

Commission of Inquiry into the Decline of  
Sockeye Salmon in the Fraser River



Commission d'enquête sur le déclin des  
populations de saumon rouge du fleuve Fraser

**Public Hearings**

**Audience publique**

**Commissioner**

L'Honorable juge /  
The Honourable Justice  
Bruce Cohen

**Commissaire**

**Held at:**

Room 801  
Federal Courthouse  
701 West Georgia Street  
Vancouver, B.C.

Monday, November 1, 2010

**Tenue à :**

Salle 801  
Cour fédérale  
701, rue West Georgia  
Vancouver (C.-B.)

le lundi 1 novembre 2010

## APPEARANCES / COMPARUTIONS

Brian J. Wallace Meg Gaily Jon Major	Senior Commission Counsel Associate Commission Counsel Associate Commission Counsel
Mitchell Taylor, Q.C. Jonah Spiegelman	Government of Canada
Boris Tyzuk, Q.C. D. Clifton Prowse, Q.C.	Province of British Columbia  Pacific Salmon Commission
Chris Buchanan	B.C. Public Service Alliance of Canada Union of Environment Workers B.C. ("BCPSAC")
Charlene Hiller	Rio Tinto Alcan Inc ("RTAI").
Alan Blair	B.C. Salmon Farmers Association ("B.C.SFA")  Seafood Producers Association of B.C. ("SPAB.C.")
Gregory McDade, Q.C.	Aquaculture Coalition: Alexandra Morton; Raincoast Research Society; Pacific Coast Wild Salmon Society ("AQUA")
Tim Leadem, Q.C.	Conservation Coalition: Coastal Alliance for Aquaculture Reform Fraser Riverkeeper Society; Georgia Strait Alliance; Raincoast Conservation Foundation; Watershed Watch Salmon Society; Mr. Otto Langer; David Suzuki Foundation ("CONSERV")
Don Rosenbloom	Area D Salmon Gillnet Association; Area B Harvest Committee (Seine) ("GILLFSC")

**APPEARANCES / COMPARUTIONS, cont'd.**

	Southern Area E Gillnetters Assn. B.C. Fisheries Survival Coalition ("SGAHC")
Christopher Harvey	West Coast Trollers Area G Association; United Fishermen and Allied Workers' Union ("TWCTUFA")
Brad Caldwell	B.C. Wildlife Federation; B.C. Federation of Drift Fishers ("WFFDF")
Tina Dion	Maa-nulth Treaty Society; Tsawwassen First Nation; Musqueam First Nation ("MTM")
	Western Central Coast Salish First Nations: Cowichan Tribes and Chemainus First Nation Hwlitsum First Nation and Penelakut Tribe Te'mexw Treaty Association ("WCCSFN")
Brenda Gaertner Leah Pence	First Nations Coalition: First Nations Fisheries Council; Aboriginal Caucus of the Fraser River; Aboriginal Fisheries Secretariat; Fraser Valley Aboriginal Fisheries Society; Northern Shuswap Tribal Council; Chehalis Indian Band; Secwepemc Fisheries Commission of the Shuswap Nation Tribal Council; Upper Fraser Fisheries Conservation Alliance; Other Douglas Treaty First Nations who applied together (the Snuneymuxw, Tsartlip and Tsawout)
	Adams Lake Indian Band Carrier Sekani Tribal Council ("FNC")
	Council of Haida Nation

**APPEARANCES / COMPARUTIONS, cont'd.**

	Métis Nation British Columbia ("MNB.C.")
Tim Dickson	Sto:lo Tribal Council Cheam Indian Band ("STCCIB")
	Laich-kwil-tach Treaty Society James Walkus and Chief Harold Sewid Aboriginal Aquaculture Association ("LJHAH")
Lisa Fong Benjamin Ralson	Heiltsuk Tribal Council ("HTC")
Krista Robertson	Musgagmagw Tsawataineuk Tribal Counsel ("MTTC")

**TABLE OF CONTENTS / TABLE DES MATIERES**

	PAGE
Opening Remarks by Commission Counsel	1
PANEL NO. 3 (Affirmed):	1
Presentation by David Bevan	4
Presentation by Paul Macgillivray	14
CLAIRE DANSEREAU	
In chief on qualifications by Mr. Wallace	19
In chief by Mr. Wallace	24/25/56/59/70
Cross-exam by Mr. Taylor	72/75/76/79/83/86/91/96
DAVID BEVAN	
In chief on qualifications by Mr. Wallace	20
In chief by Mr. Wallace	63
Cross-exam by Mr. Taylor	79/84
SUSAN FARLINGER	
In chief on qualifications by Mr. Wallace	21
In chief by Mr. Wallace	50/66
Cross-exam by Mr. Taylor	74/75/81/86/92/97
PAUL MACGILLIVRAY	
In chief on qualifications by Mr. Wallace	22
In chief by Mr. Wallace	67
Cross-exam by Mr. Taylor	88
PAUL SPROUT	
In chief on qualifications by Mr. Wallace	23
In chief by Mr. Wallace	46/53/65
Cross-exam by Mr. Taylor	74/77/80

## EXHIBITS / PIECES

<u>No.</u>	<u>Description</u>	<u>Page</u>
PPR-3	Policy and Practice Report, Legislative Framework Overview	2
PPR-3A	Response from Canada to Policy and Practice Report, Legislative Framework Overview	2
PPR-3B	Response from British Columbia to Policy and Practice Report, Legislative Framework Overview	2
PPR-3C	Response from West Coast Trawlers' Association to Policy and Practice Report, Legislative Framework Overview	3
PPR-3D	Response from Conservation Coalition to Policy and Practice Report, Legislative Framework Overview	2
14	Document dated May 17, 2010, prepared by Department of Fisheries and Oceans, setting out recommendations and responses to previous Commission reports	3
15	PowerPoint presentation on organization structure	4
16	Strategic Plan 2005-2010	27
17	Department of Fisheries and Oceans Report on Plans and Priorities, Estimates 2010-11	28
18	Fisheries and Oceans Canada Departmental Performance Report For the period ending March 31, 2009	33
19	Departmental Plan - Integrated Business and Human Resources Plan 2010-11	41
20	2009-2010 Integrated Business and Human Resources Plan	41
21	Treasury Board of Canada Secretariat Management Accountability Framework 2003	42
22	MAF Assessment: Fisheries and Oceans - 2008	43
23	Pacific Region Implementation Plan, 2006 to 2010	46
24	Pacific Regional Implementation Plan Report on Progress as of March 2009	48
25	Business Plan for Pacific Region 2010/2011	51

26	Integrated Business and Human Resources Plan for 2009/2010	53
27	Integrated Risk Management Policy of July 2004	58
28	Integrated Risk Management Policy of July 2004	59
29	Integrated Risk Management Policy of July 2004	60
30	Corporate Risk Profile 2008	60
31	Review of Existing Mitigation Measures for DFO's Eight Corporation Risks in 2008	70
32	<i>A New Direction for Canada's Pacific Salmon Fisheries</i> , October 1998	71
33	List of job descriptions of positions at Department of Fisheries and Oceans	72

1  
PANEL NO. 3 (affirmed)  
Opening remarks by Commission Counsel

Vancouver, B.C. /Vancouver (C.-B.)  
November 1, 2010/le 1 novembre 2010

1  
2  
3  
4 THE REGISTRAR: Order. The hearing is now resumed.

5 MR. WALLACE: Mr. Commissioner, the first panel this  
6 week will be a panel of senior Department of  
7 Fisheries and Oceans officials, and I would ask,  
8 then, if you could please affirm the panel.

9 THE REGISTRAR: Do you solemnly affirm that the  
10 evidence to be given by you to this hearing shall  
11 be the truth, the whole truth and nothing but the  
12 truth?

13 How do you respond?

14 MR. SPROUT: Yes, I do.

15 MR. BEVAN: I do.

16 MS. DANSEREAU: I do.

17 MS. FARLINGER: I do.

18 MR. MacGILLIVRAY: I do.

19 THE REGISTRAR: Thank you. Counsel?

20 MR. WALLACE: Thank you, Mr. Giles. If I may introduce  
21 the panel, with us this morning we have Deputy  
22 Minister, Claire Dansereau. Ms. Dansereau, could  
23 you please state your full name for the Commission  
24 record?

25 MS. DANSEREAU: My name is Claire Alma Dansereau.

26 MR. WALLACE: Thank you. And Associate Deputy  
27 Minister, David Bevan. Can you state your full  
28 name, please, sir?

29 MR. BEVAN: David Carlyle Bevan.

30 MR. WALLACE: Thank you. We have the Regional Director  
31 for the Pacific Region, Susan Farlinger. Your  
32 full name, please?

33 MS. FARLINGER: Susan Patricia Farlinger.

34 MR. WALLACE: And the Associate Regional Director for  
35 the Pacific Region, Paul Macgillivray.

36 MR. MacGILLIVRAY: Paul Benedict Macgillivray.

37 MR. WALLACE: Thank you. And the former Regional  
38 Director for the Pacific Region, Paul Sprout.

39 MR. SPROUT: Paul Evan Sprout.

40 MR. WALLACE: Thank you. The format this morning will  
41 be that we're going to have a bit of presentation  
42 which will take us through without many questions,  
43 I think. Both the national and regional  
44 organization structure, and there's an exhibit  
45 which relates to that. Before we begin that, Mr.  
46 Commissioner, I have two documents I'd like to  
47 tender. First, a policy and practice report,

2  
PANEL NO. 3  
Opening remarks by Commission Counsel

1           being the Legal Framework Policy and Practice  
2           Report, and I would ask that that could be marked  
3           as the next policy and practice report.

