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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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● (1140)

[English]

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

I want to thank our guests for joining us here today.

We have with us Monsieur Grégoire, from the Canadian Coast Guard.

Just so you're aware, we usually give about 10 minutes for opening comments. Then we move into questions from committee members. As you have probably noticed, committee members usually take this meeting to have some lunch as well, so hopefully that doesn't bother you. I know that committee members will be listening intently while they're enjoying their lunch as well.

Mr. Grégoire, I would ask you to introduce your associate who is with you here today and then proceed to your opening comments.

Mr. Marc Grégoire (Commissioner, Fisheries and Oceans Canada, Canadian Coast Guard): Thank you very much, Mr. Chair, and good morning.

Good morning, honourable members. I wish to thank the committee for the opportunity to appear before you today as commissioner of the coast guard.

[Translation]

I am also pleased to introduce Claude Langis, Regional Director of the Fleet Branch for the Canadian Coast Guard, Quebec Region. This is the first time I am speaking to you as commissioner—but surely not the last—and I would like to take this opportunity to tell you that I am looking forward to working with you. The committee has been an ardent defender of the coast guard, and I am committed to maintaining this important relationship during my term as commissioner.

We are here today to talk to you about how the Canadian Coast Guard scientific research icebreaker, the CCGS *Amundsen*, operates in scientific mode. In order to better understand the coast guard's role in this one-of-a-kind partnership in Canada, I need to go back a few years.

In February 2002, a group of 15 Canadian universities represented by Université Laval submitted, to the Canada Foundation for Innovation, a project called "A Canadian Research Icebreaker to Study the Changing Arctic Ocean". This project required a \$27.5-million investment to overhaul, retrofit and certify the CCGS *Sir John Franklin*, an old Canadian Coast Guard ship, in order to transform it into a state-of-the-art scientific icebreaker.

[English]

The same year, the Government of Canada approved this project through grants from various partners such as the Canada Foundation for Innovation, the Natural Sciences and Engineering Research Council of Canada, and the international joint ventures fund.

The Canadian Coast Guard and Université Laval, which was designated as representative of the consortium, initiated measures to establish a memorandum of understanding setting out the roles, responsibilities, and operating procedures for this partnership, which we plan to continue for the rest of the vessel's design life, until about 2017.

The key points of this agreement are as follows.

The Canadian Coast Guard and Université Laval share the initial costs of making the vessel seaworthy.

Université Laval assumes all the costs of modification for scientific equipment.

The Canadian Coast Guard maintains the vessel in a seaworthy condition and makes it available for scientific use for 152 days per year over a period of six months from May to October.

The Canadian Coast Guard uses the vessel from November to April for regular icebreaking, escort, and flood control operations, mostly in the St. Lawrence River and Gulf.

All costs of operating the vessel in scientific mode are paid by the scientific consortium. The vessel remains federal property at all times. The Canadian Coast Guard retains command of the vessel at all times.

● (1145)

[Translation]

Once the agreement was signed, a long modification/overhaul period followed requiring a \$30.7-million investment. The Canada Foundation for Innovation supplied \$27.5 million, and the Canadian Coast Guard supplied \$3.2 million. This led to the development of the first large-scale scientific mission, the Canadian Arctic Shelf Exchange Study (CASES).

On August 26, 2003, a further federal investment of \$25 million created ArcticNet, a new network of centres of excellence. It should be mentioned that many federal departments, including Fisheries and Oceans Canada, are also partners of this network. As a result, ArcticNet became the main charter of the vessel, through Université Laval, as I mentioned earlier.

[English]

The Canadian Coast Guard's roles in this partnership are: to keep the vessel in seaworthy condition and carry out maintenance in accordance with marine regulations; to ensure the scientific mission plan is operationally feasible; to contribute its marine expertise in Arctic waters, such as ice navigation, for instance; to ensure the safety of persons on board and on the ice at all times; to staff the vessel in accordance with regulations and scientific needs; to coordinate and manage logistics, and specifically, food and fuel resupply and crew changes; and to make the vessel available for emergencies, as was the case for the evacuation of 128 passengers from the *Clipper Adventurer* late in the summer of 2010 when that vessel was grounded.

[Translation]

Several Department of Fisheries and Oceans scientists are collaborating on ArcticNet research projects, in addition to a number of other federal departments and agencies. The department also participates in the governance of the Network of Centres of Excellence as a member of the Research Management Committee. A colleague at the department, in the Oceans and Science Sector, is a member of the *Amundsen* board of directors (Canadian Coast Guard). The former assistant deputy minister of science was on the ArcticNet board of directors. This seat on the board is now occupied by Indian and Northern Affairs Canada. The Oceans and Science Sector also contributes approximately \$1 million in cash and in kind to ArcticNet through its collaborative efforts.

The Canadian Coast Guard's partnership with ArcticNet provides the Government of Canada with a number of strategic benefits. The participation of a federal government vessel in scientific research provides Canada with the opportunity to position itself on the world stage of Arctic science. As well, missions in Arctic waters help ensure Canada's presence in the far north. In addition, the CCGS *Amundsen*'s missions have been widely covered in the media, which greatly increases the Government of Canada's visibility.

[English]

In summary, the Canadian Coast Guard is the owner of the CCGS *Amundsen* and the operational expert.

Mr. Chair and honourable members, I thank you for your attention. We will be pleased to take your questions.

The Chair: Thank you very much for your presentation this morning.

Ms. Murray, you're going to lead off in questions.

