HOUSE OF COMMONS CHAMBRE DES COMMUNES CANADA

# RESTORING FULL ACCOUNTABILITY FOR RESOURCES AND GOVERNANCE OF THE GREAT LAKES FISHERY COMMISSION

**Report of the Standing Committee on Fisheries and Oceans** 

Ken McDonald, Chair

NOVEMBER 2023 44th PARLIAMENT, 1st SESSION Published under the authority of the Speaker of the House of Commons

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#### **NOTICE TO READER**

#### Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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has the honour to present its

# **ELEVENTH REPORT**

Pursuant to its mandate under Standing Order 108(2), the committee has studied the allocation of resources to the Great Lakes Fishery Commission and has agreed to report the following:

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# **LIST OF RECOMMENDATIONS**

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

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#### **Recommendation 6**

That measures be established to provide Canada's funding contribution to the	
GLFC as specified in the annual federal budget directly to the GLFC and not via	
the budget allocated to Fisheries and Oceans Canada1	.3

#### **Recommendation 7**

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#### **Recommendation 11**

#### **Recommendation 12**

That Fisheries and Oceans Canada and Global Affairs Canada show leadership
in partnership with the Americans so that the GLFC's work is as efficient as
possible and resumes as quickly as possible18

#### **Recommendation 13**

That the governance of the GLFC on the Canadian side, should it be transferred
to Global Affairs Canada, be transparent and subject to independent
external audits 18

#### **Recommendation 14**

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Canada, nominate individual(s) to take the place of Department personnel on
the GLFC's governing board(s)18

#### **Recommendation 15**

#### **Recommendation 16**

That Canada immediately inform the GLFC and U.S. partners of the above
actions, and recommit Canada to the relationship established by
the Convention19



# RESTORING FULL ACCOUNTABILITY FOR RESOURCES AND GOVERNANCE OF THE GREAT LAKES FISHERY COMMISSION

# **INTRODUCTION**

1

On 1 May 2023, the House of Commons Standing Committee on Fisheries and Oceans (the Committee) adopted a motion to

examine how the Department of Fisheries and Oceans (DFO), within its role as the machinery of government agent for the Great Lakes Fishery Commission (GLFC), allocates resources to the GLFC in execution of Canada's commitments under the 1954 *Convention on Great Lakes Fisheries*, and the working relationship between the DFO and the GLFC in delivery of the convention's five major charges for the commission.<sup>1</sup>

The Great Lakes Fishery Commission (the GLFC or the Commission) was created by the 1954 Convention on Great Lakes Fisheries (the Convention) between Canada and the United States. The GLFC's mandate is to control sea lampreys, advance scientific research in the Great Lakes and establish working relationships among federal, provincial and state agencies. The GLFC is headquartered in Ann Arbor, Michigan and is led by eight commissioners: four Canadian commissioners appointed by the Governor in Council and four American commissioners appointed by the President of the United States and an additional alternate American commissioner. The Commission is currently chaired by Canadian Commissioner James McKane.

The Convention gave the Commission six major duties:

- to develop a binational research program aimed at sustaining Great Lakes fish stocks;
- to coordinate and conduct research consistent with that program;
- to recommend measures to governments that protect and improve the fishery;

House of Commons, Standing Committee on Fisheries and Oceans, Minutes of Proceedings, 1 May 2023.



- to formulate and implement a comprehensive sea lamprey control program;
- to publish and authorize publication of scientific and other information critical to sustaining the fishery; and
- to develop strong working relationships.<sup>2</sup>

On 8 June and 12 June 2023, the Committee held two meetings on the GLFC, hearing from eight witnesses and receiving two related documents. Witnesses included representatives from DFO and Global Affairs Canada (GAC), GLFC commissioners and representatives, and one member of the United States House of Representatives.

This report addresses the GLFC's sea lamprey control program, the state of funding and contributions to the GLFC from Canada and the United States, and the governance structure and existing ties between DFO and the GLFC. It describes the various arguments made by witnesses about the governance and the role of the machinery of government vis-à-vis the GLFC and the progress made in recent months to fund the GLFC.

Witnesses shared details with the Committee about Canadian and American budget contributions over the years and the challenges the GLFC has faced because of the Government of Canada's underfunding from 2000 to 2022. Witnesses also discussed the governance structure and the relationship between the Commission and DFO. GLFC officials stated the machinery of government function for GLFC should transition from DFO to GAC while DFO officials stated no conflict of interest exists. While both sides cited legal opinions supporting their positions, the GLFC provided the Committee with their legal opinion they cited but DFO did not provide their legal opinion despite being asked for it. Witnesses also explained the structure of the Canadian branch of the sea lamprey control program in terms of its management and implementation. The Committee agrees with testimony stating that a conflict of interest exists and that the machinery of government function for the GLFC should be transitioned from DFO to GAC. As a result, the Committee is making 16 recommendations to the Government of Canada.