4   THE COMMISSIONER: That will be marked PPR-3.

5  
6           EXHIBIT PPR-3: Policy and Practice Report,  
7           Legislative Framework Overview

8  
9   MR. WALLACE: And with that, Mr. Commissioner, there  
10           have been four responses. I might note with  
11           respect to PPR-3 that what is being tendered as  
12           slightly different from the report that was  
13           provided to counsel a couple of weeks ago, this  
14           one has been edited to correct a couple of factual  
15           changes. There have been four responses to the  
16           report and I'd ask that they be marked, as well.  
17           The response from Canada --

18   THE COMMISSIONER: Will be marked as A.

19  
20           EXHIBIT PPR-3A: Response from Canada to  
21           Policy and Practice Report, Legislative  
22           Framework Overview

23  
24   MR. WALLACE: The response from the Province of British  
25           Columbia.

26   THE COMMISSIONER: B.

27  
28           EXHIBIT PPR-3B: Response from British  
29           Columbia to Policy and Practice Report,  
30           Legislative Framework Overview

31  
32   MR. WALLACE: The response from the Conservation  
33           Coalition.

34   THE COMMISSIONER: That will be D.

35   MR. WALLACE: That will be D?

36   THE COMMISSIONER: Yes.

37  
38           EXHIBIT PPR-3D: Response from Conservation  
39           Coalition to Policy and Practice Report,  
40           Legislative Framework Overview

41  
42   MR. WALLACE: Oh.

43   THE COMMISSIONER: According to the list I have here.

44   MR. WALLACE: Okay. What happened to C? The West  
45           Coast --

46   THE COMMISSIONER: The West Coast Trawlers' --

47   MR. WALLACE: -- West Coast Trawlers' Association --

3  
PANEL NO. 3  
Opening remarks by Commission Counsel

1 THE COMMISSIONER: Will be C.  
2

3 EXHIBIT PPR-3C: Response from West Coast  
4 Trawlers' Association to Policy and Practice  
5 Report, Legislative Framework Overview  
6

7 MR. WALLACE: And the UFAW. Thank you.

8 THE COMMISSIONER: Thank you.

9 MR. WALLACE: And I would like to also tender as the  
10 next exhibit a document dated May 17th, 2010,  
11 prepared by the Department of Fisheries and  
12 Oceans, setting out the recommendations from  
13 previous Commission Reports, and the responses of  
14 the Department.

15 THE COMMISSIONER: It will be marked as Exhibit  
16 number 14.  
17

18 EXHIBIT 14: Document dated May 17, 2010,  
19 prepared by Department of Fisheries and  
20 Oceans, setting out recommendations and  
21 responses to previous Commission reports  
22

23 MR. WALLACE: Thank you.

24 MR. TAYLOR: Mitchell Taylor, Mr. Commissioner. May I  
25 say a word on the last document which has just  
26 been marked? There is also -- firstly, I should  
27 say, and I've been remiss, with me is Jonah  
28 Spiegelman, and we'll be here all week, as well.  
29 There is an executive summary to the document that  
30 was just entered as an exhibit. I'm not sure what  
31 happened, but it's not here right yet, but I am  
32 going to be providing it to Mr. Wallace, and then  
33 he can deal with it further from there. It's been  
34 around for some time, but just hasn't got here  
35 right at this moment. Thank you.

36 THE COMMISSIONER: Thank you.

37 MR. WALLACE: Thank you, Mr. Commissioner. So the  
38 first order of business this morning is to ask Mr.  
39 Bevan and Mr. Macgillivray if they could help us  
40 understand the organizational structure of  
41 Fisheries and Oceans Canada. And I see on the  
42 screen they -- we now have the PowerPoint  
43 presentation on that organization structure  
44 prepared for this inquiry, and I would ask that  
45 that be marked as the next exhibit.

46 THE COMMISSIONER: Exhibit number 15.  
47

1 EXHIBIT 15: PowerPoint presentation on  
2 organization structure  
3

4 MR. WALLACE: Mr. Bevan, can I ask you just to begin?

5 MR. BEVAN: Yes. Yes. I'll be commencing, Mr.  
6 Commissioner, with the national overview, and then  
7 turning it over to Paul Macgillivray for the  
8 Pacific regional overview.

9 Before I begin, though, I would point out  
10 that the DM, the Deputy Minister manages the  
11 Department and has reorganized the Department and  
12 can respond to questions regarding the  
13 reorganization and also about the relationship  
14 between the Department and the Minister.

15 The Department of Fisheries and Oceans'  
16 mandate is responsible for the developing and  
17 implementing policies and programs in support of  
18 Canada's ecological, social and economic interests  
19 in oceans and fresh waters. We also have  
20 scientific interests, and science, in fact, is the  
21 basis for our department's activities, as the  
22 Department is science based.

23 To deliver on its mandate to Canadians, the  
24 Department has the following interlinked and  
25 interdependent three strategic outcomes, and these  
26 were established in 2005, '06, and are still  
27 current in 2010/11.

28 We have the responsibility to maintain  
29 sustainable fisheries and agriculture by  
30 delivering integrated fisheries and agriculture  
31 programs that are credible, science-based,  
32 affordable, effective and contribute to  
33 sustainable wealth for Canadians while respecting  
34 aboriginal and treaty rights. And that's all  
35 based on conservation. And I know that some are  
36 looking at sustainable fisheries and agriculture  
37 and wondering what the relationship is between the  
38 two.

39 From our perspective, we have the  
40 responsibility to ensure that both activities, and  
41 they both result in fish being removed from the  
42 marine ecosystem, that both -- and freshwater  
43 ecosystems, that both those activities are  
44 conducted in a way that ensures the impact of  
45 those activities on the ecosystem is sustainable,  
46 that we aren't doing irreversible harm to the  
47 ecosystem, and that we understand as best we can

1 the impacts of the ecosystem on those activities.  
2 And aquaculture is, from time to time, subject to  
3 things like algal blooms, et cetera, so we need to  
4 take all of those things into consideration, and I  
5 know you've heard a lot about ecosystem impacts on  
6 fisheries.

7 The second interrelated strategic outcome is  
8 healthy and productive aquatic ecosystems,  
9 ensuring sustainable development and integrated  
10 management of the resource in and around Canada's  
11 aquatic environment and carrying out critical  
12 science and fisheries management activities in  
13 support of that.

14 Again, conservation is key and as development  
15 takes place, we must ensure that the development  
16 is sustainable relevant to its impact on the  
17 ecosystem and that we aren't altering the  
18 ecosystem in an irreversible way, or damaging it  
19 too greatly.

20 The last is safe and accessible waterways  
21 providing access to Canadian waterways and  
22 ensuring overall safety and integrity of Canada's  
23 marine infrastructure to benefit Canadians.

24 This is the strategic outcome that's  
25 supported by the Canadian Coastguard and small  
26 craft harbours and other activities, but as I  
27 said, they're all interrelated in that the  
28 Canadian Coastguard also provides services  
29 essential to the first strategic outcome because  
30 they provide services to science and to fisheries  
31 management.

32 Underneath all of this is what's called the  
33 program activity architecture so it's the  
34 activities that are conducted by the Department to  
35 achieve these strategic outcomes. And as I noted,  
36 small craft harbours and Coastguard, for example,  
37 are the primary activity supporting safe and  
38 accessible waterways.

39 On this slide, in supporting the government's  
40 responsibility for sea coast and inland fisheries,  
41 the Minister has the responsibility for  
42 establishing the policies relevant to fisheries  
43 management, aquaculture management and habitat  
44 management. She is also responsible for  
45 explaining those policies to Canadians.

46 Under the **Department of Fisheries and Oceans**  
47 **Act**, the Minister also has responsibilities for

1 the management and direction of the Department  
2 subject to specific responsibilities that the  
3 Deputy Minister has.

4 The Deputy Minister is the most senior public  
5 servant in the Department and is appointed by the  
6 Prime Minister and, therefore, has a relationship,  
7 a responsibility to report to the clerk of the  
8 privy council.

9 The DM is also responsible for providing the  
10 broad, expert advice and support needed for the  
11 Minister to fulfil her obligations, but the Deputy  
12 is the individual responsible for the day-to-day  
13 management of the Department on behalf of the  
14 Minister and has direct accountability to  
15 Parliament for a number of -- under a number of  
16 acts.

17 Under the **Accountability and Financial**  
18 **Administration Act**, the DM is the accounting  
19 officer and reports to Parliament in that regard.  
20 The Deputy Minister is also accountable under the  
21 **Public Service Modernization Act** and, again, that  
22 is not a responsibility that is reported to  
23 Parliament through the Minister, but rather it is  
24 more direct from the Deputy to Parliament.

25 The Department's national headquarters are  
26 located in Ottawa, and it has six regional centres  
27 of operations, in the Pacific Region, Central and  
28 Artic Region, Quebec, Gulf, Maritimes, and  
29 Newfoundland and Labrador, and it is in the  
30 regions where we have the bulk of the resources.  
31 About 85 percent plus of the resources are located  
32 there and are the resources used for the  
33 operational aspects of the Department.

34 There are some small operations out of Ottawa  
35 relevant to hydrography and management of several  
36 pan-Atlantic fisheries, but the bulk of them are  
37 in the regions.

38 The Deputy Minister has made some changes to  
39 the complement of the senior cadre in 2009 and  
40 '10. There was the creation of a Consolidated  
41 International Affairs Directorate. We used to  
42 have two, one in policy, one in fisheries and  
43 aquaculture management. Those have been combined  
44 to provide better international coordination and  
45 to have a more cohesive approach with our  
46 international partners.

47 There was implementation of the chief

1 financial officer model which increased the focus  
2 on financial management. And as the Deputy is the  
3 accounting officer to Parliament, you can  
4 understand the focus on that particular function.

5 There was a consolidation of human resources  
6 and corporate services into one sector, and the  
7 combination of oceans and science into one sector.  
8 And that latter move was made to reflect our  
9 migration away from single species, single issue-  
10 management to ecosystems-based management. We're  
11 recognizing that if we do what we did in the past,  
12 which is count the number of fish available for  
13 harvest and forget about things such as the  
14 oceanographic conditions, et cetera, we could be  
15 taking too great a risk in those decisions and,  
16 therefore, have pulled ourselves up a bit and  
17 looked at issues with a broader view instead of  
18 almost looking through a microscope to get the  
19 count and then not seeing other risks coming at us  
20 more broadly.

