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(HANSARD)

SPECIAL COMMITTEE ON
SUSTAINABLE AQUACULTURE

Campbell River

Wednesday, November 15, 2006

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ROBIN AUSTIN, MLA, CHAIR

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**SPECIAL COMMITTEE ON
SUSTAINABLE AQUACULTURE**

Campbell River
Wednesday, November 15, 2006

- Chair:* * Robin Austin (Skeena NDP)
- Deputy Chair:* * Ron Cantelon (Nanaimo-Parksville L)
- Members:*
- * Al Horning (Kelowna-Lake Country L)
 - Daniel Jarvis (North Vancouver-Seymour L)
 - * John Yap (Richmond-Steveston L)
 - * Gary Coons (North Coast NDP)
 - * Scott Fraser (Alberni-Qualicum NDP)
 - Gregor Robertson (Vancouver-Fairview NDP)
 - Shane Simpson (Vancouver-Hastings NDP)
 - * Claire Trevena (North Island NDP)
- *denotes member present*
- Clerk:* Craig James
- Committee Staff:* Brant Felker (Committee Research Analyst)
-
- Witnesses:* Tim Davies (B.C. Salmon Farmers Association)

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SPECIAL COMMITTEE ON SUSTAINABLE AQUACULTURE



Wednesday, November 15, 2006
9:45 a.m.
Sonora Room, Coast Discovery Inn
Campbell River, BC

Present: Robin Austin, MLA (Chair); Ron Cantelon, MLA (Deputy Chair); Gary Coons, MLA; Scott Fraser, MLA; Al Horning, MLA; Claire Trevena, MLA; John Yap, MLA

Unavoidably Absent: Daniel Jarvis, MLA; Gregor Robertson, MLA; Shane Simpson, MLA

Others Present: Brant Felker, Research Analyst

1. Opening statement by the Chair, Robin Austin, MLA
2. The following witness appeared before the Committee and answered questions:
 - 1) Tim Davies, Grieg Seafood BC Ltd.
3. The Committee adjourned to the call of the Chair at 11:28 a.m.

Robin Austin, MLA
Chair

Craig James
Clerk Assistant and
Clerk of Committees

WEDNESDAY, NOVEMBER 15, 2006

The committee met at 9:44 a.m.

[R. Austin in the chair.]

R. Austin (Chair): Good morning. We are here today to have a presentation on the farmsite application process presented by Tim Davies from the B.C. Salmon Farmers Association. After the presentation, of course, members will have whatever questions they have.

Over to you, Tim, please. Go right ahead.

Presentations

T. Davies: In front of all of you I left a brief three-page package. It's copied from volume 1 of the *Salmon Aquaculture Review* from the environmental assessment office 1997 report. Specifically, I left it for you to refer to section D, which talks about salmon farm siting. There's a more concise summary in the summary package from the environmental assessment office. So if you want a more concise point form, you can refer to that document. Essentially, I'm looking at points 1 through 7 from that assessment review.

[0945]

R. Cantelon (Deputy Chair): So we're looking at siting, then, or the whole....

T. Davies: We're looking at the application process, of which siting is one component.

I've broken this down into just a brief history on the process: how we got to where we are today; the provincial requirements, the federal requirements and the regional requirements — where those fit in. The process history, as I've just alluded to, comes from the *Salmon Aquaculture Review* of 1997. The first seven recommendations were with regards to farm-siting and the establishment of guidelines for applicants and better definition for applicants on what they need to include in a package.

Recommendation 1 was establishment of a permanent regional Fish Farm Review Committee to ensure co-ordinated salmon farm siting and management decisions. That did exist for a period of time, but it has been replaced by management committees amongst agencies and a project review team.

That has progressed or evolved as other recommendations came into play, such as integrated coastal zone planning exercises and also the establishment of a guideline. So it became much more clear for people as to what to expect, as opposed to going to a review committee to find out what to supply.

Probably the most important advancement from 1997 with regards to the salmon farm application process has been the establishment of coastal plans, the first of which was the Nootka Sound land use plan. That document is available on the ministry website.

It established a regional board made up of local stakeholders. At the beginning, first nations were involved

but later were advised to pull out of the process because of possible implications for their treaty negotiations.

What this coastal plan did was establish area units and then write out brief objectives for each of those units. Really, you had an identification of an area and then general comments on what was expected in those areas — so a pretty basic plan. But it was useful from an industry point of view in that it quickly indicated to me — when using this document to apply for the Muchalat South site, the Atrevida site and the Williamson site — which areas I could apply and which areas I could not, and don't even look there.

That was helpful from an industry point of view and helpful from a local point of view as well, because people had reassurance on what areas were going to be maintained for recreation and what areas were going to be maintained for conservation.

Again, this is available on the integrated land management bureau's website. The areas in blue indicate areas that have final plans that have been developed on the coastline. Green areas — that plan is available. I think it's in a draft format. The other areas in yellow — the Sunshine Coast, Clayoquot Sound — are areas that are ongoing planning.

There has been a significant area, to date.... I think, when I calculated it out, it's over 7,000 square kilometres that have final reports available for planning. As I mentioned, Nootka Sound was the first, and we basically saw it progress up and around the north end of the Island with North Island straits and then Johnstone-Bute.

[0950]

They ended up taking longer. They involved more stakeholders and got better at describing what were important aspects in each of the units and better in identifying exactly what areas would be appropriate for fish farm siting.

I have here an example of a page from the North Island straits document. It gives you quite a large swath of area that would be appropriate for an application. It doesn't get right down to a site, whereas when we moved down into the Johnstone-Bute area, we see locations that identified navigation concerns. We now have Transport Canada involved, whereas in North Island straits we didn't necessarily have them involved throughout the whole process. DFO was much more involved with their resources in identifying sensitive habitats.

In this particular one we had very distinct hash marks right along the shoreline, which identified areas that were appropriate for finfish applications. In the previous one it was just this big blob of an area even out in the open channel, which would not be acceptable for an application.

S. Fraser: On the display you've got up here, Quatsino is a green colour. It's different than the yellow.

T. Davies: Yeah, it is. It's at a different stage than the blue ones. It has gone through quite a bit of planning. It started early on, but for some reason I don't believe

it's in the final stage at this point. But you can double-check that at the ministry website. I don't have farms there, so I'm not as concerned with that one.

C. Trevena: All the others ones, then.... The only complete ones are Nootka and North Island, Johnstone-Bute...

T. Davies: ...and Baynes Sound.

C. Trevena: Johnstone-Bute and Baynes are also complete?

T. Davies: Yes.

C. Trevena: I'm just looking at a blue T on that.

T. Davies: Johnstone-Bute is still shown as a green colour on this particular map, but it should be blue. The final document is available on the website.

C. Trevena: I thought it was finished there.

R. Cantelon (Deputy Chair): One other question from me. The other ones were done in conjunction with first nations then, or....

T. Davies: First nations have always been invited to participate...

R. Cantelon (Deputy Chair): As stakeholders?

T. Davies: ...as stakeholders, and in some cases first nations have certainly been invited to comment on the draft documents as they progress to a final document. For instance, the North Island straits, the Tlowitsis and the Homalco.... Correction. The Tlowitsis have commented on that North Island straits plan with regards to its appropriateness. In addition, the Homalco First Nation did comment on specific locations in the Johnstone-Bute plan.

C. Trevena: A comment that I'm not sure whether it's fair to ask you some of these questions. Have they agreed to this? When we're talking about involvement....

T. Davies: My impression is that they are comments and that it doesn't replace the fiduciary responsibility of consultation.

