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Standing Committee on Fisheries and Oceans

Comité permanent des pêches et des océans

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🕒 (1100)

[*English*]

The Chair (Mr. Tom Wappel (Scarborough Southwest, Lib.)): Good morning members, guests.

Pursuant to Standing Order 108(2), we are continuing our comprehensive study on the Canadian Coast Guard. Today we have witnesses from the office of the Auditor General of Canada, they are, Ron Thompson, Assistant Auditor General, Bill Rafuse, Principal, I'm going to ask you what Principal means but that will be when it's my turn and Kevin Potter, Director, Audit Operations Branch.

From the Department of Fisheries and Oceans we have Commission John Adams of the Canadian Coast Guard.

Before we start, Commissioner I'd just like to thank you very much for the promptness with which you responded to our detailed requests for information, which you were able to give us, we thank you very much for that, appreciate it.

Just for the information of committee members, this committee is, possibly the correct word is, defunct as at 2 p.m. this afternoon and will have to be reconstituted pursuant to

the order of the Procedure and House Affairs Committee and the clerk will attempt to call a meeting as early as possible, possibly as early as Tuesday but there's no guarantee of that, that will depend on the whips of the respective parties.

Of course every day that goes by will be a day lost in our agenda with respect to the two items that we agreed that we would work on. There was one item that we forgot to mention, I'm just going to throw it out, I'm not asking for any comment. Perhaps we could get an update on the NAFO meetings from Mr. Shamout at some point. That's only if we have time.

By the way, if I see nine members, I'd like to if possible, just briefly interrupt the proceedings and ask for concurrence in the steering committee's report but that will only be if I see nine members.

Without further ado we're going to hear from the office of the Auditor General of Canada first. Then we're going to hear from the Department of Fisheries and Oceans, the Commission of the Coast Guard, then we'll proceed with our questioning in the usual manner.

Who is going to start off from the office? Mr. Thompson, of course.

Mr. Ron Thompson (Assistant Auditor General, International Affairs, Office of the Auditor General of Canada): Thank you very much Mr. Chair. We really do appreciate this opportunity to discuss the audit work we've carried out in the Canadian Coast Guard.

In particular, I'll highlight findings from chapter 31, in our December 2000 report and chapter two of our December 2002 report.

Mr. Chair, I'm pleased that your committee has decided to look at coast guard issues and I believe that our reports on fleet management and marine navigation should be useful to you.

As you mentioned, joining me at the table are Bill Rafuse, Principal and Kevin Potter, Director of our regional office in Halifax. Mr. Rafuse has just taken responsibility for the Halifax-based operations in our audits, in particular of fisheries and oceans down there.

Mr. Potter on the other hand is a director long-standing in that office and has worked very hard on both of the audits that we're going to be discussing today.

🕒 (1105)

[*Français*]

Dans les chapitre 2 et 31, nous avons conclu que le ministère ne gérait pas les secteurs que nous avons examinés, à savoir la gestion de la flotte et la navigation maritime de manière rentable.

De plus, nous avons déclaré que, à notre avis, des changements devraient être apportés pour veiller à ce que les besoins des utilisateurs soient comblés à l'avenir. Nous pensons que ces constatations sont pertinentes car le ministère joue un rôle important en regard de la prestation de services essentiels pour de nombreux Canadiens. Parmi ceux-ci figurent les aides à la navigation, les brise-glaces, les volets maritimes des activités de recherche et de sauvetage, la prévention de la pollution maritime et les mesures d'intervention. La flotte a pris le ministère dans ses activités concernant l'application des règlements sur les pêches, les sciences halieutiques, l'hydrographie, l'océanographie et les autres sciences de la mer.

[*English*]

The Chair: I would appreciate your indulgence. I notice that we have nine members and while I've got them--there's no need for you to leave your seats or anything--I'd just like to deal with a little bit of committee business if you don't mind. It shouldn't take too long.

Members, your subcommittee met and you have it in front of you and the committee is recommending that the committee adopt the following program for the near future, namely:

That the committee endeavour to complete a report on Atlantic fisheries issues no later than November 7; and

That the committee hear further witnesses in relation to its study on the Canadian coastguard as of September 25, 2003 and to endeavour to report to the House no later than November 7. Good luck to us.

The subcommittee also recommends:

That the committee defray the expenses for the working luncheon held on Saturday, September 13, 2003 with that Dr. Ragnar Arnason of the University of Iceland; and

That the committee be authorized to purchase documents for the use of the committee.

For your information, the last point deals with the idea that the subcommittee had unanimously that we purchase a book entitled... What's it entitled, Alan?

Mr. Alan Nixon (Committee Researcher): It's *In A Perfect Ocean*.

The Chair: *In A Perfect Ocean* which is a very, very succinct description of what's happening in the world's oceans and the destruction of the world's oceans and we felt that it would be appropriate for each member of the committee to have a copy.

Can I have a mover for the...? Yes, Mr. Stoffer. Secunder? Mr. Peschisolido. Any discussion? None.

Mr. Bill Matthews (Burin—St. George's, Lib.): I have one question, Mr. Chairman.

The Chair: All in favour? Opposed if any? Any abstentions.

(Motion agreed to)

The Chair: Thank you.

I believe you are on paragraph 5, Mr. Thompson.

Mr. Ron Thompson: On May 8, 2001 I had the honour of testifying before this committee on chapter 31, fleet management. Our concerns back then were in three areas: organization and accountability; vessel life cycle management; and human resource management.

In October 2001 the Public Accounts Committee also held a hearing on this same report. In December of 2002 the department reported on actions taken and planned in response to our observations in this chapter. This report may held your committee in its examination of the current status of coast guard issues.

Today I'd like to highlight chapter 2 of our December 2002 report that focused on the management of navigational support services and boating safety activities. These are services designed to meet the preventive side of the department's commitment to safe and efficient waterways. They include marine communications and traffic services, aids to navigation, channel maintenance, navigable waters protection, navigational charts and the regulation of recreational boats and boaters.

We did not examine the department's response activity such as search and rescue and environmental issues in this audit.

In 2001-2002 the preventive activities that we did examine cost about \$220 million. In addition, the department recovered about \$30 during this same period from marine service fees.

🕒 (1110)

[*Français*]

Le ministère fait face à ces demandes de service qui évoluent. La navigation de plaisance prend de plus en plus d'importance. Les progrès technologiques accomplis dans l'industrie du transport et les obligations internationales ont une incidence sur les demandes de service. Plus récemment, les préoccupations en matière de sécurité ont entraîné d'autres demandes de service. Les restrictions budgétaires demeurent une réalité.

Encouragés par l'imposition des droits de service maritime, l'industrie a participé davantage à la détérioration des niveaux de service qu'elle souhaite. Cependant, certains de ses représentants semblent toujours croire que les droits sont trop élevés pour les services fournis par le ministère. Bien que la technologie progresse rapidement, certains utilisateurs préfèrent le service traditionnel. Par conséquent, même si le ministère n'attend pas ce nouveau système, il est difficile d'éliminer tous les anciens.

[English]

The department is aware, as I think you know, of many of the issues we've identified, if not all of them. It has initiatives planned or underway to deal with them, yet there are barriers, as we reported in this later chapter, that prevent the department from modernizing and delivering its navigational support services and boating safety activities in a cost effective manner.

The barriers include the following, as we see it: a failure to establish one national program; the absence of key elements to ensure accountability; inadequate integration of navigational support services; provision of a service that does not contribute to the department's mandate for safety and efficiency; and the use of outdated legislation for unintended purposes. With your permission, Mr. Chairman, I'd like to briefly discuss each of these issues.

In 1996, the coast guard merged with Fisheries and Oceans Canada. Subsequently, the coast guard headquarters was reorganized. Some national standards are only now being developed or updated. There are limited means of ensuring that the existing national standards or targets are met. Frankly, without national targets, standards and a monitoring capability, the department cannot hold managers accountable for achieving program objectives.

We found that there are five regional coast guards, each with its own way of doing business. Yet, in the areas we examined, the department must meet both international and national requirements. Departmental business lines and internal shared services must work together in our view to deliver integrated navigational support services to users.

[Français]

Le ministère a accompli de progrès pour établir des cadres de gestion et de responsabilisation axés sur les résultats. Il reste beaucoup à faire pour que ces cadres soient opérationnels. Avant qu'ils le soient, le ministère ne peut montrer comment ses activités contribuent à la sécurité et à l'efficacité de la navigation maritime. Le ministère

a pris l'engagement il y a cinq ans de revoir la Loi sur la protection des eaux navigables, l'examen vient à peine de commencer.

Ces dernières années, le ministère a mis davantage l'accent sur la sécurité de la navigation de plaisance. Cependant, il ne dispose pas de financement stable pour s'acquitter de notre responsabilité. Le ministère se fie sur d'autres organisations pour assurer la plupart de ses services. Il a peu d'information sur ce qui est réalisé.

🕒 (1115)

[English]

In 1998, the government made a policy decision to maintain staff at certain light stations. The department had recognized earlier that it would be feasible to automate most of these light stations. As part of the decision to provide the funding to maintain staff, the Treasury Board required the department to conduct a review of this decision by 2003. At the time of our audit, we found that the department had not tracked the cost of operating staff light stations.

The department has indicated that it generally agrees with our findings throughout the chapter, and our recommendations. The deputy minister told your committee in June of this year that certain organizational changes regarding the coast guard were made in response to some of our findings. More importantly, we're encouraged that he has indicated that these changes are designed to deal with fundamental issues facing the department.

Mr. Chairman, as part of your examination of coast guard issues, you may wish to ask officials to provide an action plan that outlines the specific steps that the department will take to address the concerns that we have raised in our work.

Mr. Chairman, that concludes our opening statement, and my colleagues and I would be very happy to answer questions throughout the hearing, as you wish. Thank you, sir.

The Chair: Thank you very much, Mr. Thompson, and thank you for the tip.

We'll now hear from the commissioner and then we'll get right into questions.

Commissioner, please.

Commr John Adams (Commissioner, Canadian Coast Guard, Department of Fisheries and Oceans):

Good morning and thank you, Mr. Chair.

It is a pleasure to appear before you today to present initiatives that that the Canadian Coast Guard is implementing that I believe will result in a better focused and managed

organization. Coast guard staff is presently involved in the review of several unheralded, but very important issues and services. They include modernization of our aids to navigation program; upgrading delivery of a marine communications and traffic services; modernizing the fleet; implementing an asset management system; and pursuing legislative renewals specifically for the Canada Shipping Act and the Navigable Waters Protection Act.

[Français]

La garde côtière continue pendant ce temps à fournir des services de recherche et de sauvetage tous les jours, des services de déglacement durant la saison froide, un système national d'aide à la navigation tout en faisant la promotion de la sécurité nautique et en partageant le droit des Canadiens de naviguer dans nos eaux sans oublier la gestion d'un programme de lutte contre la pollution en vue de propager les eaux canadiennes.

[English]

My main focus today however is to update the committee on how the department is responding to the two recent reviews by the Auditor General. The first is Chapter 31 of the Auditor General's Report of 2000 on fleet management. It found that the coast guard fleet could be managed more efficiently and effectively. Second, is the 2002 Auditor General's Report on safe and efficient navigation. In that report the Auditor General observed that the coast guard's preventative services could be managed in a more cost effective manner.