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

Thank you for the presentation. I am very clear on the importance of partnerships, of government entities working with the private sector, with the non-governmental sector, and with the academic sector, of course, to be more effective in achieving common objectives.

My questions wouldn't want to minimize the importance of this kind of collaboration. In fact, I see it as a very positive initiative. We've heard from previous panel members about that.

I have some concerns. As the Commissioner of the Environment and Sustainable Development had a somewhat critical analysis of your organization's capacity to carry out some aspects of its core mission, can you tell me whether the time, the investment, being on the board, and the requirements to be part of this partnership, which, despite the benefits.... There are the benefits of media and enhancing the reputation of the Government of Canada, which I'm sure is a worthy objective, or having Canada's role on the world stage being celebrated through this. Those are objectives for the Government of Canada, for sure.

The public's expectation of the coast guard around oil spills I think is also a very important objective. My concern is that if the department is spending time and resources on boards and in complex partnerships that have other objectives, is that taking away from the leadership's ability to dedicate resources to the key aspects of, for example, spill protection? There, we hear about a number of deficiencies in the department's analysis and in its ability to even identify the capacity needed to properly carry out those responsibilities, to direct others in the private sector who are positioned to assist with spill response, and to act as the central responsible body coordinating other government departments. Could you respond to that concern?

• (1150)

Mr. Marc Grégoire: First of all, it's a very important question. To go back to the beginning of your question about the environment commissioner, I have met the commissioner, with my team, and we at the coast guard certainly welcome his recommendations. We know that there is room to improve and we will implement all of the recommendations that he made just before Christmas.

That being said, you wonder if the role of the *Amundsen* is taking away something from the coast guard. I'd like to point out that, on the contrary, the *Amundsen* is an additional asset to the coast guard. The *Amundsen* was to be decommissioned. It was for sale, actually. From 2000 to 2002, it was a surplus asset that was to be disposed of through crown assets disposal.

At that point in time it was renamed. It was decertified as the *Sir John Franklin*. It was called the "Old 02" and it was put up for sale. The consortium, through Université Laval, came with this proposal to keep it rather than sell it, and to invest in it and reactivate it, which we did. The ship was put back into service in 2003. I see the *Amundsen* as an additional asset, and if a search and rescue operation is required...as was the case last year, the *Amundsen* was the first vessel on site and the *Amundsen* actually was the vessel that evacuated the passengers from the clipper.

We would do the same thing for an oil spill event in the Arctic. The *Amundsen*, if it were the closest vessel, would go there. It is equipped with the proper equipment to respond to a spill.

We have also made some other improvements in the Arctic with regard to oil spills. The coast guard has deployed Arctic packs in a number of small communities across the Arctic. We also have a depot in Hay River from where we can deploy large amounts of equipment for oil spills. A number of organizations in Canada can be called on for help in the north, but north of 60, there is a different regime for oil spills.

• (1155)

Ms. Joyce Murray: Thank you for that answer.

It seems to me that if we need a boat like this in that area, then to have a vessel that is being used by other organizations, which happens to be there.... Maybe that's second-best: the coast guard not needing to have a vessel that can provide the kind of service you've just referred to.

Mr. Marc Grégoire: No, but we have about half a dozen of those vessels in the Arctic in the summer season, so this is one of them. If there were an event somewhere, we would send the vessel closest to the event. I should say, though, that should we do that, we would have to subtract from the operation some costs from the bill that we send Université Laval every year, because they wouldn't want to pay for an oil spill cleanup or for a search and rescue operation. We would have to subtract that number of days from the number of days for which they pay us for usage.

Ms. Joyce Murray: Are there representatives of the coast guard on this vessel when it's operating through the ArcticNet partnership?

Mr. Marc Grégoire: The full crew is from the coast guard. We operate the vessel and our commanding officer is commanding the ship.

Ms. Joyce Murray: This vessel has been in an area that has been identified as a candidate for marine protected status; it's the Beaufort Sea large ocean management area. A number of years ago, there was the beginning of an integrated marine planning exercise for the Beaufort Sea. Is the coast guard contributing to that moving ahead?

Mr. Marc Grégoire: Well, the coast guard is providing the platform, so I think your question relates more to scientists. The coast guard is providing the platform. We also have scientists on board some of our other icebreakers, but not to the same extent that we have on this one.

This one is totally devoted to the ArcticNet mission for about 152 days per year. They decide on the scientific mission they will run. We decide if what they want is operationally feasible. If the answer is yes, we just go and run the boat, and they pay for all of the costs. They pay for the salary of our crew. They pay for the fuel. They pay for the food. They pay for the helicopter time, should they use it. There is 100% cost recovery.

Ms. Joyce Murray: So if the boat is in an area that is calving ground for narwhal, just to throw out an example, the coast guard has no role in ensuring that the activities of the boat don't pose a risk to the environment and to species of concern?

Mr. Marc Grégoire: Not to my knowledge.

[Translation]

Mr. Claude Langis (Fleet Regional Director, Quebec region, Fisheries and Oceans Canada, Canadian Coast Guard): That is not part of the coast guard's current mandate. If I may, I would add to what the commissioner said and point out that the coast guard used to have six icebreakers in the Arctic, including one dedicated exclusively to the western Arctic. Since the *Amundsen's* arrival in 2003, generally speaking, two units have patrolled the waters in the western Arctic every year, including the Beaufort Sea. The *Amundsen* and the *Pierre Radisson* have been in the western Arctic

since 2003. That is an additional unit intended to provide emergency response at the government's request.

[English]

Ms. Joyce Murray: Thank you.

The Chair: Thank you, Ms. Murray.