2

Great Lakes Fishery Commission (GLFC), About.

# **SEA LAMPREY**

For over 60 years, Canada and the United States have been working together in the Great Lakes to combat the sea lamprey, an invasive species that established itself in the five Great Lakes by 1938 and are also found in the Saint Lawrence River. Sea lampreys are native to the Atlantic Ocean and gained access to all the Great Lakes through humanmade shipping canals. Sea lampreys are parasitic. They attach to fish with their oral suction disk and teeth and rasp through the fish's scales and skin with their tongue to feed on blood and body fluids. Uncontrolled sea lamprey populations in the 1940s and 1950s contributed significantly to the collapse of Great Lakes fisheries.<sup>3</sup>

Sea lamprey can be controlled at various life stages. Lampricides can be used to kill sea lamprey larvae in Great Lakes streams with little to no effect on other fish and wildlife. Barriers can be installed to block upstream migration of spawning sea lampreys. Sea lampreys are caught and removed using traps, often in tandem with barriers. Natural odours emitted by sea lamprey, called pheromones, can also be used to attract sea lamprey to traps or block them from certain areas.<sup>4</sup>

Niall O'Dea, Senior Assistant Deputy Minister of Strategic Policy at DFO, mentioned that the Great Lakes fisheries are under constant threat from sea lampreys.<sup>5</sup> During its adult lifetime, one sea lamprey can destroy up to 40 pounds of fish.<sup>6</sup> Sea lamprey can cause the collapse of fish stocks, which has major socioeconomic implications and harmful impacts for the Great Lakes ecosystem. It is because of the invasive nature of the sea lamprey that all the witnesses demonstrated a desire to address the issues affecting the GLFC's operations and proper functioning. Some witnesses pointed out that the GLFC has not had a regular program since 2021 because of the Government of Canada's chronic underfunding and the American section's decision to withdraw from discussions on 28 November 2022 after a lack of improvement from the Canadian side. These witnesses further noted the importance that the GLFC must start meeting again to ensure that Great Lakes fisheries are adequately protected.<sup>7</sup>

4 Ibid.

7 Debbie Dingell, Member of Congress, House of Representatives of the United States, *Evidence*, 8 June 2023.

<sup>3</sup> Government of Canada, <u>Sea Lamprey: The Battle Continues to Protect Our Great Lakes Fishery</u>; and Government of Canada, <u>Sea Lamprey</u>.

<sup>5</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>6</sup> Government of Canada, <u>Sea Lamprey: The Battle Continues to Protect Our Great Lakes Fishery</u>.

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Niall O'Dea said that the efforts of Canada and the United States through the GLFC "have reduced the sea lamprey populations in the Great Lakes by 90%."<sup>8</sup> Debbie Dingell, Member of the United States House of Representatives, also acknowledged the success of the bilateral cooperation between Canada and the United States within the GLFC, which has allowed the Great Lakes fisheries to bounce back, now accounting for more than \$8 billion in economic activity each year.<sup>9</sup> Therefore, all witnesses believe in the importance and relevance of the GLFC and its role regarding the control of sea lampreys.

Robert Lambe, Executive Secretary of the GLFC, said that the Convention states that the GLFC can contract the delivery of its programs to government agencies, which is why DFO is the contracting agent for controlling the sea lamprey.<sup>10</sup> According to Niall O'Dea, DFO representatives recognize that the sea lamprey control program is delivered by DFO on behalf of the GLFC.<sup>11</sup> Beyond its role as the contracting agent for the GLFC, DFO also has its own initiatives to combat invasive species.<sup>12</sup> A number of challenges arise from the dual role played by DFO as the contracting agent for sea lamprey control and as the portfolio manager for the GLFC, and they are discussed below.

# **Recommendation 1**

That the Minister establish with Fisheries and Oceans Canada that its role in the management of invasive species (sea lampreys) in the Great Lakes should become that of a contractor to the Great Lakes Fisheries Commission (GLFC), similar to the role of U.S. agencies.

### **Recommendation 2**

That the urgency to act to address invasive species be recognized and taken into account in order to give the GLFC the opportunity to establish upcoming priorities and steps to ensure a rapid response.

<sup>8</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>9</sup> Debbie Dingell, Member of Congress, House of Representatives of the United States, *Evidence*, 8 June 2023.

<sup>10</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>11</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>12</sup> Government of Canada, <u>Aquatic Invasive Species</u>.

**Recommendation 3** 

That the mandates of the GLFC, other than those involving the sea lamprey, be well defined, and that each mandate be listed and known in advance.