The department welcomed the constructive scrutiny of the Auditor General and accepted the findings contained within both reports. We remain committed to developing and implementing solutions. Today I will review with you where we are in terms of our initiatives.

First, though, you should be aware that the Standing Committee on Public Accounts has considered both of these audits. Most recently in May of this year, SCOPA tabled its report on Chapter 2 of the 2002 Auditor General's Report. The government's response to this report will be tabled in Parliament by October 10, 2003.

I wish to focus your attention on the progress we have made with the fleet management renewal initiative. This initiative has many parts, but in general they will fall under three topics: how we allocate money to the fleet and how we cost its activities; how we crew the ships and provide shore support to the fleet; and, finally, how we plan, prioritize and undertake the work of the fleet in consultation with our clients.

[Français]

Pour simplifier la répartition des ressources budgétaires, nous avons composé un budget de deux parties. La première porte sur tous les coûts fixes de la flotte, c'est-à-dire ce qu'il en coûte d'être propriétaire d'une flotte et de maintenir en état d'exécuter les

opérations. L'autre partie porte sur les coûts supplémentaires ou variables qui sont inévitables et propres à une flotte chargée d'exécuter les divers programmes du ministère des Pêches et des Océans, par exemple l'équipage du navire représente un coût fixe parce que ce navire ne peut pas naviguer sans équipage. Par contre, le carburant à utiliser pour faire le voyage représente un coût variable nécessaire à l'exécution du programme.

🕒 (1120)

[English]

With respect to being able to demonstrate the cost of those service, we are developing a catalogue of standard costs associated with using the fleet to assist fleet and its clients in planning, budgeting and monitoring the costs of the ships' activities.

To close the loop the coast guard is also putting in place a performance management system that will drive continuous improvement and demonstrate to fleet's clients where there money is being spent and what they get for it. This is not easy to do as it requires many different systems providing information to one central place. However, we have made great strides and hope to have this system in place by spring of next year.

With respect to crewing our vessels, we are speaking with the Public Service Alliance of Canada, PSAC, and the Canadian Merchant Guild, CMSG, to simplify the assignment of crews to ships where and when we need them. A key objective to achieving this is to reduce the number of crewing systems in use.

We have also established a common shore support structure for the regional management of the fleet to standardize fleet management functions across the country.

In the area of fleet planning and prioritization, the coast guard has implemented a zonal approach that brings together the clients (DFO programs) and the service provider (the fleet), to ensure the most cost effective way to deliver DFO programs at sea. This ensures that the priorities of the programs at matched to the availability of the ships and resources from both regional and national perspectives.

In the end, as commissioner, I chair a senior committee made up of program ADMs (assistant deputy ministers) and regional directors general to ensure the system is working as efficiently as possible.

[Français]

Dans son rapport de décembre 2002, le Bureau du vérificateur général a examiné la contribution du ministère des Pêches et des Océans à la sécurité et à l'efficience de la navigation maritime. Comme dans son rapport sur la gestion de la flotte, le vérificateur général y souligne que les services à la navigation n'étaient pas gérés d'une manière rentable. Toutefois, il est rassurant de savoir que le vérificateur général a constaté que les

services répondent aux besoins des utilisateurs et favorisent la sécurité des voies navigables.

[*English*]

In this report, the Auditor General made six recommendations. Five of the recommendations focussed on management practices. They were that the Canadian Coast Guard should ensure that there are up-to-date policies, standards and levels of service or expectations; the implementation of results-based management and accountability frameworks--otherwise known as RMAFs--should be completed; the coast guard should complete and implement its draft guidance on risk management; strategies to modernize and integrate the delivery of navigational support services should be developed and implemented; and finally, information on boating safety should be gathered and monitored.

In addition to these management practice recommendations, the Auditor General further recommended that DFO develop and implement an overall strategy for the future of its light stations.

The department has recognized these same issues and has a number of initiatives underway. In fact, we had been striving hard to develop, implement and achieve improvements in management practices over the past few years.

[*Français*]

Une des premières initiatives entreprise en vue de consolider les pratiques de gestion de la garde côtière a consisté à remanier le rôle et l'organisation de l'administration centrale. Cette réorganisation a mené récemment à engendrer une structure à l'intérieur de laquelle d'autres activités se poursuivent. Par exemple, nous sommes présentement en train d'élaborer un cadre de gestion financière de la garde côtière. La gestion des cycles de matériel ainsi que la conception des outils nécessaires à la gestion du rendement et du risque. Lorsque ces initiatives seront bien , elles aideront collectivement à rehausser l'efficacité et à l'efficience dans la gestion de nos programmes.

🕒 (1125)

[*English*]

Recent specific developments for navigational services include the development of a marine program decision framework. This will ensure the coast guard has integrated its program mandate, policies, levels of service, and the business management components of program delivery. This will allow the coast guard to develop the capability to monitor the delivery of programs and services and assess the results achieved.

The development and implementation of results-based management and accountability frameworks. These are seen as key tools to improve the efficiency and cost-effective management of programs. Much work has been undertaken in developing these frameworks for the services that are provided by the coast guard. The coast guard will implement these frameworks once completed.

As indicated during the fleet discussion, the coast guard is also developing performance management frameworks. These are critical to the successful implementation of the results-based management and accountability frameworks. We are currently assessing our ability to gather and report on key indicators that have been identified.

Risk management policy and risk management tools have been developed and will be used to assess risk in selected waterways starting this fiscal year. Risk management principles and concepts will also be incorporated into the business management practices of the coast guard's integrated decision framework.

The CCG is constantly seeking ways to modernize and integrate the delivery of its navigational support services. The recent change in the departmental management model which places regional operations under my responsibility is seen as a means to enhance the coast guard as a national institution.

The Auditor General further recommended that DFO develop and implement an overall strategy for the future of its light stations. A project team in terms of reference has been established. Assessment work is underway, with a report expected by December of 2003.

Other recent developments include the provision of up to \$94.6 million over 2 years by the federal government for the refurbishment of our existing fleet and shore-based assets. The government has also announced that it will provide up to \$27.5 million over the next five years for the implementation of an automatic identification system. This system will increase the federal government's awareness of marine activity within Canadian waters.

One last point, if I may. The Department of Fisheries and Oceans is currently undergoing a departmental assessment and alignment project to align its mandate and priorities to its resources. Other possibilities for improving coast guard operations may result from this project. The actions I have already discussed are being coordinated with this exercise.

[Français]

Voilà qui termine ce bref aperçu de quelques-unes des nombreuses initiatives cohérentes. Notre flotte liaison continuera à subir des tensions tant que des réinvestissements suffisants ne seront pas faits. Mais je crois que nous sommes quand même sur la bonne voie. Nous continuerons d'adopter de meilleures façons de faire pour

comblent le vide entre les ressources disponibles et les ressources nécessaires pour produire les résultats désirés. Merci beaucoup. *Thank you very much.*

[*English*]

The Chair: Thank you, Commissioner.

You might be interested in knowing that your presentation took 12 minutes which is excellent. Thank you.

I appreciate the witnesses providing us with written documentation because that way we can make little notes about questions we want to ask and it's a little easier.

Before I call on our first questioner, just a couple of things.

Commissioner, just so that I can put it on the record, I notice on page 2 of your remarks you indicated that the Coast Guard is presently involved in the review and delivery of several unheralded but very important issues. One of them you list is the upgrading, delivery of marine communication and traffic services. I would suggest that was very much heralded in our report of 2001 where we certainly recommended in no uncertain terms that the government provide more money for MCTS.

The other point I'd like to make and I don't know if members are yet aware--I was only recently made aware--the supplementary estimates insofar as they affect fisheries and oceans provide for \$42.3 million going to the Coast Guard this year under the heading of "refurbishment of capital assets", and in the closing remarks, Mr. Commissioner, you indicated that the government was going to provide \$94.6 million over two years for the refurbishment of the existing fleet. I was just wondering if that \$42.3 million is part of the \$94.6 million and if, before we begin any questioning, if you have any comments about the allocation of the \$42.3 million and what it's going to be refurbishing.

🕒 (1130)

Commr John Adams: It's what we're calling the national support project and it's being co-ordinated from the headquarters and what it will address is all of our most urgent demands with respect to refurbishment across the entire spectrum of our fleet and in fact shore-based infrastructure.

The Chair: And it does form part of the \$94.6 million?

Commr John Adams: It does indeed. It's part of the \$94.6 million which was over two years, which was \$47 million in round figures, and the \$42.3 million is part of that.

The Chair: Thank you very much.

We'll begin our questioning with Mr. Cummins for 10 minutes.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Thank you very much, Mr. Chairman.

I want to thank the presenters for being here this morning.

Mr. Adams, I have some comments and some questions for you. I appreciate your report this morning and I would say that in listening to you present it and reading it, you, I'm sure, understand that this committee is a committee of the House of Parliament and to function properly and to do the people's business, we require accurate information.

Now you appeared before this committee on June 12 of this year and I asked you at that time repeatedly if the cost for a Hovercraft, the Live Viking was \$10 million. That was the figure and the term I used was "floating around" and you said "I wonder who's floating it". In other words you questioned the number that I gave you and you repeatedly said the figure was \$6 million. That was on June 12.

Commissioner, on June 4, you approved a document which says that Hoverwork will deliver Live Viking in early 2004 at a total cost of \$10 million. How is it that eight days after approving that document, or approving that price of \$10 million, you advised this committee, not once but repeatedly, that the \$10 million figure was inaccurate, that in fact it was \$6 million?

Commr John Adams: You will recall, at that time, Mr. Cummins, we had not concluded negotiations with the company. In fact, that was not concluded until much later into the summer.

What I said was that I could not give you anything more than the number that had been quoted in public documents up to that point in time, which was \$6 million. In fact, the actual cost of the work they're doing on the hovercraft is, round figure, \$6.7 million. But \$10 million is the all-up-cost to include all aspects, including the number we always put in for contingencies.

So, for two aspects of the answer, first of all in June I was not about to prejudice negotiations with the company by talking about a number, other than the public number that was on the record as being in the order of \$6 million. Second, now that we have finalized negotiations, the actual cost is \$6.7 million and the remainder is contingencies, etc., etc. I can provide you with the details of that now, because, of course, we finalized the contract.

Mr. John Cummins: The coast guard document is quite clear, Mr. Adams, and it says, "Hoverwork will deliver the Liv Viking in early 2004 at a total project cost of \$10 million".

Commr John Adams: Total project cost, yes, but that's--

Mr. John Cummins: That's what you were asked.

Commr John Adams: No, you asked me what the price of the hovercraft was going to be and I couldn't give you that at the time because that would have been public knowledge and it would have prejudiced the negotiations. We hadn't concluded ... that was an indicative figure at that time and it had not been finalized. We had not signed a contract. Until we signed a contract, I was hesitant, as I explained I think at the time, to talk about a real so-called number until such time as we'd finalized negotiations. We've now done that and the number is real, and it's \$6.7 million, plus contingencies and other associated project costs.

Mr. John Cummins: Which brings it up to the \$10 million and the document that you were aware of when you appeared before the committee. Don't you think it appropriate, then, that at some time between June and now that you would have advised the committee of the incorrectness of your original projected cost?