Monsieur Blais.

[Translation]

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

Good afternoon, gentlemen.

I will be more direct in asking my question. We are wondering whether there is the appearance of a conflict of interest given that an oil company is funding a Canadian Coast Guard vessel. When you learned that ArcticNet, the lessee, was doing business with oil companies, I would think that not only did an alarm bell go off, but that a yellow light lit up in the coast guard's offices. I would like to know why you do not see that as a real or apparent conflict of interest.

• (1200)

Mr. Marc Grégoire: I would first like to point out that I am new to the coast guard. I joined the organization in June 2010. When I learned about the operation of the *Amundsen* and the history behind it, which I tried to summarize for you, I was told that when the initial application was made to the Canada Foundation for Innovation, it was already known that the researchers would seek funding from oil companies. That was already known in 2002, and it was indicated in the application. Everyone was aware of it.

As for whether there is a conflict of interest or not, I asked myself the same question, as the commissioner of the Canadian Coast Guard. To the extent that our role is strictly operational, I do not see a conflict of interest. We do not carry out research for oil companies. All the research activities we conduct on the vessel are in the public domain. To my knowledge, none of the activities being carried out on the vessels is in the private domain, specifically, the property of the oil companies. There is no direct relationship between us and the oil companies. The funding they provide goes to ArcticNet. We have an agreement with Université Laval, and they are the only ones we send our bill to. Université Laval then draws the money from ArcticNet.

Mr. Raynald Blais: The direct relationship is not what I have a problem with. It is the indirect relationship where the nuances exist. Correct me if I am wrong. You said that the Canadian Coast Guard established a contract for the *Amundsen* directly with ArcticNet, and that is true. There is no problem there.

The oil companies, however, fund the agreement indirectly. Furthermore, when oil company representatives appeared before the committee, they made it very clear that most of the activities were research-based, but they also said that some of those activities affected them. Part of the agreement between ArcticNet and the coast guard covers research that concerns the oil companies. You seem to be saying that is not the case. My understanding is that the people at BP—and other such companies leasing the vessel indirectly—do, at some point, use it for their own research purposes.

Mr. Marc Grégoire: As far as I know, no activity is 100% carried out for these oil companies.

Mr. Raynald Blais: Not 100%, but a portion. When I say a portion, that does not mean 100%.

Mr. Marc Grégoire: We know that oil companies contribute to ArcticNet's funding. It is in the public domain. As I said earlier, that was known back in 2002 at the time of the funding application.

Mr. Raynald Blais: According to you then, the fact that the vessel serves oil companies' interests does not create a conflict of interest, either real or apparent?

Mr. Marc Grégoire: According to your interpretation, I could answer that it does. There may be a perceived conflict of interest, but that is not how it really works. We are doing research.

Mr. Raynald Blais: Hence the expression "appearance of a conflict of interest". I agree with you that there is no real conflict of interest. I am talking about the appearance of one.

Mr. Marc Grégoire: As the commissioner of the Canadian Coast Guard, I am very comfortable with this situation. Whether the money for this environmental research comes from oil companies, universities or other research groups, the Canadian Coast Guard operates the vessel for scientific purposes. So I am very comfortable with that.

If the committee feels that we are in a blatant conflict of interest, please let me know. Personally, I think it is merely a perceived conflict of interest.

•(1205)

Mr. Raynald Blais: Mr. Grégoire, that is not what I said, and that is not what the committee thinks either. I agree with you, there is no blatant conflict of interest—none, we are agreed on that. However, what I wonder about is the appearance of a conflict of interest. Are you comfortable with the appearance of a conflict of interest?

Mr. Marc Grégoire: Yes.

Mr. Raynald Blais: Why?

Mr. Marc Grégoire: You seem to be saying that there is a perceived conflict of interest. I could ask you what makes you think so.

Mr. Raynald Blais: Do you feel comfortable, Mr. Grégoire, with the appearance of a conflict of interest?

Mr. Marc Grégoire: I am comfortable with the history of the *Amundsen* and the manner in which it operates. I am comfortable with the coast guard's role in that mission in support of the scientific community.

Mr. Raynald Blais: Are you equally comfortable with the fact that your involvement is helping the oil industry?

Mr. Marc Grégoire: I don't know whether it is helping. Oil representatives appeared before you. It is not for me to decide whether the oil companies—

Mr. Raynald Blais: And so you lease your vessel to ArcticNet, and then it is out of your hands? You do not monitor what goes on? I would think you do.

Mr. Marc Grégoire: We make sure that the scientific missions are feasible from an operational standpoint.

Mr. Raynald Blais: You are concerned strictly with that aspect, but not the interests of the mission or anything of that nature. No big deal, as long as the money comes in.

Mr. Marc Grégoire: That is not quite how we see it. Those are your words.

I am comfortable with the situation, Mr. Blais. I do not know how else to explain it. I, the commissioner, the Canadian Coast Guard and the Department of Fisheries and Oceans are all comfortable with the situation. We have no direct relationship with the oil companies. They do research—

Mr. Raynald Blais: There is no relationship, I grant you that, Mr. Grégoire.

[English]

The Chair: Monsieur Blais, your time has expired.

Mr. Donnelly.

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

My thanks to both our guests for appearing in front of the committee.

At a previous fisheries and oceans committee meeting, we heard from representatives of the ArcticNet program as well as oil company representatives. One of the questions I asked those representatives was whether they saw the irony in a Canadian research vessel studying the effects of climate change in the Arctic with these oil companies partially financing this program.

