regulations. In short, we see this regulation as one that will substantially enhance the transparency of the industry in British Columbia.

I would like to also comment briefly on what is not in the regulations. We have not yet included provisions for the charging of a fee for the licences established under the regulations. As part of the posting of the regulations in the *Canada Gazette*, part I, the government indicated its intent to establish a fee schedule for the licences. We did so in the regulatory impact analysis statement. However, at that time, we had not yet determined whether fees charged for these licences would fall under the ambit of the User Fees Act. We have now concluded that the User Fees Act likely does apply to fees to be charged under these regulations, and we will be bringing forward a fee proposal for the committee's consideration later this fall.

We have received a wide range of comments on the proposed regulations and are carefully working through this feedback to develop proposals for cabinet consideration as we move forward to final gazetting. We may well be preparing some changes to the final version. The committee will appreciate, of course, that I am not at liberty to discuss these changes until they are decided upon and published in the *Canada Gazette*, part II. I can assure you, however, that we are very much on track to have the regulations in place before the court deadline.

Turning briefly from the regulations themselves, our primary preoccupation right now is actually upon building the program needed to effectively implement the regulations once they're in place. In June 2010, Treasury Board approved the department's submission outlining an \$8.3 million annual program to administer the regulations, plus an additional \$7 million in start-up costs over the first two years. This funding is incremental to the departmental base. The new programming will not be established through reallocation of existing resources or priorities from elsewhere.

With this new funding in place, we have begun the process of securing office space and obtaining equipment, including vehicles, boats, diving equipment, and the like. We have launched several recruiting processes, which are well under way, and we expect to have new staff in place later this year. We expect that our new program staff will be located predominantly on the island, in communities like Campbell River, Nanaimo, and Courtenay, and there may be a few in Vancouver—and maybe even one here in Ottawa, but I doubt it.

At the same time, we have been working to develop generic licence templates for public review over the next several weeks. These templates will be sent to licence holders, stakeholders, first nations, and others this week. They set out a set of generic conditions for their review. We are also working through the detailed operational guidelines and policies to accompany these licences and to guide operations over the longer term. In many instances, they are simply identical to existing provincial terms and conditions; in others, we are developing new operational requirements, particularly in the area of information reporting. We have also launched the work needed to build the information management and licensing systems over the longer term.

As part of our program design, we are also in the process of establishing a substantial new conservation and protection unit made up of fisheries officers whose primary role will be to enforce compliance with the new regulations. This unit will be established with new resources and will be incremental to the existing conservation and protection program. It will not be created by reallocating resources or priorities from elsewhere. It will establish a substantial enforcement presence on the water specifically focused on aquaculture.

• (0905)

Mr. Chairman, this has been a very busy year for the aquaculture community in British Columbia and for those involved in regulating and managing it. However, we are coming close to the completion of a new regulatory regime that we feel will substantially improve regulatory efficiency, effectiveness, and transparency. We have the resources in place to do the job. Much work remains to be done to get the new program fully up and running, but we have made real progress over the last six months and we look forward to continuing this work in the months ahead.

In closing, I would like to thank the committee once again for the opportunity to be here today. In the unlikely event that you have any questions for me, I'd be happy to address them.

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

Apparently Mr. Cuzner has some questions for you.

Mr. Cuzner.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Thank you very much for being with us today.

Thank you, Chairman.

Just for my own clarification, are salmon enhancement operations in B.C. provincially run or are they, for the most part, private?

**Mr. Trevor Swerdfager:** Sir, they are a mix of three. There are some that are federally run, not very many—

**Mr. Rodger Cuzner:** We do have federal operations?

**Mr. Trevor Swerdfager:** There are a small number of them. There are some that are provincially run and there are some that are a mix. They fall into multiple categories. Their administrative structure is such that it's very difficult to say: here is the standard approach; it looks like this. There is quite a mix of them.

In all cases, though, before they can introduce fish into the water, they require an introductions and transfers permit from the Department of Fisheries and Oceans under section 56 of the fishery's general regulations, so they have a common licence point, if you will. Under the new regime they will all require an aquaculture licence, which will replace that introductions and transfers licence and put them under a single, homogeneous regulatory regime.

**Mr. Rodger Cuzner:** The enhancement facilities will be required to do the same licensing process as the aquaculture operations.

**Mr. Trevor Swerdfager:** The honest answer, in terms of how it will all play out to actually get them licences, is that we haven't worked out the details of that yet, although it's forthcoming shortly. Because the regulations are set up to be enabling, it is not a cookie-cutter, "you must look like this". So, for example, salmon enhancement facilities will have an aquaculture licence that will look quite different from that of a shellfish operator or a salmon farmer and so on. But they will be required to hold a licence and it will require them to report certain information to us in particular.

When we get around to having a fee structure in place, it's not our intent to charge them a fee. It would make no sense. In essence, we'd charging ourselves a fee, so there is going to be a difference there as well.

**Mr. Rodger Cuzner:** Do you have a fairly strong degree of confidence that the essence of some of the provincial legislation that was in place, the waste control provisions, the farm practice protection, those provisions, will be included in the new regulations? Have you taken it pretty much verbatim?

**Mr. Trevor Swerdfager:** We haven't taken it verbatim because the way the provincial regulations are structured, the regulation of aquaculture has occurred in several different places under their regulation and in several policy formats. So it's not just a highlight and cut and paste, put their regulatory text into ours and you're done. Having said that, we are de facto replacing the provincial regime. We think, with a very high degree of confidence, that there's nothing in place in a regulatory sense now in British Columbia that will not be covered under the new regime, with one very small exception. Under the Farm Practices Protection Act, individual aquaculture operators are protected from nuisance suits with respect to odour and noise. Those are not fisheries aspects of aquaculture, so those two specific provisions under the Farm Practices Protection Act will not be addressed by this regulation. Other than that, we have most of the provincial stuff covered.

**Mr. Rodger Cuzner:** You refer to the regulations as being enabling but compelling the operators to comply. If there isn't compliance with the regulations, where do we stand as a department? What sort of ability to deal with contravention of the regulations is there?

**Mr. Trevor Swerdfager:** The key point to keep in mind here is that these regulations flow from the Fisheries Act. They are Fisheries Act regulations, so the full enforcement provisions of the Fisheries Act apply here. I was perhaps remiss in my opening remarks to not emphasize that. You don't see a full-fledged enforcement provision in the regulation itself because it's already there in the act and the fishery's general regulations.

In terms of enforcing compliance, this new unit that we're in the process of establishing—the recruiting has begun and they're in training now—will be fully occupied with ensuring compliance with the regulations. If there is a violation, the range of responses for us is significant. It can range from a fairly small issuing of a direction, if it's a tiny infraction kind of thing to come into compliance, through to the full range of potential prosecutions under the Fisheries Act.

• (0910)

**Mr. Rodger Cuzner:** The other reference you made—it's not often you hear this from witnesses—was that “We have the resources in place to do the job.” That's rare to hear from any witness.

Anyway, I appreciate the fact that it's new money that's going toward this, so that is a positive. You're in the process of acquiring new equipment.

With regard to personnel, where would you be with personnel? You'd stated prior that you were looking at 50 to 55 new bodies on the ground. Give me where you are now.

And how would that compare to the time when the province was responsible for applying those same regulations or similar regulations? What would it be in comparison to what they had on the ground?

**Mr. Trevor Swerdfager:** I'll just answer the last part of your question first. The way we structured our proposal for resources was to do an almost forensic audit of the provincial program to determine how many people they had in place to administer their program, how many operating resources they had, how much equipment they had, and so on.

Essentially what we said was that we would need, in order to deliver similar provisions, roughly the same number of resources, because we're not that much more efficient than the province. We felt that we needed roughly the same number, but we also felt that there were two significant challenges with the provincial program. First, their level of investment in what we consider to be information management was fairly low. We felt that in order to administer this regulation appropriately, we would need resources over and above what the province had in place in the area of information management.

Secondly, we felt that the provincial investment in enforcement was, at least from our perspective, not sufficient to allow us to fully implement what we had in mind for our regulations. So when we prepared our resource request, we took the provincial program as the base, and we added on a resource request for information management and for C and P for enforcement. That was agreed to by cabinet and is in the budget.

We're looking at, since you mentioned it, approximately 55 new people. We probably will have one here in Ottawa to manage the B. C. desk, so to speak, but the remainder will be in British Columbia. At this point our current plans are to have a few in Vancouver, but the majority will be over on the island. We have posted job posters now for 12 different competitions, which we expect will net us approximately 45 people. Those are all posts that are open—several of them have actually closed now. We've done preliminary reviews, and a few are into the screening process.