Commr John Adams: No, because it wasn't incorrect. The projected cost was estimated at \$6 million, and it is coming out at round figures, \$6 million, and total project cost in the order of \$10 million. There was nothing incorrect about my answer.

🕒 (1135)

Mr. John Cummins: The cost of delivering the Liv Viking is \$10 million, and that was what you were asked in June.

Commr John Adams: No, what you asked me was what it was going to cost us for the Liv Viking. I did not want--

Mr. John Cummins: Delivered in Vancouver.

Commr John Adams: --and I did not want to deliver that number at that time because it might prejudice our negotiations with the company. Now it's a public document, we've signed the contract, and it's come out at \$6.7 million. I don't see any contradiction there at all.

Mr. John Cummins: Well, there is, Mr. Adams. It's unfortunate that you can't distinguish between the reality here, which is a \$10-million delivered price in Vancouver, and the \$10 million that you indicated on that document. There's a huge difference between that and the figure which you gave this committee of \$6 million. It's unfortunate that you don't see the distinction there.

Along the same line, Mr. Adams, the committee here is attempting to do a study of the coast guard, and it must have the ability to talk freely to members of the coast guard to get their opinion, to understand how the coast guard operates, and so on. Yet, recently, you sent a directive to all members of the coast guard, a member of Parliament enquiry form which stated, and I'm quoting from the document, "All staff are required to report contacts with members of Parliament, senators, or their representatives, within 24 hours of contact". So the suggestion, and some of the coast guard folks are already expressing concern, that they feel that their rights are being violated by having to comply with this document.

My question to you, on behalf of this committee, and I think it's a question that concerns all members of this committee, not just me, is that if coast guard personnel are required to work through you for all questions that were being asked, it would seem to me that there's one answer that we're going to get and that's the corporate answer that's favourable to you, but it may

not be the kind of appropriate, real-time answers that this committee may be looking for.

Commr John Adams: It's unfortunate Mr. Cummins that there has been some misinterpretation of what we intended by that document and I will admit there has been.

What we'd intended by the document is not that people wouldn't talk and respond immediately if it was in their area of expertise and their capacity to respond to people like yourselves, senators or your representatives, that was never the intent.

All we wanted to know was, was there contact and what was said. That would then better enable us to prepare ourselves to either elaborate on the answer or anticipate further questions so we can better respond. That was all that was intended. Obviously any of our members like any other Canadian can speak to members of Parliament or whoever they choose to speak to.

It's just that if the contact came from the outside in, all we wanted to know is that there was contact so we could help respond in a more appropriate, perhaps or a more fulsome manner, particularly if the expertise or the requirement, the information you were looking for wasn't available with the contact that you've made. So if they said no, then we'd know, all right we've got to try and find somebody that can give the answer.

That was the only intent of that document. In fact it's a departmental approach simply to keep ourselves apprised of who's asking what about the coast guard so we're better informed, can inform ourselves and our minister for that matter, with respect to what people are asking about the coast guard.

🕒 (1140)

The Chair: Mr. Cummins if you have time, can you make a copy of that document available to the committee?

Mr. John Cummins: Absolutely.

What you're telling us Commissioner, as far as I'm concerned is that there's one set of responses that's appropriate from the coast guard and that's the set of responses that your office deems appropriate.

Let me give you an example. Terry Tebb, who's your man in charge in British Columbia was about to appear on the radio station in Vancouver *CKNW*. The subject was an interview that I

had had prior to Mr. Tebb and the advice that was given to yourself from your media person in Vancouver was that Mr. Tebb would be conducting this interview or participating in this interview.

It says that John Cummins discusses a purchase of the Viking and it says, as usual he doesn't let the truth get in the way of what he says to the media. It goes on to say, I've sent this on to Terry to be seen before he interviews with Peter O'Neil.

I'd like you to elaborate on the mistruths that I'm spreading on the public Mr. Adams.

Commr John Adams: I wouldn't call them mis-truths, you used facts in a fashion much different than we would use facts and you emphasis is on different saleables , that's the point that's being used.

Mr. John Cummins: You said it says, he doesn't let truths get in the way of what he says to the media, Mr. Adams. What does that mean?

Commr John Adams: It means that what your presentation of the facts is quite different than ours and could be misinterpreted as a response that is quite different than what we would consider as a response

Mr. John Cummins: I'll tell you what it means Mr. Adams. It means that you don't understand the difference between 10 million and 6 million when you're talking to this committee and you also don't understand what lie means because that's what your document is accusing me of doing. And that's a sad commentary on the leadership of the Canadian coast guard, Mr. Adams.

The Chair: this round.

It just reinforces for me the importance of the use of words and how important it is, the cost of the Viking and what are the project costs.

So I guess the important question will be, what does it come in at in January or whenever it is in 2004? Does it come in at 6.7 or does it come in at 10. Are all those contingencies used up. I guess we'll find out in about four months or so.

Mr. John Cummins: Point of order Mr. Chair. I think that it's incumbent on this committee to examine in detail the response of the commissioner on that particular day to determine for itself whether in fact the opinion that I expressed this morning is the accurate one that we were misled or whether Commissioner Adams, but that's a matter for the committee and I would hope that Mr. Chair, that you would agree to look into that matter.

The Chair: Thanks Mr. Cummins. Of course no one know who's going to be where in January and who's going to be doing what but there is a corporate memory here, in the form of our clerk and in the form of our researcher and your comments have been noted. Whoever is here will remember that because I'm sure that despite our diligence, we'll still be studying this issue in some way of other.

We now go to Monsieur Roy for cinq minutes.

[*Français*]

M. Jean-Yves Roy (Matapédia—Matane, BQ): Merci, monsieur le président.

Dans le Rapport du vérificateur général à la page 25, il est dit: « L'absence des éléments clés permettant d'assurer la reddition des comptes réellement... », et vous dites un peu plus loin, monsieur Adams, vous dites dans votre document à la page 6: « C'est une tâche difficile car il faut réunir en un seul point central l'information de nombreux systèmes différents », et vous dites que dès le printemps prochain vous vous attendez à avoir réglé le problème, je dirais, de la connaissance suffisante du fonctionnement de la garde côtière pour être capable de régler le problème. Ce que je voudrais savoir c'est que quand on dit dans le Rapport du vérificateur général « l'absence des éléments clés », vous les avez abordés, mais plus clairement qu'est-ce que cela signifie? Et quand vous nous dites « il faut réunir en un seul point central l'information », dans quelle mesure est-ce que la garde côtière est si différente, je veux dire, dans l'Est par rapport à l'Ouest, pour être incapable de recevoir de façon adéquate l'information, pour être capable de la gérer correctement? C'est quelque chose qui m'apparaît difficilement compréhensible. Le système de la garde côtière ne doit pas être si différent que ça d'un océan à l'autre.

🕒 (1145)

[*English*]

Commr John Adams: What the Auditor General, the point, and if you don't want me to speak to the Auditor General, I won't, because obviously they're here, but what he pointed out was that we in fact did have five different approaches to this issue within the coast guard, and you're right, they can't be that different but in fact in many cases they were very different, and what we're working on now is approaching it from a national perspective to make absolutely certain that our approach is a national approach and is consistent with sound management practise, and that's the challenge that we're facing. We have to somehow bring those five mini coast guards into one, and that is no mean task. It's been the way it was and it had been that way for quite some time. There had been an autonomy that had developed within each of the regions that we very difficult to knock down, and that was one of the major findings that the Auditor General had. And it's knocking those autonomies, and it's approaching the regions to get them to think more nationally, more corporately, and provide the information to the central headquarters so that we could then establish objectives that could be properly measured in the national sense.

That's what the challenge has been, and it's taking us some time, but we're hopeful that we'll get there.

[*Français*]

M. Jean-Yves Roy: Oui. Mais quels sont les éléments que vous souhaitez harmoniser, parce que dans le fond ce que vous nous dites c'est que compte tenu des différences, on n'a pas la connaissance pour être capable de jurer correctement, c'est un peu cela que vous nous avez dit. Mais quels sont ces éléments qui sont si différents qui vous empêchent d'arriver à obtenir de l'information, dans quelle mesure est-ce que la gestion... quand on parle de gestion de la garde côtière, j'ai de la difficulté à comprendre que ce soit si différent gérer un navire dans l'Est que gérer un navire dans l'Ouest, ou gérer une flotte dans l'Est ou la gérer dans l'Ouest? Je comprends quand vous parlez des régions du centre, vous parlez des Maritimes, de l'Ontario ou des Grands Lacs ça peut être différent, mais quels sont ces éléments clés qui manquaient pour assurer la reddition des comptes? Qu'est-ce que cela signifie, qu'est-ce que cela veut dire?

[*English*]

Commr John Adams: We're going to see if the Auditor General can add some specificity to what the problems were.

[*Français*]

M. Jean-Yves Roy: En somme ce que je veux c'est du concret. Je suis bien d'accord avec le grand principe, mais concrètement, qu'est-ce que cela signifie, qu'est-ce que cela veut dire concrètement, quels sont ces éléments clés concrets qui empêchaient d'être capable de gérer la garde côtière?

[*English*]

The Chair: Mr. Thompson.

Mr. Ron Thompson: Thank you, Mr. Chairman. Perhaps I could help a little bit on this, and I'll ask my colleague Kevin Potter, who was intimately involved with this chapter, but before I do that, Mr. Roy, which paragraph are you looking at, sir, in the report. You mentioned, I think, page 25, and I didn't find page 25.

[Français]

M. Jean-Yves Roy: À la page 5 on dit: « L'absence des éléments clés permettant d'assurer la reddition des comptes », c'est dans votre conclusion. « L'incapacité de faire en sorte qu'ils le programme national », ça, ça va. Mais quand on parle des éléments clés, moi, concrètement cela ne veut rien dire pour moi.

[English]

Mr. Ron Thompson:

[Français]

M. Jean-Yves Roy:

[English]

The Chair: Is there a paragraph number, Mr. Roy?

[Français]

M. Jean-Yves Roy: Vous avez le paragraphe 2.106, Conclusion, paragraphes 1, 2, 3, quatrième paragraphe, « l'absence des éléments clés permettant d'assurer la reddition des comptes ».

[English]

Mr. Ron Thompson: Let me just suggest, now you've asked, sir, what the differences are as between five coast guards rather than one national one, and we've looked at that quite carefully in doing the chapter, and there indeed were differences, and I wonder if I could impose on my colleague, Mr. Potter, to talk about at least two of them that we've seen in this work, because that's a very good question, and I think it's important to put some facts on the table to look at.

Mr. Potter.

The Chair: By the way, you don't have to in any way touch the microphones. It drives the operators crazy back there. They'll look after it for us, and you can concentrate on your answers instead of the mechanics.

Go ahead, Mr. Potter.

Mr. Kevin Potter (Director, Audit Operations Branch, Office of the Auditor General of Canada): The specific areas that we're talking about in terms of this report were areas of national policies not being set, up to date, current to direct regional operations, absence of standards, expectations of levels of service in terms of the work that's

Mr. Kevin Potter: Okay. The specific areas that we're talking about, in terms of this report, were areas of national policies not being set up to date current to direct regional operations, absence of standards, expectations of levels of service, in terms of the work that's expected.