I'm wondering if I could ask you the same question, along the lines of the discussion that was just happening. Do you agree that the Canadian public may think it ironic that a Canadian vessel financed by an oil company is being used to study climate change?

Mr. Marc Grégoire: As I said, this has been known since the very beginning. The fact that the network of researchers could seek funding from those kinds of companies or other sources has been known since 2002, and has been known therefore for the last eight or nine years. Is that an irony? I don't know.

Would it be better if it were a foreign vessel from China or another country? I think the *Amundsen* is the flagship of the coast guard. It's a ship that is extremely well equipped with top-notch scientific equipment. If some of the funds come from petroleum companies, so be it.

I do not have a problem with that, because the research that is being done is in the public domain. Everything they do is put in the hands of the public. There is no proprietary information data collected by these people when they are on board our vessel. They are like any other scientists on board the vessel. I think you did obtain that assurance from Louis Fortier two weeks ago.

Mr. Fin Donnelly: So you've said that you don't know if you see the irony and that you're comfortable with oil companies providing the funds for climate change research.

Mr. Marc Grégoire: I don't see a conflict of interest situation.

Mr. Fin Donnelly: No, and that was not my question. My question was about whether...and this is the question that I asked: even Mr. Fortier agreed that, yes, there could be a perception by the public that this could be the—

• (1210)

Mr. Marc Grégoire: By some people in the public, perhaps—

Mr. Fin Donnelly: Yes. So that was first question: it was to establish if you actually think that this is at all ironic. If you don't, then I really can't go any further, because after that I wanted to ask you, if you do feel there is some irony here, are you comfortable with that? It does sound as though you're saying that you don't see the irony and you're comfortable with that.

Mr. Marc Grégoire: I am comfortable with the situation as long as the coast guard is not involved in selecting who pays, where the money comes from. We're not part of those discussions. We're only part of the discussion when we're asked if the mission that is proposed by scientists is operationally feasible.

Mr. Fin Donnelly: Okay.

I only have a short amount of time, so I will ask my second question. You mentioned that coast guard resources are being used in this vessel. Do you feel this is the best use of coast guard resources when in fact, for instance, the issue of oil spill response has been brought up and criticized by the commissioner? Is this something that—

Mr. Marc Grégoire: The coast guard is not using any resources in this mission. When the ship sails for science, it is paid for 100% by Université Laval.

Mr. Fin Donnelly: You also mentioned that there are coast guard officers on board.

Mr. Marc Grégoire: But they are paid for by Université Laval. The salaries are paid. The food, the maintenance...everything is covered.

Mr. Fin Donnelly: I understand. Is this your way of saying yes, this is the best use of coast guard resources?

Mr. Marc Grégoire: Well, as I said in my opening remarks, we would not have this ship if not for this. In fact, what it gives us—

Mr. Fin Donnelly: Right, and those officers wouldn't be deployed on that ship.

Mr. Marc Grégoire: Well, they wouldn't exist, because they would be elsewhere or they wouldn't have been hired.

Mr. Fin Donnelly: Which is why I'm asking the question.

Mr. Marc Grégoire: So the answer is yes, we do benefit from this arrangement, because it gives us—

Mr. Fin Donnelly: But that wasn't my question. My question was, is this the best use of those officers on that ship?

Mr. Claude Langis: Without the science, the *Amundsen* would stay alongside in Quebec City with—

Mr. Fin Donnelly: Sorry?

Mr. Claude Langis: Without the science, the *Amundsen* would stay alongside in layup in Quebec City, every summer, summer after summer.

Mr. Fin Donnelly: And where would the officers be?

Mr. Claude Langis: We would try to redeploy them somewhere else.

The Chair: Your time has expired, Mr. Donnelly.

Mr. Claude Langis: Without science, the *Amundsen* would stay alongside.

The Chair: Thank you.

Mr. Sopuck.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Section 34 of the Oceans Act states: “The Minister may coordinate logistics support and provide related assistance for the purposes of advancing scientific knowledge of estuarine, coastal and marine ecosystems”.

I presume this is the section of the act that you're operating under, so this was a completely legal operation, obviously.

Mr. Marc Grégoire: Oh yes, absolutely, and whenever we would draft an MOU it would be done by our justice lawyers. So this is perfectly in line and within the context of the Oceans Act, as you mentioned.

Mr. Robert Sopuck: Okay. Good.

Can you give us any other examples of other vessels being used in the same way?

Mr. Marc Grégoire: We don't have any other vessel used in the same way, except that we have scientific missions in other vessels. These would be grants or funds transferred from universities to the science sector of the Department of Fisheries and Oceans. Then the science sector would transfer the money to us. But in all other cases, this is a normal coast guard mission, and a portion of it is paid for through those grants.

Mr. Robert Sopuck: I'm constantly struck by the demonization of the petroleum industry in Canada. When one looks at the benefits that are provided by the oil industry in this country in terms of jobs, employment, and taxes right across the country—it's not just in Alberta—the implications are always shocking to me that somehow the oil industry is somewhat less than to be desired as an important player in the Canadian economy. Again, that's not a question for you gentlemen, of course, but it's just quite remarkable to me.

So let's just say that if a high-tech company—Research in Motion, for example—wanted to do Arctic research, pay for the *Amundsen*, be part of ArcticNet, and use some of their cutting-edge technology to perhaps test it out or perhaps do leading-edge research, presumably that would be appropriate, wouldn't it?

• (1215)

Mr. Marc Grégoire: Well, that's a question better asked to Louis Fortier, who is the scientific director in charge of that. We couldn't deal with such a company directly, though, and we wouldn't.