We've hired three people on Interchange from the province, who have come over on a direct—they just swap over, so to speak. They are in place and have been for about two months now. We're also working through acquiring office space and all the logistics around that. I think we're well and truly along in the process as well. Our expectation is that we'll have our staffing start to come fully into force over the course of the remainder of the fall and into the early winter.

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

Monsieur Blais.

[*Translation*]

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

I'd like to focus on the fact that British Columbia will continue to be a major partner. I would like to have more details on the current and future level of collaboration in order to understand if everything that has been done to date meets your expectations. I would also like to know how this will be harmonized in the future.

Your last appearance before this committee dates back to last March. Do you feel that the current situation for British Columbia is the same, compared to your perception of it then? Have you undertaken any major or minor changes? Are some areas of collaboration more difficult? How have things been going since last March in that regard?

• (0915)

[English]

**Mr. Trevor Swerdfager:** In terms of our relationship with the province, at the beginning of this process we expected that given the nature of the transition and the major change, the bureaucrats, in particular my counterparts, would be somewhat resistant. It's a big change. There is a lot of programming left, and so on.

We haven't encountered that at all. They have been absolutely fantastic. Our working relationship has been exceptionally good. The leadership from the province has been rock solid, from the minister down to the officer level, in terms of responding to the court decision.

When I appeared before you in March, there was still some uncertainty as to what the provincial role going forward would be with respect to shellfish and with respect to freshwater. I believe I told you at the time that I was a bit unsure as to how that would unfold. It was very clear that the province was leaving the field for finfish aquaculture and that it would move exclusively to the federal regime.

The province has taken the view that shellfish most properly belongs under the overall regime and that it should belong with the federal government as part of this transition. Similarly, when we started to work through issues around freshwater aquaculture, we reached the same conclusion together. The transition from provincial management to federal has been moving along very smoothly in that regard. We've had no real clashes or problems at the table with the province.

We are close to completing a memorandum of understanding with the province that lays out our respective responsibilities and how we will work together. It establishes a joint management committee, common criteria for decision-making, synchronized application processes, so that we are very much working together.

To return very briefly to your initial comment with respect to the role of the province, I can't emphasize enough the importance of the provincial government in aquaculture management in B.C. going forward. It properly controls the land base. The provincial government will determine where in British Columbia aquaculture will take place, and it will have full control over those decisions in terms of what part of the provincial land base gets used for aquaculture.

[Translation]

**Mr. Raynald Blais:** I didn't tell you at the outset that I am skeptical by nature and that if you were to tell me that everything was absolutely fantastic then I would have difficulty in believing you. That is what you replied, that everything is fantastic. My skeptical nature is quickly catching up with me and I have trouble believing you, but I would like to better understand this.

Why is it so easy to suddenly reconcile one's own way of doing things with that of another organization, in this case the federal government, the Department of Fisheries and Oceans, who quite easily takes over everything, especially in the areas of fish health, some inspection, marketing, industry promotion and communications material? This will all have to continue. Therefore, there has to be teamwork.

That is why I would like to give you a second opportunity to answer me but, please, do not use the expression "absolutely fantastic", because it's difficult for me to believe that.

[English]

**Mr. Trevor Swerdfager:** Super-duper.

**Voices:** Oh, oh!

**Mr. Trevor Swerdfager:** Mr. Blais, one of the things I would say in my second crack at this is in the context of the public workshops that we've held. I've stood at the front of a room in Campbell River for two and a half days and listened to people tell me that DFO and the people who work for it are not to be trusted. There's a very high degree of skepticism about whether or not we will follow through with what we say we will do.

I stood at the front of a room in Comox-Courtenay for a day and a half and heard the same thing. I've spent a lot of time meeting with first nations talking about this regulation and where it's expected to go, and again, a recurring theme, quite frankly, has been that there's a high degree of skepticism about what DFO says and what it will do.

When I meet with members of the environmental community, I talk to them about what we're planning to do and their response is usually of a nature of the kinds of comments that won't enter into the record here today. But I very rarely get a response to the effect that it's good to have DFO here and we're really happy to have you.

So I'm familiar with the skepticism and the difficulty you may have in believing me when I say that things are moving along in a way that is good.

We have been working very closely with our provincial colleagues, and please don't interpret this as just Pollyannaish and everything is marvellous and sweetness and light and so on. My colleagues—and I think of them as my colleagues—who work for the provincial government are not happy about this. There are people who have spent their entire careers building a program, building an administrative arrangement, and so on. This is what they do, and it's been taken away from them for nothing that they did. So many of them are hurting very much, and many of them feel personally a sense of loss and grief, and I don't mean to trivialize that in any way. At the same time, they're very much in the mode that the earth has moved; the court has ruled what it has ruled. This is not a time to say, fold your arms and be resistant. We're not doing it. That won't work.

So right from the outset, an awful lot of our discussion with the province was to say, okay, fine, we're stuck with this. The federal government didn't do this. We didn't go in and advocate taking on this role. The province didn't advocate moving it away, but this is what the court gave us to work with. And the response from the two bureaucracies and the leadership has been to say, okay, these are the new rules of the game; let's figure out how to work within them.

We have encountered very few problems in the discussions around how to make that happen, and to the extent that we have, they've been largely around logistical problems: how are we going to do this, this, and this?

But to give you an example of just how things are working, we're right down to the stage where the province has vessels and vehicles that they're no longer going to need, and we're working on arrangements to just transfer...more or less at cost, if that. It's that level of collaboration that's there. We're determined to make this work, and the province has just been there right from the beginning.

I was going to say I apologize if I make this sound too good. That's a bad way to put it. I just have to report, in all honesty, that things have been really good in terms of the relationship with them, and I think it will be going forward.

● (0920)

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

Mr. Donnelly.

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

It's good to see you, Mr. Swerdfager.

I believe you mentioned that no new sites will be approved. I'm wondering if you could just elaborate a little about why that is.

**Mr. Trevor Swerdfager:** No new sites will be approved as part of the transition to the federal authority. If there are new site applications in the process now, which there are—there are seven—those will not just simply be approved as a movement into the federal system. So the province has stopped the adjudication process for those seven new licence applications.

If the people who have submitted their application for a new site under the existing regime wish to do so in the future, under the federal regime, obviously they're welcome to do that. But that process, if you will, will not just simply continue along. So there will be no increase in the number of licensed sites via simply the transition process itself.

**Mr. Fin Donnelly:** Do you know why the province hadn't issued any new licences and how the department will handle looking at those applications in the future?

**Mr. Trevor Swerdfager:** With respect to the first part of that question, the province had a new site application process that was very extensive. They spent a lot of time ploughing through the new site applications. Typically, they're looking at between four and seven years for approving a new site, and several of the new site applications were well down that track.

When the court decision came through, the province decided—actually, I don't know exactly when they decided, but it was about four or five months after the decision came through that they decided they would stop that process, on the logic that as part of the transition they didn't need new variables. They had enough to handle collectively, as it was, thank you very much, so they decided not to put more into the hopper.

With respect to the second part of your question, on how the federal government will handle new site applications in the future, again, in the manner I responded earlier, we're running pretty hard to keep up with what we have right now. We don't have our new site application guidelines and processes, and so on, all set up. We're working to get to December 18 in a manner that we'll have the licences and so on issued by then. So I couldn't say to you, “Oh, just

a minute, I'll flip to the manual and here's how this will unfold.” However, we will have a much more streamlined system than in place today. There will be a single federal aquaculture licence covering all aspects of aquaculture in the province. We do know that we will use the same decision-making criteria as the province will with respect to assessing some of its lease applications. There won't be 100% overlap, because some won't apply, but we are going to have synchronized decision-making processes, so that applicants will enter one window and will have one application form, with one going to the province and the other to us, but it'll be the same set of information. We're also working very hard with the province to make sure that the decision-making processes we establish are also synchronized, so that you won't get the feds saying yes one day and eight months later the province comes out and says no, or vice versa.

So we're trying to make the decision-making system much more efficient and much better harmonized as we go forward. The details are still to follow, in terms of exactly how that will work, but we don't expect to receive new site applications on December 19.

● (0925)

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

Will the regulations deal at all with closed containment? It's obviously an issue I've been working on quite a bit, so I'm just curious about it.

**Mr. Trevor Swerdfager:** Yes, I've heard that.

**Mr. Fin Donnelly:** You've heard that? That's great.

**Mr. Trevor Swerdfager:** Sorry, I shouldn't have said that.

The regulations don't deal with closed containment directly, in the sense that you won't find the words “closed containment” in there. However, if an operation were to set up, say, tomorrow in a closed containment proposal, they'd first have to get a licence to do that. But pretend just for the minute that the new site application process were in place and people applied for a licence to conduct aquaculture in a closed containment facility. From the way we've set up the regulations, we're pretty confident that we've given ourselves the tools in section 4, with the conditions of licence, to attach whatever conditions we would need to put in place to deal with closed containment.