# **FUNDING AND BUDGET**

Various witnesses criticized the fact that the successful operation of the GLFC has been hampered by ongoing financial issues that date back several years. Under the Convention, it was decided that the United States would contribute 69% and Canada would contribute 31% of the GLFC budget for the implementation of the sea lamprey control program, and that the two countries would evenly divide the other costs associated with operating the GLFC and delivering its other programs.<sup>13</sup> Robert Lambe said that Canada has not provided its full contribution according to the formula since 2000.<sup>14</sup> According to his calculations, the cumulative deficit of the underfunding between 2000 and 2022 is \$70 million.<sup>15</sup>

Ethan Baker, Commissioner and Vice-Chair of the GLFC, said that an \$8.8-million deficit in Canadian funding for the binational component prevented the Commission from establishing its programs in November 2021 for the first time in its history.<sup>16</sup> Debbie Dingell said that the GLFC "has not met in more than a year and has not had a regular program since 2021."<sup>17</sup> Ethan Baker gave an update on the file, saying that Parliament had finally released the funding in April 2022, which allowed the GLFC to set its 2022 programs in June 2022.<sup>18</sup>

After roughly five years of discussions between the Canadian and American commissioners about the financial issues and the governance issues involving DFO, which oversees the Canadian portfolio, the American section of the GLFC suspended discussions with the Canadian commissioners on 28 November 2022. According to GLFC documents submitted to the Committee, two conditions had to be met before a return to normal operations was possible: (1) a resolution to the 30-year underfunding of the GLFC program by Canada; and (2) a clarification of who represents Canada and makes

15 Ibid.

18 Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>13</sup> GLFC, <u>Budget</u>.

<sup>14</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>16</sup> Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>17</sup> Debbie Dingell, Member of Congress, House of Representatives of the United States, *Evidence*, 8 June 2023.



decisions on its behalf.<sup>19</sup> On the matter of the budget, progress has been made in recent months, as mentioned by several witnesses and explained in greater detail below.

During their statements, some witnesses began by explaining how the budget process works and the relationship between the GLFC and DFO in this area. Niall Cronin, Executive Director of United States Transboundary Affairs at GAC, described the process outlined in the Convention. The GLFC is responsible for developing its budget for its various programs and for submitting this budget to Canada and the United States for approval.<sup>20</sup> Niall Cronin explained that, in general, the budget development process involves a number of discussions between the GLFC and the governments involved to clarify the budget requests and to ensure that the governments will then approve them.<sup>21</sup>

Niall O'Dea described how the funding allocated by Parliament to the GLFC appears in the budget as appropriations made to DFO.<sup>22</sup> Part of the funding is used to finance DFO which, as a contracting agent, is responsible for implementing the GLFC's sea lamprey control program pursuant to Article VI of the Convention.<sup>23</sup> The remainder of the funding goes to support the GLFC's other programs. Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer at DFO, clarified that the amount granted to DFO is not arbitrary; in fact, it is negotiated between the GLFC and DFO.<sup>24</sup> The DFO representatives assured the Committee that the funds paid to DFO to support the GLFC's sea lamprey program are used exclusively for that purpose.<sup>25</sup> According to a number of witnesses, DFO and the GLFC are also in the process of negotiating a memorandum of agreement that was proposed by the GLFC to define how funds will be transmitted over the long term and to codify the relationship between the two organizations.<sup>26</sup> More specifically, Ethan Baker stated that the GLFC is calling on Canada to accept the

23 Ibid.

<sup>19</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

<sup>20</sup> Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.

<sup>21</sup> Ibid.

<sup>22</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>24</sup> Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer, DFO, *Evidence*, 8 June 2023.

<sup>25</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

Gregory McClinchey, Director, Policy and Legislative Affairs, Great Lakes Fishery Commission, <u>Evidence</u>,
 8 June 2023; Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, <u>Evidence</u>,
 8 June 2023; and Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer, DFO, <u>Evidence</u>,
 8 June 2023.

memorandum of agreement to improve fiscal transparency and adherence to the provisions of the Convention.<sup>27</sup>

The transfer of funding from DFO to the GLFC is a major challenge that has created tension within the GLFC and between the GLFC and DFO, according to what several witnesses had to say. More specifically, some witnesses said that DFO withholds part of the funding allocated to the GLFC for its sea lamprey control program. Ethan Baker said that, in November 2022, "DFO then communicated its intent to withhold from Parliament's allocation \$15 million, and more than \$3 million each year thereafter, contrary to the program negotiated by the commissioners."<sup>28</sup> Ethan Baker believes that, by withholding funding, DFO is mistakenly acting as though it is delivering a national sea lamprey control program under the authority of the *Fisheries Act*, rather than as a contracting agent that is delivering sea lamprey control measures on behalf of the program developed by the GLFC.<sup>29</sup> Richard Goodyear clarified that the funding for GLFC activities that remains with DFO is only the amount required to implement the sea lamprey control program.<sup>30</sup>