Mr. Robert Sopuck: No, I understand that. But if ArcticNet were to contract with a Research in Motion, for example—and again, I just use that as an example—that presumably would make no difference if the coast guard were looking at a productive voyage, would it?

Mr. Marc Grégoire: That is correct.

Mr. Robert Sopuck: Okay.

Did the leasing of the vessel by ArcticNet and the work you did up there in any way affect the coast guard's primary duties?

Mr. Marc Grégoire: Well, yes, it did, because it provided us an additional ship. The ship was to be decommissioned; it was for sale. Once this was approved in 2002, it resulted in one additional icebreaker for the coast guard. So it's a positive output.

Mr. Robert Sopuck: Okay. In my question I used the word "affect" in the negative sense, and I apologize for that, because you're saying it had a very positive effect on the coast guard.

Mr. Marc Grégoire: Yes.

Mr. Robert Sopuck: Did it have a training function at all for your staff, for some of the less experienced staff...? Could it be viewed as a training program?

Mr. Marc Grégoire: When I go around the country, I do staff meetings on ships or on our bases, and what I've heard from staff who work on the *Amundsen* is that they actually work more than on other icebreakers, because the scientists put them to task a lot. Also, given the number of scientists on board the *Amundsen*, they are more crowded in their cabins, so we have to put a lot of them two to a cabin. As well, they have to operate very sophisticated equipment that we don't have in any other vessels, so that does require additional training.

I don't know if Claude wants to add something.

Mr. Claude Langis: Yes. We like to say in the High Arctic that you don't need a greenhorn. You need people with a good background. On my side, I have only ten trips in the Arctic and four in the Northwest Passage, and I'm like a greenhorn. So you need pretty good expertise, and we try to put our best people on board the *Amundsen* in order to conduct the research in the High Arctic.

Mr. Robert Sopuck: Can you elaborate on community outreach and cooperation? The previous witnesses talked about relations with the local communities. Are you familiar with what went on there in terms of local community relations and cooperation?

Mr. Marc Grégoire: I am, from the briefings I received from Monsieur Martin Fortier—not his brother, but another person in ArcticNet.

But maybe Claude can speak to that, having been involved himself in those missions.

Mr. Claude Langis: Yes. I was involved. We had the chance with the *Amundsen* to conduct the Inuit health survey two years in a row. We were able to visit every little place in the Arctic and in Nouveau-Québec. We had close contact with the population, like during the CFL expedition during the IPY. We had to keep the ship up and running in the Arctic all winter long, so we had to discuss this with elders in different communities in order to get their expertise.

We had pretty good contact with all the communities in the Arctic, and if we go back to many years ago, we had the famous *C.D. Howe*, which was the hospital ship for the coast guard. The natives were afraid to go on board a coast guard ship, because when you go on board, you never go back. We destroyed that mentality with the *Amundsen* and the new story of Inuit health. So now when they see the *Amundsen*, they know we can help them.

Mr. Robert Sopuck: I'm really interested in that. So did you also do, as a byproduct of the original research or the work that ArcticNet

was doing...you're saying that you did an Inuit health survey in all of the communities. Presumably you had physicians or epidemiologists on board?

• (1220)

Mr. Marc Grégoire: It's not the coast guard. It's ArcticNet.

Mr. Robert Sopuck: I know—ArcticNet—but they would have physicians or epidemiologists?

Mr. Claude Langis: We had to mobilize the ship for Inuit health, so we had a lot of nurses, a lot of experts on board, just to conduct a survey in each village.

Mr. Robert Sopuck: So I guess we could say that the industry funding of ArcticNet can be indirectly credited with the Inuit health survey, because it allowed that to happen.

Mr. Claude Langis: No, it was prior to it.

Mr. Robert Sopuck: It was prior to it. Okay. I appreciate that.

What's the benefit to the overall operations of the coast guard from the scientific information that was collected during the ArcticNet work? Can you use the information they collected in your day-to-day operations?

Mr. Marc Grégoire: The *Amundsen* is one of the rare ships the coast guard operates that has a multibeam scanner, so wherever it goes, it collects 3-D colour information on the bottom of the ocean. So everywhere the *Amundsen* goes, we collect that multibeam information. We pass it on to the hydrographic services that will use it to modernize the maps. The *Amundsen* covers a lot of territory in the Arctic, from Hudson Bay all the way to the western Arctic, so that's one of the benefits.

Mr. Claude Langis: It's live information. You have new information in sight, right in front of you.

Mr. Robert Sopuck: I would presume as well that the bottom-mapping information is still pretty sketchy in the Arctic.

Mr. Marc Grégoire: Yes, we have only 10% coverage of the charting in the Arctic, and it would need to be updated and modernized.

Mr. Robert Sopuck: So the voyages of the *Amundsen* allow for that updating and modernization of the bottom-mapping information.

Mr. Marc Grégoire: It provides the information that will later be used by CHS, the Canadian Hydrographic Service.

Mr. Robert Sopuck: Okay.

The Chair: Mr. Cuzner.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): I'd like to thank both our guests for being here today and for sharing information on this important topic. I think it has been of benefit to the committee to hear the presentation.

I certainly in no way want to speak on behalf of the committee, but when the original agreement was put together in 2000, these are the types of relationships that I think people hoped would take place, and they have evolved. Given the structure, with Laval looking after the actual science aspect of it, and with those partnerships, there seems to be a separation—which I think is wise—between the coast guard and the actual work that's being done.