So whilst you won't see the words “closed containment” in there, there are several provisions in the licence conditions that are put in place with that possibility, to some considerable degree, in mind. What we want to avoid is getting ourselves into a position where, for example, we had a closed containment operation ready to go in a year, or something like that, and found ourselves saying, “Crap, now we'll have to go back and produce some regulatory amendment.” We're cautiously optimistic that we won't have to do that.

Anyway, they're designed with closed containment in mind, but not necessarily to force anyone to it.

**The Chair:** Mr. Weston.

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

And thanks for joining us again, Trevor.

I gather from your comments that it's closed containment if necessary, but not necessarily closed containment.

**Mr. Trevor Swerdfager:** It's a better turn of phrase than I used.

Shall I interpret that as a question about closed containment?

**Mr. John Weston:** Well, in other words, the new terms in your regulations are open to closed containment, but no one is dictating it

**Mr. Trevor Swerdfager:** Right.

**Mr. John Weston:** —and should the market or other forces invite closed containment, then it's there for us to explore. If it is to become a leading, innovative thing, as I'm sure Fin would like it to be, then the new regulations are totally open to that.

**Mr. Trevor Swerdfager:** I think they are very much so, and they are very much, as I mentioned, designed with the ability to regulate it in the future. If it comes to pass, then I think we're in a good position to regulate that kind of activity, but not to require it.

**Mr. John Weston:** Okay, and thank you.

Getting back to your candid comments about the public response to DFO's assuming this jurisdiction, were there any organizations that thought the new DFO management would clearly be an improvement?

**Mr. Trevor Swerdfager:** With apologies to skeptics, the answer is very much yes. I think that for the most part, many people in the industry very much took the view that DFO moving into this management role would be a positive thing for the industry. I think that many of the environmental organizations we've dealt with certainly felt, and I think still feel, very much the same way.

I have to say that part of that is because of dissatisfaction with the provincial government. There is, to be honest, a bit of a view that anything would be better than that, which I think is quite unfair. Nonetheless, that's the sentiment that was expressed to us. Also, I think there is an acknowledgement that the Department of Fisheries and Oceans has significant capacity with respect to resource management, science, and a variety of other things and that we will be an organization well placed to manage the aquaculture industry going forward.

With the exception of a number of people, typically in the general public sessions, who just felt that DFO should be disbanded—I guess that is the best way to put it, in the most charitable way—I think that by and large, the level of receptivity to the new federal role was fairly high, with plenty of caveats as to how we should do what we are about to do. I didn't get a whole lot of “a pox on all your houses, it shouldn't be you” kind of commentary.

• (0930)

**Mr. John Weston:** Do you have any suggestions as to what we as MPs should be saying about this or how we can be easing the

transition, making it better for sustainability, and making it better for the populace? As you may know, we may all be going out to B.C., and I think we all share a sense that we'd love this to succeed.

**Mr. Trevor Swerdfager:** I'm aware that you're likely to go out there in a few weeks and will get around to some farms, which I think is a great thing.

I'd be a bit reluctant to advise you as to how you would deal with your constituents and your clients and so on. But I think the recurring theme, generally speaking, and certainly the advice we consistently provide, is to try everything possible to move to a discussion based on the facts. I know it is difficult. The facts are ephemeral sometimes and are somewhat elusive. This is a highly emotionally charged discussion, and occasionally that's very unhelpful. I think to the extent that people can be driven towards arguments, debates, and discussions around the science base and the fact base, it ends up putting us in a better position collectively.

**Mr. John Weston:** Switching a little bit to some of the practicalities that dovetail with how everybody works together to do what you're talking about, do you have any thoughts on how often site inspections would take place? What would be involved in site inspections, and how might that differ from the current regime?

**Mr. Trevor Swerdfager:** Again, part of what I've described as the very detailed operational protocols is in development as we speak. I don't want to sound as if I'm making excuses for ourselves. I simply want to give you a sense of the reality. Part of our problem is that we don't yet have enough people in place to do what those people need to do, if you get what I mean. Our initial efforts are focused very much on putting in place the regulation itself, the licensing regime, and the conditions associated with it. Simply working through the actual recruiting process and booking office space and so on is a huge slug of work.

One of the questions I failed to answer appropriately, when you were asking earlier on, Mr. Cuzner, was how this compares to other things we do. This is a big hire for DFO. We don't hire 55 new people on a regular basis. Simply working through all of that has been quite a bit of effort.

We have not gotten ourselves down to the point where we've designed the operational protocols that would allow me to give you a really precise answer. We expect site visit frequency to go up. We're not expecting it; it will go up, and it will be of two kinds. One will be what one might refer to as the extension or liaison function. We send a biologist or a technician or whatever out to a farm to work with the farmers, have a look at their operations, do fish health inspections, and talk to them on a variety of things associated with just managing the enterprise.

The second would be the boys in green, who will show up as part of a regular C and P inspection protocol. They will come onto a site, they will inspect records and documents, and they will dive into the facilities, or below the facilities, rather. They will not make appointments to come and visit; they will just arrive, as any inspection function would. And potentially, down the line, there will be an investigation, if need be.

We don't know yet how often every single site would be visited by a C and P officer. It will be as frequently as we can get them onto the water, and it will be quite regular. Will it be four or five times a year or two or three? We're not quite sure yet, but it will be significantly more often than what happens today.

[Translation]

**Mr. John Weston:** Who are the boys in green?

[English]

**Mr. Trevor Swerdfager:** Sorry, it's the conservation and protection unit folks from DFO who wear green.

**Mr. John Weston:** Are they the armed ones?

**Mr. Trevor Swerdfager:** They are, yes.

**Mr. John Weston:** So they strike fear in the hearts of many.

**Mr. Trevor Swerdfager:** Some of them do. You probably haven't met very many of them.

• (0935)

**Mr. John Weston:** Okay. Do you have more thoughts on your very relevant and interesting assessment of where we are in terms of the site inspections, and how things might change?

**Mr. Trevor Swerdfager:** I think part of what we're trying to do, as I mentioned earlier in my opening remarks, is to ensure that the industry becomes far more transparent.

One of the things the industry itself wants to be able to say to the market is that that they are in full compliance with all regulatory provisions and that people have inspected their operations regularly to prove that. They want to be able to point to a regular set of government inspections, visits, and so on, so they can say that the conservation and protection folks have been there on a regular basis and they had no violations—or they were very small or whatever it is.

We know from the industry perspective that there's a high degree of receptivity to doing this. Certainly expectations on us from the environmental community for regular visits and so on are very high. There are a whole pile of reasons for wanting to do that, so we will be on farms with some regularity.

I should point out as well that the discussion tends to focus primarily on the salmon farms. The inspection and regulatory provisions apply equally to shellfish operations, so we expect to be on shellfish beds and visiting shellfish farmers and so on. This is an area we'll focus some enforcement attention on, as well as in the salmon farming areas.

With respect to aquaculture, the presence of DFO on the water will be much more visible with respect to the conservation protection officers and the fisheries officers themselves. But what I would

describe as the ongoing management personnel of the department will be much, much more present in the years to come, I think.

[Translation]

**Mr. John Weston:** Do you have any other ideas with respect to our visit next month? Do you think there is anything else that we should do when we're there, in order to be able to assess the changes in regulations?

[English]

**Mr. Trevor Swerdfager:** I hope that when you're there you'll have an opportunity to get onto a couple of farms. I hope you'll have an opportunity to visit some shellfish operators, not just salmon farmers. I know that with a group of this size, it's difficult to stand around and have a chat, but when you are on the farms, I hope you'll have an opportunity to talk to the men and women who really run the place. They'll give you very candid views as to what they see is the current reality and what they see as the forthcoming changes.

I hope you'll have an opportunity as well to talk to people who live in the community around these farms and get their views as to how they work for them. You will obviously also have a chance to talk to many of the critics—I hope, anyway—about the industry and certainly to hear from them as well.

[Translation]

**Mr. John Weston:** Thank you very much.

Thank you Mr. Chairman.

[English]

**The Chair:** Thank you very much, Mr. Weston.

Ms. Murray.

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Thank you, Mr. Chair.

And thanks for briefing us today.

I have lots of questions for this five minutes, but I'll go right into the trust issue. I appreciate your candour about that. A couple of things come to mind that fed into that lack of trust. One is that some perceive the priority not as being for wild salmon; it was more for industry development. I think a big one was the absence of adequate research on—I'm talking about salmon aquaculture. Specifically, for many years that became the fallback for the decision-making: "We don't have enough research." That was DFO.