21 We've developed a new Ecosystems and  
22 Fisheries Management Sector that consolidates  
23 operations, and that was done because it was  
24 recognized that as fish managers changed the way  
25 the fisheries are managed, it has an impact, for  
26 example, on small craft harbours, which is there  
27 to provide infrastructure for fleets that may be  
28 different in the future. It also recognizes such  
29 situations where the fisheries officers need to  
30 work closely with the habitat monitors to ensure  
31 they have good coordination. Another example  
32 would be habitat impacts by small craft harbours  
33 and how better to effectively manage those.

34 And finally, there was a strengthening of the  
35 policy sector to ensure that we had the critical  
36 mass necessary to deal with the centre, the  
37 finance, treasury board, in looking at other  
38 departmental initiatives, such as climate change,  
39 et cetera, and how we could play on that, and also  
40 looking at program policy, bringing them together.  
41 So the habitat, the fisheries management, et  
42 cetera, how they can all be brought together to  
43 reflect in our policies that desire to move to  
44 ecosystem-based management.

45 Okay. I -- well, it's here. It's just not  
46 working. Oops. Mr. Commissioner, this map  
47 demonstrates the geographical extent of the

1 regions, and as you can see, they vary  
2 dramatically, geographically. They also  
3 dramatically vary in terms of socio-economic  
4 circumstances that they're facing. And as a  
5 result of that, there is a matrix model where we  
6 allow operational flexibility on the one hand for  
7 regions, but on the other, we provide functional  
8 supervision so we can have policy cohesiveness.

9 This is the previous DM direct reports. And  
10 if you focus on the left-hand side, at the ADM  
11 level, that's where the changes that I described  
12 earlier were actually made. And there's also been  
13 changes in the personnel, as some have moved on  
14 and retired, and been replaced by others.

15 If I go to the next slide, this is the  
16 current chart that actually has one less, or two  
17 less people who direct reports. And it has  
18 combined the operations under the ecosystems and  
19 fisheries management, and that ADM, senior ADM is  
20 supported by an associate. And it reflects the  
21 increase in the policy through strategic policy on  
22 the one hand, but ADM Programs is actually the  
23 program policy group on how to manage fisheries,  
24 how to change, how we deal with fish habitat in  
25 terms of dealing with the referral process versus  
26 dealing with risk management process, and how to  
27 get more proactive and get better results for our  
28 habitat program within the resources that we have.

29 So departmental governance -- and I should  
30 just reflect that organizational chart I showed  
31 you, and I'll go back, that chart is actually what  
32 -- the individuals that comprise the Departmental  
33 Management Committee. So it includes both the  
34 ADMs, as well as key director generals and our  
35 regional director generals, are included in the  
36 Departmental Management Committee.

37 So the Departmental Management Committee is  
38 chaired by the Deputy, and is a department, senior  
39 management decision-making body. It establishes  
40 overall goals, policies and procedures and  
41 priorities for the Department and promotes  
42 integrated management because we are an  
43 organization that is interdependent. Not one  
44 sector, or group, or ADM, or region can deliver on  
45 the strategic outcomes without relying and being  
46 partnership with other groups. Just an example,  
47 Coastguard provides sea days to science. Science

1 needs those in order to provide advice to  
2 ecosystems and fisheries management, and to help  
3 form decisions for the Minister to take regarding  
4 fisheries, et cetera. And between regions and  
5 NHQ, it's also a very tight relationship, where  
6 regions participate in the development of policies  
7 and the national headquarters is responsible for  
8 those policies, and then the regions are  
9 responsible for their implementation and  
10 operations, but there's a tight relationship there  
11 between the functional ADMs and the people in the  
12 regions who deliver on those operations.

13 So the DMC also supports matrix management,  
14 and I will talk a little bit more on that in the  
15 next slide, or so. That provides, as I said,  
16 operational flexibility in the regions to reflect  
17 the geographic and socio-economic circumstances in  
18 the region, but at the same time, provides policy  
19 coherence by having the functional ADMs in Ottawa  
20 provide that policy oversight, and establishes and  
21 monitors budgets, and manages in your  
22 reallocations.

23 So the DMC is supported by subcommittees,  
24 including Human Resources Subcommittee, the  
25 Finance Subcommittee and Evaluation Subcommittee.  
26 And it's also supported and advised -- excuse me,  
27 the Department, not DMC, the Department is  
28 supported and advised by a committee of external  
29 auditors that's just the Departmental Audit  
30 Committee, and that's chaired by the Deputy  
31 Minister and co-chaired by an external advisor.  
32 And that committee is the -- the only person on  
33 that is the Deputy and as part of her role as  
34 accounting officer for the department. So all the  
35 rest of DMC would attend that only as one of their  
36 programs were subject to audit. It's only the  
37 Deputy on that one. So this overall governance,  
38 again, is there for that combination of coherence  
39 on policies and operational flexibilities.

40 So the governance model on this looks at the  
41 Minister in the terms of the ministerial briefing,  
42 where the Minister must participate in the  
43 decisions. For example, where she is exercising  
44 her authorities under the **Fisheries Act**. The  
45 Departmental Management Committee will take to the  
46 Minister the various policies and decisions that  
47 she has to make.

1           They are supported by a group of committees  
2 underneath them. The Science Management Board  
3 looks at the broad directions for the science  
4 program, and that's been a key body as we've tried  
5 to move from very precise counting of fish, for  
6 example, or looking at projects on a one-by-one  
7 basis in habitat to a broader perspective. That's  
8 a difficult transition because you're dealing with  
9 scientists who have been playing a particular  
10 role, but it's something that the management board  
11 has been looking at that transformation.

12           Human Resources Subcommittee of DMC looks at  
13 the challenges we face as, for example, our  
14 demographic bulge is ready to move through the  
15 department and how are we going to position  
16 ourselves to deal with that.

17           Legal Risk Management Committee, this  
18 originally started off as a group looking at what  
19 cases were in play and what are the impacts, and  
20 how to mitigate those impacts. Now, what it's  
21 doing is looking at how we make decisions  
22 generally and how we can incorporate thinking  
23 about legal risk in those decisions as a proactive  
24 approach to managing the risk.

25           The Finance Subcommittee is -- looks at the  
26 accounts and ensures that we're on target to  
27 respect the budget and the -- respect the various  
28 votes and controls that are in place on our  
29 spending of money.

30           Information Management Board looks at our  
31 information management and information technology.  
32 So that's the group looking at everything from  
33 emails to data systems, et cetera.

34           And then we have the Departmental Evaluation  
35 Committee. Now, that's separate, as you can see,  
36 from the departmental Audit Committee. The  
37 Evaluation Committee is an in-house team of  
38 individuals who conduct evaluations of the  
39 relevance of our programs, and so on.

40           The Audit Committee has a different role and  
41 the DM, as the chief accounting officer chairs  
42 that, and as you can see, there's no links to DMC  
43 or to the Minister because that has a different  
44 relationship and as the chief -- or as the  
45 accounting officer or the deputies accountable to  
46 Parliament for our books and our response on that  
47 committee.

1           There's also something here called Look  
2 Ahead. We don't have a link there. That's just a  
3 group meeting every Monday to -- with the  
4 ministers and departmental staff to look at where  
5 -- what issues we have to play on in that week and  
6 in subsequent weeks. So it's a planning body.

7           The role of the Minister. The Minister of  
8 Fisheries and Oceans' power is derived from a  
9 series of statutes, including the **Department of**  
10 **Fisheries and Oceans Act**, the **Fisheries Act**, more  
11 on that in a second, **Oceans Act**, which provides  
12 the Minister with the responsibility of  
13 coordinating the activities of a variety of  
14 federal and provincial jurisdictions that have a  
15 role to play in the ocean space, but it also  
16 provides us with the authority to establish  
17 marine-protected areas and has been driving some  
18 of those activities over the last number of years.

19           The **Coastal Fisheries Protection Act** is  
20 designed to provide powers to the Minister  
21 regarding foreign fishing in Canadian waters, or  
22 to deal with foreign fishing vessels transiting  
23 Canadian waters, and in terms of the Atlantic  
24 coast, provide certain controls over fishing  
25 outside of the 200-nautical-mile limit and  
26 provides us with a power to ensure that the  
27 sedentary species are available to Canadians only.

28           The **Fishing and Recreational Harbours Act** is  
29 the statute that provides authority for the Small  
30 Craft Harbours Program.

31           The **Species At Risk Act** is the act that is  
32 designed to protect endangered, threatened  
33 species, and the Minister's role in that act is  
34 very specific. It is the Minister's role to  
35 evaluate recommendations for listing of marine  
36 species, or freshwater species, and to provide a  
37 recommendation to list or not to the Minister of  
38 the Environment. So when Cultus Lake and Sakinaw  
39 Lake came to the Department as a potential for  
40 listing, the economic analysis and the scientific  
41 analysis was done by DFO and provided the Minister  
42 with the information the Minister needed to  
43 recommend not listing to the Minister of the  
44 Environment and, rather, to use the **Fisheries Act**  
45 and protection of weaker stocks in the runs of  
46 strong fish that are co-migrating with these  
47 weaker stocks, use the **Fisheries Act** to rebuild

1 those particular stocks.

2 The **Canadian Environmental Assessment Act** is  
3 also a link there, but having said that, there's  
4 been recent changes where they've taken on the --  
5 the agency has taken on more of the  
6 responsibilities there. And the **Canada Shipping**  
7 **Act**.

8 The key statute, though, is the **Fisheries Act**  
9 and there's two key sections there. Section 7  
10 provides the Minister with absolute discretion in  
11 issuing fishing licences. And as you can see,  
12 "absolute discretion" is in quotation marks. It  
13 is not absolute, even though that's the way it's  
14 stated in the **Fisheries Act**. There's been a great  
15 deal of case law that has provided guidance. So  
16 it's an interesting situation for the Minister.  
17 There is no legal instruction in the Act as to how  
18 the Minister can use that discretion. Rather,  
19 it's found in a suite of other court decisions,  
20 and it's also found in the requirements of  
21 administrative law, et cetera. More on that in a  
22 second.