Niall O'Dea said that, after many discussions between DFO and the GLFC Secretariat, it was decided on 25 April 2023 that DFO would transfer all of the Budget 2022 funding for fiscal years 2022–2023 and 2023–2024 directly to the GLFC secretariat, representing an annual contribution of approximately \$19.5 million.<sup>31</sup> The Committee received reference documents from the GLFC indicating that these funds were received by the GLFC on 1 May 2023.<sup>32</sup> Richard Goodyear confirmed that the full slate of funding had been transferred to the GLFC for 2022–2023 and 2023–2024 and that DFO has "established a stable and predictable funding amount for the commission going forward."<sup>33</sup> Richard Goodyear also assured the Committee that the GLFC will be named in DFO's financial statements and in the Public Accounts of Canada to ensure that the full appropriation to the GLFC is accessible to the public.<sup>34</sup> This development improves the

<sup>27</sup> Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer, DFO, *Evidence*, 8 June 2023.

<sup>31</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>32</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer, DFO, *Evidence*, 8 June 2023.

<sup>34</sup> Ibid.



transparency surrounding the transfer of funds and ensures accountability regarding the use of budgetary appropriations.

Witnesses agreed that Budget 2022 adopted by the Government of Canada addressed some of the financial issues by providing funding that covered Canada's contribution to the GLFC. Niall O'Dea explained that Budget 2022 provides \$44.9 million over five years, starting in 2022–2023.<sup>35</sup> These additional resources grant annual funding of approximately \$19.5 million from 2022–2023 to 2026–2027 for the GLFC. Further to the progress made in recent months, Robert Lambe and Ethan Baker confirmed that the GLFC has accepted that Canada's \$70-million deficit will not be repaid.<sup>36</sup>

In addition to the lack of funding, witnesses from the GLFC were concerned about a likely conflict of financial interest, and they provided the Committee with a legal opinion outlining the situation. The legal opinion confirms that "DFO-employed Commissioners are likely in a real or perceived conflict of duties situation that results in a fiduciary breach."<sup>37</sup> More specifically, two of the four Canadian commissioners tend to be DFOemployed public servants, which, according to the legal opinion provided to the Committee, puts them in a position of conflict of duties regarding the process of setting budgets and requesting funding for the GLFC.<sup>38</sup> Furthermore, the legal opinion mentions that the GLFC budget comes from the DFO budget, and thus funding GLFC programs conflicts with the funding of other DFO operations and programs.<sup>39</sup> Robert Lambe shared an example of this financial conflict of interest: "We actually had a DFO commissioner come to a commission meeting back in the late 1990s and announce to the commission that Canada was defunding the commission without any consultation with the rest of the Canadian commissioners or with the U.S."<sup>40</sup> The legal opinion reports that, over the years, certain DFO-employed commissioners guestioned the propriety of their participation in the decision-making on budget setting, while at the same time, the other Canadian commissioners, not employed by DFO, were generally shut out from budget deliberations with the Government of Canada.<sup>41</sup> Pursuant to Article VIII of the

<sup>35</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>36</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023; and Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>37</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

<sup>40</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>41</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

Convention, it is the responsibility of the commissioners to set the form and proportion of the GLFC budget.<sup>42</sup>

DFO representatives did not agree that the commissioners were in a position of conflict of interest. Niall O'Dea said there was no conflict, explaining that two commissioners are identified by the Government of Ontario and two by the Government of Canada, and that the four commissioners who are appointed by the Government of Canada are responsible for representing the interests of the GLFC.<sup>43</sup>

### **Recommendation 4**

That the Government of Canada ensure that Canadian commitments under the Convention on Great Lakes Fisheries are fully adhered to, with full and timely funding flowing through the agency designated as the GLFC's machinery of government.

# **Recommendation 5**

That Canada immediately commit to providing the GLFC with its full \$19.6 million allocation on an ongoing basis, as directed by Budget 2022, without holdback for any reason, and that Canada commit to greater transparency with respect to this allocation (fencing, public accounts line item, etc.).

# **Recommendation 6**

That measures be established to provide Canada's funding contribution to the GLFC as specified in the annual federal budget directly to the GLFC and not via the budget allocated to Fisheries and Oceans Canada.

# **Recommendation 7**

That the government ensure that sufficient financial resources are allocated to allow the GLFC to fulfill its mandates, and that, in the interests of transparency, in the future, Fisheries and Oceans Canada or Global Affairs Canada be accountable for establishing a clear breakdown of the full amounts to be paid to the GLFC, specifying the purpose of the funding and the mandate for which they were allocated.

<sup>42</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>43</sup> Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.