Unclear accountability between the federal and provincial regimes—that's going to be addressed by this, it sounds like, except that the leases and tenures are so critical to the success of the regime you'll be putting forward.

When you mentioned the dollars, you didn't mention more dollars for research. That seems to me that to have been a huge gap in understanding the risks to wild salmon of our current practices and facilities. Could you tell me how that shortcoming is being addressed? Also, on the issue of priority for wild salmon, how will this regime address the fact that the responsibility for protection of wild salmon and the biodiversity and the responsibility for industry, development, and marketing are in the same department? How will that be handled?

I'm just going to ask all my questions up front.

On benthic layer protection provisions, you said you took some of the regulations pretty much and translated them into your regulations. As to the benthic layer protection provisions in the waste management regulation that was put in about 2003—the parameters for footprint and for the proxy for testing and the mechanisms of who's doing the testing—was there any research as to whether those were working, or did you just adapt it as is and then we'll fine-tune it later?

Just a few questions for your remaining two minutes.

• (0940)

**Mr. Trevor Swerdfager:** Okay.

With respect to research, I think the first thing to talk about is that in Budget 2008 the government established what we call the sustainable aquaculture program. The government invested \$70 million in new funding in aquaculture at large. This is prior to and independent of the B.C. case. As part of that, we established what's called the program for aquaculture regulatory research. This fiscal year that we're in now has, under that program, 17 new positions for aquaculture-related research. Six of those are going into British Columbia; two, I think it was last year, went into B.C., and one the year before. The program has a five-year timeframe, and it ramps up over time. This is year three. Next year there will be an additional 17 researchers going into aquaculture research nationally. I don't have the breakdown nationally, but there will be more in B.C.

I share your view that in the past the absence of research on all sides of this issue—not just from a DFO perspective—has been a problem. A big part of the government's approach to aquaculture in general on the sustainable aquaculture program is to tie its research to the regulatory issues, as opposed to pure curiosity-driven research on aquaculture issues in general. We're hoping that over time, as these resources fully come on line and individuals are in the positions and their research is undertaken and results start to emerge, we'll have research results that are much more pointed and focused on the regulatory questions.

In this case, obviously we would focus some of them on British Columbia, but many of the issues we're dealing with are national, so the research energy is devoted across the country. The bottom line is that we will, independently of this decision, end up with a substantially new research presence in B.C. that will enhance our ability, we think anyway, to manage the resource.

With respect to the debate about wild versus farmed and its relative priority, you've put your finger on a point that comes forward regularly in the public consultations. Some of the questioning is fundamentally around the role and the nature of government. There

are those who argue that regulatory and management functions—it doesn't matter whether it's fisheries or forests or agriculture or what have you—shouldn't be in the same place. Others argue that it should be.

To wrap up very quickly, then, on that point, essentially the approach we're taking is that this gives us an opportunity to manage marine ecosystems in an integrated way. Fisheries and Oceans will have access to the management tools, if you will, for the full suite of things that need to be done in a marine ecosystem context, in a way that we think anyway will allow for a much more integrated approach to management of all resource uses.

I'll come back to your third question in the next turn around, if I may.

**The Chair:** There will be another round. You'll be able to get the rest of your questions answered.

Monsieur Lévesque.

[*Translation*]

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

Mr. Swerdfager, at our last meeting you mentioned that towards the end of this month you expected to have received most of your feedback on this program and that this would be compiled towards the end of the month.

Have you done that? Based on the comments should any corrections be made? Are there any significant corrections that have been asked for?

[*English*]

**Mr. Trevor Swerdfager:** We expected to have, as you mentioned, feedback on the program throughout the regulations that were posted in July 2010. Certainly, we were part of the flow, and when I was here in March, I was telling you that was forthcoming. I would say that the nature of the feedback that we've received, with respect to the discussion document we put out in December of last year and the regulations this year, has been quite comprehensive, as you can imagine.

The way I would describe the feedback we have received on the regulations, I put it in two buckets, so to speak.

The first has been a whole set of comments that have nothing to do with the regulations. They've all been about broader political issues. In some cases, they've been about our view of the future of aquaculture. We've received an awful lot of commentary on what should happen in British Columbia and marine ecosystems in general, that kind of thing. It has all been an absolutely legitimate and appropriate commentary, but nothing to do with the regulations themselves.

Then the second chunk or group of comments that we have received have been focused on the text of the regulations and some of their provisions. It's clear that some of the terms that are in the regulations will require some adjustments. We have a couple of technical problems, we have two translation errors, and there are a few other things.

So there will be adjustments that will be made based on the feedback that we received.

And then when we get into *Canada Gazette*, part II, and its posting in advance of December 18, we expect there will be potentially some changes there as well.

But by and large, I'd say the feedback we've received is that the model is one that's widely understood, and I think most of the feedback suggests that it's sufficiently comprehensive. It covers what it needs to.

● (0945)

[Translation]

**Mr. Yvon Lévesque:** You had expected to get \$12.7 million, which is the necessary sum for setting up the committee for the first year. Afterward, you had provided for \$8.3 million per year for managing the program.

Have you made an update? Are your figures turning out as expected?

[English]

**Mr. Trevor Swerdfager:** The figure we're on for this fiscal year that we're partway through is \$12.7 million. Next year, it's \$10.5 million, I think it is, or \$10.4 million, right around there. I was flipping to it and can't find the exact number. It's \$10.5 million, give or take, and then it would be \$8.3 million ongoing.

As one of your colleagues mentioned, it is unusual for bureaucrats to say, "Yep, got enough money, thanks." I'll probably hear about that when I get home. But I think the way the program is calculated, it does allow us sufficient resources to put the people in place and to acquire the equipment. That's why the resources this year and next year are higher. We're going to have to buy four vessels, we have six trucks.... I won't go through all that, but we have to buy a whole pile of equipment. We are probably going to have some difficulty getting everything we need in place in time to go fully operational. So that will be acquired a little bit over time. Buying boats is difficult. That will take us a bit of time. All that to say that I think the resource estimates that we came up with are proving to be pretty accurate.

They will allow us to manage the program, we think, in an effective and efficient way. If the industry were to grow substantially and put more demands on us, then we'd need to revisit our resource levels. If the industry were to shrink, we'd probably want to keep our resource levels, but I think in terms of where the industry is at, and so on, we're in pretty good shape for doing what we need to do.

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

Mr. Donnelly.

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

Yesterday I was at a rally in Vancouver that was the culmination of a five-day paddle by a large contingent of people who were

travelling the river. It included environmental activists and first nations and elected officials who were paddling in for the Cohen inquiry. They had a specific message that they were delivering to the inquiry. One of the concerns they raised was about disease outbreaks and access to information in general, mainly from the salmon farms and DFO; I guess in this case it would have been the province.

With the new regulations in place, and even moving into the current situation now, do you know of any diseases that are in B.C. waters or in the farms or in any B.C. or Pacific hatcheries?

● (0950)

**Mr. Trevor Swerdfager:** The short answer to your question is no. The regulation is set up in such a way, though, that, going forward as opposed to looking at what may have come in the past, clearly one of the conditions of licence will be that disease incidence, outbreak, and response is something that will have to be reported to us. It will be reportable immediately, and we intend to publish information with respect to disease occurrence.

We have been debating what time period the reporting would occur in. We don't think there's a lot of utility to real-time "There was a disease outbreak four hours ago at farm number 12" kind of thing, because that just creates an impression and an alarm that is probably inappropriate. What we want to be able to do is to say that disease occurred, here are the steps that were taken, and here's the result.

So we expect that there will be information on that. Equally, we will require, as part of the conditions of licence, reporting on sea lice. I know your question wasn't specifically focused on that, but the two sort of intermesh a little bit, so if I may, I will just note that we will make it a condition of licence that all salmon farmers will conduct regular sea lice monitoring programs and that they will report their data to us. Those data will go up on the web on a very regular basis so that people have the information that they did not have in the past.

**Mr. Fin Donnelly:** That also was a concern. Access to that information, just getting that information and making it public, was definitely a concern.

What gives you the confidence to say that there has been no, or will be no, disease outbreak of specifically ISA in British Columbia?

**Mr. Trevor Swerdfager:** A large part of my confidence stems from talking to the people who work on the farms and manage their operations and also to our scientists. I'm a big believer, in the DFO context and more generally, in the elders concept. I spend a lot of time talking to those I consider to be my elders in the Department of Fisheries and Oceans, guys who have been around for a long time. Those are guys like Dick Beamish—not just him, there are others as well—who has spent a lot of time on the water and who knows the field very well. I've spent a lot of time with him in formal meetings. I've met with him over coffee, over beers, and so on, and I've talked to him about these issues.