23 And the other key section is s. 43, which  
24 enables the governor-in-council to make  
25 regulations for carrying out the purposes and  
26 provisions of the **Fisheries Act** and that, for  
27 example, is the section that allows for the  
28 Fisheries' general regulations to be established  
29 and the whole body of regulations that are used in  
30 the Pacific region for control of Pacific  
31 fisheries. There's also a group of regulations  
32 for the Atlantic, and so on and so forth. But  
33 that's a very broad section with broad authorities  
34 provided to the governor-in-council.

35 As I noted, the Minister's decisions under  
36 s. 7 of the **Fisheries Act** are subject to the  
37 requirements of administrative law, which provides  
38 that the Minister must exercise her discretion in  
39 good faith and must base her decision on relevant  
40 considerations and avoid arbitrariness. And  
41 there's reference to a whole series of court  
42 decisions here. As well, there are many others  
43 that have spoken to the need for the Minister to  
44 restrict her decisions under that section to  
45 matters pertaining to the management of the  
46 fishery, relevant considerations from that  
47 perspective. And of course, there's been a whole

1 body of decisions that have reaffirmed that there  
2 is an aboriginal right to fish and that there's  
3 certain obligations on the part of the Minister  
4 and the Department to act in a way that is  
5 consistent with that, with those rights.

6 On the management model, as noted earlier, we  
7 have a matrix management model, policy and program  
8 directions set by the Minister based on advice  
9 provided through the Deputy Minister from the  
10 Department, and then implementation and program  
11 delivery are undertaken in the regions. And we  
12 say here, "and sectors." The sectors are headed  
13 by the ADMs so they are the ones responsible for  
14 program design in conjunction with regions, as  
15 well as the policies that guide the operations.  
16 And the intention here was, again, to provide  
17 policy cohesion and operationally -- have an  
18 operational nimbleness in the regional operations  
19 so that they are able to tailor their operational  
20 realities to their socio-economic differences and  
21 to the geographical and biological realities that  
22 they face.

23 The model includes both functional and line  
24 reporting relationships. Functional reporting  
25 ensures coordination and consistency that's done  
26 both at the Ottawa level, and there are some  
27 elements to that that Paul Macgillivray will  
28 describe in the regional operations. And line  
29 authority ensures direct accountability for day-  
30 to-day decision making.

31 The RDGs, regional director generals are  
32 responsible for delivering programs and activities  
33 in their regions in accordance with national and  
34 regional priorities, and within assigned resources  
35 and national performance parameters. So they  
36 receive resources from the -- through the DMC  
37 decision-making process from Ottawa, and Ottawa,  
38 of course, receives them from Parliament through  
39 the budget process. And they are responsible for  
40 achieving results from the use of those resources  
41 and delivering the outputs and outcomes in  
42 accordance with the program design, and  
43 demonstrating that through performance  
44 measurement.

45 The regional program directors have a line  
46 reporting relationship to the RDG, but I think  
47 these two bullets are best dealt with by Paul

1 Macgillivray.

2 MR. MacGILLIVRAY: David Bevan's provided an overview  
3 of the national context that we operate within in  
4 Pacific Region. My brief presentation will  
5 provide an overview of the Pacific Region  
6 organization structure. And in doing that, I'll  
7 note at the outset that although the Canadian  
8 Coastguard is a special operating agency within  
9 Fisheries and Oceans, and with a very significant  
10 presence in Pacific Region, my presentation will  
11 be confined to the non-Coastguard part of DFO in  
12 Pacific Region.

13 I'd also note at the outset that Sue  
14 Farlinger, on my right, the Regional Director  
15 General, has overall responsibility for Pacific  
16 Region and is best suited to answer questions  
17 about the organization and the operations in this  
18 region.

19 Turning to slide 14, the Pacific region, as  
20 David Bevan mentioned, is one of six DFO regions  
21 nationally. Pacific Region includes both British  
22 Columbia and part of the Yukon Territory. The  
23 main regional office is located here in Vancouver.

24 Pacific Region programs are delivered in five  
25 geographic areas, British Columbia Interior, Lower  
26 Fraser, South Coast, North Coast, as well as Yukon  
27 and Transboundary Rivers area.

28 The main offices for those areas are located  
29 in Kamloops, Annacis Island, Nanaimo, Prince  
30 Rupert, and Whitehorse.

31 There are more than 30 other DFO offices  
32 located throughout Pacific Region in locations  
33 such as Quesnel, Prince George, Williams Lake,  
34 Chilliwack, Steveston, Comox, Bella Bella, and so  
35 on.

36 In addition to the offices, there are science  
37 research facilities, including the Pacific  
38 Biological Station in Nanaimo, and the Institute  
39 for Ocean Sciences, located west of Sidney on  
40 Vancouver Island.

41 Finally, there are about 19 salmon hatcheries  
42 located throughout British Columbia. More than  
43 two-thirds of the Pacific Region staff work in the  
44 areas as opposed to the Vancouver office.

45 I'll briefly describe the organizational  
46 chart that's up on the screen now. The Regional  
47 Director General reports to the Deputy Minister.

1 That reporting relationship is not described on  
2 this chart, but it was captured in the chart that  
3 was presented by David Bevan. The positions that  
4 report to the Regional Director General are shown  
5 here, and I'll go through them quickly, just going  
6 from left to right.

7 On the left-hand column, it shows that there  
8 are five area directors. Those area directors,  
9 they correspond with the five geographic areas  
10 that I have touched on just a minute ago.

11 Next, there are six program directors, and  
12 I'll just go through quickly their  
13 responsibilities. First, there's a program  
14 director for fisheries and aquaculture management.  
15 Second, a director for science. Third, a director  
16 for oceans, habitat and enhancement. Fourth, a  
17 director for conservation and protection. Fifth,  
18 a director for policy and economic analysis. And  
19 sixth, a director for communications.

20 Also shown on the chart is a Director of  
21 Special Projects, and on the far right-hand side,  
22 the position, Associate Regional Director General,  
23 and that position is responsible for functions  
24 such as finance, human resources and maintenance  
25 of the buildings in Pacific Region.

26 The regional program directors, distinct from  
27 the Regional Director General, are responsible for  
28 the overall delivery of specific programs within  
29 the region. This includes providing direction on  
30 the delivery of the program throughout the region,  
31 coordinating program delivery across the five  
32 geographic areas, and managing the program budget  
33 for that program throughout the Pacific region.

34 David Bevan spoke about the functional  
35 reporting relationships in his presentation and I  
36 will elaborate briefly. While the regional  
37 program directors, the six in particular that I  
38 highlighted, have a line reporting relationship  
39 with the Regional Director General, they also  
40 report functionally to assistant deputy ministers.  
41 So for example, the Regional Director of Science  
42 reports to the Regional Director General, also  
43 reports functionally to the Assistant Deputy  
44 Minister of Oceans and Science and is responsible  
45 for the delivery of the science program throughout  
46 Pacific Region.

47 Area directors are responsible for local

1 delivery of most of the major programs within  
2 their geographic area and managing area staff.  
3 Area directors and their staff receive program  
4 direction from the regional program directors.

5 This basic organizational structure that I've  
6 described for Pacific Region is similar to the  
7 other five DFO regions across the country, with  
8 some notable exceptions. First, there's a  
9 significant salmon enhancement program in Pacific  
10 Region and that relates back to the 19 hatcheries  
11 that I referred to earlier, whereas the other  
12 regions of the country do not have salmon  
13 enhancement programs.

14 Second is that aquaculture responsibilities  
15 will be different in Pacific Region effective  
16 December 2010, next month, compared to other  
17 regions across the country as a result of a court  
18 case which is having the impact of transferring  
19 what were provincial responsibilities to the  
20 federal government, and those will be, in part,  
21 delivered in this region, and that's different  
22 than other regions in the country.

23 And the third exception I would highlight is  
24 that the Director of Conservation and Protection,  
25 and this is the organizational unit where the  
26 fishery officers work, reports directly to the  
27 Regional Director General. In the other five  
28 regions, that position, the Director of  
29 Conservation and Protection, is part of the  
30 broader fisheries and aquaculture management group  
31 within the region.

32 And a final point on the basic organization  
33 is that this Pacific Region organizational  
34 structure has been relatively stable for the past  
35 10 years. And again, I'll note a few changes  
36 since 2005. The reporting relationship for the  
37 Director of Conservation and Protection that I  
38 just described occurred, the change occurred in  
39 2005. Before 2005, the Regional Director of  
40 Conservation and Protection reported to the  
41 Regional Director of Fisheries and Aquaculture  
42 Management. Since 2005, the Regional Director of  
43 Conservation and Protection reports to the  
44 Regional Director General.

45 Also, in 2005, two organization units in the  
46 areas Lower Fraser and British Columbia Interior  
47 that deal with salmon stock assessment were

1 amalgamated. So there were separate units, one in  
2 British Columbia Interior, one in Lower Fraser  
3 River before 2005, now those two have been  
4 combined. And the third change is the one I  
5 referred to that will occur in December of this  
6 year related to aquaculture.

7 Okay. I'll provide a brief overview of the  
8 regional governance structure. The Regional  
9 Management Committee serves as Pacific Region's  
10 forum for review and decision making on common  
11 issues related to the management and wellbeing of  
12 the department's regional operations and the  
13 employees in this region.

14 The Regional Management Committee also serves  
15 as a forum to foster cooperation, coordination and  
16 communication among program directors and area  
17 directors.

18 Membership on the Regional Management  
19 Committee includes the Regional Director General,  
20 who chairs the Regional Management Committee, the  
21 program directors and area directors, the  
22 positions that were described on the previous  
23 chart, as well as legal counsel as required, and  
24 there is some administrative support to the  
25 Regional Management Committee, as well.