S. Fraser: My understanding of this, the reluctance and the withdrawal from the process in some cases and the concern that it might affect treaty.... Not just that, there's also the issue of there being a required government-to-government relationship that has to occur. There is a fear that this might undermine that particular relationship or somehow be perceived to water that down.

I know there were a lot of concerns not just with this industry but with others, too, around getting around that fiduciary duty. That takes government sort

of out of the loop there. I'm not making judgment on that. Does that ring true to you?

T. Davies: I would say that is my impression. There was a lot of caution on the part of first nations with how to participate in these processes, given that there is that government-to-government relationship.

Even regional governments will participate and, for instance, chair the Johnstone-Bute coastal planning process and provide comment in the process, but also provide comment in their contribution to the report that they still reserve the right to make regional decisions with regards to zoning.

[0955]

I think it's a similar situation with first nations. They will make comment, but they will certainly reserve the right of that government-to-government relationship and for the Crown to honour its duty for consultation.

S. Fraser: That would presumably be with a specific application coming forward for a site in a traditional territory or affecting a traditional territory.

T. Davies: Yes.

Just to summarize that, the coastal planning process has been a very useful process from an industry point of view — more for identifying areas that we can't apply. As Scott just alluded to, we still have to make application for a specific site, and other first nations and agencies get to comment on that application.

A. Horning: When you say these agencies all have to comment on it.... How many are there, and how far do you go? The one I'm particularly interested in is.... I don't know. Is this in the agricultural land reserve? Do they have a say in it, or is there nothing like that up on the coast? How far does it go? How many different agencies would comment on it?

T. Davies: We're going to get to that a little bit later on, but specifically, there is no ALR land on coastal waters.

A. Horning: On the coastal waters? Okay.

T. Davies: Another step or recommendation after integrated coastal zone management plans was to proactively identify and allocate suitable salmon aquaculture sites. We didn't quite get that far. Possible suitable locations were identified in the latest plans, but it was still up to the applicant to identify where they wanted to apply.

Just moving down the list of recommendations, between 1 and 7 was to establish criteria for the siting of farms. The government did accomplish that. I participated in that process. I believe it was around 2002 that government came to industry. We had round tables where industry was involved and other stakeholders were involved to develop this guidebook, which again is available on the Internet.

It established a checklist of items that were to be included. We have zoning and land use planning; first nations information; local resource maps; stream surveys; seabed and marine habitat characterization; weather, climate, current meter data, water quality; water licensing and access to fresh water; domestic waste issues; on-site construction and materials; site history; community and employment benefits; additional information. Number 1 was the completed marine finfish aquaculture management plan, in which all the siting criteria exist.

We had these criteria, and some of you are familiar with them: significant fish streams — there's a one-kilometre buffer from the site, from the pen system itself; clam beds — 125 metres, and 300 metres for traditional clam bed use and/or commercial beds; and several other criteria that were developed out of that salmon aquaculture review process.

To give you a little background, the first thing I did when I joined Grieg and was looking for sites in Nootka Sound was go to the Nootka Sound land use plan. That was the very first thing I did.

The second thing I did was go out and conduct a fish stream survey because that's your largest buffer — your one-kilometre buffer. Then I also mapped out the first nations reserve because that also requires a one-kilometre buffer. Provincial parks require a one-kilometre buffer. Once you have mapped out those parks, reserves and fish streams, you start narrowing down your options as to where you might be able to apply.

[1000]

Certainly with Nootka, I showed it was kind of a swath of an area with general comments on what might be available. I didn't have the luxury of the later plans that actually identified possible locations.

Once you found those gaps, then you started looking at clam beds, kelp, eelgrass and SARA-listed species such as abalone, sea otters. So you start narrowing it down to a specific location, and in Nootka Sound there were about 150,000 hectares available. I ended up with six sites out of those 150,000 hectares. Of those six sites, not all of them are licensed yet. Only three are licensed to date, and I will only be allowed to use four out of the six at a time, just because of their proximity to each other. DFO and Transport Canada would prefer that sites that are close to each other not be used at the same time.

S. Fraser: Just for clarification, would that mean there would always be, based on what you just said, two in fallow? Is that how we do that? There would be six licensed sites, but two would have to be in fallow basically all the time.

T. Davies: That's correct.

S. Fraser: Okay. Would you presumably alternate those?

T. Davies: Yeah. We're going back a little bit in time to a period when the finfish aquaculture waste control regulation was just being developed. As an industry

person we didn't really know what to expect from that regulation, nor did we know how our sites would necessarily perform in relation to that. So we were looking for additional fallow sites just in case we had farmsites that didn't perform well with regard to the reg, when in fact those sites — the three that I said are fully licensed — have performed very well with regard to the reg. We're not necessarily eager to rotate sites if we don't have to. It costs money to pick up anchors and move them.

I just went through the general process of narrowing it down to one site and collecting information, but I think it is worth mentioning that in addition to collecting information for the assessment of the site, before we even enter fish we also have to register the site with the Ministry of Environment. Before we enter fish, we do have to go out and do baseline inventory with regards to sulphides or, if it's a hard bottom, characterize the habitat that's on the bottom. We also have to do that for DFO, so there's some harmonization of the process, but each is separate and distinct. Sometimes they're asking for different things.

I think there was some curiosity from the committee about the Bennett Point application at one point, so I brought it along with me. You can see that there are 15 different tabs, and the majority of those tabs relate directly to different units within the siting criteria that the province provides. There is one addition, and that is...

The seabed and marine habitat characterization portion satisfies both the Ministry of Environment and the federal government's requirement for habitat characterization, because we have to go through a CEEA screening, an environmental assessment screening, and also because DFO habitat has to have some means to assess what critical habitats might exist within the application area. That particular section itself is about 200 pages long in characterizing that seabed habitat.

The whole document itself was about 450 pages long. If there's some interest, perhaps after I've finished, you're more than welcome to flip through that application.

Al, you were asking about what agencies were involved. We create this document, and we send this document to... The integrated land management bureau is what they're referred to now — formerly Land and Water B.C., formerly BCAL. I think there have been five different names in five different years.

[1005]

There's an attempt for a one-window approach, where the application goes to that agency. Then there is an initial project review team that assesses the document to make sure it contains all the information that these different agencies require. So DFO reviews it. The Ministry of Environment reviews it. Agriculture and Lands, both the fisheries and aquaculture branch and also the integrated land management bureau, reviews the document. So there are four different agencies at that point that have a quick look through it. They have 30 days to do that, typically.

If they give their nod, then ILMB accepts the application, and we receive a notification that it's been accepted into the application process.

A. Horning: What happens if you don't hear back from them in 30 days?

T. Davies: I'm usually on the phone at day 31.

A. Horning: Oh, it's not an automatic that they agree, then, in some cases?

T. Davies: I've never had them not reply within 30 days. But certainly having spent about \$150,000 on this application and it usually playing some expected role in our production plans years down the road, we're curious as to whether it's going to be accepted. We're usually on the phone or inquiring by e-mail as to the status.

The guideline has certainly made it much more predictable as to what to expect, and DFO have improved their documents and their guidelines. So we have a much better idea of what to expect from these agencies and provide the information beforehand.

Once we do get that affirmation that the application has been accepted, ILMB then distributes the document to these different agencies: Ministry of Environment; Agriculture and Lands; fisheries and aquaculture; licensing and compliance branch. The biologists in the development branch receive a copy. DFO and Transport Canada both receive copies. Also, a copy goes to the major projects review branch within DFO. They're the people who look after the CEAA screenings — the environmental assessment screening.

We typically have to provide an extra copy for the Environmental Assessment Agency. There's an on-line registry, and they have to maintain a document in case anybody from the general public wants to refer to that document.

A. Horning: Is there such a thing where anybody within a certain area has to be notified, such as the regional district or an Indian reserve or any of them?