So I put a lot of faith and stock in what they tell me, and also in the formal scientific literature. I haven't seen anything that suggests to me that there are disease problems in the water today. I'm aware that there are people who feel that those problems did exist in the past. I haven't seen any data to suggest that. I'm quite confident in the advice and the guidance I've been given by a variety of people, but mostly from within DFO.

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

I have a question on consultation with regard to the draft regulations in the next round. Will this new iteration of the regulations be reviewed, before they come into place, by those who provided input?

**Mr. Trevor Swerdfager:** No. The next round will be the final.... There is no next round of consultation. We followed the normal regulatory process and prepublished it in *Canada Gazette*, part I. A 60-day review period was put in place. That is double the norm, but we couldn't extend it out and still meet the court deadline.

We will be publishing at some point a "what we heard" document so that people will know that we've actually heard what they said. I think people will be able to see some of the changes possibly reflected in the regulation based on what they said, and so on, but there isn't any more consultation with respect to the regulation itself. It will come out in advance of December 18, and it will be a done deal at that point.

**The Chair:** Thank you.

Mr. Kamp.

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

Thank you, Trevor, for coming. I always appreciate your visits. I have a few quick questions for you.

The B.C. Supreme Court decision restricted itself to finfish aquaculture. I wonder if you can tell us a bit more about the thought process that went into wanting to include shellfish aquaculture and freshwater aquaculture under the federal regime.

• (0955)

**Mr. Trevor Swerdfager:** There were two streams of thought going forward. The first was to look at it from a predominantly legal perspective. As you point out, the decision was focused on salmon farming because that was the nature of the judicial review that was sought and brought to the court. So in the opinion of the court, the focus was on the finfish aspects, and so on. But we couldn't see

anything in the court decision that wouldn't logically apply, had they been asked to specifically look at shellfish.

One can't speculate on what a court would say, given a different set of facts, circumstances, and so on, but it seemed that many of the principles at play panned across the full range of fish. So it made sense from a legal perspective to consider the possibility that shellfish were probably captured as well.

At the same time, to go back to the nature of the relationship we have with the province, when we sat down and looked at this from a good public policy perspective, we couldn't think of a real rationale for transferring 80% or 85% of the provincial responsibility to the federal government and maintaining a separate and continuing licensing regime, inspection regime, etc., for shellfish. We felt that from a single taxpayer point of view it made no sense. So it was good public policy to create a single harmonized approach to the management of aquaculture in the province, and the same logic flowed with respect to freshwater aquaculture.

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

You said in your remarks that the federal government has no plans to expand this regulation or a similar regulation to any other part of Canada, and no intention of seeking a policy mandate to do so. I understand that.

These provincial laws were struck down, or read down in one case. Can you see that happening in other provinces? In the maritime provinces and other provinces that do aquaculture—Quebec, for example—are they regulated differently, with different legal bases, that wouldn't make it as likely that this could happen if someone challenged it, as they did in B.C.?

**Mr. Trevor Swerdfager:** The regime in place in Alberta is essentially non-existent with respect to aquaculture. In Saskatchewan, a very small section of the fish and wildlife act deals with aquaculture, so it's very different. Manitoba is in the process of developing something similar. In Ontario, it's covered largely under their natural resources portfolio regime. There isn't something very specifically focused on aquaculture, so it's a little different.

In Quebec, there is no marine finfish regime, so there's no regulatory regime for that, but there is for shellfish. In New Brunswick and Nova Scotia, the nature of the regulations and legislation in place is similar to British Columbia, not identical. In Prince Edward Island, the federal government is already responsible for aquaculture across the province, so there's a different arrangement in place there. There's no aquaculture in Labrador, but in Newfoundland the regime is again not identical to British Columbia, but it's similar.

So you have a bit of variety across the country, because of course the country is different and the nature of aquaculture is different. For the most part, there is a legislative and regulatory system in Atlantic Canada that one could argue is similar to that of B.C. I wouldn't speculate as to where the courts would go if ever a challenge came, but the regime and the issues are no doubt somewhat similar.

**Mr. Randy Kamp:** Finally, what is your participation or involvement in the Cohen commission?

**Mr. Trevor Swerdfager:** As you know, the department, in virtually all aspects of our activities, is contributing to the development of documents, and so on. We've done a fair bit of that so far. I've been informed that I'll be asked to appear before the commission. The date hasn't been set, but I believe they're looking at some time in February for aquaculture. But please don't hold me to that date; I know they have a couple of scheduling things to deal with.

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

Mr. MacAulay.

**Hon. Lawrence MacAulay (Cardigan, Lib.):** Thank you, and welcome. I truly hope that you can establish more trust between the wild fishery and the salmon farming.

If I understand correctly, the federal government, if there were a new licence, is responsible for the licensing off British Columbia and the province is responsible for the lease, if the licence is issued.

Now, just by way of example, if there's an expansion or a new fish farm is put in place, there's been a major problem, if I understand correctly, over the years. The wild fishery feel that the fish farms are in the wrong place; possibly DFO feels they're in the right place. But there's been a great ill feeling, particularly from the wild fishery, about the salmon on the migratory path coming by the fish farms.

Am I understanding correctly that you would issue the licence and the province would issue the lease? Is that correct?

Also, when you're answering—because I'm going to let Joyce ask another question or give her whatever time is left—when you have the escape problem that you have with the Atlantic salmon, it will be reported, but what will the repercussions be? I understand this is supposed to be somewhat of a problem. What repercussions would be in place for these types of things? And also if the lice problem is as has been described to us by a number of people involved in the wild fishery....

• (1000)

**Mr. Trevor Swerdfager:** Your understanding of the system is correct, first. Essentially what will happen is the province will continue to issue leases for the land base, so the province will decide where in British Columbia aquaculture will occur. To operate in British Columbia you will require a lease from the province, and going forward you will require a licence from us.

**Hon. Lawrence MacAulay:** Can I ask you, then, whether where the lease is has any bearing on whether you get the licence or not?

**Mr. Trevor Swerdfager:** It does today and it will in the future. Essentially what will happen is that we will, as I mentioned earlier, be working very closely with the province, using common criteria for decision-making. What we want to avoid is a scenario under which the province issues someone a lease and we come along and say, that's great, but we're not giving you a licence because that's just the wrong place for it. That's just stupid; it benefits nobody, and DFO never does it.

Essentially what we're working to do is make sure that the leasing and licensing provisions are synchronized carefully; that the criteria we use to determine whether or not someone would get a licence are factored into the leasing decision and vice versa. So whilst they are

two legal documents with two legal tracks, we are working very hard to intersect them in an administrative way, if you will, so that we have built into the licensing decisions.... Obviously the focus there is on site base. Equally, we want to make sure that the province isn't issuing leases to areas where there is no possibility of getting a licence. We're going to be continuing to work with them to make sure that happens.

Is that clear enough? Have I answered that appropriately?

**Hon. Lawrence MacAulay:** Yes, but I would....

Go ahead.

**Mr. Trevor Swerdfager:** With respect to escapes, one of the conditions of licence will be that people will have to report escapes, if and when they occur. Our feeling is that the number of fish that escape every year is quite small—it's not zero—and we want to ensure that every farm is required to report to us any escapes they've had, on a monthly basis, probably. It may be every two weeks—we haven't decided yet—but on a regular basis, anyway. We will publish that information, probably monthly, so that we will know what the level of escapes is.

In terms of repercussions if there is a major escape of thousands of fish, as part of the conditions of licence people will be given a permission essentially to conduct fishing to recapture those fish; there is a system in place for that. So the first avenue, if you will, is to attempt to recapture. That's not usually extremely successful; occasionally it is, but not enormously so.

The impact of the escapes, which was a commonly held concern eight or ten or twenty years ago, is of less concern to us now. We don't have any evidence of Atlantic salmon out-competing Pacific salmon or causing reproduction problems. We don't have any Atlantic salmon population that has grown up in the Pacific Ocean as a result of introductions and so on. So from our perspective, at least, environmental factors and concerns are limited.

• (1005)

**The Chair:** We'll get back to Ms. Murray in the next round.

Monsieur Blais.

[*Translation*]

**Mr. Raynald Blais:** I am a bit embarrassed about putting this question to you, given that you are before us today regarding another subject, but nonetheless, it has to do with aquaculture, with its impact and the potential for disease.

A few weeks ago, I learned about what was happening in New Brunswick. News was spreading that the lobster population was in jeopardy because of aquaculture.

Are you worried about this matter or about the way it was reported? I have not had the opportunity to check into it. This casts a doubt on food that is served, and this kind of worry can be harmful to aquaculture as such.