26 That committee, the Regional Management  
27 Committee, meets every two weeks. Regional  
28 Management Committee is also supported by several  
29 subcommittees that play an advisory role, and I'll  
30 highlight three of them. There's an Operations  
31 Committee that serves as the region's principal  
32 forum for monitoring progress and providing  
33 direction on the implementation of key cross-  
34 sectoral initiatives.

35 There's a Strategic Directions Committee that  
36 serves as the region's principal forum for  
37 discussing problems and issues that require long-  
38 term solutions, and this committee assists in  
39 providing long-term direction on Pacific Region  
40 issues.

41 And third, there's a Human Resources  
42 Committee that provides strategic advice and  
43 provides a place for developing an integrated  
44 approach to the management of human resources in  
45 Pacific Region.

46 A final note on governance, following the  
47 organizational changes in headquarters that David

1 Bevan spoke about, Pacific Region governance  
2 structures are currently being reviewed and  
3 changes will likely be made to ensure effective  
4 integration and collaboration across programs.

5 This is the final slide that I'll speak to.  
6 The point of this slide is to show that DFO does  
7 not operate in isolation. In delivering programs,  
8 there's a high degree of interaction between DFO  
9 staff and the Province of British Columbia, First  
10 Nations, commercial and recreational groups, and  
11 environmental interests.

12 Much of this interaction involves bilateral  
13 consultation with First Nations. In addition, DFO  
14 works with others within a framework of formal  
15 agreements, such as federal/provincial agreements,  
16 and structured advisory processes both at the  
17 local and region-wide levels.

18 Examples of formal advisory processes include  
19 the Integrated Salmon Harvest Planning Committee,  
20 which is a group that brings together  
21 representatives or individuals from First Nations,  
22 commercial, recreational and environmental  
23 interests, and that group is the focal point for  
24 the development of salmon plans in Pacific Region.

25 Some of the other advisory processes listed  
26 relate to more single-interest groups with respect  
27 to, I'd say, the commercial, I'll touch on that  
28 one, the Commercial Salmon Advisory Board has a  
29 commercial salmon focus. The interests are made  
30 up in that group of various different gear and  
31 licence areas. So there's eight different gear  
32 and licence areas, seine, gillnet and troll in  
33 different geographic licence areas. So those  
34 different interests are brought together under the  
35 umbrella of the Commercial Salmon Advisory Board.

36 Similarly, the Sport Fishing Advisory Board  
37 pulls together both the general angler perspective  
38 and the businesses associated with the  
39 recreational fishery under the umbrella of the  
40 Sport Fishing Advisory Board. And the final  
41 example listed is the Salmon Enhancement and  
42 Habitat Advisory Board which provides advice to  
43 the hatchery program, as well as the habitat  
44 program delivery in Pacific Region.

45 Finally, I'd note that DFO works closely with  
46 the Pacific Salmon Commission. In particular, on  
47 Fraser River sockeye management, this occurs in

19

PANEL NO. 3

Claire Dansereau

In chief on qualifications by Mr. Wallace

1 the context of the Fraser River Panel that was  
2 established under the Pacific Salmon Treaty. And  
3 I'll stop there.

4 MR. WALLACE: Thank you. I notice there are another  
5 several slides which take is through various of  
6 the functional reporting structures. Was it your  
7 intention, Mr. Bevan, or Mr. Macgillivray, to take  
8 us through those, or are they just simply for  
9 reference?

10 MR. BEVAN: I think they're for reference.

11 MR. WALLACE: Thank you very much.

12

13 EXAMINATION IN CHIEF ON QUALIFICATIONS OF CLAIRE

14 DANSEREAU BY MR. WALLACE:

15

16 Q Ms. Dansereau, you have come, fairly recently, to  
17 the position of Deputy Minister, I think, and if I  
18 might just take you through a very brief résumé of  
19 your résumé. You became Deputy Minister in March  
20 of 2009, having been Associate Deputy Minister  
21 from -- for about a year prior to that; is that  
22 correct?

23 A Yes. Yes, correct.

24 Q And prior to joining the Department of Fisheries  
25 and Oceans, you were the Senior Assistant Deputy  
26 Minister of Socio-economic Policies and Regional  
27 Operations at Indian and Northern Affairs?

28 A Correct.

29 Q And prior to that, vice-president and special  
30 advisor to the president of the Canadian  
31 International Development Agency?

32 A Correct.

33 Q And was your first federal public service  
34 position; is that correct?

35 A Yes, it was.

36 Q And then prior to that, you were, for five years,  
37 the executive director of CUSO?

38 A I was.

39 Q Yes. And you went to that position from being  
40 first an associate deputy and then Deputy Minister  
41 of the Ministry of Transportation and Highways in  
42 British Columbia, and --

43 A Yes.

44 Q -- subsequently, I think, vice-president of Forest  
45 Renewal B.C., or do I have the order wrong?

46 A The order -- the order's wrong. Prior.

47 Q Thank you.

20

PANEL NO. 3

David Bevan

In chief on qualifications by Mr. Wallace

1 A That's correct, yes.

2

3 EXAMINATION IN CHIEF ON QUALIFICATIONS OF DAVID BEVAN

4 BY MR. WALLACE:

5

6 Q Mr. Bevan, I should have started with your CV, but  
7 you've been with the DFO, on the other hand, for a  
8 very long time?

9 A Yes, in another two weeks, it will be 35 years.

10 Q Starting in 1975, in the Atlantic, you became  
11 Director of Fisheries and Habitat Management in  
12 1993, in the Pacific Region?

13 A I can't recall the title at the time, but it dealt  
14 with habitat and fisheries. It was -- and I was  
15 assistant director, but I can't recall the exact  
16 title, it's changed numerous times. And I was  
17 there for one season.

18 Q Right. And then you went to Ottawa to become  
19 Director General of Conservation and Protection  
20 Directorates at DFO, and subsequently, until 2004,  
21 you were Director General of Resource Management  
22 at DFO, in Ottawa?

23 A That's correct.

24 Q You became Acting Assistant Deputy Minister of  
25 Fisheries Management in 2004, and shortly  
26 thereafter, became -- took that position on a  
27 permanent basis, and that title was changed, but,  
28 essentially, you had that job until this year?

29 A That is correct, yeah.

30 Q And this year, you've seen a couple of changes.  
31 Perhaps you can just --

32 A Yes, the reorganization, I noted in my  
33 presentation, that the Deputy made, put me in the  
34 position of ecosystems and fisheries management in  
35 early May, the first week of May, and then  
36 subsequently, I was moved to the position of  
37 Associate Deputy Minister in -- on October 12th.

38 Q Mr. Bevan, the Associate Deputy Minister's  
39 position is -- am I correct, is not a line  
40 position, you have no direct reports; is that  
41 correct?

42 A That's correct. I look at the financial, human  
43 resource functions, IMIT real property on behalf  
44 of the Deputy, and I chair the committees that  
45 look after that. I do have bilateral meetings  
46 with a number of the ADMs, but only in regard to  
47 those functions that I'm responsible for. They

21  
PANEL NO. 3  
Susan Farlinger  
In chief on qualifications by Mr. Wallace

1 still report directly to the Deputy.

2 MR. WALLACE: Thank you.

3

4 EXAMINATION IN CHIEF ON QUALIFICATIONS OF SUSAN

5 FARLINGER BY MR. WALLACE:

6

7 Q Ms. Farlinger, you became the deputy -- the  
8 Regional Director General in June of this year; is  
9 that correct?

10 A That's right.

11 Q And that followed two years, or so, as Regional  
12 Director of Fisheries and Aquaculture Management  
13 of the Pacific Region?

14 A Yes.

15 Q You've been with DFO since 1977, correct?

16 A With the exception of two years and a bit with  
17 Natural Resources Canada, from 2005 to 2008, I've  
18 been with DFO since 1977.

19 Q Thank you. And you came up through the biologist  
20 rank and became a management biologist in Prince  
21 Rupert between 1983 and 1992?

22 A Yes.

23 Q Now, in 1994 and '5, you were a treaty negotiator  
24 for DFO in Prince Rupert and Nanaimo?

25 A Yes.

26 Q And in 1995, you were Acting Area Director for the  
27 South Coast of the DFO Pacific Region, and from  
28 '95 to '98, Director of Consultation for DFO, in  
29 Vancouver?

30 A That's right.

31 Q You became Regional Director for Treaty and  
32 Aboriginal Policy in the Pacific Region in 1998,  
33 and held that position until 2000?

34 A Yes.

35 Q And then for the following year, you were a senior  
36 advisor to the Regional Director General and  
37 became Regional Director of Policy and  
38 Communications in May of 2001. From 2002, May,  
39 until May of 2005, you were the Regional Director  
40 of Oceans, Habitat and Enhancement Pacific, and  
41 from May to November 2005, Acting Director General  
42 of Oceans at DFO headquarters, in Ottawa?

43 A Yes.

44 Q And then you had the stint with the Pacific  
45 Forestry Centre in Victoria, before returning to  
46 DFO in 2008?

47 A That's true.

22

PANEL NO. 3

Paul Macgillivray

In chief on qualifications by Mr. Wallace

1 MR. WALLACE: Okay.

2

3 EXAMINATION IN CHIEF ON QUALIFICATIONS OF PAUL

4 MACGILLIVRAY BY MR. WALLACE:

5

6 Q Mr. Macgillivray, I don't know anything about you.  
7 Thank you. Mr. Macgillivray, you have a -- came  
8 from the Maritimes, graduated from Dalhousie in  
9 '78 in economics? Oh, you're trying to --

10 A No, I think the undergrad degree was in '78 from  
11 St. Francis Xavier.

12 Q Ah. Now that I have it, it's wrong. And then you  
13 have a Master's, as well, in economics?

14 A That's right, from Dalhousie University, in  
15 Halifax.

16 Q And you joined DFO in 1982, in the Pacific Region  
17 as a senior economic advisor?

18 A Not a senior advisor, but probably a junior  
19 advisor.

20 Q Okay. And from '86 to '89, you were the head of  
21 the Fishing Industry Analysis Unit, here, in  
22 Vancouver?

23 A That's correct.

24 Q In 1989, you moved to the Atlantic, where you were  
25 the coordinator of the Common Property Project  
26 until 1992?