The headquarters within the departmental management model is responsible for establishing what the responsibilities are to ensure that we meet our national and international obligations in regards to marine navigational support services and in those areas there were problems. That's what we observed in the particular section you're talking about.

So it's not always easy for the regions to, one, understand what it is that they are being held to account for and what's expected to be delivered, but also, at the headquarters level, it is difficult for them to determine whether what is actually being provided by the regions meets those national and international obligations.

An area that might be specific would be the area of aids to navigation, in terms of, say, the reliability of the aids to navigation. In that particular area there is a standard that is set and expectations are known, but there isn't an ongoing reporting, or there wasn't at the time we did the work, against that to determine whether the standards was being met or not. So that is one example of the issues that we found.

🕒 (1150)

Mr. Ron Thompson: Perhaps I might add another one, if I may, Mr. Potter.

In the report, we talk about the possibility--and we found an example of this--where there's been duplication of the development of systems. In one particular case--and I forget the paragraph number, Mr. Potter--but there was a system developed on the west coast to do a certain thing, there was another system developed on the east coast to do essentially the same thing, and what worries us is that there are five separate coast guards rather than one national one. There could be this kind of duplication of effort, and, of course, wasting of money at the end of the day. So those were two examples of the kinds of differences that we've seen and that we reported in the chapter.

The Chair: Merci.

Mr. Peschisolido, for five minutes.

Mr. Joe Peschisolido (Richmond, Lib.): Yes. First of all, I'd like to, as my colleagues have done, to thank you for appearing here, gentlemen. It's always very informative and interesting.

Let me begin by making a few comments for the commissioner and then asking a few questions.

Commissioner, as you may know, I met with several of your bureaucrats, as well as of ministerial staff, in the whole process of the Hovercraft purchase. It was a firm from Richmond that I believed had the capacity and had a better offer to provide a back-up Hovercraft. We had differences of opinion, but I accepted the process. A decision was made to give it to a firm not based in Canada, not based in Richmond. I thought there were major advantages to going the route of having a Canadian-based company. But that being said, a decision was made and that's why we had a legitimate difference of opinion.

Having said that, I would like to ask, Commissioner, if you are confirming today that, indeed, the money has been allocated, the \$10 million--the \$6.7 million, plus \$3.3 million--for a back-up Hovercraft and will it be arriving at the base in Richmond in the early part of 2004?

Commr John Adams: Yes.

Mr. Joe Peschisolido: Okay. Can you elaborate further. When you say "the early part of 2004". January? February?

Commr John Adams: May.

Mr. Joe Peschisolido: In May. When you say in May, does that mean the Hovercraft will be fully operational when it arrives? Is it arriving in May fully operational in August or is it arriving in February fully operational in May?

Commr John Adams: No, what we originally planned was to arrive in February and we'd finalize the operations in Richmond. That was decided not to be the best way to go. We're going to finalize everything in the U.K. and bring it over. It'll be operational in May--fully operational in May.

Mr. Joe Peschisolido: Fully operational in May. Will there be operational tests done by some of your people in Britain?

Commr John Adams: Yes, there will be. We'll be part of ensuring the work to be completed to our satisfaction.

Mr. Joe Peschisolido: Right. And you could assure this committee, and, more importantly, the Canadian public, that the Hovercraft that will come to the base in Richmond will meet all the requirements of a fully operational search and rescue vehicle?

Commr John Adams: As a back-up vehicle to the CA, yes.

Mr. Joe Peschisolido: Now, when you mention back-up vehicle, what would the timeline be? How long will that Hovercraft be a back-up Hovercraft before we begin a new procurement process for a new Hovercraft for the base?

Commr John Adams: That will obviously depend on the level of the allocations of appropriated funds available for capital renewal, but the Minister has committed that we will, as soon as is possible, the procurement process to replace the back-up with the new Hovercraft.

🕒 (1155)

Mr. Joe Peschisolido:

So the minister has made that commitment that the funds, whatever they may be, will be allocated, have been allocated? It's just a question of timing or...I just want to be clear here.

Commr John Adams: Yes, he has.

No, the timing has not been established at this point in time.

Mr. Joe Peschisolido: All right. Mr. Chair, how many more minutes do I have?

The Chair: One minute, 30 seconds.

Mr. Joe Peschisolido: All right. Let me then go to Mr. Potter. I too would like to delve a little bit into the five coast guards. I don't think that's necessarily a bad thing. It may be a bad thing when it comes to overall finances and ensuring the efficient running of the department but we do have five regions. Maybe we have five coast guards because each region is different. I'm not an expert in the Atlantic region. I've spent some time in Ontario and Quebec but I know that the area around Richmond, with its airport, with the mud flats, in many ways is different from the other parts and maybe it's a good thing on an operational side that we have differences in how our different parts of our coast guard function. I just want to maybe get a comment and then I'll leave it till we come back.

The Chair: Mr. Potter.

Mr. Kevin Potter: Mr. Chairman, I think the point is well taken that there is a requirement for flexibility to deal with individual circumstances. Certainly each waterway is different.

In the report we talk about the need to assess risks in each particular waterway and I think that the commissioner probably would agree with us that the national standards policies should incorporate the ability to respond to the local needs.

The Chair: Mr. Thompson. Anyone else?

Mr. Ron Thompson: If I could just add to that, Mr. Chairman, having said that, though, as Mr. Potter pointed out a little earlier, the coast guard is looking at serving and meeting a variety of national and international obligations and in order to do that, it seems to us to stand to reason that to do that you need national standards to work to, and then a national program to put those standards into play. Otherwise you're going to be trying to service an international or national obligation in a fragmented way, maybe not in a consistent way, given the fact that it's Canada that's trying to serve these obligations, not just a particular region.

Nonetheless, as Mr. Potter points out though, that's not to say that a national program can't have built into it and must have built into it where necessary differences to deal with different regions. But that's quite a different situation than having five different postcards, it seems to us.

The Chair: Thank you. We'll go to the Canadian Alliance. Mr. Cummins, you're going to do a zinger, I think, and then Mr. Burton.

I shouldn't say zinger. You had one question, I think, is what-

Mr. John Cummins: --One question and I'm going to try again. I understand the coast guard is trying to muzzle its employees, that they believe I manipulate the truth but I'm going to try again.

Now on June 11, on Wednesday...and this is again another document, coast guard document, it's a transcript of a question that I asked in the House and it's regarding the Siyay, the hovercraft currently used in Vancouver, and in that question I noted that after a recent trip two and a half tonnes of water were pumped from the vessel. I said to Mr. Speaker that the corrosion identified in the coast guard report won't stop. It won't reverse itself. The leaks will only get worse, and I asked what was the minister's plan to deal with it. I got a response that it was just technical problems. I suggested that these are more than technical problems. The engineering report refers to them as serious problems, almost impossible to control.

This is a transcript of question period proceedings and there's a note on it signed off by a gentleman by the name of Sylvain, and he said: "Note John Cummins, do we need to change our plan?" What does that mean? What's he asking there?

The Chair: Commissioner?

Commr John Adams: I'm sorry. I have no idea what he's asking there. I don't know. I'm sorry. I can't respond to that, Mr. Cummins.

Mr. John Cummins: Well, I've pointed out a very particular problem with the coast guard, one which an engineering report had been quite adamant that the problem was a serious problem and the answer I got dismissed that but this gentleman seems to be saying that maybe there's some substance to that. Is that your take on it?

Commr John Adams: No, because there isn't, because the issue that you referred to is some two years old and as I responded fairly lengthily at the last time I was before the committee, those matters have been dealt with and frankly, there is no rust problem on the Siyay anymore than there is on any other vessel working in salt water on a continuous basis and frankly, the Siyay is just perfectly capable of meeting its operational requirements.

🕒 (1200)

Mr. John Cummins: If the employees weren't being muzzled, would I get the same answer from them?

Commr John Adams: Mr. Cummins, it was the employees that in fact had the press out. They crawled around and through the Siyay. The engineer was there pointing out to them the work that they'd done with respect to--obviously corrosion is a challenge in any vessel at any time in salt water, and how they're addressing it and that it's not a problem, hasn't been and is not.

Mr. John Cummins: That press conference was one which was manipulated by senior management. It was not an employee talking.

The Chair: We weren't there, Mr. Cummins, we don't know about manipulation. Go to the next question.

Mr. John Cummins: Well, you understand the point. It was one which was prepared by senior management. It wasn't one where Coast Guard employees were expressing their concern in the hopes that the situation would be rectified. This was an attempt, if you will, by management to demonstrate that a serious problem had been dealt with. Yes, there was no paper trail--as I asked you the last time, where's the paper trail to show that this serious problem had been addressed--there is no paper trail, we can't find it. And you don't fix a serious corrosion problem on a vessel without a serious paper trail.

The Chair: Question mark?

Mr. John Cummins: Question mark.

Mr. Tom Wappel: Any comment, Commissioner?

Commr John Adams: I'm waiting, this one will do?

The Chair: They'll catch up to you.

Commr John Adams: Okay.

It's a question of what's serious. In fact what we did in the normal manner of addressing issues, whether they're corrosion issues or any other issue, is they're corrected through the normal refit process, the normal operation and maintenance process. Frankly that goes on, on a regular basis and that's exactly what was used to address the corrosion that was evident in the Siyay as it is in most other vessels that operate in salt water.

So it wasn't a serious problem in that sense. That was the opinion of one individual, at one time, some two or three years ago. That issue has now been resolved in the normal course of addressing concerns as being expressed by our people.

Mr. John Cummins: You'll have to demonstrate that with more than just words before I'm going to buy into it.

Commr John Adams: We'll invite you out, Mr. Cummins. Any time you want to come out to look at the Siyay, as long obviously as we can work it into the operational cycle. There was no manipulation. The only thing, you have to set it up so that you can do it at a time and I think in fact it was interrupted because the Siyay was called out. But by all means.

The Chair: I think you've an offer there, you've got an offer of a date.

Nice to hear from you, Mr. Burton.

We're going to Mr. Hearn for five, and then we're going to Mr. Wood for five, and then we're going to Mr. Stoffer for five, and then we'll go to Mr. Burton for five.

An hon. member: We've got to get more seats.

The Chair: And then we're going to Mr. Matthews for five.

All right, Mr. Hearn.

Mr. Loyola Hearn (St. John's West, PC): Thank you very much, Mr. Chair. Let me thank the gentlemen for coming this morning to address our concerns and hopefully answer our questions.

In the remarks made by Mr. Thompson, he mentioned the policy decision to maintain staff at certain light stations in 1998. I believe that was Minister Tobin was there at the time if I remember correctly, certainly he was involved in making such statements.

However, the department had recognized earlier it would be feasible to automate most of these light stations, and we've had discussions on this. However in order, I guess, to be able to make the real comparison, you found out that the department had not tracked the cost of operating light stations. What is the status now? Are you planning to throw out the old decision, I guess, not to automate and to at least go ahead with some, or where are we? Or are you going to do anything until you can make the proper comparisons with the right backup information?

Mr. Thompson made the statement, but if the Commissioner wants to answer, I'm easy.

🕒 (1205)

Mr. Ron Thompson: Could I suggest, Mr. Chairman, that perhaps Mr. Adams would be best equipped to answer that at this point.