[English]

**Mr. Trevor Swerdfager:** It used to be that I would joke with people that all issues and problems around aquaculture occur in British Columbia. New Brunswick has now given me an opportunity to be truly national in focus.

The nature of the challenges in New Brunswick is quite significant. There are significant levels of sea lice on farmed salmon in New Brunswick now. New Brunswick farmers are losing fish as a result of very high lice levels. They are at a level that is unheard of in the Pacific Ocean. It's an entirely different biological situation in the Bay of Fundy.

Some of the discussion around what to do next... I'm sure you may be referring to the article in *La Presse* from two and a half or three weeks ago; that is perhaps where this came to your attention. Essentially, what farmers have been doing in New Brunswick is seeking authorization to use certain sea lice treatments to reduce sea lice numbers. There's a concern in some parts of the community that those treatments, whilst they will kill sea lice, may have an effect on other organisms, particularly lobster. We have been working very closely with the province on this issue and with Health Canada.

Health Canada is the organization that issues what they call registrations for pesticides through the Pest Management Regulatory Agency to deal with lice, or drugs such as SLICE through the veterinary drugs directorate in Health Canada. The Pest Management Regulatory Agency, PMRA, has recently issued authorizations for a couple of new products used to control lice in New Brunswick. Based on our research and our work with the science assessment people in Health Canada, we're quite confident that the application of the treatments, if done in accordance with the label and requirements and so on, will be safe not only for lobster but for other marine organisms as well and will effectively deal with the issue for the farmers.

Having said that, we're approaching this extremely carefully. The level of caution and the attention to the science behind this is extremely high. We're working quite closely with the province and with Nova Scotia as well on this issue, to ensure that whatever is done to control lice is done in a way that doesn't cause other negative impacts.

[Translation]

**Mr. Raynald Blais:** Coming back to our mid-November trip, during which we will visit aquaculture sites, I was wondering, as you also were, why we could not have sites that are completely enclosed by land rather than sites in the sea. Generally speaking, the possibilities of disease transmission are much worse at sea, and there can be specific problems.

I was thinking, perhaps naively, that if these operations were carried out on dry land, they would cause fewer problems. Have we reached a point that leaves us no other choice but to practise aquaculture at sea? Is there still some research being done about this subject, does someone have an opinion that it could be easier, cheaper and less complicated to do this on land with enclosed pools, rather than in the sea?

[English]

**Mr. Trevor Swerdfager:** Insofar as your visit, your intended field trip, is concerned, you can't go and visit closed containment facilities because there are none. They don't exist in Canada anyway. Around closed containment, essentially in Canada there are no facilities that you can visit right now that would demonstrate closed containment technology because it doesn't exist.

Essentially from the point of view of management of disease, there's a potential that closed containment technology would control disease better than open net pen cages. At the same time, closed containment is not without its challenges as well. Its energy demands are high; its land use is high. There are animal welfare conditions because fish have to be grown in a much smaller and more contained facility. But to me, at the end of the day, the key thing with respect to British Columbia, at least, is this. The reason aquaculture salmon farming in British Columbia is proximity to the sea, the ocean, and proximity to markets. Of the salmon grown in British Columbia, 85% is exported to the United States.

If the system were to go completely to closed containment, there's no need to be in British Columbia anymore. You don't need the ocean to produce. Why would you be in B.C.? You would go to where the markets are and grow fish there.

So if you could grow fish at a rate that is more economical and you could do it in closed containment and make money and so on, the industry would leave British Columbia and they would locate in Idaho or Montana or somewhere where land is cheap. You can build these giant tank farms. You're closer to markets and away you go.

So if we do move to closed containment, the rationale for it continuing to exist in B.C. would be difficult to find.

• (1010)

**The Chair:** Thank you.

Mr. Donnelly.

**Mr. Fin Donnelly:** I'm just trying to remember which question I wanted to go to, as I was quite interested in that last discussion. I wanted to point out that I have visited pilot projects in B.C., where you have examples of closed containment, so I think what you were saying, Trevor, is that there are no operating licensed systems using closed containment—is that fair to say?—as opposed to examples of pilot projects.

**Mr. Trevor Swerdfager:** Middle Bay, I would imagine. From my point of view, Middle Bay is the one I believe you are referring to.

**Mr. Fin Donnelly:** Yes.

**Mr. Trevor Swerdfager:** I wouldn't characterize that as a closed containment production system. They've never grown any fish to market, and they've had to kill all the fish they had in there in the last three years.

It does grow fish in floating bags, as you saw. They have not, to my knowledge anyway, grown a fish from egg to harvest yet.

**Mr. Fin Donnelly:** It's a pilot phase. They're not in production.

I will just go back to Mr. Blais' comments on the east coast and New Brunswick. Are you aware of any disease in that part of the world coming from the farms?

**Mr. Trevor Swerdfager:** I apologize that I might get my year wrong. There has been an ISA outbreak in New Brunswick, Mr. Chairman. You might know that. Our technical experts tell us that in 1998 there was a disease outbreak in New Brunswick of ISA. It was dealt with.

I'm not aware of any disease incidents in New Brunswick today or in Nova Scotia or in Newfoundland. The concern about the potential for disease is significant; lice reduce the ability of fish to fight off disease and so on. So the desire to get sea lice numbers under control is high, both from a production point of view and also from a broader fish health perspective.

• (1015)

**Mr. Fin Donnelly:** What kind of confidence do you have on the east coast in terms of the operations there? You mentioned the disease potential as high, but you're quite confident that the disease outbreaks are not occurring. What provides you with that level of confidence?

**Mr. Trevor Swerdfager:** If I said that the disease potential is high, I misspoke, and I apologize for that. The concern about a disease outbreak is very, very high.

My level of confidence with respect to disease, again, is based on the New Brunswick case, because we're dealing geographically with a much smaller area than we are with respect to British Columbia. People are out on the water and they are doing sampling with a little more regularity, and there's a little more of what I would describe as local knowledge as much as anything else.

The disease, to the extent that it occurs, is acted upon very quickly. There have been minor disease occurrences, I know, over the years. I can't pinpoint individual dates, places, and times and so on, but they are acted upon very, very rapidly when they occur in New Brunswick.

**Mr. Fin Donnelly:** You just mentioned local sampling. Could you elaborate a little more on who is doing the sampling?

**Mr. Trevor Swerdfager:** The New Brunswick system is twofold. The province does a regular inspection tour and is on farms on a regular basis. In New Brunswick the system for conducting sea lice monitoring rests predominantly with the industry. They do their own sampling, they record their own data, and they report those figures to the province, but the actual monitoring activity is done by the industry.

**Mr. Fin Donnelly:** So is that whom you were referring to?

**Mr. Trevor Swerdfager:** Yes.

**Mr. Fin Donnelly:** And how is that different in B.C.?

**Mr. Trevor Swerdfager:** In B.C. the sea lice monitoring in particular in the past has been done in what I would describe as a more partnership-based approach. The industry certainly does some itself, the province does some as well, and then they do some

together. In the past the industry would report its data and would say whatever we said. The province would go on site to do some of its own sea lice monitoring, and they would compare the two for quality assurance, control perspective, and so on.

There is a similar system in place in New Brunswick, but it's not identical.

**Mr. Fin Donnelly:** But you were saying, in contrasting the east versus the west, that in the east there is more industry sampling occurring as opposed to B.C. where there is less?

**Mr. Trevor Swerdfager:** It's not so much that there is more in the east; it's just that it's a smaller geographic range. The frequency of visits to farm sites is a little higher because there are fewer of them to go to. So it's a little more condensed geographically, and the number of people who are on the water relative to the number of farms is higher in the east simply because it's a physically smaller operation.

**The Chair:** Thank you.

Mr. Allen.

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

Trevor, thanks for coming back and for your usual candour. I appreciate that.

I have just a couple of questions, following on Mr. Kamp's line of questioning.

You commented that additional resources are going to be required as a result of the federal government taking over this jurisdiction. And you mentioned two specific weaknesses that were going to cause you to ramp up the federal resources that would be required under this: one was on enforcement and the other was on information management. When you commented earlier, you said the regulatory regime is similar on the east coast to that of B.C. So would you see the same weaknesses in enforcement and information management on the east coast as you would in B.C.?

**Mr. Trevor Swerdfager:** First, the information management system in British Columbia is not non-existent, and I wouldn't want to suggest I'm being unduly critical of the provincial government. It's just a level of investment in aquaculture licensing information, and so on, that we felt needed to be a little higher for us to do our job. So I hope the committee won't take any of my remarks as being critical of the provincial government.