T. Davies: Yeah. The regional district will receive a referral package as well. Another advancement over the last five years is that I used to have to produce about 13 or 14 of these full documents. I would also have to produce another six short versions that typically only had the first three or four tabs in them, which described the basic location of the site. I would have to provide that all to ILMB, and then they would distribute these 13 or 14 copies out to these different groups — first nations being one of them.

We're now living in the digital world. Thankfully, there's been a progression towards digital copies, such that I can usually provide multiple copies on DVD or CD. So there's been a tremendous cost saving and a few trees saved in that process.

Now with most of the agencies, if I have any corrections or amendments to the application, I can usually contact those different agencies and ask them to go to a central location on our server. With a password, they can download those amendments or revisions and then provide confirmation by e-mail. That way I know

everybody has those revisions. It's a much easier process than it was just three years ago.

[1010]

S. Fraser: Is there still a requirement under federal rules to give formal notice in federal gazettes? Is that all part of the siting requirements?

I don't know if it's navigation — NavCan. Or is it Fisheries? I know it's federal.

T. Davies: Yeah. When we receive — and you may be familiar with this, Scott, from your shellfish days — the confirmation from ILMB that the application has been accepted, we also receive an advertising package. They have coordinated that with Transport Canada. There's an example of both the advertisement and the requirements for the federal and provincial governments. We advertise in the *B.C. Gazette*. We advertise in the *Canada Gazette*.

We also have to advertise in newspapers, but there's a difference in the requirements for advertising in newspapers between the province and the federal government. The federal government requires two different newspapers once, whereas the province requires two consecutive advertisements, but they can be in the same newspaper. That would be something that it would be nice to see a little harmonization on between the province and the feds.

S. Fraser: What's the duration of those notices? I mean, it may be different for the federal gazette as opposed to the provincial gazette and/or newspaper requirements. As you mentioned, everyone seems to not be on the same side there. Can you give me a handle on how long these notices have to be out?

T. Davies: It's a single advertisement in both the Canada and B.C. gazettes. Typically, the notification or the advertising language speaks towards 30 days, but I know that there have been situations where people have replied past that date, and the comments have still been included in any summary.

Certainly, these advertisements are just the initial advertisement to make people aware of the application. At the federal level we are then required to have public meetings, so then there's further advertisement for those public meetings. People have the chance to comment at that time and also come to the meetings themselves. If there's regional district rezoning, then there's more advertising after that.

S. Fraser: And a full public hearing associated with that.

T. Davies: Exactly. There's at least, I would say, 15 months since the initial advertisement that people have the opportunity to comment on these applications.

S. Fraser: Just to finish off, say you put out your notice for 30 days in the federal gazette. Let's just use that example. Now, presumably, that could solicit

public response. That response would go to the federal authorities. Would they then compile that?

T. Davies: Yes.

S. Fraser: Parallel to that, the province could be receiving similar or different comments from the public. That would be compiled provincially?

T. Davies: Yes.

S. Fraser: Where will the twain meet there?

T. Davies: I think the question that you're asking is: is there coordination between jurisdictions as to how they're dealing with comments?

S. Fraser: Yes. That would be a better way than where does the twain meet there?

T. Davies: Right. I'm not sure if there's an exchange of information that is supplied to each jurisdiction. I think that would be a question you might want to ask ILMB and also Transport Canada.

S. Fraser: All right. Thank you.

T. Davies: Al, just to catch up with you again, I mentioned a few of the provincial agencies. I think here on the screen you can also see that there are Transport Canada, the Environmental Assessment Agency and also DFO that receive copies. I mention three other provincial agencies and regional district, first nations. As I mentioned, there are about 13 different copies plus shortened copies.

As well, I know that there's an agreement between ILMB and different non-government organizations such as Friends of Clayoquot Sound on the west coast that receive packages directly from ILMB. On the east coast here, I think it's the Georgia Strait Alliance that receives a package directly from ILMB as well. They don't have to wait for the advertisements.

[1015]

That's something that grew out of that Fish Farm Review Committee, where they used to participate on that review committee. I think this was an agreement between the two parties that if they weren't going to have that committee, there needed to be some direct referral to those groups.

A. Horning: Over the past 20 years.... It's all come down to this in — what? — the last few years? How long has it been this strict?

T. Davies: This has all come about since I've been in the industry, which was the year 2000. The SAR recommendations came out in 1997. There were some, I believe, that.... This is hearsay. This is what I hear from provincial agency members. They had an inkling of what recommendations were going to come out in 1997. So we were working towards these first recommendations to get things in place once 1997 rolled around.

Certainly, when I started in 2000 it was not a clear process. It was a very frustrating process in 2000 and 2001. I wouldn't say it's really become a fairly straightforward process until the last two years. That's mainly been the development of the guideline at the provincial level and then the establishment of clear policies from DFO.

G. Coons: Trying to follow along on this, coming from a region that has real concerns about fish farming.... I'm sure you follow along the PFRCC's advisories. Back in 2003 they said the government of B.C. lifted the moratorium in 2002 and expressed a commitment to ensure that environmental effects would be taken fully into account before any new licences would be issued. The moratorium on new salmon farms was intended, among other objectives, to give time to investigate the problems, mitigate them.

Basically, the PFRCC, through this independent group, concluded that there was insufficient progress made towards reaching the "extend environmental knowledge" objective before the decision to lift the moratorium.

That's where it comes out of this — 2003. I'm still trying to grasp this. I'm coming from a situation right now where I'm trying to eliminate all the people — the industry and all of the environmental groups — that are tugging me in both directions. I'm trying to get my information from independent sources like the PFRCC, who in 2003 indicated that a strong, more wide-ranging research and monitoring program was still needed. That was supposed to be done through SAR in 2003. That wasn't done apparently.

Other things about the precautionary principle, where the council recommends that the precautionary principle be applied in a much more rigorous way.... Again, I have some documentation from a previous minister, one of our local ministers, who indicated that they had concerns with DFO and their extreme application of the precautionary principle. I think that's where we've come to now, where we've got to look at the SAR recommendations and not say: "We're still working towards them."

The commitment, I thought, in 2000 — at the time you got involved — would be that the SAR recommendations were there to mitigate it so we could move forward. I'm having a real problem with coming back to a 2003 recommendation — the moratorium was lifted prematurely — because the recommendations, most of them, were not followed through on in some aspects.

That's just sort of a comment on that. What are your comments on the PFRCC and their advisory in 2003 on that?

T. Davies: Well, an initial comment was that was 2003, and we're now near the end of 2006. My comment just a moment ago was that we've seen that this process has become quite predictable and comprehensive in the last two years when we saw DFO establish clear policy guidelines. They have interim policy guidelines in place that are available on the Internet from the DFO's website, so that's 2004 as opposed to 2003.

You mentioned a couple of points. One is monitoring and mitigation. It's hard to ascertain the scope of what they are talking about with regards to the monitoring and mitigation. Are they talking about the application process, which I'm talking about today, or are they talking about much broader research that, in their opinion, needs to be completed before additional farms go ahead?

[1020]

I think my role here today is to speak more towards the actual application process. I think once we move a little bit further along in the presentation, I can show you a little more detail on what it is that we actually do have to provide and also some of the monitoring and mitigation that we do have to conduct in order to adhere to the precautionary principle.

G. Coons: The handout that you gave us today.... Who is the technical advisory team? And what date was this sort of...?

T. Davies: This is from the SAR document, volume 1.

S. Fraser: That's 1997.

T. Davies: That's right — from 1997. The technical advisory team was a group that was put together by the provincial government with regards to that assessment process.