# **MACHINERY OF GOVERNMENT**

Ethan Baker explained that, from when it was established in 1956 until 1979, the GLFC communicated with Canada through the Department of External Affairs.<sup>44</sup> It was in 1979 that DFO assumed a more prominent role in the administration of the GLFC's Canadian portfolio.<sup>45</sup> Various witnesses called for the machinery of government to be changed to address the shortcomings in the current structure. According to Ethan Baker, despite the progress achieved in addressing the financial issues mentioned above, "so long as the governance issues remain, the fiscal issues cannot be resolved."<sup>46</sup> Gregory McClinchey, Director of Policy and Legislative Affairs at the GLFC, expanded on this point, saying that the primary issue is not about money; it is about "the governance, the independence and the ability of the commission to execute its mandate in a meaningful and fulsome way."<sup>47</sup> That is why all witnesses, with the exception of those representing DFO and GAC, called for the duties of the DFO in relation to the GLFC to be transferred to GAC.

Various initiatives have shown the desire of GLFC representatives and the elected representatives of Canada and the United States to transfer the oversight for the portfolio from DFO to GAC. In fact, several letters were sent to representatives of the Government of Canada and the United States to call for a change to the governance structure:

- On 21 September 2021, the Vice-Chair of the GLFC wrote to Prime Minister Trudeau, the Minister of Foreign Affairs and the Minister of Fisheries and Oceans to request a transition of the GLFC's machinery of government functions from DFO to GAC.
- On 8 March 2023, a letter signed by nine members of the U.S. Congress was sent to President Biden asking him to raise the matter of the GLFC and its financial and structural issues with Prime Minister Trudeau.
- On 27 March 2023, the Canadian Section of the GLFC wrote a letter to the Minister of Foreign Affairs to explain the governance challenges that were negatively affecting the commissioners' responsibilities and

<sup>44</sup> Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

<sup>47</sup> Gregory McClinchey, Director, Policy and Legislative Affairs, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

mentioning that the GLFC would like to see the machinery of government responsibilities given to GAC instead of DFO.

- On 31 March 2023, members of the Liberal Caucus sent a letter to Prime Minister Trudeau asking him to approve the transfer of GLFC machinery of government functions from DFO to GAC without delay.
- On 6 June 2023, members of the U.S. Congress sitting on the Great Lakes Task Force sent a letter to Prime Minister Trudeau calling for the implementation of a long-term solution that would ensure that the GLFC could resume normal operations.<sup>48</sup>

This desire to change the current governance structure is supported by the legal opinion provided by the GLFC, which outlines a structural conflict of interest between DFO and the GLFC. Ethan Baker said that only commissioners are authorized by the Convention to set the GLFC programs, and by withholding funds, DFO is overstepping its authority as the portfolio manager and is setting programs.<sup>49</sup> As described below, DFO and GAC do not believe there is a conflict of interest between the GLFC and DFO. A document provided to the Committee by the GLFC states that "[s]hifting the GLFC's Canadian machinery of government functions to GAC, while retaining DFO as the contracted sea lamprey control agent, is the preferred and most appropriate option."<sup>50</sup> Robert Lambe noted that it is necessary to codify the role of the GLFC's portfolio manager, no matter which government organization performs this role.<sup>51</sup>

Despite this desire to change the GLFC's governance structure, Robert Lambe said that it was never a matter of no longer using DFO as the contracted sea lamprey control agent.<sup>52</sup> According to Robert Lambe and other GLFC representatives, the structural issue is that there is a conflict of interest when DFO provides funding to the GLFC on behalf of Canada, and not when DFO acts as the sea lamprey control agent.<sup>53</sup>

53 Ibid.

<sup>48</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

<sup>49</sup> Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>50</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

<sup>51</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>52</sup> Ibid.

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> This suggestion to change the machinery of government would institute a structure in Canada that is similar to the one in the United States. Ethan Baker described how the American Section of the GLFC is associated with the U.S. State Department, which is responsible for transferring funds to the GLFC.<sup>54</sup> The sea lamprey control program is then implemented by the Fish and Wildlife Service. Ethan Baker added that the Department of State is completely neutral because it has no interest in the programming involving the sea lamprey. In contrast, the GLFC representatives believe that DFO has an interest in the budget because it carries out the sea lamprey control, and it has its own programming for combatting invasive species.<sup>55</sup> The GLFC witnesses said that this governance model is effective and has been proven in the United States, which is why the suggestion was made to use the same model in Canada. Niall Cronin made the observation that there are a number of successful governance models that could be used to manage Canada's relationships and that, in both Canada and the United States, bilateral institutions and international organizations are not all managed by GAC and the Department of State, respectively.<sup>56</sup> For instance, GAC is already responsible for overseeing the funds allocated for the International Joint Commission and the Roosevelt Campobello International Park while other departments oversee other organizations.<sup>57</sup> Niall Cronin explained that the funds for these commissions are appropriated to GAC and that GAC then transfers the funding to the various bodies without holding back monies.<sup>58</sup> However, Niall Cronin believes that Canada can successfully manage its relationships with various bilateral institutions using a number of models.<sup>59</sup>

> Niall Cronin and the DFO representatives, including Niall O'Dea, did not believe there is a conflict of interest between DFO and the GLFC because the interests of these two organizations align.<sup>60</sup> Specifically, Niall O'Dea explained how Canada is the contracting party of the GLFC and DFO is responsible for representing the contracting party at the GLFC.<sup>61</sup> Therefore, the interests of the Government of Canada and DFO are to achieve the GLFC's mandate, according to Niall Cronin, which means there is no conflict of

- 56 Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.
- 57 Ibid.
- 58 Ibid.
- 59 Ibid.
- 60 Ibid.
- 61 Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.