With respect to eastern Canada, the information management systems the Province of New Brunswick has in place are quite good. They have invested in that partly as a provincial philosophy that transcends aquaculture. As you obviously would know, coming from there, it's not just something aquaculture related. Our sense is that the province has a very good database with respect to management of the industry, and we have always been able to get from them the information we need in a timely way.

With respect to enforcement, again we think the provincial government in New Brunswick is probably.... I don't know the figures they have for the level of investment in their enforcement activities. My expectation is that it's similar to what is in place in British Columbia, but I haven't ever validated that down to the individual officer level or anything like that.

So our expectation is that the regimes, as I said, are roughly similar. The information management system in New Brunswick is probably a little more mature and robust than perhaps it was in B.C., for some of the same reasons I just spoke of. There are simply a smaller number of variables and parameters to deal with.

**Mr. Mike Allen:** Given the absence of a court case—obviously there has been no court case, and you would never want to speculate on that kind of thing if that were to happen, but have there been any discussions with the provinces or have you discussed or expressed any views with respect to the portability of this to other provinces or other areas of Canada?

• (1020)

**Mr. Trevor Swerdfager:** Sorry, the what of it?

**Mr. Mike Allen:** The portability from B.C. to other areas of Canada.

**Mr. Trevor Swerdfager:** You're certainly right in the first part of your comment: I wouldn't want to speculate on where it might go. The courts will go where the courts go. And as we noted earlier, certainly DFO is not seeking to expand the regime.

The regime that is being put in place in British Columbia is a response to the circumstances in B.C. There is nothing in it that I could identify that if one looked at it from outside a B.C. perspective, you'd find yourself saying, geez, this is really weird; it doesn't make any sense in any other context. We're not doing something in B.C. that's absurdly unique to B.C., I guess is maybe my point.

So if we were to look at transferring that regime to another area, in theory, much of what's contemplated in the Pacific aquaculture regulations could have relevance elsewhere. But I want to emphasize that is not our intent.

**Mr. Mike Allen:** I have one last question.

We talked a bit about the people who were involved in the provincial side of this and are now looking at federal. There are going to be additional resources, and I think you mentioned there have been a few people who have transferred over, if you will, to the federal regime.

Do you see the skill base of some of those people being transferred, in that a number of them may end up being successful in competitions because of that skill level?

**Mr. Trevor Swerdfager:** Yes. Our hope and expectation is that many of the existing provincial employees will apply for the jobs as they become posted.

I made some inquiries last week as to the status of those. We know there are a good number of folks who currently work for the provincial government and have applied for our positions. It's a competitive process, but they are uniquely positioned in those competitions because they possess expertise and experience that a whole lot of other people don't.

The process will run its course, but I think their chances in those competitions are very good.

**Mr. Mike Allen:** Thank you, Mr. Chair.

**The Chair:** Ms. Murray.

**Ms. Joyce Murray:** Thank you.

There's still a question outstanding on the benthic impact.

**Mr. Trevor Swerdfager:** Let me go to that first.

**Ms. Joyce Murray:** Yes, and then I have a couple of other questions.

**Mr. Trevor Swerdfager:** With respect to the benthic layer issues, as you are probably aware, the issues around benthic layer contamination or pollution are governed under the finfish aquaculture waste control regulation. You may be aware as well that prior to the court decision, the province was in the process of updating that regulation and the standards related to it.

That updating work was nearly done by the time the new regulation came into place. We're intending to base the new regime that goes into force in B.C. on the updated finfish aquaculture waste control regulation, as opposed to the pre-existing one. Much of the research that went into looking at how well or poorly that regulation was working was done by DFO; much of it was paid for by the province, but much of it was done by us. So that has been factored in.

At the same time, the province was about two-thirds to three-quarters of the way through the work to develop a new regulation related to hard bottom sites; the existing one was related only to soft bottoms. Again, we will be making sure we take all the research and findings that went into the development of that hard bottom regulation and ensuring that it gets built into the condition of licence in that new regime as well.

**Ms. Joyce Murray:** Thank you.

I'm struck by the challenge of this transition when there are two ministries provincially, and the data.... So with regard to the data and data transparency, probably dealing with legacy systems on the part of the province, it's not just licensing and reporting; you have the compliance data with the waste management operations, disease, science data, etc.

What budget did you have for bringing all of those data systems together and designing and testing some new kind of enterprise system. Are you ready to go? How much money did you get for that? Has it been adequate?

**Mr. Trevor Swerdfager:** Let me just pick those questions up as I go on.

Are we ready to go? No. We will not have a data management information system in place on December 19.

**Ms. Joyce Murray:** When do you expect to have it in place?

**Mr. Trevor Swerdfager:** We are expecting to have it fully in place in 2011. We have contracts out now on the design of the system, conducting resource needs, and so on. Part of what we have been doing is going into the provincial system to understand exactly how their data is stored and how well or poorly it transfers.

•(1025)

**Ms. Joyce Murray:** So there could be up to a year of data gap. How will you manage compliance and transparency during that year?

**Mr. Trevor Swerdfager:** No, I'm sorry, I misspoke.

There will not be a data gap per se. I phrased my response poorly. Essentially, what we're trying to do is to build a brand-new information management system that will bring together the diversity of data, some of which you identified. There's a whole range of data and information on the federal side as well.

Complicating matters perhaps slightly is that the provincial government reorganized itself yesterday, so the responsibilities for aquaculture have moved within provincial ministries and that will be potentially an additional complicating factor for us going forward.

What we're in the process of doing is building an information management system that will take what we have already, because we've got quite a robust licensing system of our own, and we will bolt it onto that for our existing fishing licences and so on. So in terms of a lot of the licensing information, we think we'll be able to simply expand that which we have already today.

For the environmental monitoring information that comes to us, we are building the system that will effectively store, manage, and organize that, and a lot of that we already had, because a lot of the information the province got, we got as well. So that's a matter of just integrating it slightly differently, but the challenge there is not huge.

But causing all this to come together in a way whereby we can depict the full range, all the fields of the information that we need to deal with, is a major undertaking, you're quite right. I would say that in terms of making the transition from the status quo to the future, that, in the longer term, is the single biggest chunk of work to undertake.

Having said that, I misspoke, I guess, in that I wouldn't want to leave the committee with any impression at all that when information on monitoring compliance reporting and so on starts flowing into us early in 2011—if we go live on December 19, we're not going to have data reports on December 20, but as those information fields start coming, we're ready for that. We have systems in place to store it as it comes to us. We will not have the single integrating system that will allow it all to be perfectly and seamlessly integrated right away.

We also will probably not have completed building the web interface. I mentioned earlier we're planning to post all of this. We will not do that on January 1. We will do that by the spring. I'm hoping it'll be earlier than that. I don't have a date for when we'd go live. So when I said "in 2011", I meant early...i.e., not in December.

**The Chair:** Thank you.

Monsieur Blais.

[*Translation*]

**Mr. Raynald Blais:** Thank you very much.

I did a search on Google just before coming back to this aspect... The first time I learned about the existence of aquaculture and that it could be something of great interest was when a company set up business in Chaleur Bay in my region at St-Omer, a lovely spot in our area. The company was called Baie des Chaleurs Aquaculture Inc. It was during the 1980s. At that time, if I remember correctly, they had set up the pools right next to the company, close to the shore, and later on, the same pools were installed inside the factory. In other words, they were installed on land and supplied with salt water. This was during the 1980s, I do not know exactly when; I was just looking for some information about this.

Thus, attempts have been made. And to my knowledge, the project was aborted not because it could not make a profit or anything like that, but because the company had developed too fast. Parasites set in along with diseases and the company's financial capabilities were not sufficient to quickly face this catastrophic situation. But this did not exclude the possibility of practising aquaculture. I think that they were working with salmon or with speckled trout and they were working in enclosed pools, but with a supply of salt water. This makes me think that for all kinds of reasons, aquaculture failed in some places, but it succeeded in other places. Clearly, in British Columbia, it has been a success, because we hear about it and we know that the installations are quite impressive.

To come back to the subject that we discussed a bit earlier, namely that there was no aquaculture in enclosed pools, do the things that I say remind you of some elements, even if you have to revisit what you told me a bit earlier? Not at all? All right.

I respectfully submit this question to you, and I think it would be interesting for you to take a close look at it. I know that eventually, you might come back before this committee, and we will have another opportunity to exchange opinions about these things, but I would be very interested to know what you think.

Regarding salmon lice, to my knowledge, the products they are using are chemical. Have any new products been developed? Are they potentially less dangerous than the products currently used against salmon lice?

• (1030)

[English]

**Mr. Trevor Swerdfager:** The main product for controlling.... And just to make sure I was clear earlier in my other response, I'm not familiar with the particular circumstances you're talking about in Quebec. I'll go back and look, and we can get back to you on that, in terms of the pilot projects or the previous ones.