J. Yap: Tim, just so I'm clear, the guidelines that are in place today are still based on the '97 SAR. Is that right?

T. Davies: Yes, they are. What I've handed out to you today, if you go through it, you see it mentions recommendations in the one section that I gave you. I think you get up to section 8 or so. Or up to sections 9 and 10 is what it gets to, but that's more with regards to water quality and dissolved waste discharges.

What I'm speaking about to you today is the application process, which relates to recommendations 1 through 7. I would say sections 1 through 7 have been fully implemented now, except that we're continuing to see coastal planning processes to be completed. They do take a long time to engage stakeholders and to ensure that all comments are taken into consideration.

J. Yap: My understanding was that the application process has been more streamlined since 2001.

T. Davies: I would say more predictable is a better word, as opposed to streamlined. When I hear the word "streamlined," my impression from that word is that things go faster or that they're easier. I wouldn't say that my job has become faster or easier. It's just that it's more predictable as to what I have to provide.

I think that's the improvement, whereas before we would submit information to amend a site or information to apply for a new site, and we would have to go to different individuals within different branches of DFO and say: "Is this enough information?" Some would say yes, and some would say no, and we'd have to go back

to the drawing board, basically, and go collect more information. It was not a very efficient manner for industry to operate.

J. Yap: That was in the past.

T. Davies: That was in the past. Now there are the interim guidelines from DFO, so it's very clear to us what we have to provide and in what format we have to provide it. As well, the provincial guideline actually gives map examples and, also, data examples on what to provide. So it's more predictable, I would say.

J. Yap: And the criteria that you mentioned earlier, the siting criteria — one kilometre from a first nations site, one kilometre from a sensitive site, etc.... All those, again, are from 1997?

T. Davies: Yes, or since 1997, but they were established from that *Salmon Aquaculture Review* initially. There's been some fine-tuning to all of those as other pieces of legislation have come into play. For instance, the federal Species at Risk Act has caused changes with different buffers that we have to provide. There's no strict buffer.

For example, abalone is a red-listed species under the SARA act. In some cases farms have had to either amend their application to move further away from abalone beds or to conduct monitoring programs. Our company would be an example of one where abalone were present, and we've had to conduct annual abalone surveys to assess the habitat to ensure that the farm is not impacting that abalone habitat.

[1025]

It's a difficult situation. That particular survey is on the west coast, and we also have sea otters, which are also a SARA-listed species on the west coast. I have seen times when sea otters are lounging on our anchor lines and then possibly feasting on abalone that may be adjacent to the farms. So it's not that we're going out and counting abalone themselves, because there may be other influences affecting abalone mortality, but we're assessing habitat to ensure that our farms are not impacting the habitat.

G. Coons: What about far-field effects? Do you take that into account, or does DFO or...? Who's responsible for looking at far-field effects?

T. Davies: I think you had a presentation from Dr. Stephen Cross that would seem to indicate that far-field effects are not grand in scale at all and that he could not find any indication beyond 125 metres. We also had indications when the Ministry of Environment was developing the finfish aquaculture waste control regulation that we couldn't find benthic impacts beyond 200 metres. In my experience in the last six years I haven't seen any indication of far-field effects.

G. Coons: Again, in some of the research I've done, the Canadian Science Advisory Secretariat, which

coordinates the peer review of scientific issues for DFO, in 2005 did a research document about the eutrophication impacts re finfish aquaculture. They said that given the right combination of the intensity of farming and the caring capacity of the receiving environment, finfish aquaculture can produce eutrophication impacts on scales of kilometres to tens of kilometres and can change the structure and functioning of the ecosystem in significant ways on these scales.

Basically, looking at far-field effects or baywide effects is one of the areas that needs to be researched and is one of the gaps that we have as far as the knowledge. So we come to that presentation of somebody coming in and saying: "Oh no, it doesn't." But I see the Canadian Science Advisory Secretariat, as somebody that's independent and advises DFO, coming up with that. Again, I think that's just an area that we need quite a bit more research in.

T. Davies: Yeah. I guess my only comment to that would be that the statement you seemed to read was alluding to the potential of that to occur. On a precautionary scale that needs to be considered and looked at.

My comment is that in my experience with having to adhere to the finfish aquaculture waste control regulation and monitoring around the farms both for the province and the federal government, we're not seeing impacts, in most cases, beyond 30 metres from the farm. In the area of Nootka Sound, where there are ten major river systems coming into an inlet area, I would say there's much more sedimentation or organic input coming from those river systems in the natural environment than there is from the farms themselves.

Just moving on here with regards to the federal requirements, really the two things that the federal government is looking at are the protection of navigable waters and the protection of critical habitats — certainly those habitats associated with SARA-listed species but also eelgrass. Really, they take into consideration any habitat that's shallower than 30 metres, which is your littoral zone, the area that light can reach in the ocean.

R. Austin (Chair): Sorry, Tim. Ron has a quick question.

R. Cantelon (Deputy Chair): This is the HADD principle that you're applying here to section 35? Is that what that relates to?

T. Davies: Yes, it relates to section 35 of the Fisheries Act.

R. Cantelon (Deputy Chair): So that's HADD — harmful something....

T. Davies: Yeah. Harmful alteration, disturbance or destruction of fish or fish habitat.

R. Cantelon (Deputy Chair): So that's the principle that's being looked at in applying these rules.

T. Davies: That's correct.

[1030]

The image on the left you may be familiar with. That's a DEPOMOD image. The centre image is one that our company created itself, using the.... We're required under the provincial reg to provide the Ministry of Environment with bathymetry to ten-metre contours, so that's where that bathymetry came from. We went and collected that ourselves. The grey area is zero to 20 metres. The next green area is 20 to 60 metres, and then below is 60 to 200 metres. That particular farm is anchored in 200 metres of water. The outlined yellow area is the DEPOMOD footprint. This was a tool that we provided to DFO habitat staff. It gives you a better perspective as opposed to looking straight down, top view, as to potential habitat impacts.

Also, part of the research that DFO has done is to characterize habitats at different depths. That impacts how the industry has to compensate for their sites. In that top grey area, we would be required to compensate on a one-to-one basis — that being the littoral zone and the area most abundant with habitat or life. Then we had to provide a different ratio in the middle zone and a much lesser ratio in the bottom zone, where there just isn't much life existing in that area.

J. Yap: Tim, what's the view? Are we looking from up, down or sideways?

T. Davies: The image on the left, you're looking down. It's a top view. The image in the centre is where you're looking as if the water were translucent, and you're looking at it from an angle. It's about a 45-degree angle. It's as if the water were perfectly clear.

J. Yap: What's the yellow line?

T. Davies: The yellow line is the outline of the DEPOMOD footprint. If you look at the image on the left, you would see how that DEPOMOD contour overlays on the slope. When you look at the image on the left, all those blue lines, which are contour lines, are really a slope, a hillside. It's just underwater. So the image in the centre shows you how that DEPOMOD drapes onto the hillside.

J. Yap: The DEPOMOD is actually a three-dimensional circle.

T. Davies: That's right. The image in the centre indicates that. DEPOMOD is not a simple circle on a flat bottom. It's actually draped on a hillside, which is underwater.

J. Yap: It's like a sphere.

T. Davies: It's not like a sphere. What you see when you look at the image on the left, which looks like a sphere or just a circle.... That's not really how it is in real life. It's not a circle on the bottom. It could be, if the bottom was completely flat, but in most cases the bottom is actually a slope.

What the image in the middle is attempting to do is demonstrate to you what that footprint looks like on the slope. In this case, it's indicating that the DEPOMOD footprint is going to be impacting different types of habitat due to depth alone.

S. Fraser: For clarification. This is essentially contours lines, a subsurface topographical map in a lot of ways. Is that what we're looking at?