<sup>54</sup> Ethan Baker, Commissioner and Vice-Chair, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>55</sup> Ibid.

interest between the two organizations, as they are pursuing the same goal when it comes to the control of sea lampreys.<sup>62</sup>

Niall Cronin said that, in 2021, GAC carried out an analysis about the implications of transferring the GLFC governance from DFO to GAC and added that this transfer would have both pros and cons.<sup>63</sup> Felicia Minotti, Deputy Director of United States Transboundary Affairs at GAC, said that the call for a change to the machinery of government had been discussed between GAC and DFO.<sup>64</sup> When asked about the advantages of the GLFC being managed by DFO, Niall O'Dea said that "many people within the department have an intense and localized understanding of the issues at play and the particular challenges of the management of the Great Lakes fishery and invasive species."<sup>65</sup> As a result, DFO has a better understanding of the issues, which could mean having better discussions with the GLFC.<sup>66</sup>

GLFC representatives recognized DFO's efforts to address the challenges that undermine the effectiveness of the GLFC. Niall Cronin also made the following statement about DFO's good-faith effort: "there is a real willingness and a commitment from the Department of Fisheries and Oceans to make sure that those relationships are repaired, that standard operating procedures are put in place and that it's clear to all sides what the roles and responsibilities of the other are."<sup>67</sup> The GLFC witnesses and DFO representatives acknowledged that progress had been made in recent months, but the GLFC representatives believe that this progress will not be sufficient until the governance structure between the GLFC and the Government of Canada has been changed and codified.

### **Recommendation 8**

That the Government of Canada transfer the portfolio management responsibilities and machinery of government functions for the GLFC from Fisheries and Oceans Canada to Global Affairs Canada and that efforts be made to restore the vital and legally

<sup>Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development,</sup> *Evidence*, 12 June 2023.
Ibid.
Felicia Minotti, Deputy Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.
Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.
Ibid.
Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.
Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy, DFO, *Evidence*, 8 June 2023.
Ibid.
Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.



entrenched independence of the GLFC while also ensuring appropriate and transparent external oversight expected of an international body.

## **Recommendation 9**

That the GLFC be able to count on the full governance support of Fisheries and Oceans Canada, or potentially Global Affairs Canada, in the performance of its duties. The tools needed for carrying out its mandate or mandates must be provided.

# **Recommendation 10**

That Fisheries and Oceans Canada and Global Affairs Canada promote a return to normal operations of the GLFC, given that the GLFC has not met for over one year and has not been able to set a regular program since 2021.

# **Recommendation 11**

That the government and Fisheries and Oceans Canada ensure that the GLFC is given the necessary tools and means to rebuild bridges with our neighbours to the south so that the commissioners can actively make the arrangements to pursue their mandate and the mission of the GLFC, respectively.

### Recommendation 12

That Fisheries and Oceans Canada and Global Affairs Canada show leadership in partnership with the Americans so that the GLFC's work is as efficient as possible and resumes as quickly as possible.

### **Recommendation 13**

That the governance of the GLFC on the Canadian side, should it be transferred to Global Affairs Canada, be transparent and subject to independent external audits.

### **Recommendation 14**

That the Minister of Fisheries & Oceans, on advice of Fisheries and Oceans Canada, nominate individual(s) to take the place of Department personnel on the GLFC's governing board(s).

## **Recommendation 15**

That the memorandum of agreement presented by the GLFC as a way of clarifying and codifying the relationship elements of the machinery of government functions be adopted without delay, and that the adoption be done in such a way that would future-proof the agreement and ensure the GLFC's long-term success in fulfilling its binational treaty mandate.

### **Recommendation 16**

That Canada immediately inform the GLFC and U.S. partners of the above actions, and recommit Canada to the relationship established by the Convention.

# **CONCLUSION**

Over the course of this study, the Committee heard from various witnesses to gain a better understanding of the dynamics and challenges involving the GLFC and DFO. Witnesses explained the financial and structural problems that affect program effectiveness and the GLFC's capacity to fulfill its role, as well as the progress made in recent months.