With respect to sea lice, the main product that's used to control sea lice now is a chemical, or a drug rather, called SLICE, and it's administered by the feed. They mix it into the feed. The fish eats it. Essentially what SLICE does is paralyze the louse that attaches to the skin. The louse falls off and eventually dies.

Another way of treating sea lice is through what are called pesticides. In that scenario they put a skirt or a tarp around the cage. Skirts are open at the bottom; tarps are closed at the bottom. They introduce into the water a pesticide. The most commonly used one in New Brunswick right now is something called Salmosan. There's also another treatment that's called Alphamax that has just been registered by PMRA about 10 days ago. Those are available for use.

In addition, it's not a chemical per se, but they can treat with hydrogen peroxide, which physically knocks the lice off the fish.

The more innovative way of treating these situations is with the use of what they call a well boat. Are you familiar with it? No. A well boat is a big boat with a well basin in it. They can take the fish out of the water, put them into the water on the boat, treat them with whatever it is, put them back into the water, contain the water, and deal with it appropriately. It's very much the way of the future in terms of addressing these issues, because it doesn't require putting the treatment directly into the water; it's done in a contained facility on the boat.

There are three of them operating in New Brunswick now, and that may well be the way of the future going forward. We'll see.

**The Chair:** Thank you.

Mr. Donnelly.

**Mr. Fin Donnelly:** I just had one question, Mr. Chair.

In terms of SLICE, could you tell me the chemical contents of SLICE and if it's considered a toxin?

**Mr. Trevor Swerdfager:** The active ingredient is something called emamectin benzoate. It's not considered toxic. It has been

registered in the United States for a long time and recently here. Formerly, it's been in use in Canada for a while, but its formal, full registration only occurred seven or eight months ago or so. It's not considered a toxic substance.

**Mr. Fin Donnelly:** I guess a follow-up is, do you know of any other chemicals used in aquaculture that would be considered toxic or a toxin?

**Mr. Trevor Swerdfager:** Part of the environmental risk assessment that's done by PMRA when they determine whether or not to register a chemical turns around some of that issue. Essentially the risk assessments that have been done by PMRA with respect to Alphamax and Salmosan have concluded that if they're used according to the label, they don't pose an environmental risk in the context of their application, in this case in New Brunswick, and possibly in Newfoundland.

**Mr. Fin Donnelly:** So you're saying it's the use and the application that determines whether or not it is a toxin or is toxic.

**Mr. Trevor Swerdfager:** Yes, from the point of the way they do their work, it's an environmental risk assessment as opposed to a strict hazard.

So you may be aware that one of the things the Department of Fisheries and Oceans is working on now is a new regulation under section 36 of the Fisheries Act. It will be called the fish pathogen and pest treatment regulation.

Essentially what it will do is set out the conditions under which pesticides or pathogen treatments can be used in conjunction with the regulations administered by PMRA in an aquaculture context, so that the fisheries aspect issues are dealt with as well.

• (1035)

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

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

Mr. Kamp.

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

I have just a couple of quick questions. I think Mr. Cannan might have a question as well.

With respect to the licence fees, we're not in a position to be able to collect them immediately, I think you said. Will they then be retroactive once we've figured out, through the use of the User Fees Act, how to do that? That's one question.

Then when the minister, as the regulations say, issues an aquaculture licence and she specifies the conditions that are attached to that licence, what's the process for that? Is it somebody in Campbell River or somebody in Vancouver or somebody in Ottawa who's kind of sitting down...? Do they negotiate with the licence holder—or the operator, I guess I should say—about what those conditions should be? How do they come up with the long list of conditions that I assume will be customized for each licence?

**Mr. Trevor Swerdfager:** With respect to the matter of fees, the department hasn't given up on the possibility that the fee structure will be ready in time for the regulation coming into force in December. It's our expectation that we'll be in a position to bring a fee proposal forward in due course and that it may in fact be ready to be imposed, if you will, as part of the going live in December.

Our understanding at this point is that if a fee is not in place as of December 18, it's unlikely we would assess such a fee in a retroactive way. Now, that's not something we've finally and firmly resolved. There's a bit of a legal issue around some of that, so I can't say for certain which way it will go, but it's certainly not clear to us whether or not we could go back and do it retroactively, or whether we'd want to. The short answer is, there's some high degree of uncertainty there, but it's not likely.

With respect to the process of establishing the licences, what we expect to be able to do is to produce a generic template for the licence conditions. They will not be new news to most operators. They'll be very similar to those that are in place now; 80% to 85% of the licence will be absolutely identical from farm to farm to farm. Production figures and local circumstances will be entered in there. I wouldn't say none, but there will be a very limited amount of negotiation back and forth with the licence holder. It will be what it is. There may be some dickering around the nuances of some of the details and so on, but they will be known to the licence holder very, very early on and they will simply be required to comply.

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

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you very much for your insight and the very fulsome discussion on the proposed regulations. Coming from the Okanagan and representing Kelowna—Lake Country, I'm not directly affected. The Adams River salmon run this year has been a spectacular tourist draw for the Shuswap and people from around the world coming through the British Columbia market. It's hard to put that in perspective, looking at what's happening out there today, but we have to look at the future. And I appreciate the efforts of you and your colleagues who have been working diligently on the transition.

On the licence timeline, are we still anticipating a four-year to seven-year process to get a licence?

**Mr. Trevor Swerdfager:** No. Our licence regime will be one that will issue decisions much more rapidly than that. We don't have a formal service standard in place that says there shall be a decision within a certain period of weeks or months or whatever. It will be  $x$  number of months. But our goal is to get the licence decision-making process substantially reduced from that timeframe. We're not looking at licence decisions that would be more than a year in nature.

**Mr. Ron Cannan:** It is, as I said, a concern to many of my constituents. They have brought this up, the whole process. They're not against it totally, but they also want to see more transparency. Will the licence conditions be publicly available?

**Mr. Trevor Swerdfager:** Yes, they will. The licence conditions, in draft, will go out this week for public dialogue and so on.

To go back to the question that Ms. Murray was posing earlier with respect to information management, our intent early in 2011 is

to have something available via the website, so that when you run your mouse over Vancouver Island or Broughton Archipelago, or what have you, up would pop farm number one, two, three, four, five, and you'd be able to click on that and get the terms and conditions of the licence, the licence holder, the fish that are there, sea lice information, disease information, benthic layer stuff, all of that kind of thing. That won't be ready on February 1, but that's where we're going. The data that sit underneath that are coming to us now and will be managed appropriately. We won't have stitched it all together perfectly by then.

• (1040)

**Mr. Ron Cannan:** One quick comment. My former provincial colleague—he's retired now. A couple of years ago the provincial MLAs did their aquaculture study. I know they travelled a long way, and I'm looking forward to seeing firsthand....

From the transition, what has been your biggest challenge in this as you harmonize and bring the two systems together, and what do you see as the biggest opportunity?

**Mr. Trevor Swerdfager:** The challenges have been mostly around some of the stuff we talked about earlier insofar as trust. I think we are encountering a high degree of skepticism—from all parts of the country, it would seem. Certainly, in terms of the perception that people have of what DFO will do, we're encountering it at all corners. It's not any one segment of society. That has been, and is, a major challenge for us to deal with. It's one that I think the regulations are starting to begin to address, because we said to people, "Here's what we're planning to do", and then the regulations say a lot of that. The real proof will be in the pudding, of course, when we start to administer it in 2011 going forward. I'm very confident that we'll do what we've said we will, but until we actually physically do it and people can see it, there will still be a bit of "I'm from Missouri" on this issue.

From the point of view of an opportunity, I think the biggest single one here is that we will substantially modernize the aquaculture management regime in British Columbia. It will be far more effective, far more efficient, way more transparent. This is the first piece of law that's been developed at the federal level specifically focused on aquaculture. Everything else, you use other tools to get at aquaculture, and to some considerable degree the same thing is true provincially. But this one is built specifically to deal with these circumstances. Today you have to have four provincial permits to conduct aquaculture. Going forward you'll have to have one. Today you have to have four federal permits, and going forward you'll have to have two. The taxpayer, I think, will save an awful lot of money, and we'll have decisions for or against sites and so on going forward in a much more efficient and effective way, I think.

**The Chair:** Thank you very much, Mr. Swerdfager. On behalf of the committee, I want to say thank you very much, as one of our colleagues said today, for your candour. We really appreciate you coming today and enlightening the committee on the process and what you've been able to accomplish in this period of time.

Thank you very much, Mr. Swerdfager.

The meeting is adjourned.







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