T. Davies: Exactly.

S. Fraser: These are federal requirements. Tim, you referred to the....

T. Davies: Sorry. Correction. It is also provincial requirements.

S. Fraser: Okay. Provided by you, by industry.

T. Davies: Yes.

S. Fraser: So they're requiring you to do it. They're not going out and doing it.

T. Davies: That's correct.

S. Fraser: Okay. You mentioned back a step that in the last two years we've seen the federal.... DFO's guidelines have tightened up, or the policy guidelines have become clearer around dealing with some of the progress that's been made. Just for clarification, those are guidelines. How is a guideline different from a legislated requirement?

[1035]

T. Davies: I guess the only legislative requirement is protection of fish and fish habitat under section 35. Section 35(1) is that thou shall not have the harmful alteration, disturbance or destruction of habitat. Section 35(2) is that you can get an authorization to create a harmful alteration, disturbance or destruction. So you can't do it without permission, essentially, is what section 35 is saying.

How is an individual biologist then going to apply that? There has been direction created by DFO policy and these guidelines for those individual biologists into how to apply that section and how to apply it in differing habitats based on the research that's been developed by DFO. For instance, those different habitat criteria that you see in the centre image were developed on.... I think it's a scientist by the name of Burd who did an assessment of different habitat types in fjords of British Columbia.

That was taken into consideration to develop an interim policy in order to direct habitat staff to determine: first, if this an acceptable alteration or disturbance or destruction; and second, what compensation is then required. Under the legislation, compensation is required if an authorization is granted.

S. Fraser: Habitat staff would be the...?

T. Davies: Federal habitat biologists.

S. Fraser: That staff would be required to — I don't know if adjudicate is the right word — assess and say either yea or nay or if this is good or bad. That role — this committee has been approached — is a difficult one for staff to reconcile, because it could be the same staff making recommendations towards protecting wild stock and also in dealing with aquaculture applications or mitigating any potential threat to the wild stock. There's a discrepancy there that might be hard for staff to reconcile.

T. Davies: Yeah. I actually don't see that. I only deal with staff in individual roles. I deal with one branch that would in a way be promoting aquaculture. I deal with a completely separate branch that would deal in this type of adjudication with regards to habitat. So when my application goes forward, I'm dealing with that adjudicating staff.

S. Fraser: So it's a separate set of staff that deals with....

T. Davies: That's right. They don't have any promotion role. Their role is strictly to assess potential impacts to habitat and to make a decision on whether an authorization was required or, say, if only monitoring and mitigation were required. So their role is not one of promoting; their role is one of protecting only.

S. Fraser: Okay. Just to get this clear, I guess I'm playing devil's advocate here. Obviously, there are critical eyes looking at this whole process from all sides of it, and I understand some of the challenges the industry faces, believe me. The industry is required to do their own DEPOMOD-type.... They're not required, but they are providing that as part of federal requirements. But it's being done in-house. It's being done by industry, not by DFO scientists.

T. Davies: Well, that's not quite accurate, in that it does go through a quality assurance and quality control process. Any data that we send to these agencies has to be verified as acceptable by those agencies.

S. Fraser: But this is the agency.

T. Davies: So if I send, for instance, DEPOMOD in to the habitat biologist, he then forwards it to the Ocean Sciences branch or centre down in Sidney, and staff there assess that DEPOMOD, right down to the current meter raw data, as to whether it's acceptable or not.

S. Fraser: This is DFO staff?

T. Davies: Yes.

S. Fraser: So is this the DFO staff that are tasked with promoting the industry?

T. Davies: No.

S. Fraser: When would the promotional side of DFO have input here on this sort of information?

T. Davies: They don't have any input on the information that I apply with.

[1040]

S. Fraser: Oh, okay. I misunderstood the earlier comment.

G. Coons: Do you see any limitations to the DEPOMOD model at all?

T. Davies: Well, DEPOMOD is a tool that is going to progress. It was developed in Scotland, and it was developed for the Scottish environment. It's an interim tool that DFO is using right now to assess applications.

There is independent research going on into fine-tuning DEPOMOD for the British Columbia environment. Also, there is ground-truthing with regards to the footprint that we say is possible. Then, with the monitoring that we're doing once the farm is operational, we're able to ascertain whether or not that footprint was accurate.

G. Coons: Is there any current model testing happening that you know of?

T. Davies: I would suggest that you contact Dario Stucchi with IOC, which is the ocean sciences centre. He could better describe what research is going on. I just know from an operational point of view that I have to do monitoring at the farms, both for the province, for the waste control reg, but also for any.... Whether or not it's just a monitoring and mitigation permission from DFO or whether it's a full authorization by DFO, we do have to do additional monitoring at the sites and provide that to DFO.

We're getting right down to the site itself. We've kind of been progressing down from a 50,000-foot level — looking at the whole Island and coastal plans around the whole Island to this particular image, which is the Bennett Point application that Grieg submitted.

This is a summary image of the different habitat research that we did for the site. The beige shading toward the top of the image is the shoreline and land itself. Then you see some different shading between grey, grey-blue and kind of a brownish-grey as you move offshore. Those are showing different bottom types — being sand, mud and shell. Those are described up in the top left-hand corner as bedrock boulder or mud, shell or mixed.

Coming off the shoreline, you see a bunch of red lines. Associated with those are sort of call-out boxes. Moving from left to right on the image of T1, T2, T3. I'm sorry. The wording didn't come out on the PDF all that well once it got blown up in this image. Those are diver transects. So a diver lays out a leaded line perpendicular to shore and takes a video camera and also a grid and assesses the habitat as he goes down this leaded line off the shoreline.

This is quite a common practice to assess the shoreline habitat. The forest industry, for instance, when they want to do log sorts — this is a common requirement by DFO.

This is also a requirement of the province, in that under the waste control reg, we are required to identify different habitat types. So this is a means of doing that as we move along the shoreline.

We've also taken the opportunity with the little call-out to identify any species that might be of concern to a DFO habitat biologist. Just trying to make their job easier in assessing the information, rather than having to dig down through field sheets of some diver, looking for the word cucumber or abalone, we've tried to assess it here. We know they are going to be concerned about it anyways — right? So just trying to make their job easier.

Then, moving offshore, you see dotted lines with a circle at the end. Those are all the ROV transects — remotely operated vehicle transects — that we conducted.

[1045]

In this particular image we've got about 1.8 kilometres of ROV that we conducted at that site, covering the whole tenure that's being applied for and trying to capture any different habitats that might be encountered.

Then, around the proposed pen — rectangle — you see specific dots with the identifiers of S1, S2 or S3. Those are actual sediment grabs. Under the waste control regulation we have sediment grab requirements to identify what the sulphide levels are. It's because that's a specific trigger in the regulation. DFO also has research with regards to sulphides from the east coast, and they also require that data be provided.

The last item I guess I'll mention here is the current meter location. We require current meter data to develop the DEPOMOD model. We need to show where that current meter was deployed so that they know it's not a kilometre away from the actual pens we are going to be siting.

There is a blue line that shows the proposed boundary. The proposed boundary is a funny line. It's one that I guesstimate at, once we know where we might be putting our pens, just in discussion with engineers — where the anchor lines might go. It also helps identify for DFO and also provincial staff where potential impacts might be from anchors or anchor lines. It indicates to them that we've captured the whole area where we might have an impact.

Question?

C. Trevena: You're obviously doing a very thorough assessment with dives and so on, and then — I guess this would be a question for everything you've been presenting — you present it to the various authorities — to DFO, to IMB and all the other organizations that demand this. Does anybody ever come out and check it, or are they just generally going on the application — the paper and CD-ROM application?