I have a couple of things. My sense is that there's a savings to the coast guard, but more so, it was a depreciating asset. As Mr. Sopuck indicated, you're able to do additional work over and above. Maybe it's not essential work, but the work that you're allowed to do is very worthwhile and useful, so this partnership has unlocked that potential, really, to do that.

Give me an indication, though, how long would the *Amundsen*, as a depreciating asset, have been listed under dispersal of crown assets? How long would it have been listed for sale before this opportunity came up?

Mr. Marc Grégoire: If I remember correctly, what I read was that the *Sir John Franklin* had been put aside in Newfoundland and wasn't used for a few years. Then it was put up for crown disposal and I think the sale cost was about \$2 million. That's why it cost so much to reactivate it and re-certify it to the standards of Transport Canada. It was \$30 million in total, with the scientific equipment.

Mr. Rodger Cuzner: That was the cost to the coast guard to reactivate—

• (1225)

Mr. Marc Grégoire: That money went to Université Laval. It was the grant from the CFI.

Mr. Rodger Cuzner: That was all retrofit?

Mr. Marc Grégoire: That money was given to the coast guard to rehabilitate and reactivate the ship and to rename it afterwards. That is where the name *Amundsen* came in.

Mr. Rodger Cuzner: Are you comfortable with putting a dollar value on the work you're able to do as a result of this partnership, the charting that you had indicated they are doing?

Mr. Marc Grégoire: It is not only the charting. It is our presence in the Arctic. The Arctic is huge, and we have limited assets, so being able to sail the *Amundsen* in Hudson's Bay and all the way across the western Arctic is of high value. It is difficult to cost other than saying that \$5.8 million is the actual amount we charged Université Laval for those trips, and that is depending on the size of the ship.

We have bigger ships like the *Louis S. St-Laurent* that are more expensive to operate. We also have smaller ships, but that is about how much it would cost us to send a ship with our own money. We're not making any money out of this arrangement. It's not for profit. In fact, we have to absorb the benefits to employees, the 20% you normally add to the salaries. That is the only cost to the coast guard, and that is nothing to pay for having such a nice ship in the High Arctic. As I said, if it is needed for search and rescue or for an oil spill event, we can use that ship. It's part of the MOU.

Mr. Rodger Cuzner: Yes.

I guess this is one that the other witnesses weighed in on. As Monsieur Blais has indicated, the alarm bells went off when the story reached the papers, and it caused a considerable amount of concern. What has been shared with the committee to date is that they believe the context in which the story was written was not quite as accurate as the reality.

Could I get your opinions on when you first read the article and what you thought when the article was released?

Mr. Marc Grégoire: Well, the first thing I saw was the Radio-Canada report, the French news on CBC, and I was kind of shocked to see it reported as it was, because I knew that wasn't the true story. I knew very well what kinds of arrangements we had with ArcticNet, and this reality was not reflected, in my opinion. It was a bit twisted.

The Chair: Thank you, Mr. Cuzner. Your time has expired.

Monsieur Blais.

[Translation]

Mr. Raynald Blais: I am going to continue on the same track as before.

I used to be a journalist. And when I would interview someone, I would often provoke them to try to get something meaty. So I am going to carry on provoking you, but it is not to be mean. I have absolutely nothing against you.

I want to come back to the oil companies. Whether Mr. Sopuck likes it or not, Chevron's response in South America and BP's response in the Gulf of Mexico lead us to believe that they really are the bad guys. They do not exactly inspire confidence, unfortunately. I wish they did, but they don't in light of what happened. If things were to change, that would be a different story. But given how things stand right now, I am going to do everything in my power to mitigate the damage.

I have the same concern when it comes to the *Amundsen* and the oil companies that are helping to fund ArcticNet's work. That is my sole concern.

You even said it yourself. You had questions about whether there was a conflict of interest, real or apparent, when you found out that oil companies were helping to pay the leasing costs of the ship through ArcticNet and Université Laval.

Would you be more comfortable if none of the funding came from oil companies?

• (1230)

Mr. Marc Grégoire: I have already told you that, for me personally, this situation is not an issue. So I cannot be more comfortable or less comfortable; I would be equally comfortable.

Mr. Raynald Blais: Do you not think that, one day, you may be called upon to help clean up the mess caused by oil companies in the Arctic, given their greed, their conduct and their lack of accountability?

Mr. Marc Grégoire: I hope we never have to do that kind of thing. What's more, where should the company stop? Should we prohibit oil companies from giving anyone money, universities or whoever? If we could not take money from oil companies, who else should we not take money from? I believe Manitoba Hydro was one of the first organizations to contribute to the research networks. Is that better or worse? I don't know.

Our organization is extremely operations-oriented. We offer icebreaking services and search and rescue services. We have an opportunity to use a vessel that was on its way out. So I have a very hard time seeing the continued operation of the *Amundsen*, under the current conditions, as a disadvantage.

Mr. Raynald Blais: Mr. Grégoire, like some of your predecessors who came before the committee a few years back, you are no doubt very aware that the Canadian Coast Guard's budget is insufficient. Recently, however, thanks to the generosity of the current government, you did receive a budget that allowed you to slightly increase your ship funding. But funding is still inadequate for things such as research.

According to the report of the Commissioner of the Environment and Sustainable Development, the Canadian Coast Guard is not equipped to deal with a disaster. You have no emergency response plan. That is unfortunate, but there is not enough money.

Does that mean, then, that you are willing to take money wherever you can get it?

Mr. Marc Grégoire: No, not wherever. If we had not allowed ArcticNet to accept funding from oil companies, the vessel would have been docked in Quebec City for months. It is as simple as that.