Commr John Adams: We're busy now putting together the very things that the Auditor General had highlighted needs to do in a commitment to conclude the review of the light station decision by December of this year. At that time we will be able to complete the kind of analysis that the Auditor General was looking for. That will be essential if we are going to make that kind of a recommendation. The decision would not be ours, obviously.

[*Français*]

M. Jean-Yves Roy:

[English]

Mr. Loyola Hearn: Mr. Chair, nobody appreciates more than our committee the restraints under which your division operates, the Coast Guard. We can say the same thing of the department of fisheries. I guess every department will make the same arguments but we know some of the problems you face.

The results of the issue of heritage lighthouses--and a lot of people are caught up on that--preserving these not only for the safety's sake, we can argue whether an automated one is better than having eyes and ears. In some cases there might not be any difference in some cases economically it's more viable but I will argue that there are probably places where having the physical presence of the lightkeeper is essential, has made a difference in the past and could continue to make a difference.

Others have tremendous historic and tourism potential, that is not your problem and you can answer it that way and you'll be factual. However, is there any coordination or discussion with other departments such as culture and heritage to look to see because it's all government money and you shouldn't be charged with the burden of keeping an extra expense on your books that you really don't need if you have to pay for it and I appreciate that. Is there anything going on with other departments that might be able to address the bigger picture of lighthouses?

Commr John Adams: Yes, there certainly is. Not just other departments but with municipalities and heritage groups and the provinces.

To give you an illustration, in the Maritimes region alone in one small province of P.E.I., they've just recently signed an agreement transferring the heritage responsibilities of 12 of the light stations on that island over two heritage societies and municipalities. So we're working very diligently in that regard.

The challenge that departments, federally, face is the same challenge that we face, is a question of funding. We are working closely with the heritage people here, with the Ministry of the Environment to see if there isn't some way we could more efficiently deal with the heritage character of our light stations. We, now, have made a commitment that we will not walk away from the light stations without having made some kind of accommodation to deal with those that have a heritage status.

Mr. Loyola Hearn: Mr. Chairman, in outlining the duties of the Coast Guard, you talk about protecting the rights of Canadians to navigate our waters and manage as a marine pollution program, just on this let me throw out two questions.

One, managing or protecting the rights of Canadians certainly in relation to our fishery--and we have had this discussion--the Coast Guard plays an extremely important role even though fisheries have the primary responsibility. The Coast Guard is relied on quite heavily, certainly in the area which I represent, Newfoundland. I personally don't think we have the resources, fisheries certainly doesn't have the resources the Coast

Guard has to do the job that has to be done and that's why we have so many problems with overfishing and what have you.

One of the other concerns is the oil activity that is growing up our coast. We've just returned from Norway where we've been told that the Norwegian coast guard under the department of defence, of course, which probably gives them more clout, basically is very vigilant and is spread out along the coast. In fact, they even have special boats assigned because of the Russian activity bringing the oil along the coast. We have some real concerns about the possibilities of disasters in our area, certainly.

In relation to the pollution, just some time ago in a court case in Newfoundland...well, it didn't get to court, the department backed away because they didn't think that the evidence they had of satellite tracking of the , where a boat was charged because of that, could stand up. I'm sure there's more to it than that. But again, what's the sense in having such tracking if we can't take the evidence to court? I appreciate your comments on that.

🕒 (1210)

Commr John Adams: Those are always difficult situations. In fact, the decision not to prosecute obviously is very much a recommendation from justice and the prosecutions are not coast guard responsibility. They're the responsibility of the Ministry of Transport in conjunction with the Ministry of the Environment.

The challenge is always have you got enough to ensure a conviction, because it's not inexpensive, obviously, to proceed. We have had recently some success in that regard and the other challenge we have is to convince the courts that the penalties have to be high enough to discourage this dumping offshore before they come to port.

Again, I think there is some indication that they are upping the fines, but it's always a challenge to make the connection between the oil that's in the water and the ship that we think....Obviously, if you've seen it dump, it's easier, but often you don't and you pick it up with an oil slick or what have you. These are challenging times.

What we've done, however, is we've formalized an MOU between ourselves and environment and transport to work more closely together to adopt a common approach with respect to attempting to be more vigilant and more effective in our prosecutions. So we're hopeful that's going to work.

With respect to the challenge that exists, we share your concern with respect to a catastrophic problem on our coasts and that's one of the reasons that we've committed to do a risk assessment, particularly on the south coast, mostly because of the amount of oil that's moving in Placenta Bay from the platforms and we share your concerns in that regard. We have, however, quite a good public-private relationship and arrangement with respect to environmental response to pollution. The challenge we have is to prevent the pollution before it happens. That's the challenge.

The Chair: Thank you.

Just for the information of committee members who were not on the trip, on the issue of lighthouses this question came up in all three countries that we visited, Norway, U.K. and Iceland. I believe I remember the evidence correctly, all of those countries have totally automated lighthouses.

My impression was they looked at us as if we were crazy when we asked them if they had manned lighthouses. Just an interesting thing that I noted.

Mr. Wood.

Mr. Bob Wood (Nipissing, Lib.): Thank you, Mr. Chairman.

Mr. Adams, I'm rather new to this committee. I haven't been here that long, but I was just wondering, it's been almost four years now since the coast guard launched the Flag II Vessel-Tracking System. I believe at the time in 1999 it was reported as state-of-the-art equipment and I have a couple of questions about this.

First, is it still state-of-the art or is it quickly becoming state-of-the ark? Because I see on page 11 here that you're putting \$27.5 million into an automatic identification system. Are these basically the same?

Commr John Adams: No, the one is a vessel traffic control system which enables us to control traffic once it reports in. That's what was and continues to be a very good system. We have to continue it. As with anything that's computer-based, you have to continue to improve it and you have to continue to invest in it.

But the AIS is essentially a system...the majority of the money will be spent...It's a ground-based system to receive the information from transmitters that the SOLAS vessels will be carrying. We do not have that capacity now. This is a new system. The other system is a voice system between ship to shore. The AIS is a transponder system.

Mr. Bob Wood: So that new system, are you saying we have come right to the meeting of all their potentials. Have we met all their potentials in your mind?

Commr John Adams: Yes.

Mr. Bob Wood: Of the Flag II?

Commr John Adams: Yes. It's a very good system.

What we've done is we've spread it. We started it in Quebec and spread it east. The challenge you heard the Auditor General make reference to, a second system that was developed on the west coast, again, part of the old five-coast guard approach to things

and that was the VTOS system. What we're doing now is we have to move the INAS system out to the west coast and in fact that will happen over time.

🕒 (1215)

Mr. Bob Wood: In 1999 there was a memorandum of understanding reached between U.S. Coast Guard Auxiliary and its Canadian counterpart. First, I guess, is the MOU still in place?

Commr John Adams: It certainly is and this weekend there's an international search and rescue competition between the two auxiliaries, U.S. and Canada, being hosted in St. John's, Newfoundland.

Mr. Bob Wood:

So you're still exchanging different ideas like the search and rescue disaster relief and environmental response?

Commr John Adams: Absolutely. We work very, very closely between the auxiliaries and between the coast guards themselves. We have a very close working relationship in both respects.

Mr. Bob Wood: I believe the MOU was subject to review and revision every year--

Commr John Adams: It is.

Mr. Bob Wood: --and is that going on?

Commr John Adams: Yes, regularly.

Mr. Bob Wood: All right.

The Union of Canadian Transportation Employees started a campaign--I think it was about a year ago, now--saying that SOS actually means Save Our Services. The union claims there have been brutal funding and human resource cuts since the coast guard merged with the Department of Fisheries and Oceans. Do you feel there is merit in what the union has claimed?

Commr John Adams: Merit. There's truth in what they have said. I don't think there's merit in the way they portrayed it. There isn't a government department that went through the nineties that didn't suffer considerable cuts. It was part of program review and the coast guard was part of it.

The sad part of it is, during that time we in fact were merged. Fisheries and Oceans left Transport. The concern is that everyone wants to blame somebody else and in fact what many folks would argue is that the cuts the coast guard suffered were as a result of the

merger. One could counter that with saying, “No, they were the normal program review cuts that all departments, all institutions suffered during program review”.

Now, were there additional cuts on top of that as a result of the merger? That is the point of contention. I think there were, in fact, because you had an institution that left Transport Canada that was a bit more independent and came over to Fisheries and Oceans and we integrated the corporate services support. In so doing, we eliminated overlap and duplication and so there were other reductions in the coast guard. But from a program point of view, the merger to Fisheries and Oceans from Transport Canada, I don't think it's fair to say that the programs suffered any more than they would have, had they stayed in Transport Canada.

Mr. Bob Wood: Mr. Thompson, did you and Mr. Rafuse and Mr. Potter, in your assessment of the coast guard, look at this area at all?

Mr. Ron Thompson: Thank you, Mr. Chairman.

I think as a part of putting the audit work we did do into context, we did look at that. I'll ask Mr. Potter to comment in a little more detail on that, but we did look at the context that surrounded the coast guard that we actually ended up auditing for the first time.

Mr. Kevin Potter: The period of time that the commissioner is talking about predates the actual work we did by several years. As you can appreciate, not all the information was readily available to us in a form that would allow us to do the kind of analysis you're talking about, but certainly what the commissioner has said is true, that there were the cuts in terms of the program review. Then in terms of the allocation of the budgets that would have been in the department when it was with transport coming over to fisheries, that's where the difficulties come in, in terms of how much should come over. It wasn't a focus of our audits to determine whether it was a fair amount or not.

Certainly, though, there have been a lot of difficulties in terms of going through a number of different events--the merger, program review, a lot of technological changes affecting the coast guard as well--so there are a lot of things that are impacting on the organization all at one time.

Mr. Bob Wood: Good.

Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Stoffer.

Mr. Bob Wood: Do I have any time left? No?

The Chair: No, you're way over.

Mr. Bob Wood: Oh, I was going to give it to Joe anyway.

The Chair: Mr. Stoffer, go ahead.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):
Thank you, Mr. Chairman, and thank you, gentlemen, for appearing today.

Mr. Thompson, my first question to you. In the six years I've been here, on every one of these audit reports I get from the department I always hear that particular departments says they agree with the findings of the Auditor General and they'll do all they can to ensure his or her findings are met accordingly. This question is from ignorance, but in every one of the reports I get from the Auditor General, there's no deadline that says, "This department must fix this problem by this particular date" and it leaves it open-ended, which leaves it open to criticism that yes, we did the report; yes, we're looking into it.

A classic example is in December, 2002, it says, "The coast guard has recognized the MTCS and is starting a national review", but there's no deadline when this will be done. For employees of the MTCS, for example, it is extremely frustrating.

My question is, why doesn't the Auditor General's department put confirmed deadlines that departments must meet these recommendations at a certain time?

🕒 (1220)

Mr. Ron Thompson: Mr. Chairman. Thank you for that question, Mr. Stoffer. It's an important one that really gets at the heart of what we feel we can do as legislative auditors acting for you, and what we can't.

We can recommend action certainly and we do a lot, but for us to go that next step and put our own deadline in as to when this action is to be done, we think is getting into your territory inappropriately. We can suggest that a deadline be established and that perhaps a committee of the House such as this committee might ask, suggest and recommend a deadline to the department, but that's for you to do, not us, we feel.

Mr. Peter Stoffer: Thank you for that.