27 A That's correct.

28 Q In 1992 and '93, you were Chief of Special  
29 Projects in DFO headquarters to help to design the  
30 Atlantic Fisheries adjustment programs?

31 A Yes.

32 Q You returned to the Pacific in 1994 as Chief of  
33 Economic and Commercial Analysis, a position you  
34 held until 1997, right? And in 1998, you became  
35 Regional Director of Policy for the Pacific  
36 Region?

37 A Yes.

38 Q From 2000 to 2003, you were Regional Director of  
39 Fisheries Management, and in 2004, became Acting  
40 Regional Director?

41 A Yes.

42 Q You then had a few months a visiting scientist at  
43 the U.N. and returned to DFO Pacific in 2005 as  
44 Associate Regional Director General, the position  
45 you're now holding?

46 A That's correct.

47 Q Thanks. And again, am I correct, Mr.

23

PANEL NO. 3

Paul Macgillivray

In chief on qualifications by Mr. Wallace

Paul Sprout

In chief on qualifications by Mr. Wallace

1 Macgillivray, that the position of Associate  
2 Regional Director General is not a line position,  
3 you have -- your -- can you explain how you fit  
4 into the organization structure?

5 A Yes. The position, Associate Regional Director  
6 General reports -- has a line reporting  
7 relationship to the Regional Director General, Sue  
8 Farlinger, but there were also line reporting  
9 functions to the associate position, and those  
10 include real property, safety and security, human  
11 resources, finance and administration, and small  
12 craft harbours. So I -- there are --

13 Q There are --

14 A The corporate functions report directly in this  
15 case to the Associate Regional Director General.

16 Q And what is your relationship beyond the direct  
17 reports to the Regional Director? Is there an  
18 advisory function, as well?

19 A Not as -- no, not with other program directors or  
20 program staff. It's the line reporting  
21 relationship that I described.

22 Q Okay.

23 A And then participation in regional committees that  
24 I went through previously --

25 Q Yes?

26 A -- is where information comes together, but no  
27 kind of functional reporting relationship as was  
28 described for some of the assistant deputy  
29 ministers and regional directors.

30 MR. WALLACE: Okay. Thank you.

31  
32 EXAMINATION IN CHIEF ON QUALIFICATIONS OF PAUL SPROUT

33 BY MR. WALLACE:

34  
35 Q Mr. Sprout, you retired from the position of  
36 Regional Director General in Pacific Region in  
37 June of this year?

38 A That's correct.

39 Q And you had been with DFO since 1976, starting  
40 initially as a biologist?

41 A Yes.

42 Q And you held that job for about 10 years, when you  
43 became area director for the South and North Coast  
44 Divisions of Pacific Region; is that correct?

45 A Yes.

46 Q In '94 to '97, you were the Regional Director of  
47 Fisheries Management in the Pacific?

24

PANEL NO. 3

Paul Sprout

In chief on qualifications by Mr. Wallace

Claire Dansereau

In chief by Mr. Wallace

1 A Correct.

2 Q And from '96 to '99, you were one of the  
3 negotiators on the Canada/U.S. Pacific Salmon  
4 Treaty?

5 A Yes.

6 Q In '99, you became the acting associate ADM of  
7 Fisheries in Ottawa, a position you held until  
8 2003, correct?

9 A Yes.

10 Q In 2003, you returned to the Pacific Region,  
11 initially as Associate Regional Director, and  
12 became Regional Director General in 2005, a  
13 position you held until your retirement in June of  
14 this year?

15 A Correct.

16

17 EXAMINATION IN CHIEF BY MR. WALLACE:

18

19 Q Now, Ms. Dansereau, this is a rather broad  
20 question, but --

21 MR. WALLACE: And perhaps we might go back, Mr. Lunn,  
22 to the organizational chart starting nationally.

23 Q I wonder if you could direct us to the people --  
24 the positions and programs that are of particular  
25 relevance to the Fraser River sockeye. I think --

26 MS. DANSEREAU: Certainly. Thank you. And if we could  
27 go to the next chart to talk about the current  
28 situation, rather than the previous -- oh, the  
29 current, sorry. Thank you.

30 The people that are the most important in  
31 managing the Pacific salmon fishery will be,  
32 obviously, the Regional Director General in  
33 British Columbia, as well as the senior ADM,  
34 Ecosystems and Fisheries Management in Ottawa,  
35 along with the Associate Assistant Deputy Minister  
36 in that same sector. But of course, the Assistant  
37 Deputy Minister of Oceans plays a very critical  
38 role because as we talked earlier about the matrix  
39 management model, the scientists across the  
40 country report in a functional relationship to the  
41 Assistant Deputy Minister of Oceans and Science  
42 and so the science program is a critical piece to  
43 the Pacific salmon management.

44 As well, the chief financial officer plays a  
45 key role. And others play a more ancillary role,  
46 a complementary role, such as HR management, to  
47 make sure that the systems are in place to support

25

PANEL NO. 3

Susan Farlinger, Claire Dansereau

In chief by Mr. Wallace

1           the -- both, the Regional Director General, and  
2           the programs in the region. So I would say those  
3           are the key area -- the key boxes on this chart  
4           that provide real support to the program.

5       MR. WALLACE: Thank you.

6       Q     Ms. Farlinger, looking at the Pacific Region in  
7           particular, which positions are particularly  
8           relevant with respect to Fraser River sockeye?

9       MS. FARLINGER: Okay.

10      Q     Perhaps slide 15.

11      MS. FARLINGER: Page 15? If you look on the far left,  
12           in the -- amongst the area directors, the area  
13           directors that are involved in program  
14           implementation that directly affect the management  
15           of Fraser sockeye, you have the area director for  
16           South Coast, the area director for the B.C.  
17           Interior, and the area director for the Lower  
18           Fraser River. So in terms of implementation  
19           within those geographic areas, those directors  
20           play a key role.

21           At the regional level, the Regional Director  
22           of Fisheries and Aquaculture Management is the key  
23           position in terms of the management of the  
24           fishery, the management of aquaculture, and the  
25           aboriginal programs associated with Fraser salmon  
26           fishery.

27           The Regional Director of Oceans, Habitat and  
28           Enhancement plays a key role with respect to  
29           habitat management in the -- as it pertains to  
30           Fraser sockeye and the enhancement programs.

31           The Regional Director of Science plays a role  
32           in terms of the contribution to the -- both the  
33           stock assessment, forecasting and the ocean  
34           science associated with Fraser sockeye.

35           The Director of Conservation and Protection  
36           is responsible for the activities of the fishery  
37           officers and the enforcement of the -- both  
38           fishery management and habitat elements of the  
39           programs for Fraser sockeye.

40           The Director of Special Projects has the  
41           responsibility for the Salmon Enhancement Program.  
42           And policy economics and communications play more  
43           supporting roles.

44      MR. WALLACE: Thank you.

45      Q     Ms. Dansereau, yes?

46      MS. DANSEREAU: May I -- yes, if I may, I should also  
47           add that the -- what's called the ADM programs on

26  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1           this chart will, in the future, play a critical  
2           role in this program, but as a result of the  
3           change. It would not have played that role  
4           before.

5           Q     Okay. Can you explain what the significance of  
6           that change is?

7           A     You may know, in the -- there were some  
8           fundamental directions within the change. One was  
9           to strengthen our policy capacity, and the other  
10          was to strengthen our operational delivery. And  
11          the policy capacity, as David Bevan mentioned, is  
12          now more focussed on ecosystems management, and  
13          all of the policy, what we call program policy  
14          areas are now residing under one ADM who will be  
15          able to build a team that can address all of the  
16          issues, and that is currently called the ADM  
17          programs.

18         MR. WALLACE: Thank you, Ms. Dansereau. Mr.  
19                     Commissioner, I see it's about 20 after 11:00,  
20                     would this be a convenient time to break?

21         THE COMMISSIONER: Yes, thank you, Mr. Wallace.

22         MR. WALLACE: Thank you.

23         THE REGISTRAR: The hearing will now recess for 15  
24                     minutes.

25  
26                     (PROCEEDINGS ADJOURNED FOR MORNING RECESS)  
27                     (PROCEEDINGS RECONVENED)

28  
29         MR. WALLACE: Mr. Commissioner, thank you very much.  
30                     When I introduced my associate counsel, Meg Gaily,  
31                     this morning, Jon Major, who is another counsel  
32                     with the Commission was not at the table. I would  
33                     introduce him now.

34         THE COMMISSIONER: Thank you.

35  
36         EXAMINATION IN CHIEF BY MR. WALLACE, continuing:

37  
38         Q     Ms. Dansereau, I have a number of documents that I  
39           want to put to you. I have a few questions on  
40           some and I would invite you or other members of  
41           the panel to answer those. Some I am simply  
42           tendering for the record and so people can use  
43           them as a resource and they become part of the  
44           record of this inquiry.

45           The first document I would refer you to, Ms.  
46           Dansereau is the Strategic Plan 2005 to 2010. I  
47           wonder if that could be marked as the next

1 exhibit.

2 THE REGISTRAR: Document number 16.

3

4 EXHIBIT 16: Strategic Plan 2005-2010

5

6 MR. WALLACE: Thank you.

7 Q Ms. Dansereau, this document is old now, but we're  
8 still within its purview, so I wonder if you could  
9 comment generally on the status of the Strategic  
10 Plan today.

11 MS. DANSEREAU: Certainly. Thank you for the question.  
12 As you say, it is in its final year and a decision  
13 was made by the management committee two years ago  
14 that the process that would normally go into  
15 developing a new strategic plan would not be  
16 undertaken in part because the Government of  
17 Canada organizes itself, all of its planning  
18 documents, around other fundamental documents,  
19 which I think you had, the Report on Plans and  
20 Priorities, and the Departmental Performance  
21 Report, which are documents tabled in the House of  
22 Commons by Ministers, and they really are the  
23 fundamental planning documents for the Department.