So you are asking me, the head of the Canadian Coast Guard, whether it would be better for the *Amundsen* to sit in the harbour on principle, because of the possible perception of an indirect conflict of interest or whether it would be better to conduct these scientific missions for Université Laval and ArcticNet.

I will repeat what I said to you during the first round: I am comfortable with the situation, provided that the current parameters are respected, in other words, that the outcome of all this research is in the public domain, which is the case today.

If an oil company were to approach us and say that it wanted to lease our icebreaker for its personal use, we would flat-out refuse.
[English]

The Chair: Thank you, Monsieur Blais.

Mr. Donnelly.

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

I think we've covered the perception issue—

Mr. Marc Grégoire: I would say so—

Voices: Oh, oh!

Mr. Fin Donnelly: —a fair bit, so—

Mr. Marc Grégoire: I'm not sure, though.

Mr. Fin Donnelly: Well, I'm not saying that I necessarily agree, but I certainly was affected by the story and had other Canadians ask me questions. I think it's always important that we deal with these questions. That's why I was putting my questions to you. I certainly appreciate your responses.

I did want to just ask a clarifying question about the resource issue and the best use of resources, based on what you have said, because I'm now a little more confused. You could probably straighten me out. Have you used the *Amundsen* for any purpose besides research?

• (1235)

Mr. Marc Grégoire: Oh yes, absolutely.

Mr. Fin Donnelly: For icebreaking, for oil spill response, for...?

Mr. Marc Grégoire: The *Amundsen* is working now as we speak.

Where is it now?

Mr. Claude Langis: The *Amundsen* should be in Quebec right now doing flood control and escort.

Mr. Marc Grégoire: So the *Amundsen* is working on the St. Lawrence River. It's our asset, at our disposal entirely, for coast guard missions for the times when it's not used for the scientific missions. So the time we reserve to ArcticNet is by contract. It's 152 days. It could be more if we're able to allow it with the maintenance we have to do before and after, or it could be less.

Mr. Fin Donnelly: So I guess where I was focusing is during the 152 days. During that time, it's only used for research?

Mr. Marc Grégoire: Unless there is an emergency like there was last August when the *Clipper Adventurer* ran aground. The *Amundsen* was the closest ship for the coast guard, so we sent it there.

Mr. Fin Donnelly: Yes. You've said that this acquisition has resulted in a net positive gain to the coast guard assets.

Mr. Marc Grégoire: Yes, because it was out the door, the "Old 02", which was the name given it for disposal after the *Sir John Franklin* was decertified. It was gone. For the coast guard, we hadn't bought a big ship like this since 1988, so to lose one was a net loss. To gain it back and to get the money to have it back in top shape was a gift to the coast guard. It's a very positive thing for the coast guard.

Mr. Fin Donnelly: If those officers who are being used during the 152 days weren't used for scientific research at that time, would they be used for something else, for some other purpose, like refits?

Mr. Marc Grégoire: You're talking about the crew of the ship, those who operate the ship?

Mr. Fin Donnelly: Yes.

Mr. Marc Grégoire: This is a very complex question because it depends on your rank, your seniority, and your experience in the coast guard. If we didn't have this ship, probably many of those people would work on another ship, but at the end of the chain there's somebody who wouldn't work for the coast guard, because we would need fewer people. Basically, for all of our big ships we have two crews, two full crews that alternate.

Mr. Fin Donnelly: So I guess that's where I was going in my questioning before. You're saying that would be such a small impact to resources that it would be what you would call negligible?

Mr. Marc Grégoire: If...?

Mr. Fin Donnelly: If, for instance, we didn't have the use of the ship for that 152 days.

Mr. Marc Grégoire: No, it would have a serious impact. We know it would have an impact because, for instance, this year we had the *Pierre Radisson*, which is in major refit, so we have to find ways to use the crews elsewhere. Some of them are taking extended leave. Some of them are sent to other vessels.

It would be complex to manage if from one day to the next we were told that we would be losing that funding from ArcticNet. But as far as we know, the funding is there for the next years.

Mr. Fin Donnelly: Thank you.

The Chair: Thank you, Mr. Donnelly.

Mr. Allen.

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

I can't...[Inaudible—Editor]

The Chair: Mr. Allen, your microphone is off.

Mr. Mike Allen: Do I get to start over?

Some hon. members: Oh, oh!

The Chair: You get to start over.

Mr. Mike Allen: Seeing as Mr. Blais took a shot at us and our investment in R and D.... We've had a significant amount of investment in R and D, going back to 2002-03 when this investment was made. I can't think of a better partnership, because when you look at R and D, for this one we have a partnership between business, we have a partnership between industry, and we have a partnership between the educational institutions and with government. To me, it's a win-win-win for everybody on this one.

Going along with that, do you know what it costs per year to operate the *Amundsen*? What is the total cost per year?

Mr. Marc Grégoire: We know the cost we charge for 152 days or so and we know that the daily cost is \$38,000 to \$39,000, so you can deduce the yearly cost. As for what we charge the Université Laval, this year we charged them \$5,570,000. In 2009-10, we charged them \$5,965,000. That's for roughly 152 days, or for 160 days, I think, in one of those cases. The ship costs about \$39,000 per day.

• (1240)

Mr. Mike Allen: Per day to operate?

Mr. Marc Grégoire: Yes.

Mr. Mike Allen: Okay. When you say in your notes that “all costs of operating the vessel in scientific mode are defrayed by the scientific consortium”, what do you mean when you say “operating the vessel in scientific mode”? Is that just for the 152 days? Is that what you mean?