Mr. Adams, I, like Mr. Cummins, also received from the union a copy of what I would consider the gag order. Had the Coast Guard ever asked their employees to have done this before?

Commr John Adams: Yes, it's not just the Coast Guard, it's the Department of Fisheries and Oceans.

Mr. Peter Stoffer: I meant the Coast Guard specifically. When was the last time you've asked them to do that?

Commr John Adams: All I've done is reiterated a past practice.

Mr. Peter Stoffer: Okay, because in the six years that I've been here, again, I have not heard anything from the Coast Guard. Either from Mr. Wilson on the or anything else of asking employees to have done this.

Commr John Adams: It's been in operation as far as I know...certainly since I've been there. All we've done is just simply emphasize the importance of employees letting us know what people are asking so that we can obviously help.

Mr. Peter Stoffer: As one who is very concerned about the morale of the Coast Guard, my suggestion to you is to review this practice because it just—I hate to use this word, Mr. Chair—really pisses them off when they get this kind of document coming from the Coast Guard. We know that the Senate Committee now is in Nova Scotia reviewing the Coast Guard and they don't have very many good things to say about what's going on.

A couple of specific questions I have for you. In the reports it says that the MTCS centres were reduced from 44 to 22. Is there any plan to further reduce MTCS centres and amalgamate those services in the country?

Commr John Adams: What we're engaged in now in consultation—I might add, in fact the unions are part of that team—is we're looking at the MTCS from a strategic point of view as to how most effectively and cost efficiently to provide the service that the MTCS is currently providing.

Mr. Peter Stoffer: Overall, sir, with the greatest respect, the Coast Guard's, I think, main responsibility is to guard our coast. I would think that if you ask most Canadians on the coast they would say that simply isn't being done. In fact there's an article in the *Chronicle Herald* today that says we should just call it the Coast Company instead of the Guard because it doesn't appear they're guarding anything.

So I ask you this particular question and as the commissioner you might know this, how many vessels are patrolling our coastline as we speak?

Commr John Adams: At this very moment I can't tell you that. Certainly, any day you want to come over I can give you those kinds of figures.

Mr. Peter Stoffer: The reason I say that is when this committee was last in Newfoundland asking the question, and I asked the person there how ships they have, and he said seven. I said, how many are patrolling the coasts of Newfoundland and Labrador at this time? He said, one. I said, where is it? He said, it's in the harbour.

I've repeated this to you before and I find that after the trip we just made, Mr. Chairman, to Iceland and to England it appears that those countries take their coast responsibilities a lot more than we do. It's really a shame as a Canadian parliamentarian

when you go to these countries and you tell them what's happening on our coastline and you kind of have to duck under the table because they do a much better job in my opinion of guarding our coasts than we do.

So my overall question in this one is with the recent announcement by Mr. Manley to ask for further reductions from various departments, has the Coast Guard been asked to pony up any more money from its already starved resources?

Commr John Adams: Not at this time, no.

The Chair: Have you made any recommendations, sir, to the government for additional resources than what was allocated in the last budget?

Commr John Adams: We're formulating those plans now.

Mr. Peter Stoffer: I've got a million more questions to ask, but my last one is for the Auditor--

The Chair: --Short and crisp. Maybe we'll get around to you again.

Mr. Peter Stoffer: We need more seats in the House.

The Chair: Mr. Burton.

Mr. Andy Burton (Skeena, Canadian Alliance): Thank you, Mr. Chair.

As Mr. Hearn raised the issue of coastal lighthouse manning, I just want to reiterate that it is an issue on the west coast in terms of weather reporting and safety for aviation—you know for the coastal float plane operators—and it's something we hear that is basically gone and NAVCAN not being particularly forthcoming, there's a real gap there from a safety issue. So you might just want to keep that in mind.

As you know this committee is currently studying the Coast Guard and another comment or aside, we were recently in in southern England and maybe you could have saved some money for the Coast Guard. There's a number of fairly large hovercraft mothballed in their yard there, perhaps you should check that out. I'm sure Mr. Wood will back me up on that. They don't use them. Anyway that's an aside.

My question, we've heard a fair bit of talk about programs and service levels, reviewing and so on, I'm just curious as we're currently studying the coast guard and looking at possibly making recommendations of how we might improve what other coast guard management systems have been examined or considered at this point in time in order to improve our coast guard by you and your people?

Commr John Adams:

We're looking at, we're trying to leave no stone unturned with respect to looking at how we're delivering all, each and every one of our programs with a view to trying to be more cost-effective. We'd initiated it as what we called then a coast guard modernization plan, but it has now been rolled up into the departmental assessment and alignment project. What that is, it's a look to make absolutely certain that we're doing the right things and that our resources are allocated in the right way. So we're looking at everything and everything.

Mr. Andy Burton: When you say “everything and anything”, what other systems have you looked at? Can you name some? Have you looked at the Norwegian system, the British system, the Icelandic system?

Commr John Adams: Oh, I'm sorry. Other approaches.

Mr. Andy Burton: Have you considered other countries' modes of operations?

Commr John Adams: Yes. The challenge you've got, there's no one system that's comparable to ours, as you've heard a number of people recently. I think somebody made reference to the *Herald* on the east coast, the comparison with the U.S. coast guard. We do compare in some respects but not in other respects.

We work as part of international maritime organization and as part of the international navigation and light station. It's a UN, it's IALA, that's right, the International Association of Lightkeepers. Yes, we're constantly working with all international nations to compare like systems with like systems to make certain that we are comparable or that we are adopting best practices to the extent we can.

Mr. Andy Burton: So at this stage of the game, what has actually taken place at the operational level to initiate some of the changes that we're hearing need to be made.

Commr John Adams: I made reference to some of them. The modernization, for example, of our navigation systems. What we're doing is looking to exploit technology in order to use lighter materials that would be easier to handle with respect to our buoys. We're looking to maximize the utilization of technology that is no onboard the ships to reduce the number of buoys that we have in the water.

We're looking to continue to improve on our relationship with the private sector with respect to responding to pollution. We're looking at life cycle material management systems to be certain that we are better managing the systems that we have in place from the point of view of operations and maintenance, and obviously divestiture and new procurement. All of those.

We're comparing what we're doing with what other countries are doing.

Mr. Andy Burton: As an example, we were recently in England and Norway. Their coast guard system has brought into the practice of leasing vessels, actually designing and speculating out vessels, but leasing them. Have you considered that?

Commr John Adams: We'll have to look at that as one of the options in our recapitalization program, yes. In some cases, where we cannot meet the demand that our client is placing on us.... We have leased as recently as last year in British Columbia, for example.

Mr. Andy Burton: Have I got some more time, Mr. Chairman?

The Acting Chair (Mr. Tom Wappel): Yes.

Mr. Andy Burton: One more time?

Again, looking at some other countries' systems, do you feel that the coast guard under the Department of Fisheries in Canada is the appropriate ministry to be handling coast guard? For instance, Iceland is fairly militaristic under the navy. In England it's under the navy. In Norway it's a mix as well. What's your comment or feeling as to direction that possibly we should go in terms of, should it be under a different ministry? Is DFO the appropriate ministry?

🕒 (1230)

Commr John Adams: DFO is frankly, is from my point of view, as good as any other ministry. Our challenge is a resource challenge. It's not where we are, it's how we're resourced.

Mr. Andy Burton: When you say "it's as good as any other ministry", then how good is any other ministry?

Commr John Adams: Well, there are arguments on many sides. The argument for being in Fisheries and Oceans, there is one minister responsible for oceans. We complement that minister in what we do on oceans. The legislative basis for what we do is in the Oceans Act. The Minister of Fisheries and Oceans is the minister responsible for that act.

Two of our largest clients are fisheries management and science. We're collocated with fisheries management and science. So you get that interaction, which is very effective with respect to meeting their demands.

On the other hand, you could argue, well, transportation, are you not transportation? Yes, we deal with the transportation sector. Would it not be more sensible to be in the Department of Transport? You could make the argument, yes, then it would be one place for them to go, but you're distant from Fisheries and Oceans.

Previously, when we were in Transport, Fisheries and Oceans had to have their own fleet. In fact, they had two fleets. They had the science fleet and the fish management fleet, or the conservation and protection fleet. Now we've amalgamated into one fleet, so you get the economic advantages of one fleet vs. three fleets.

You can make arguments, other people would argue back to the point about guard. You might be more effective if you worked with Defence with respect to guarding the coasts. Yes, if we had a mandate to guard the coasts, it would be true, but at this point in time we haven't. We're a safety and environmental response organization.

So where we are, you could make arguments on many sides, but wherever we are, we need to be properly resourced. That's our challenge. That's what our minister is very much hoping for.

The Acting Chair (Mr. Tom Wappel):

Thank you. We now go to Mr. Matthews.

Mr. Bill Matthews: Thank you very much, Mr. Chairman. Just to follow-up, Mr. Adams, on Mr. Hearn's comments on light stations and so on. What's happened to the employees where you've automated? Have they been accommodated in some way? My understanding is they sort of have been.

Commr John Adams: Yes. In fact, our commitment to all of our employees is that we will facilitate them to the maximum extent possible. You can never say you will not surplus anyone, but we always aim to accommodate our employees. Light stations are peculiarly challenging because the nature of those employees is that they're not really mobile, and so it's always very difficult to accommodate them. The way we generally deal with situations like that, or often deal with it, is through attrition. We just wait until it's time for them to leave and then we don't replace.

Mr. Bill Matthews: So right now, are most of them employed in some way with authorities that have taken over the light stations for tourism and cultural purposes?

Commr John Adams: No.

Mr. Bill Matthews: What's happening?

Commr John Adams: The vast majority--any of the former light stations that have left have either left completely or have been absorbed into other parts of the department. The light stations...obviously the light keepers that currently...light keepers continue to be on the sites.

Mr. Bill Matthews: Just on page two of your document, you talked about staff presently involved in review and delivery of issues and services. Then you went on about upgrading delivery marine communications and traffic services. I think that ties into

someone else's question about the MCTS and stations. If my memory serves me correctly, there are five MCTS centres in Newfoundland and Labrador, I believe. In your review, is there any thought, because this sort of says there's going to be an upgrade in delivery. In your review in Newfoundland and Labrador, are you looking at shutting down any of those centres or are you going to upgrade them?

Commr John Adams: What we're looking at doing is determining the most cost effective way to deliver the service. That may be include reducing the number of sites, but we'd have to augment the sites that remain. So, it could go both ways--fewer sites, but increased capacity in the sites that remain. Those are all hypothetical at this stage; no decisions have been made and we continue to review our options in conjunction with the unions.

Mr. Bill Matthews: Well, tying back to the committee's work and its work on MCTS, again, if my memory serves me correctly, there were commentaries on a number of Newfoundland sites and one was in Port Au Basque, which is in the riding of Burin-St. George's which I represent. That services the Gulf region and I think the comment on that site was that the radar that's currently there, I think, can't service the full width of the Gulf, and I think it was a recommendation that you look at putting a radar service there that would service the Gulf because of the potential vessels entering in and around that zone undetected. I guess I want to ask you then, do you have any plans to upgrade the Port Au Basque site or are you looking at shutting it down?

🕒 (1235)

Commr John Adams: We're looking at all options, Mr. Matthews, and whatever is left will be upgraded to meet the requirement that needs to be met with respect to safe waterways.