The Committee recognizes the financial progress made and DFO's commitment to transfer the entirety of the budgetary allocations to the GLFC. However, the Committee recognizes that there is a structural issue involving the GLFC and DFO, which acts as both the portfolio manager and the contracting agent. Therefore, it requests the Government of Canada to make a change to the machinery of government so that the GLFC is managed by GAC rather than DFO. The Committee hopes that this change will ensure that the GLFC can resume its work and continue its valuable efforts to control sea lamprey in the Great Lakes.

# APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's <u>webpage for this study</u>.

Organizations and Individuals	Date	Meeting
As an individual	2023/06/08	73
Debbie Dingell, Member of Congress, House of Representatives of the United States		
Department of Fisheries and Oceans	2023/06/08	73
Richard Goodyear, Assistant Deputy Minister and Chief Financial Officer		
Niall O'Dea, Senior Assistant Deputy Minister, Strategic Policy		
Great Lakes Fishery Commission	2023/06/08	73
Ethan Baker, Commissioner and Vice-Chair		
Robert Lambe, Executive Secretary		
Gregory McClinchey, Director, Policy and Legislative Affairs		
Department of Foreign Affairs, Trade and Development	2023/06/12	74
Niall Cronin, Executive Director, United States Transboundary Affairs		
Felicia Minotti, Deputy Director, United States Transboundary Affairs		

# APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's <u>webpage for this study</u>.

Dingell, Debbie

# **REQUEST FOR GOVERNMENT RESPONSE**

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 73 to 75, 83 and 86) is tabled.

Respectfully submitted,

Ken McDonald Chair

#### Supplementary Report from Conservative Party of Canada Members

"Allocation of Resources to the Great Lakes Fishery Commission" November 2023

The Great Lakes fishery is a binational resource affording Canadians and Americans dependent on the resource over \$7 billion in economic benefits on an annual basis. These benefits are derived from public, commercial, and Indigenous fisheries harvests and other sectors including tourism, fishing charters, vessel construction and services, and fish processing, to name a few.

The Great Lakes fishery is an economic driver for the harvesters and Great Lakes communities that derive economic activities, food security, and jobs from the fishery. For millennia, Indigenous communities have depended on resources of the fishery for food security and continuation of their cultures and traditions.

By area, the Great Lakes are the largest group of freshwater lakes on the planet and the fishery both depends on and supports healthy ecosystems in their waters. Sustaining the Great Lakes fishery and benefits it affords requires conservation of ecosystems and biodiversity through a myriad of actions including the management of aquatic invasive species (AIS), such as sea lamprey.

In 1954, Canada and the United States finalized the *Convention on Great Lakes Fisheries* (the Convention) to formally establish cross-border cooperation and coordination of conservation efforts to strengthen and sustain the fishery through the creation of the Great Lakes Fishery Commission (the Commission). Article VIII of the Convention delineates how parties to the Convention are to determine and pay expenses of the Commission and make contributions to pay for Commission expenses.

Conservatives were motivated to initiate the Committee's study of the resources and governance of the Commission in response to complaints of Canada's underfunding of the Commission and the machinery of government structure that perpetuates the underfunding. In his appearance as a witness, Commission Executive Secretary Robert Lambe stated that Canada underfunded the Commission from 2000 to 2022.<sup>1</sup> Lambe also stated that Canada's underfunding of the Commission was enabled by a conflict of interest that exists within the Department of Fisheries and Oceans (DFO) as the department holds responsibility to both deliver funding to the Commission on behalf of Canada and deliver sea lamprey control activities for the Commission.<sup>2</sup>

In her appearance as a witness on June 8, 2023, Ms. Debbie Dingell, United States Congresswoman for Michigan, described how the structural issues of Canada's machinery of government for the Commission resulted in decades of underfunding that culminated in the Commission not meeting in more than a year and not having a regular program since 2021.<sup>3</sup> Dingell noted that Canada's considerable funding gap was addressed in Canada's Budget 2022, however the government did not remedy the machinery of government mechanism that allows DFO to hold back funds allocated for the Commission in the federal budget.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> Robert Lambe, Executive Secretary, Great Lakes Fishery Commission, *Evidence*, 8 June 2023.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> Debbie Dingell, Member of Congress, House of Representatives of the United States, *Evidence*, 8 June 2023. <sup>4</sup> Ibid.