T. Davies: They're usually going on the application. In some instances I know that DFO staff have gone out

to sites prior to authorizations. I think in some cases companies are providing data on their own and not necessarily providing data from third parties. Our company is always using third-party registered professional biologists, so I think there is some trust there that there is the separation, that there is no interest from the third party. I know that there have been cases with a past employer where there were checks done on an application site by DFO.

C. Trevena: For your company specifically, you would hire biologists separately for certain assessments and hire divers separately from company employees.

T. Davies: That's correct.
Any other questions on this particular image?

S. Fraser: Just for clarification. ROV as an acronym — what would be the full words on that?

T. Davies: Remotely operated vehicle — or vessel, I guess, in this case. That's an image of one in the very top right-hand corner — that yellow beast up in the right-hand corner there. Up in the top left-hand corner is what a current meter looks like. The current meter has a vane on it in most cases that is keeping it in one particular direction.

The newer ones don't require that. They're using acoustic Doppler. They actually track particles going past in the water using sound.

R. Austin (Chair): So when you say that it costs \$150,000 to make an application, this is the kind of work that.... The bulk of the dollars go into doing all of this, really.

T. Davies: Yeah, the bulk of the work would be spent in about a one-month period.

S. Fraser: You're saying that the newer version of the current meter — clarification again — is using Doppler?
[1050]

T. Davies: The older current meters were analogue. In other words, something had to move. There was a little impeller that the water would move, and in order for that to work, you had to have a weather vane on it to keep it in the right direction. It would register direction, and then there would be an impeller that would register speed.

With the newer models of current meters, they actually have three prongs that are using Doppler sound or changes in sound using Doppler technology or science to track particles that are always present in the water.

S. Fraser: Moving particles?

T. Davies: Moving particles, yeah. And it attracts those in a 3-D facet. Using those, it then tells you the direction of the current and the speed as well.

S. Fraser: Much more accurate. Thank you.

T. Davies: Yeah, but still very frustrating. Often we have to redeploy current meters. Current meters are the most frustrating process in all of this in that you have to deploy them and leave them there for a month.

S. Fraser: And there's potential fouling or any number of problems that can occur.

T. Davies: Yes. I had to redeploy up to five different times. Well, there's at least a six-month delay right there in acquiring information. That is the hardest part in this whole thing.

Just coming back down to regional requirements, there is acknowledgment that in some specific areas, the Comox-Strathcona regional district being one of them, there are zoning requirements on the surface of the water.

R. Cantelon (Deputy Chair): On the surface of the water?

T. Davies: Yeah. That is their jurisdiction. The municipal and regional governments do have authority over the surface of the water with regards to activity.

R. Cantelon (Deputy Chair): How far out? Oh, in their municipal boundaries.

T. Davies: Yes.

R. Cantelon (Deputy Chair): But those vary.

T. Davies: Those vary, but the regional district here has essentially made a blanket bylaw for general access, such that if you want to establish anything stationary you require rezoning.

R. Cantelon (Deputy Chair): They control it by access to the water. Is that what you're saying?

T. Davies: They control activities which occur on the water, other than general access.

R. Cantelon (Deputy Chair): Is that the same in Sechelt, Tim? I don't know.

T. Davies: Not yet.

R. Cantelon (Deputy Chair): That's what I heard. There are differences. Why does their charter enable them to have control over the surface of the water and Sechelt doesn't?

T. Davies: Sechelt does have that right, but they just have not established a community plan that identifies specific zones for the surface of the water as of yet.

R. Cantelon (Deputy Chair): Gotcha. Coombs had no zoning, believe it or not, on their land till recently, although they could have imposed them.

T. Davies: It's not all areas of the Comox-Strathcona regional district. Area G, Nootka Sound does not have any zoning, as of yet, on the surface of the water, whereas area J and area H do, and some areas down in area I as well.

A. Horning: That then requires a public hearing.

T. Davies: That's right.

A. Horning: Who gets notified for the public hearing then?

T. Davies: Again, it gets advertised in the local papers. Then it would go to a public hearing process.

I think the frustrating thing for me, which you heard in Victoria, is that we go through this whole coastal planning process which identifies appropriate areas for applications, and often participating in or chairing those coastal plans are regional governments. Then, when we get right down to regional government decisions, it comes down to a two-hour public meeting. Really, it's who can show up with the most people. Is that the way we want to govern our province in this industry — how many people can show up to a meeting, after you've spent millions of dollars on a planning process?

R. Cantelon (Deputy Chair): Al and I have both spent some time on city councils, and I can tell you that's what works on shore. I wish I could offer you more comfort.

T. Davies: I also brought with me today.... Part of this is going back to the precautionary principle. DFO, in their assessment of sites, can write in any measure of monitoring requirements for a site. For the company I work for, one particular requirement was to conduct sampling of wild fish for sea lice levels.

[1055]

I've brought with me today our 2005 report. We've been doing this since we began operations. DFO actually conducted a survey the year previous to that, or the year previous to the farms becoming active. We have agreement with DFO to publish this data. We have three years of data now that we're going to compile and publish in a peer-review journal.

This particular document is provided directly to DFO. We pay for it. We hire third parties to conduct the sampling and to compile the reports. The sampling goes through a quality assurance and quality control process where a subset sample of the fish is set off to a fourth party for verification on the report. The report is also provided to the local first nation directly. It's not through FOI or anything like that. It's provided to them directly. They're provided the report, and then they're provided all of the raw data as well.

I think that's about it. We've gone from this 50,000-foot level of Vancouver Island right down to the site boundaries themselves in the application process. You've seen where the money gets spent — probably

most of it in a one-month period in order to collect all this data that has to go into all these different sections.

There is a lot of data that is available from provincial and DFO websites with regards to general concerns for areas and also for species that are of great concern, because those are the items that are mapped the most — either general concerns or very strong specific concerns. That's been a massive change in the last six years. Six years ago I could not go on line and access data and information very easily. Now I can quite easily.

R. Cantelon (Deputy Chair): In doing your profile and doing your studies, of course, there is no industrial activity that doesn't have some impact on the environment on sea or on land. If you build an industrial plant, you've got to tear up the grass and the forestry, so it has an impact on that footprint that the building goes on, plus other things.

With respect to the ocean, though, I take it, then, that in some cases and often you'll be disturbing the seabed, and you'll be affecting some of the HADD wildlife or whatever you call it down below. You would then have to compensate. Tell me how that would work. Give me a for instance of some sea life that you'd encounter that violates the HADD principle that you then have to compensate in another area. How would that work?

T. Davies: How that would work is that we would identify the area that we are impacting, using DEPOMOD, and then also identify the specific habitats that we're impacting. Using an interim guideline from DFO, we would calculate the area.... There would be a ratio or a calculation between the habitat that we're impacting and the value of that habitat versus the habitat that we're going to compensate with.

For instance, if I'm impacting an area that's deeper than 80 metres' depth, it has a low potential for habitat value, just because there isn't a large degree of biodiversity, and there also isn't a lot of biomass — in other words, there are just not a lot of critters that live down there — whereas I might be compensating with eelgrass beds, which have the highest biomass and the highest biodiversity of any of the marine habitats.

So there has to be some ratio. I shouldn't have to compensate with the same amount of area that I'm impacting. Those have been developed by DFO as well. A third-party contractor developed those. They refer to this as habitat banking — in other words, identifying an area that can be restored, and then applicants or proponents that have to do compensation can then contribute to that habitat bank or restoration project that's already going on.

[1100]

An example of that is the Baikie Island project here in town, just north of this location. When we applied for our Bennett Point site, which was licensed last spring, we compensated with salt marsh habitat, which is second only to eelgrass in its biodiversity and biomass. We contributed to the development of 400 square metres of salt marsh at the Baikie Island project. So this

is a past industrial site in the Campbell River estuary where they've now created back channels for salmon and other fish, and fish habitat.