Mr. Marc Grégoire: That's correct.

Mr. Mike Allen: Okay. Has there been any discussion about what happens with ArcticNet after 2017?

Mr. Marc Grégoire: We have the polar icebreaker, which was announced by this government, to replace the *Louis S. St-Laurent*, which is a heavy icebreaker. The polar icebreaker, the *John G. Diefenbaker*, will be staying in the Arctic for about nine months or nine months plus. It will be very well equipped with scientific equipment.

There is some thinking that scientists will be able to use this platform. There is no discussion about it or there is no life after 2017 for the *Amundsen* as we're speaking today. The agreement we signed with Université Laval in 2002 was for 15 years, which takes us to 2017. Could it be extended? We'll see when we get closer. The coast guard has been good in extending the life of vessels.

I presume that, yes, it could be extended beyond that. But the agreement we have now ends in 2017.

Mr. Mike Allen: In the clauses within the existing agreement about termination or notice of termination of the agreement, is there any notice of intent to want to continue the agreement beyond 2017? Would the Université Laval have to say by 2015 that they would like to continue this partnership?

Mr. Marc Grégoire: As far as I know, they are looking for funding for the next seven years.

Do you know the clause for...? I have it here. It's a 10-page legal document, so....

Mr. Mike Allen: Is this something, Mr. Chair, that they could table with the committee?

Mr. Marc Grégoire: I can't table it now because this is the English version only, and this is something I would never do here: table an English document.

Mr. Mike Allen: No, we've heard about that. We've been through that battle, so I wouldn't do that.

Some hon. members: Oh, oh!

Mr. Marc Grégoire: It's worse than that; I don't think we have a French version.

Mr. Mike Allen: Really?

Mr. Marc Grégoire: No.

Mr. Mike Allen: Wow.

Mr. Marc Grégoire: So if you want this document, it's going to take a lot of time, because we would have to get it translated. I was surprised by this, but that seems to be the case.

Mr. Mike Allen: Okay. Would there be a chance that you could table those clauses and renewal clauses, just those? You wouldn't have to do the whole contract.

Mr. Marc Grégoire: Yes.

Mr. Mike Allen: Do you have any idea of what it would take, if it were extended beyond 2017, to revitalize the ship at that point? There's a certain degradation, I'm assuming, so are we looking at another \$25 million or \$30 million?

Mr. Marc Grégoire: It depends on what we have to do. It could be less, but it varies from ship to ship. On some of our ships now, we have to replace all the engines and all the generators and do major work across the ship.

It would have to be assessed. I don't know if we have such an assessment for the *Amundsen*.

Mr. Claude Langis: We have the basic money to refit the ship for normal operations until the end of the ship. It's in our budget right now.

Mr. Marc Grégoire: No, but the question is if we could extend it...could we do a vessel life extension?

Mr. Claude Langis: If we have the money, you can be sure we'll do it.

Mr. Mike Allen: So what you're saying is that each year you have a certain capital improvement fund. How much is that capital improvement fund each year?

Mr. Claude Langis: It's not improvement. You have to be careful: it's for the normal refit of the ship. We have to re-certify the ship year after year. That's the money we have in our budget. We don't have any kind of money to upgrade the ship.

On the scientific side, ArcticNet would take care of all the costs.

Mr. Mike Allen: That's great.

Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Grégoire and Mr. Langis, thank you very much for joining us today. We appreciate you taking time out of your busy schedules to appear before the committee.

We'll take a short break, and then we'll move right into committee business.

• (1245) _____ (Pause) _____

• (1245)

The Chair: Members, I'm going to turn the floor over to Mr. MacAulay. He wants to provide notice of a motion.

Mr. MacAulay.

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

Do you want me to read the motion, Mr. Chair? All right.

It says: "That, in light of severely negative effects the Grey Seal and Harp Seal populations are having on the fish stocks, the Fisheries and Oceans committee, at its earliest opportunity, conduct a study on what possible effects a much more extensive seal hunt would have on fish stocks in the Gulf Region".

The Chair: Thank you.

Mr. MacAulay has provided us with the normal 48-hour notice of motion. Having said that, I, note that our subcommittee meeting that was scheduled for today at 10:30 was in need of being rescheduled

because of the vote in the House. What I've talked to the clerk about is the possibility of rescheduling that subcommittee meeting to next Tuesday at 10:30.

The most urgent issue that we had to deal with at subcommittee today was the estimates. I've asked the clerk to work with the minister's office to secure a date prior to March 22 for the minister to appear before the committee on the estimates. Mr. MacAulay's motion is to be debated on Thursday, and we would have a subcommittee meeting on Tuesday to deal with Mr. MacAulay's motion and Mr. Donnelly's motion for scheduling purposes as well.

• (1250)

Hon. Lawrence MacAulay: When is that meeting?

The Chair: It's a week from today.

But you will bring your motion forward on Thursday. We'll set time aside on Thursday to deal with your motion and we'll work on the snow crab report in the remainder of the time.

Mr. Fin Donnelly: Is that March 8?

The Chair: Yes, March 8 would be the date of the subcommittee meeting, and we would deal with your motion, Mr. Donnelly, and Mr. MacAulay's motion at that same time, pending the results from the debate on Thursday on Mr. MacAulay's motion.

Does that meet with the approval of committee members? All right.

François.

Mr. François Côté (Committee Researcher): Can I have some clarification? When you refer to estimates, are you talking about the main or the supplementary estimates?

The Chair: It's the supplementary estimates.

Is there anything further?

I see nothing further. The meeting is adjourned.

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