Mr. Bill Matthews: Isn't that reassuring. Thank you, that's it, Mr. Chairman.

The Acting Chair (Mr. Tom Wappel): Is that it, Mr. Matthews? Thank you. We go to Mr. Cummins.

Mr. John Cummins: Thank you, Mr. Chairman. Mr. Adams, is it true that the coastguard intends to close light stations in December when parliament is in recess?

Commr John Adams: No. To close light stations?

Mr. John Cummins: That's correct.

Commr John Adams: No.

Mr. John Cummins: You're not closing light stations in December? It's not in the plans?

Commr John Adams: No.

Mr. John Cummins: You did mention that you had some authority, under the Oceans Act and so on, and you've certainly got authority under the Canadian Shipping Act, and essentially that means that the coastguard does have some obligations to security, and I understand you're working with DND now in attempt to improve the situation with some cooperation and long range radar and this long range AIS. Is that correct now, with DND?

Commr John Adams: It's not as much DND as it is interdepartmentally we're working with transport, all departments involved in security. There are a number of improvements that we're making with respect to surveillance and intelligence, or knowledge in our case. We'll give them information and they'll make it intelligence. In other words, we're working to establish data fusion centres on both coasts. AIS is one part of that data gathering or surveillance capability. That's part of a bigger system which defence runs out of the data fusion centres in Victoria and in Halifax. They themselves are working on the over the horizon, or wave-top radar, which will improve the radar coverage on the coast, but that's their project as part of an interdepartmental initiative, vis a vis, improved security on the coasts.

Mr. John Cummins: Well my understanding is that though in spite of what you've said and I don't question what you've said but nevertheless in spite of that, that much of what's been done to date is going to accomplish little in terms of national security. I'm under the impression that the HF radar and the long range AIS, it's an incomplete system. That it's great that monitoring vessels that aren't in Canadian waters but these vessels will disappear as soon as they get within 20 to 40 miles of the coast.

That means that vessels are going to be able to continue to enter Canadian, you know, our territorial waters without any

surveillance or challenge from Canadian authorities. Is that a correct assessment?

Commr John Adams: That's way out of my area. I'm not into that kind of detail. Could I frankly, Mr. Chair, take that under advisement and see if I could get you a written response with respect to where that radar cuts off and where other radar picks up? Because frankly that's pretty technical and it's beyond me.

The Acting Chair (Mr. Tom Wappel): I appreciate that.

Mr. John Cummins: That's fine.

The Acting Chair (Mr. Tom Wappel): I'd appreciate that. Thank you.

Commr John Adams: I'll certainly do that.

Mr. John Cummins: Thank you. One of the problems that MCTS has is that it appears that the bulk of their budget and this committee did a study on the MCTS and were actually quite concerned about the operation and about the stresses that were put on the personnel and with this issue that we were just talking about, the long range radar and this AIS, it seems that it's going to be even more demand on the MCTS officers.

All that being said, the speculation within the department is that what they refer to as the usual fall wall, that meaning that the department will run out of money and that they'll have to stop their travel and their training and so on. That's going to happen. Is that the way it is again?

🕒 (1240)

Commr John Adams: I hope not.

Mr. John Cummins: The usual fall.

Commr John Adams: I hope not, Mr. Cummins. We've been working very, very hard to ensure that doesn't happen. In fact, we took your observations and conclusions and recommendations vis a vis the situation, the MCTS situation particularly on the west coast. We have committed to increase the training for MCTSOs, to increase the staffing

level so that we don't burden those that are left to the extent that we have in the past. We're doing our level best to make absolutely certain that the fall wall, I've heard it referred to that as well or the curtain doesn't come down again this year.

So I'm hopeful, we're hopeful that we've got the staffing such or the allocation such that doesn't happen. But I would be less than truthful if I didn't say that we have some real challenges with respect to finances on the west coast and we're working very hard to address them. That's all part of the rationale behind the departmental assessment and alignment project. We're looking at where we can find resources to realign them so that we can avoid the sorts of situations that were highlighted to you when you visited the MCTS sites on the west coast.

The Acting Chair (Mr. Tom Wappel): We've got 20 minutes left. We have three questioners and I have a couple of questions. So I'm going to be real tight on time.

Mr. Hearn.

Mr. Loyola Hearn: Thank you, Mr. Chair. I'll also try to be brief and save some time for some of the others.

In relation to staffing, one of the complaints we get quite often with the Coast Guard is that you can be working the Coast Guard for years and years and you have no tenure or really seniority. You know you're still just I guess shoved in here and there whenever you're needed. In order to get a good crew, in order to have stability, in order to have morale more importantly, isn't there a better way of handling things?

Commr John Adams: There certainly is. We've taken the first step in that regard by converting all of our long-term terms, these are any terms over three years into indeterminate employees. That was a good step.

The second step that we have to establish and we're working on that but again it's a question of finding the finances to do it is to establish pools. Because the challenge with vessels is if I'm sick one day, my office sits empty, somebody else can answer the phone that day but you can't sail if you haven't got the requisite crew. You must have a crew. So what you need is a pool of people to deal with people who are off on training, people who call in sick, etc. What we're trying to do is establish that pool that would have legitimacy, it would be indeterminate employees and would be available to fill in when you need them on the crews.

The way we've been doing it up until now is with terms and casuals. I agree that is not an employer of choice approach that we're particularly pleased with. We've taken the first step. We've done away with long-term terms. There'll be no more long-term terms. It's not fair to them nor is it fair to the crews. But we haven't managed to get to the second step which is that pool of indeterminate employees that we would use to backfill legitimate vacancies in the crews. But we're working it.

Mr. Loyola Hearn: That's fair ball.

Let me just throw two more at you and that's it. One is in relation to the auxilliary coast guard. I think it's playing, certainly in my area and I'm sure everywhere, and extremely important role. One of the concerns that was raised last year was about funding to be able to keep that going, because more and more demands are being put on them. Our fishermen are being forced further and further from shore in smaller boats and, as you know, all of that leads to problems. Can that operation be sustained and is it beneficial? Can we make sure it's in place, and is it of assistance to you?

The other one is in relation to your capital costs. Of course, the big costs are for boat replacement and repair, whatever. In Norway--and I've raised this before, maybe with the minister, or maybe it was with you, I'm not sure--leasing is a big issue. When I raised it, the answer basically was, "Yes, but we have so many specific needs, you just can't go out and lease the type of boat we want". However, your boats, as you know, do a lot of different things, from going out rescuing a small boat where some idiot goes out when it's rough, to oil spills, to fishery observations, you name it.

In Norway, they charter for short terms, maybe five years or ten years, depending on their needs, looking ahead to specific needs, smaller fishing boats, really, converted boats, trawlers, with adequate equipment, but to do specific jobs. They even have research vessels to do a specific job. It seems they can better spread their money, it's almost like leasing a car. Long term you could say it doesn't make a lot of sense, but you always have a new car and you don't have a lot of costs, and you have what you want. Is there any thought about doing something like that, or have you had any proposals, we'll say, from people who have offered to do those things for you?

🕒 (1245)

Commr John Adams: The answer to both of those is yes. We are looking very hard at that option and we'll have to explore it when we move forward with our requests for additional capital. What we've got to make absolutely certain is that it's more cost effective. That's the big point and that's what we'll have to focus on.

The other question is: have people come to us and talked about that possibility? Yes.

With respect to the auxilliary, just last year the minister did sign a new five-year agreement with the auxilliary for a total of \$4.5 million a year for \$21 million I think it worked out to. Could we do more with the auxilliary? It's an interesting point. Are we getting good value for that dollar? Are we ever. They're terrific on both coasts and the centre of the country. However, you can only push that volunteer so far, so there is a limit, but frankly they are serving us very well and we will continue to support them. I will be in Newfoundland this weekend to be with them as they're competing with the Americans. They're a tremendous group of people who do certainly leverage the dollar we give them tremendously to our benefit.

Mr. Tom Wappel: Thank you.

We'll be hearing from the auxilliary. They're going to be witnesses. We heard in the U.K. about the tremendous volunteer organizations that help the U.K. coast guard and how they've clearly acknowledged that without them, it would be impossible to do the job.

Mr. Peshisolido.

Mr. Joe Peschisolido: Thank you, Mr. Chair.

Commissioner, the third or fourth week in August I toured the sea base in Richmond. Also, we went on the CA and had the opportunity to discuss the status of the CA with the officer in charge and the engineers. Is it your understanding that their assessment that the CA is completely functional and that other than the usual wear and tear that occurs in any hovercraft, and the periodic maintenance that was done on the CA, that the CA is a first line functioning search and rescue vehicle and will meet the needs for the next five to seven years?

Commr John Adams: Yes.

Mr. Joe Peschisolido: Okay.

Also, while I was on the base, I had the opportunity to speak with the second dive team that the officer in charge has put together. As you know, we've had a bit of controversy on the coast after the tragic Cap Rouge incident, and different variations on whether or not dives could occur.

The question that I have is, is it your understanding that as of October 10 with the graduation of the second dive team of six, that on the west coast the two teams will now have the capacity, if they believe after assessing a scene, that they can do penetration dives?

Commr John Adams: They will have the capacity, but not yet for 24 and 7. We need additional divers to come into the system, but, yes, they will have that capacity.

Mr. Joe Peschisolido: And when will that occur, Commissioner?

Commr John Adams: I'll have to get back to you for certain, but I think it's end of November--this fall.

Mr. Joe Peschisolido: Very good.

The Acting Chair (Mr. Tom Wappel): Sorry, end of November, this fall, for 24-7.

Commr John Adams: Yes, 24-7 and dive under all circumstances--all circumstances--but I'll get that date to you for sure.

Mr. Joe Peschisolido: All right. The third point is I, too, Commissioner, share the concerns of my colleagues, Mr. Cummins and Mr. Stoffer, on the form that your officials or officers or workers have to fill out if a member of Parliament or staff contact them. I have in front of me an e-mail that was sent to Mr. Stoffer's office. I just want to go over again the questions that were asked, just for my own sake.

Is it accurate that if, for instance, I would call the sea base in Richmond, request to go in or have a conversation with the officer in charge or a diver, they would have to fill out a form and submit and say what was discussed?

Commr John Adams: Yes.

Mr. Joe Peschisolido: When was that implemented?

Commr John Adams: As I said, it's been there since I've been there. So I'll have to get some details on that and let you know.

Mr. Joe Peschisolido: What would the rationale be?

Commr John Adams: The rationale, basically, so that we and the minister know what is currently being talked about, so that we can prepare ourselves to either complement or supplement the information or prepare the minister to prepare himself for, "Whoops, this could come up in the House" or "This could come in a media scrum", so the two aspects--both ends.

🕒 (1250)

Mr. Joe Peschisolido: Okay.

Do I have time for one more point?

The Acting Chair (Mr. Tom Wappel): Yes.

Mr. Joe Peschisolido: I just want to follow up on the national standards because I think this is a point that should be explored--on two sides. There's the national standards for the financial aspect of it--and I would agree with all the speakers that we just have one coast guard, but we do have different regions.

In talking about national standards, either Mr. Thompson or Mr. Potter, can you elaborate a little bit on what that would entail, if you can indulge me with my particular interest on the west coast and Richmond, how that would impact on the Hovercraft and the search and rescue plans that would have the airport, mudflats and Hovercraft?