R. Cantelon (Deputy Chair): Right. So you restore past industrial damage. That would be a way that it would be compensated. Is that...?

T. Davies: Yeah, that is one way. Other companies have gone out and created rocky reefs, so you're actually creating new habitat as opposed to past habitat that's been damaged by industrial practices.

R. Cantelon (Deputy Chair): So as a general rule in siting.... You're now looking for deeper sites, I presume, because there's better distribution of the vented material. Then the ocean currents are critical as well. Are those two of the critical components in siting?

T. Davies: Yeah, and it is a fine balance. If you have too large a current, well, then your footprint becomes bigger over that deeper area. So it's a bit of a balance in all of the different siting criteria.

I think the most important aspect of what you brought up, though, is that it is key for us to identify critical habitats. If I don't identify the critical habitats and there is some impact to that critical habitat at a future date, I'm going to be charged by DFO. So it's in my best interests to go out and identify those critical habitats and then to run my DEPOMOD model to see if there is the potential for impact on those.

If there is, then I can adjust where our pens are and do some fine-tuning even before I apply for the site in order to avoid any impact at all to those critical habitats. The critical habitat examples are eelgrass, salt marshes, kelp beds — areas where there are large schools of rockfish, clam beds, geoduck beds.

G. Coons: So you would sign a memorandum of agreement with somebody on that?

T. Davies: With DFO. Yeah, and we don't always require an authorization for a HADD. As I said, we have three sites operational in Nootka Sound. Two of them have authorizations. One is a monitoring and mitigation. It's not required to have an authorization, but we're going to change it to an authorization. It provides the industry certainty, you know, just in case something does go wrong, that I do have that authorization.

We're going to undertake one central compensation project. Rather than just doing little bits here or there, we're going to do one big project, and that takes time to identify a location like that.

J. Yap: This is quite a comprehensive application process. It could cost up to \$150,000, during which time you don't know if you're going to get approval. How long does it take? Is there a range of what's the fastest and what's the longest it's ever taken for an approval?

T. Davies: Well, I think the approval process is just one part of it. Typically, you've done your homework or your research the year previous to that. If you include the year that you've been doing research on the site or it is at least six months that you're doing research around the site, you're looking at about a two-year process.

J. Yap: From the start of your research process to getting the letter that says it's approved.

T. Davies: Yes.

J. Yap: Or getting a letter that says it's not approved.

T. Davies: Exactly. What our company is experiencing, being one of the only companies applying for new sites.... What we're seeing is a range anywhere from 12 or 13 months to 18 to 19 months for approvals to take place.

[1105]

J. Yap: From that start of the application.

T. Davies: That's right.

J. Yap: That's not including the research.

T. Davies: That's right — not including the research. However, I do have two applications right now that have been in the works for four years. We have our federal approvals, but we don't have our provincial approvals yet. Typically, it's first nations consultation that will slow things up in that regard.

J. Yap: But even with that, you can get an application done in two years.

T. Davies: Yup.

J. Yap: How does this compare with other jurisdictions where your company has operations?

T. Davies: In Norway the process, as far as a time line goes, is usually in about the 15-to-20-month range. Norway is slightly different, though, in that the government has been more active in identifying locations and then giving them out to industry. Whereas here....

J. Yap: Yeah, like they have preapproved in a sense.

T. Davies: That's right — preapproved locations that are then either bid upon or given to local farmers.

J. Yap: Is the company operating anywhere else other than in B.C. and Norway?

T. Davies: No.

J. Yap: Through the association, would you be familiar with the application process in other jurisdictions, say

in other parts of Canada — in New Brunswick, in Scotland?

T. Davies: I have had exposure to applications from the east coast through my previous employer, which was Heritage. On the east coast it was a third-party consultant that actually conducted the environmental assessment from start to finish, whereas here, typically, industry will fill in some of the blanks on the environmental assessment through a contractor, and then DFO takes over and finishes the assessment.

Processes tend to go a lot faster on the east coast — about the eight-month range. That's what we've seen.

J. Yap: As a general observation based on your experience, how would our application process compare to other jurisdictions? Is it comparable, or is it more comprehensive? How does it compare?

T. Davies: I would say British Columbia is probably the most comprehensive. That is for two reasons. One is the DFO process seems to be much more rigorous here than it is on the east coast. As well, we have that combination of the waste control regulation requirements here. I'm having to collect additional information that isn't necessarily required on the east coast where DFO tends to be the lead agency and/or the sole agency.

The most important thing I would like to say on that matter, John, is that if we can keep applications to the 12-to-18-month process, that's a reasonable amount of time for industry.

J. Yap: Including research or plus research?

T. Davies: That's not including the research.

In my experience, I do see room for further harmonization. We continue to have problems with staffing resources both at the federal and provincial levels. At the federal level it's keeping habitat staff around. At the provincial level it's having enough first nations consultation staff available to deal with that responsibility. Also, at the federal level that's a very time-consuming process — the first nations consultation aspect.

I think that if there were enough resources and there were clear guidelines, and maybe some better definition of consultation and fiduciary responsibilities, you could see the process get as short as six to 12 months — perhaps six months knocked off.

[1110]

C. Trevena: The aspect which slows down the process is first nations consultation. That is what's holding up your west coast sites. Is that right?

T. Davies: That is a very important aspect, if not the most important aspect, that slows an application process.

C. Trevena: Once you've got the application process... Once you've got your buy-in and you've got the first nation's agreement, do you generally find that it goes

over the provincial and federal hurdles without too many problems — once you have those X months of research?

T. Davies: It does now. As I said, in the last two years it has become much more predictable, and we have a much better understanding, between parties, what information is required and what format it's required in. We know what's expected at the compensation end.

I would say that in the last two years it has become a fairly predictable process where if... I call them showstoppers and curveballs. Really, I'm not going to put an application in that's going to have any showstoppers. We just know what to expect now. There might be a few curveballs along the way of things that we didn't expect, but they are usually dealt with through the mitigation process, where DFO might identify a concern and we find a way to mitigate that concern. Once the application is in, it usually goes through smoothly, without any major hurdles.

C. Trevena: So the only time when you're going to face a problem is when it gets down to the local discussion, like the regional district rezoning process.

T. Davies: Yeah, and those discussions at public meetings tend to be about the very broad issues about fish farming. They don't tend to be: "I'm concerned about that site going there because there is an abalone bed 500 or 200 metres away." They tend to be very broad concerns about, for instance, sea lice and/or potential waste or benthic impacts. People aren't generally familiar with the process of compensation, that it is an authorized activity just like any dock or marina or any other industrial site in, let's say, the Port of Vancouver.

C. Trevena: In the whole process — applying for, setting up and then running a fish farmsite — would you say that the siting process is the most onerous, the most rigorous, in what the industry has to do?

T. Davies: That's difficult. My opinion is biased because that's my job, so I'd be tempted to say that my job is the most important job.

I would disagree in that there are many elements the industry experiences through outside forces. It is farming, after all. You are subject to environmental impacts, and these are live animals which can die. One day you could have \$15 million worth of inventory on site, and two days later you could have nothing and an environmental liability.

I wouldn't say that this is the most critical. It's just a part of the whole process, and it is the start of the whole process to operation. It's critical in that way, in that it is the start. Nothing else can happen until this does.

G. Coons: Just going through first nations consultation and community groups, I think one of the recommendations was getting together — what was it? — an

advisory group with key stakeholders to look at siting issues. Was that followed through on?