24 So the essence of what was in the Strategic  
25 Plan and the planning work that went into "Our  
26 Waters, Our Future", still forms the base of much  
27 of our work. But the kind of planning process  
28 that would have created it is not currently within  
29 our system.

30 So I'm not sure what -- I can answer some  
31 specific questions about the document itself and  
32 the directions within, or I can -- I'm not sure  
33 where you would like to go with that question.

34 Q Well, no, I just wanted to find out what its  
35 status was --

36 MS. DANSEREAU: Okay.

37 Q -- and what the benefits, what we should be  
38 looking to hold the Department answerable for in  
39 that document, whether things have changed.

40 But let me just move on, and it will be  
41 there, and no doubt people will want to refer back  
42 by comparison as they examine as we go along.

43 The second document, which is -- that I would  
44 refer you to is the - oh, sorry - is the  
45 Department of Fisheries and Oceans Report on Plans  
46 and Priorities, Estimates for 2010 - 2011. Could  
47 that be marked, please, as the next exhibit.

28  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 THE REGISTRAR: Document 17.

2  
3 EXHIBIT 17: Department of Fisheries and  
4 Oceans Report on Plans and Priorities,  
5 Estimates 2010-11  
6

7 MR. WALLACE: Thank you. That's the wrong one. It is  
8 number 4 on your list, John. Thank you.

9 Q Is this one of the documents --

10 MS. DANSEREAU: Yes.

11 Q -- that you referred to, Ms. Dansereau --

12 MS. DANSEREAU: Yes.

13 Q -- as being the current -- reflecting the current  
14 planning methodology of the Department.

15 MS. DANSEREAU: Yes.

16 Q Can you help us with the purpose of this document  
17 and how it fits into that?

18 MS. DANSEREAU: The federal government organizes itself  
19 around what we call program activity and  
20 architecture, program architecture and activities,  
21 and those are reflected in how we report to  
22 Parliament on our actions. I don't have the  
23 document in front of me, other than the front page  
24 here. But I can certainly this afternoon, now  
25 that this is entered into evidence, bring a copy  
26 and we can go through the document as you wish.

27 But we -- we organize our human resources and  
28 our financial resources around a set of strategic  
29 outcomes which would be identified in this  
30 document, and then from there flows the rest of  
31 our actions.

32 Q Ms. Dansereau, the entire document is available to  
33 you on the screen now. We ran into logistics of  
34 how you thumb through it.

35 MS. DANSEREAU: I'm not sure. Okay.

36 Q We are trying very hard to be paperless in this  
37 hearing. I see a deficiency in that...

38 MS. DANSEREAU: There we go. Well, the beginning, the  
39 opening obviously is -- I don't think we want to  
40 go through it page-by-page, but the Minister  
41 obviously in the introduction of the document will  
42 - this is not working - will make a statement as  
43 to her vision for the Department and what the  
44 priorities are.

45 The priorities for any department flow from a  
46 series of higher level statements made by the  
47 Prime Minister. So the Prime Minister will in --

1 if there has been a recent speech from the throne,  
2 the departmental priorities will flow from the  
3 speech from the throne. On a yearly basis they  
4 also flow from the budget documents, and those  
5 provide direction to departments from which we  
6 then do our work around our planning and our  
7 priorities.

8 We take at the senior level, we will take the  
9 direction given by our superiors and work with all  
10 of the folks inside the Department to align the  
11 priorities of the Department with the priorities  
12 established by the political government, and --  
13 and then we will report on those at the end of the  
14 year.

15 Q Is there a long-term aspect to this? The  
16 Strategic Plan was explicitly five years. Is  
17 there any parallel process in the current  
18 methodology?

19 MS. DANSEREAU: The -- not in the -- in the documents  
20 as they are written, but the management team, as  
21 you saw earlier in the org chart, will do some  
22 forecasting and some three-year planning. So we  
23 meet regularly. We had a meeting in September  
24 where we will talk through our priorities for how  
25 we will implement the current priorities of the  
26 government and what priorities we see in the  
27 future, regardless of what the political structure  
28 might be, what we will continue to have as  
29 required priorities on Pacific salmon. There will  
30 be -- on the East Coast we will have other  
31 priority management areas. So it's a bit of --  
32 it's a bit of both, trying to implement in the  
33 short term, but keeping the long term in mind.

34 Q But the documentary record, the public record, I  
35 guess, is on a year-by-year basis.

36 MS. DANSEREAU: Yes.

37 Q I was struck by one specific that I'd just like to  
38 take you to in this document - it's at page 10,  
39 Mr. Lunn - under the heading "Departmental  
40 Priorities". That's it.

41 MS. DANSEREAU: All right, thank you.

42 Q Just looking at the narrative here, and the  
43 points, this strikes me as sort of the top level  
44 of planning priorities. And in the narrative it  
45 says:

46  
47 DFO is committed to supporting

1 environmentally sustainable and  
2 internationally competitive marine fisheries,  
3 aquaculture sectors, healthy aquatic  
4 ecosystems and maritime safety and security.  
5

6 It then enumerates a number of single points which  
7 are relatively specific. And aside from those  
8 first two words "environmentally sustainable", I  
9 don't see anything in the priorities that talk  
10 about sustainability, conservation, ecosystems,  
11 management of, commitment to biodiversity, the  
12 sorts of things that we expect to hear a lot about  
13 here.

14 Could you comment on the omission, if you  
15 like, in those points?

16 MS. DANSEREAU: Well, I wouldn't -- personally I would  
17 not characterize it as an omission because I can  
18 see it throughout the whole document, and I can  
19 see it in the culture of the Department. But I --  
20 certainly when the first statement is that we're  
21 "supporting environmentally sustainable", all of  
22 our actions would flow from that. As well, the  
23 health of the oceans, it's very clear that there's  
24 a strong sustainability requirement in order to  
25 have healthy oceans.

26 So for us, the notion of conservation, the  
27 notion of protection, the notion of sustainability  
28 permeates everything that we do. So it is a  
29 subset component to all of our decisions, and it  
30 is in fact a requirement of the Government of  
31 Canada, whether we're putting forward a memorandum  
32 to Cabinet, or any other document, we need to make  
33 sure that there has been an analysis of the  
34 environmental implications, the sustainability  
35 implications. So it is in fact part of our -- if  
36 I can use the short term, part of our DNA.

37 Q If I may take you to page 20 of this document, in  
38 the bottom, in the "Planning Summary by Strategic  
39 Outcome".

40 MS. DANSEREAU: Mm-hmm.

41 Q The second one is "Sustainable fisheries and  
42 aquaculture" and there are performance indicators,  
43 targets, and a planned spending, all associated  
44 with those two things. I'm interested that these  
45 two subject matters are lumped together. Can you  
46 comment on that for me, please.

47 MS. DANSEREAU: I'm sorry, which two are lumped

1 together?

2 Q Oh, the sustainable fisheries and -- sustainable  
3 fisheries and aquaculture.

4 MS. DANSEREAU: Well, the area in the Department that  
5 was responsible for wild fisheries, is also the  
6 same place in the Department where aquaculture is  
7 being managed, and both need to be done on a  
8 sustainable -- in a sustainable manner. So this  
9 -- these strategic outcomes in the planning  
10 systems of the government are the highest order of  
11 outcomes. And within each of those strategic  
12 outcomes there will be some what we call activity  
13 areas, and then below that sub-activity areas, and  
14 where further and further integration of the  
15 pieces of occur. So it's simply a matter of how  
16 we divide up the resources and the assets and the  
17 people to allow us to achieve those outcomes. But  
18 the outcomes are the same. We need sustainability  
19 both in aquaculture and inn our fisheries,

20 Q The next -- now if you go to the next page of this  
21 document, page 21, there's a reference to "Healthy  
22 and Productive Aquatic Ecosystems" and there's a  
23 performance indicator for that, being the:

24  
25 Percentage of Canadian aquatic ecosystems  
26 where the risk to ecosystem health and  
27 productivity has been assessed as medium or  
28 low.

29  
30 And the target to the right of that for that  
31 performance indicator says, as I read it:

32  
33 TBO [To be determined] - baseline value to be  
34 measured in 2010.

35  
36 Has that occurred?

37 MS. DANSEREAU: I'm sorry, I don't see that on here.

38 Q Oh, these --

39 MS. DANSEREAU: Okay, thank you.

40 Q -- at the very top of the page.

41 MS. DANSEREAU: Thanks. This is an ongoing strategic  
42 outcome. so the -- as the number of ecosystems  
43 that we work in grows and the number of risks to  
44 those ecosystems grow, we will -- we won't, I  
45 don't think, be able to necessarily achieve an  
46 all-out medium or low for all of them. I think  
47 it's an ongoing kind of an outcome or indicator.

32  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 Q So, the base, it seems rather a specific target  
2 there that "baseline value to be measured in  
3 2010". I don't -- I'm not sure I understood the  
4 answer. Has that occurred? Has the --  
5 MS. DANSEREAU: I couldn't -- I will not say that this  
6 has occurred, no.  
7 Q Yes. Okay. Is there anyone who knows the answer  
8 to this question?  
9 MS. DANSEREAU: No one could say that this has occurred  
10 is what I'm saying.  
11 Q Okay. Oh, I understand, thank you.  
12 MS. DANSEREAU: Yes.  
13 Q The next document, Ms. Dansereau, I would like to  
14 direct you to is the Fisheries and Oceans Canada  
15 Departmental Performance Report, and that's number  
16 5, I think, in the list we provided you.  
17 MR. LUNN: Sorry, I have a technical issue we just have  
18 to resolve before we can continue. One moment,  
19 please.  
20 MR. WALLACE: Should we recess?  
21 MR. LUNN: I can tell you in just a few moments if we  
22 need to do that.  
23 THE COMMISSIONER: Mr. Wallace, do you have a hardcopy  
24 that the witness could look at while we're  
25 waiting?  
26 MR. WALLACE: I do, Mr. Commissioner. It's marked,  
27 which...  
28 MR. TAYLOR: I have a hardcopy I could pass over. It's  
29 going to make it hard for me to read it, that's  
30 the only problem. But in the interests of time I  
31 can do that for now and see how it goes.  
32 THE COMMISSIONER: Thank you, Mr. Taylor.  
33 MR. TAYLOR: I should say that the only markings on my  
34 copy, if it's agreeable is I have written "EXH 16"  
35 and "EXH 17" beside "1" and "4" respectively.  
36 MR. WALLACE: Do you have any idea what that means?  
37 MR. TAYLOR: Yes.  
38 MR. WALLACE: Thank you, Mr. Taylor. It will be Tab 5  
39 of that book, I think, Departmental Performance  
40 Report.  
41 THE COMMISSIONER: What is the document you're  
42 referring to, Mr. Wallace?  
43 MR. WALLACE: This is the Fisheries and Oceans Canada  
44 Departmental Performance Report for the period  
45 ended March 31, 2009. If that could be marked as  
46 the next exhibit.  
47 THE REGISTRAR: Exhibit number 18.