That's probably for Mr. Adams.

Commr John Adams: It wouldn't. Just as was said, what we have to make certain is we have a level of service, a level of response, that's consistently applied. Now, in order to deal with mudflats, it's much different than open water. So what we'd have to do is tailor our response to ensure that we can meet the level of service to the peculiarities of that situation. That's the very point that was made: a national standard, but, obviously, implemented in accordance with the specifics of each region. So you want to have the best of both worlds.

What we have to certain, though, is that there is a national level of service and that we're consistently meeting it, not more in one and less in another.

Mr. Joe Peschisolido: Thank you, Mr. Chairman.

The Acting Chair (Mr. Tom Wappel): Mr. Stoffer.

Mr. Peter Stoffer: Thank you, Mr. Chairman.

The Acting Chair (Mr. Tom Wappel): Final questioner, other than me.

Mr. Peter Stoffer: Yes.

Help me out. Maybe I'm just ignorant or come from a different world, but to me, when I was growing up, the coast guard meant that we guard the coast.

Is it your mandate, sir, to guard the coasts? Yes or no?

Commr John Adams: No.

Mr. Peter Stoffer: Okay, that changes that opinion I had of the coast guard.

How many people work for the coast guard in the DFO building at 200 Kent Street in Ottawa?

Commr John Adams: Round figures, 400.

Mr. Peter Stoffer: Four hundred, okay.

Now, this is a part that really frustrates me, and Mr. Thompson and Mr. Rafuse, kick in, if you like. This is a report of the Auditor General, December 2000, and it follows up what I said earlier. This is a quote from the Fisheries and Oceans' overall response.

The Acting Chair (Mr. Tom Wappel): Give the reference.

Mr. Peter Stoffer: Sorry, 31.30, conclusion 31.139.

It says here “Fisheries and Oceans overall response. Fisheries and Oceans accepts the auditor general's findings and is committed to finding solutions to the shortcomings”.

Okay? We move ahead two years. Go to page 22 of December 2002. It's a full two years later. Sorry, on page 23, 2.108. It says “We are concerned that the department has not responded to issues that have been confronting the organization for many years”.

Call me simple. Call me stupid if you like, but 400 people working for Coast Guard at 200 Kent Street. Right here it says “We're going to do something”. Over here it says it hasn't been done yet. Why so long?

And you want to know why members of Parliament and taxpayers who pay very good money to operate these departments are very frustrated at what they see as either a Neanderthal, dinosaur approach to moving on issues which is why the auditor general says “ we don't put deadlines on it”, but I think we should. And accountability--if you can't get it done, my own opinion is, for value to the taxpayer and value to the industry, the fishermen, for all kinds of things. We have three huge coastlines here. Iceland does a hell of a lot better job than we do.

We have a huge economy with a tremendous GDP and we can't even do something like answering a report in a reasonable time.

Auditor general, you must be extremely frustrated yourself when you get these delays. It's not just this department, it's others.

Mr. Adams, it's not against you personally, because you're doing the best job you have with the resources that you've got, but something has to change and speed has to be invoked in this.

Four hundred people, Mr. Chairman, working at the Coast Guard and two years later we still have the same problems. What's going on?

I know that's a bit of a rant, but it frustrates me to no end when I deal with officials and union people and very good works in Nova Scotia and in Newfoundland and they bang their heads at this so-called Neanderthal approach at DFO and the Coast Guard, and nothing is getting changed in their perception.

Prove me wrong. Please.

🕒 (1255)

Commr John Adams: I tried to outline a number of things that we're doing. I would gladly offer once again to have the committee over, to talk, to meet with our people, to see what we're doing. I think we are doing a great deal.

You're comparing 2000 and 2002. The 2000 report was on fleet management. The 2002 report was marine programs. They are two different reports. Frankly, they didn't come back to look at the fleet management work. They're going to do that.

When you talk about times, we did put an action plan together. We did submit it to Parliament, on FMRI, the Fleet Management Renewal Initiative and we will, as I've said, we're committed to give an action plan to Parliament with respect to 2002. That will have time lines and the auditor general will be back to review what we're doing.

I really do think that we are doing a lot and I would love for you to come over and get a briefing from, for example, my project manager for MCTS, the work that we're doing there. He's doing a lot of work on it and we're continuing to move forward conscious, obviously, of the impact it's going to have on people; conscious, obviously, of the impact it's going to have on federalism, because in many cases we are the only people in some of the small towns and villages in this country. That has to be factored in. It's not simple.

Frankly, I think we are moving the yardsticks and I think some of what I've given to you today is indication of that and I'm prepared to entertain one, two, or any number of you, to give you more details on what we're doing.

The Chair: Thank you very much.

Mr. Bob Wood: Excuse me, Mr. Chairman.

The Chair: Yes, sorry.

Mr. Thompson

Mr. Ron Thompson: Thank you, Mr. Chairman.

This might be a time when I could make a comment. I was going to do it at the end of the hearing, but I think it relates to what Mr. Stoffer raised and if you could give me just a moment to make that.

We're looking at two audits that we've done here in the last several years. It's good to us that we seem to have identified issues that are of interest and of relevance to members of Parliament. That's important to us. Sometimes you hit good issues and other times perhaps issues that don't resonate as well with members of Parliament, but these two have.

We also seem to have found a situation where the department that we've audited has said "yes, we recognize the issues; we know about them and we want to fix them too". That doesn't always happen either, but it has happened here. But all of that doesn't get anything done, in my experience and I've been with this office for 26 years, unless members of Parliament take an interest in the issues and say "we want some change".

I think here we don't only have one, but we have two parliamentary committees reviewing these set of issues and encouraging and holding people to account, ourselves as well as Mr. Adams and his colleagues, to make some changes.

Now that to me is a good thing. I think it probably takes time to make some of these changes. They're not small things that we've been suggesting be done, but I think the process is working from where I sit.

One thing that I would leave you with is that we are going to come back and re-audit these two chapters and we're going to report the results of that in what we call a status report, a new product of our office that we've been putting our now for the last two years in about January or February of 2007.

So at some point we'll come back together and see in an audit sense what's been done and, hopefully, my hope--and you talk about deadlines, Mr. Stoffer--but my hope is that when we get together in January or February of 2007, quite frankly we can tie a bow around a lot of this stuff and we'll see some very significant change that has been made thanks in large measure to the interest of parliamentary committees like this.

Thank you, Mr. Chairman.

Mr. Tom Wappel:

Thank you, Mr. Thompson.

Indeed, that ties in perfectly with what I was going to say because I was going to make a couple of suggestions based on what we've heard today.

First to the Auditor General, your work is fantastic and the detail that's in here is just wonderful. The problem is that we as parliamentarians are absolutely swamped with wonderful report and not only wonderful reports in general, but wonderful reports from the Auditor General.

I wanted to offer the suggestion to the Auditor General that a more proactive approach be taken with respect to parliamentarians as follows. When you issue a report such as this, and I'm referring to the 2002 report, but any report, but let's take fisheries, that deals with fisheries, that not only do you submit that to the House of Commons and to the Speaker, but that you write a letter to the chairman of the committee asking for an opportunity to appear to discuss your findings.

Now, you may never get to the committee because the committee may be too busy, but what will happen is that this letter will be given to the chairman and will be discussed by the steering committee which contains opposition members who will have their own agendas and government members who will have their own concerns of their own regions and it may very well be that you would then be invited or given the opportunity to make a presentation to the committee about your findings. If you do such a thing, that gives you

the opportunity because you're here a lot longer than most members of Parliament. You said you've been doing this 24 years, I believe.

🕒 (1300)

Mr. Ron Thompson: Twenty-six.

The Acting Chair (Mr. Tom Wappel):

You'd be hard pressed to find members of Parliament on the fisheries committee who've been doing it for 24 years, my point being, you could then return here and you could say, as you did in your material, I was here on the issue of safe and efficient marine navigation in September of 2003 and this is roughly what we said. Now we've done the follow-up and I'm pleased to report that the department has done everything it needed to do, or whatever your point is.

So I'd suggest that you take that to the auditor general himself, and that this become a matter of course to try to engage parliamentarians who see these things. Some read them, some don't. The committees are tremendously busy. We may never have time to call you but it would be an impetus for us to at least be forced to consider whether or not to call you on a particular issue.

So that's just some free advice.

Commissioner, more free advice. I haven't even seen the memo about what you're asking your staff to do but just based on the questions by the three parliamentarians, I would urge you at the very least to reword it and to make it clear that there is no prohibition from speaking to parliamentarians and that there is nothing wrong with speaking to parliamentarians and that the purpose of any report would be to ensure that the minister is aware of the interests of the parliamentarians for obvious political reasons including question period.

We can all understand that that makes sense but to leave any kind of impression that your employees should not be speaking to parliamentarians is totally inappropriate and even if that's not--and I'm sure it isn't your intent--even if that's the impression of one employee, that's one impression too many and I would ask you to inquire privately--I'm not going to ask you the question now--if this is in fact the practice in all departments.

I just want to ask a question from the auditor general's department. In point 9, marine services fees--and we're going to be hearing from the shipping industry--marine services fees have encouraged industry to become more involved in determining the service levels it needs, however, some in the industry still believe that the fees are too high for the services the department provides. Does the auditor general have any opinion on that opinion?

Mr. Ron Thompson: There's an easy question to that question, I'm afraid, Mr. Chairman, the answer is no. We don't. That's really a matter of policy and what the three levels are is something that we wouldn't comment on.

Certainly though, when you start to charge fees for a service, it does sharpen the mind in terms of what you're getting for the money you're paying and that's the point we're making here.

The Acting Chair (Mr. Tom Wappel): Well, our time is up. Thank you, Mr. Cummins.

Mr. John Cummins: Just very quickly, Mr. Chairman, on that document, member of Parliament inquiry form, I think it's totally inappropriate that that form even be in existence and for the coast guard to be acting, if you will, as spies for the minister. An extension of that, Mr. Chairman, I would view it as a violation of my rights as a parliamentarian that a member of the coast guard who may be a constituent or may not be, approaches me on a matter of concern and if they're required to report that elsewhere I seriously believe that that violates my rights as well as a parliamentarian and I think it's an issue that I intend to take up with the speaker.

The Acting Chair (Mr. Tom Wappel): I was going to say that would be the perfect place to take it up.

Mr. John Cummins: And I intend to do that--

The Acting Chair (Mr. Tom Wappel): --And that's why I wanted to give a heads-up because if it's a departmental policy across the government, then that needs to be known in terms of submissions that are made by all parliamentarians.

Mr. John Cummins: Yes.

The Acting Chair (Mr. Tom Wappel): And the wording thereof. Let's leave it at that.

🕒 (1305)

Mr. John Cummins: I just want to say to the gentleman from the office of the auditor general that my ignoring you today

should not be taken as a reflection on your work. I do appreciate it and I commend you for it and hope perhaps that at some point we will have the opportunity to discuss it further.

Thank you.

The Acting Chair (Mr. Tom Wappel): Thank you all, gentlemen, for coming and for answering our questions. Thank you.

We're adjourned.

Mr. John Cummins:

The Acting Chair (Mr. Tom Wappel):