[1115]

T. Davies: That happens sporadically on the coast right now. You have the West Coast Vancouver Island Aquatic Management Board in Clayoquot and that whole biosphere group. In Nootka Sound we have the Nootka Sound Watershed Society, which is based on the terms of reference for that aquatic management board to the south. On the east coast of the Island you don't have that as of yet. There's certainly been some discussion about it occurring. Now you have the agreement between CARR and Marine Harvest in the Broughton Archipelago, so there is a group there of multi-stakeholders looking at applications and operations.

It hasn't been developed at a provincial or a federal level in a formal manner. It has happened regionally and locally.

G. Coons: One last comment about the Grieg application. What caught my eye in there was the letter that went out regarding the application that said there were e-mails — and I hope to see them — regarding how Grieg was going to accommodate first nations. I'm just sort of wondering what that would mean. What would be some of the accommodations that you would do for first nations in an application process?

T. Davies: As opposed to speaking to one company in particular, I can speak generally, from an industry point of view. It's fairly common knowledge now that there've been a number of agreements between industry and first nations.

The general template of those agreements tends to be a recognition of their traditional territory. There tends to be a royalty, a tax, or from Mowachaht point of view, [Nuu-chah-nulth spoken] is what they call it. Again, a recognition of their territory. That's usually related to either the number of farms that are going to be active in their territory or the amount of fish that are produced in their territory.

There's usually an environmental management board. That comes back to communication so that they can gain some insight into the regulatory process and get some comfort through continued communications and relationships as to: what is this information that's being collected, and how should we interpret it?

Finally, opportunity for employment and training in their remote communities. Those tend to be the three key elements.

G. Coons: One last comment. On one of our field trips, I'll call them, there was a concern expressed about the habitat compensation where the farms were located in traditional territory but the compensation was happening elsewhere — out of their traditional territory. They had a real concern that the compensation wasn't happening where the farms were and wouldn't be benefiting that region. What comment would you have on that?

T. Davies: My comment on that would be that it would be helpful to.... There are some provincial initiatives that are being undertaken by the Ministry of Environment with regard to identifying wetlands and estuaries that have been previously impacted and that need to be restored. I would say that would be a good initiative to continue to support and see some further development on. I know that the Salmon River up near Kelsey Bay is one area that's on a list.

There are a number of areas that have been short-listed, estuaries up and down the Island. In that way, industry would then have locations for compensation projects that have been previously identified, as opposed to the company having to go out and find one on its own. We certainly go out and ask different agencies what might be a suitable project area. Often it can come down to access, which can be very important. Efficiency, time and cost are all elements that get considered. But if regional groups identify a hierarchy of projects that would be important for restoration or rehabilitation, then certainly, industry would consider those.

[1120]

In one particular case that I'm aware of, though, with regards to first nations there was an agreement after the fact that if any sites were granted outside of their territory, the compensation would happen within the original first nations territory.

R. Cantelon (Deputy Chair): I think one of the things we clearly heard on this tour and our site visits is that many of the initial locations going back to the '80s were in bad locations — bad siting. There weren't the rigorous things that are now being applied, you indicate, as recently as 2003 onward.

I'd like your comments on that. Are there still farms that should be moved, in your opinion? Should we go back and look at reapplying some of the modern siting criteria to some of the older sites? I'd just like wherever your comments would lead you on that — old sites versus new sites.

We also hear there are some sites pending, perhaps not with your firm, where companies would like to move some of the old farms but in order to maintain production levels are waiting to get approval on new sites before they close down their old ones.

T. Davies: Your question is: are there still sites out there that perhaps need to be relocated?

R. Cantelon (Deputy Chair): Yes.

T. Davies: I would say that there may still be some. I know there was a list of 25 farms that were identified as part of that salmon aquaculture review process. It's my understanding that the majority have been relocated or, for the most part, taken out of production activity, or production has been adjusted. Whether it's a new farm or an old farm, it still has to adhere to the waste control regulation. That particular piece of regulation is changing the way those old sites are being run.

R. Cantelon (Deputy Chair): So it would capture those sites that don't need modern siting?

T. Davies: It does. If they're poor performing sites from a waste management point of view, they're not going to be used very much. As a result, that may mitigate other concerns, be it visual or otherwise.

The second portion of your question related to — if you could repeat it.... You were asking on a specific company basis: are there sites that the company would like to gain in order to not use older sites?

R. Cantelon (Deputy Chair): Yes.

T. Davies: My employer is a relatively small company. We'd like access to any sites we can get, be they new or old. One concern that was expressed at a local level with regards to the rezoning was cumulative effects of multiple farms. The unfortunate thing with that particular opinion or decision was that the person expressing it is now going to see additional fish entered into his area because we didn't get the new sites. In other words, the fish were ready to be stocked and because they couldn't go into a new site because of a denied rezoning application, they're going to be stocked in this other area. He's the person who was concerned about cumulative effects in the first place. So that's unfortunate.

The most important thing, though, is to know that, new or old, they still have to adhere to monitoring both with DFO and the provincial government.

R. Cantelon (Deputy Chair): I guess to be clear on that, then.... If an old site isn't performing well, then, basically, it would get caught on the regulations and would have to conform, in effect, to new siting regulations. Different things will show up on the monitoring that will cause it to be no longer a viable site. Is that...?

T. Davies: That's correct. In order to get extensions to our tenures, we have to demonstrate that the site is conforming with the waste control regulation.

S. Fraser: Thanks, Tim. This has been very helpful, by the way.

You referenced earlier some frustration, I sense, with the first nations consultation staff. I think that's how you referred to that. What would recommend to improve that? What level of staffing do you get from government now? How would you suggest that is improved, if I may?

[1125]

T. Davies: Sure. Well, there was concern expressed last year and earlier — I would guess the beginning of 2006 — with the extreme lack of staffing resources to handle first nations consultations, both at the provincial and federal levels. The province responded to that by hiring two additional staff, such that there are now

three consultation staff members in the Courtenay branch office.

But it takes time for those new staff to get up to speed, to become familiar with files, to develop relationships with first nations. That's frustrating, in that it's turning out to be a very long process. You don't just hire people, and the problem is solved. You hire people, and about three or four months down the road they start to become efficient.

The second aspect to that concern is a lack of clear guidelines with regards to the consultation process. This is just something that's outstanding due to a lack of court cases or.... There's nothing that we can refer to at this time, so the provincial and federal governments are forced, in a way, to experiment, I guess, to see how much is enough. That's a frustrating process for us to watch, because sometimes, in our opinion, it's too much — or not enough. There have been instances where I've had to call upon the provincial and federal governments to do more consultation, such that I'm ensuring that our application is not challenged after the fact.

S. Fraser: Sure. I've seen that, too — not just in your industry but for others. It's wise for the proponent, the company, if you will, to actually take the extra steps, knowing full well that the regulations as set may not weather the scrutiny of court cases that have happened and everything else.

R. Austin (Chair): Great. I think that's all, Tim. I'd like to thank you on behalf of the committee for your briefing today. I think it's been very helpful. If we have any more questions, we can contact you?

T. Davies: You can contact me until the end of the week.

R. Cantelon (Deputy Chair): And then you're gone?

T. Davies: I'm moving to a new industry.

R. Cantelon (Deputy Chair): Oh, are you? Really.

T. Davies: Well, I've been in forestry, and I'm finishing up in aquaculture now and moving to mining.

R. Cantelon (Deputy Chair): A man who loves challenges.

R. Austin (Chair): We'll see you on the next committee.

T. Davies: Maybe oil and gas after that. I don't know.

R. Austin (Chair): Anyway, I thank you very much. I'd like a motion to adjourn this meeting. Thank you.

The committee adjourned at 11:28 a.m.

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