Commission representatives and Members of Parliament who participated in the Committee's study recognized DFO's structural conflict of interest vis-à-vis its responsibilities to the Commission. This conflict of interest was confirmed by a June 2022 legal opinion obtained by the Commission from Fasken Martineau DuMoulin LLP.<sup>5</sup>

DFO and the Department of Foreign Affairs, Trade and Development (DFATD) officials stated that no such conflict of interest exists and that their positions were confirmed by a legal opinion obtained from government lawyers. When officials were pressed to provide the Committee the legal opinion supporting their position that no conflict of interest exists, Niall Cronin of DFATD stated the "opinion provided by our lawyers is different, and that's why I committed to going back to the department to see what could be shared in writing with this committee."<sup>6</sup>

However, the Committee never received the legal opinion cited by DFO and DFATD officials but rather a written response from DFO distributed to Committee Members on June 21, 2023, merely stating the "Department of Justice's (DOJ) legal opinion in response to the Fasken opinion cannot be provided as it is subject to solicitor-client privilege."<sup>7</sup>

Conservatives are very concerned that government officials failed to provide the Committee the legal basis for policies and decisions precipitating DFO's apparent conflict of interest that allowed the department to underfund the Commission for over two decades. Canada's prolonged underfunding of the Commission has undermined the confidence of our American partners in Canada's commitment to the Commission, limited the Commission's work to protect the waters of the Great Lakes and has also caused unnecessary tension and dysfunction within the Commission.

The Government of Canada's inexplicable refusals to change machinery of government functions to eliminate DFO's conflict of interest in this matter are very concerning. Mr. Cronin stated "our understanding is that any decisions relating to machinery of government changes rest with the [Prime Minister's Office]. I think what our colleagues from the Department of Fisheries and Oceans said last week was that analysis has been undertaken across government and that the decision now rests at the centre, which we would call the Privy Council Office or the Prime Minister's Office."<sup>8</sup>

When Niall O'Dea of DFO was pressed for the date when the matter of the Commission's machinery of government change was raised with the Prime Minister's Office, he stated that step would not have come from DFO, that he did not have that information, and that he would take the request for information back to DFO. However, when the Committee received DFO's written response to this question, the Committee was once again stonewalled as we were informed that "DFO does not provide advice on Machinery of Government changes and therefore is not in possession of this information."<sup>9</sup>

<sup>&</sup>lt;sup>5</sup> GLFC, *Evidence Package*, Brief submitted to the House of Commons Standing Committee on Fisheries and Oceans, 7 June 2023.

<sup>&</sup>lt;sup>6</sup> Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.

<sup>&</sup>lt;sup>7</sup> DFO, <u>*Written Answers to Questions*</u>, submitted to the House of Commons Standing Committee on Fisheries and Oceans, 21 June 2023.

<sup>&</sup>lt;sup>8</sup> Niall Cronin, Executive Director, United States Transboundary Affairs, Department of Foreign Affairs, Trade and Development, *Evidence*, 12 June 2023.

<sup>&</sup>lt;sup>9</sup> DFO, <u>Written Answers to Questions</u>, submitted to the House of Commons Standing Committee on Fisheries and Oceans, 21 June 2023.

Where DFO officials failed to provide pertinent information for the Committee's work, the federal Open Government online database confirmed that a brief seeking decision regarding the Commission's machinery of government change was sent to the Prime Minister for a decision on April 12, 2022.<sup>10</sup> Record of the requested decision being made could not be found on the database and Conservative Members have no reason to believe that the Prime Minister has made a decision on the Commission's machinery of government change since it was submitted for his decision over a year-and-a-half ago.

Despite repeated calls for the machinery of government change to be made, including a March 2023 letter from 43 Liberal Party of Canada MPs to the Prime Minister pressing him to finally make the change, the Prime Minister has not initiated steps necessary to establish a permanent solution for Canada's underfunding of the Commission.

The Great Lakes are invaluable economic and ecological resources for Canada and the United States, and it is imperative that the Government of Canada fulfill its commitments under the Convention and delivers stable, fair and equitable funding in support of the Commission's work to restore and conserve the Great Lakes for future generations.

Decades of underfunding by Canada poses an unnecessary and inappropriate threat to the function and operations of the Commission and conservation of Great Lakes resources. Canada's underfunding has also eroded the confidence of Canada's American partners in Canada's partnership and commitment to the terms and fundamental conservation purposes of the *Convention on Great Lakes Fisheries*.

The issue and affects of DFO's machinery of government function for the Commission are not new and there is strong multipartisan support for these to be resolved once and for all, and yet the request for the Prime Minister to provide a permanent remedy for this problem continues to languish in the Prime Minister's Office without explanation.

Canadians and our American partners deserve to know why the Prime Minister continues to refuse to make a decision on this matter to start restoring certainty and stability to the Commission's essential work in restoring and conserving the irreplaceable and essential resources of the Great Lakes.

#### Recommendation

1) That the Prime Minister immediately and publicly issue a decision regarding which Government of Canada department is mandated to fulfill machinery of government function for the Great Lakes Fishery Commission and provide the reasons for his decision.

<sup>&</sup>lt;sup>10</sup> Government of Canada, "Open Government, Proactive Disclosure, Briefing Note Titles and Numbers," <u>TBD-PM-00494</u>, Viewed 12 November 2023.