1 EXHIBIT 18: Fisheries and Oceans Canada  
2 Departmental Performance Report For the  
3 period ending March 31, 2009  
4

5 MR. WALLACE: Thank you.

6 Q Ms. Dansereau, I take it this is another piece of  
7 the priorities and planning exercise in the  
8 Department. Can you explain how this fits in.

9 MS. DANSEREAU: Yes, it is. Each government department  
10 at the start of the year prepares a report on  
11 planning and priorities and at the end of the year  
12 reports on their self-assessment of their  
13 performance. And so this would be for a different  
14 period of time.

15 Q Yes.

16 MS. DANSEREAU: Yes.

17 Q Yes. Am I correct this is -- is there a -- do we  
18 have one for March 31, 2010?

19 MS. DANSEREAU: No, that would be in production now.

20 Q Thank you. So this is the most recent one out.

21 MS. DANSEREAU: Yes.

22 Q In looking at the page 11 of that document, which  
23 has "DFO Priorities":

24  
25 The tables below summarize the Department's  
26 progress toward the 2008-09 operational and  
27 management priorities.  
28

29 And as I look down those priorities and the  
30 reporting on the -- and they're done under various  
31 strategies, and projects, programs, I guess they  
32 are. Could you identify which of those have any  
33 relationship to the matters we're concerned with  
34 in this inquiry? The first one, obviously not,  
35 the "Northern Strategy", but the second one,  
36 "Fisheries Renewal". Can you identify what of  
37 that program relates to Fraser River sockeye?

38 MS. DANSEREAU: So if I may, and it will be better, I  
39 think, if everybody had a copy, but --

40 Q It would.

41 MS. DANSEREAU: -- the priorities are attached to the  
42 "Strategic Outcomes", as I said, and the strategic  
43 outcomes for the Department are safe and  
44 accessible waterways, sustainable fisheries and  
45 aquaculture, healthy and productive aquatic  
46 ecosystems. And then there are below those  
47 priority activities, and then below that sub-

1 activities. So as we go through the -- each of  
2 the priority areas, we can identify which actions  
3 we had said we were going to do in order to help  
4 us achieve the outcome, recognizing that we may  
5 never get to the full and total outcome, but that  
6 we're making progress towards that, and that the  
7 world will constantly change.

8 So on the Northern Strategy for the issues  
9 that we are discussing at the moment, there will  
10 be no direct relationship. However, the Northern  
11 Strategy does contain some elements of  
12 sustainability and certainly elements of fisheries  
13 management and not just safe waterways.

14 So on the Fisheries Renewal, perhaps not  
15 necessarily directly relating to the *Wild Salmon*  
16 *Policy*, but certainly the whole of the Department  
17 on the fisheries side is focusing on renewing our  
18 policy suite of all of our fisheries policies, and  
19 so Fisheries Renewal is a broad set of activities  
20 designed to ensure that we are continually staying  
21 up to date scientifically, up to date in a policy  
22 sense, and up to date in our expenditures to  
23 assist all of our stakeholders at staying current.  
24 So Fisheries Renewal is a whole series of  
25 activities that would in fact have some role to  
26 play in your deliberations.

27 Q Thank you. And then the other -- the other  
28 priorities and the reporting here, the  
29 "International Governance", is there any  
30 relationship there to -- the references seem to be  
31 to a number of specific issues which seem to be  
32 principally on the east coast; is that correct?

33 MS. DANSEREAU: The -- the International Governance as  
34 a policy suite as written here, not necessarily,  
35 but certainly the work that we've done  
36 organizationally on the International Governance  
37 front, clearly fits with -- some parts of it with  
38 the work of your Commission - to the Commissioner  
39 - because many of our folks on the Pacific Coast  
40 work closely with our American counterparts at  
41 managing the Pacific Coast Fisheries, and so there  
42 would be some elements of International Governance  
43 that could come to play.

44 Q And going through these various -- so from  
45 "International Governance" we then have an  
46 "Aquaculture Governance", again is this -- does  
47 this relate, as well, to the relationship of

1 aquaculture to wild fish? I don't see that in the  
2 contributions and results.

3 MS. DANSEREAU: Not -- excuse me, sorry. Not in the  
4 work that was previously done. It certainly will  
5 in the future. Certainly British Columbia as a  
6 result of the change in -- as a result of the  
7 court case.

8 Q Thank you. The next priority, "Health of the  
9 Oceans", again I can see that that focus may have  
10 some relationship to sockeye. But looking at the  
11 specific results achieved, I don't see anything  
12 directly related to the concerns that have been  
13 expressed with respect to Pacific sockeye.

14 MS. DANSEREAU: Actually, the person who may answer  
15 this more fully would be Paul Sprout, because he  
16 was here at the time. But in terms of the  
17 approach that we would take on Health of the  
18 Oceans, we would be considering any of our actions  
19 and the relationship that they would have on  
20 Pacific salmon. So yes, in a -- in an overall  
21 sense, but maybe not specifically in the actions  
22 as described here.

23 MR. WALLACE: Yes. Mr. Sprout?

24 MR. SPROUT: Well, I was trying to think of, you know,  
25 the direct linkage, and I can think of a number of  
26 indirect linkages. Maybe I could note those, and  
27 you may have some other questions around that.

28 But, for example, on the Oceans agenda, at  
29 the national level it notes that in one of the  
30 results that we are identifying marine protected  
31 areas. Okay. So in B.C. to apply that national  
32 direction, we have provisionally identified a  
33 marine protected area in Northern B.C. that is --  
34 may potentially become a marine protected area.  
35 It's just entered into the early stages of being  
36 recognized.

37 Now, that area is an area that Fraser River  
38 sockeye will migrate through in some sort of level  
39 while they're maturing as they leave the estuary  
40 of the Fraser, as they move up through the Gulf,  
41 through Johnstone Strait, into Northern B.C. and  
42 then onto the North Pacific.

43 Q Where is the -- remind of the...

44 MR. SPROUT: It's the -- it's an area off of -- located  
45 south and east -- I'm sorry, west of Prince  
46 Rupert. So that's a potential marine protected  
47 area that's being considered. We also implemented

1 a marine protected area off the West Coast of the  
2 Haida Gwaii, off of the Charlottes, Bowie  
3 Seamount, roughly at this time. And so these are  
4 two areas that it's possible Fraser River sockeye,  
5 young Fraser River sockeye on-journey to the North  
6 Pacific could migrate through. So indirectly  
7 there may be a benefit there, or tied back into  
8 the Fraser.

9 So I could go on with those kinds of  
10 examples, but they aren't specific -- they aren't  
11 directly related to Fraser sockeye. They're  
12 serving another purpose, but they could have an  
13 associated benefit.

14 Q Right. And that's the tenor of my questions, and I  
15 want to ask about each of the priorities  
16 identified in the measures of success, which are  
17 set out in this.

18 I see we now have the document on the screen.  
19 Mr. Lunn, we're at page 13 of that document.

20 And in the case of "Science Renewal" the goal  
21 was:

22  
23 To develop and implement a long-term  
24 strategic approach and a multi-year  
25 operational planning approach that builds  
26 national capacity for aquatic science to  
27 continue to provide high-quality, timely, and  
28 relevant scientific advice.

29  
30 And then the specific results achieved, there is  
31 it again speaks about the development of an  
32 international strategy of long-term planning,  
33 ecosystem, the established six ecosystem research  
34 initiatives. I wonder if this may be something  
35 which we should address the Science panel which is  
36 coming up later this week.

37 MS. DANSEREAU: Yes, I think they will provide you with  
38 much greater detail, both Dr. Wendy Watson-Wright,  
39 and Dr. Siddika Mithani will certainly be able go  
40 into the details of this.

41 Q All right.

42 MS. DANSEREAU: Probably Dr. Wendy Watson-Wright more,  
43 but again it speaks a little bit to the comments  
44 that Paul Sprout made. It is again not  
45 necessarily the specifics that you will find, but  
46 the generalities that this is how we manage our  
47 business. So ecosystems management, Pacific

37  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 salmon would fall under any work that we would be  
2 doing under ecosystems management --  
3 Q Right. Thank you.  
4 MS. DANSEREAU: -- and science.  
5 Q And again carrying on, the next heading on page 14  
6 is the "Canadian Coast Guard Rejuvenation". I  
7 assume that there's nothing in that that would be  
8 related to this inquiry even (indiscernible -  
9 overlapping speakers).  
10 MS. DANSEREAU: I would say in all of them that's the  
11 one that would have the least connection.  
12 Q Yes. "Habitat Management Regulatory Improvement  
13 Initiatives". These are general process changes,  
14 as I read them, not related to particular  
15 substantive interest?  
16 MS. DANSEREAU: They are definitely process changes but  
17 that have -- that have at their heart improved --  
18 improved habitat management. So there will be  
19 some complementary benefits to -- to the habitat,  
20 to the (indiscernible - overlapping speakers).  
21 Q And we will get into the --  
22 MS. DANSEREAU: Exactly.  
23 Q -- effect of those and the specifics as we --  
24 MS. DANSEREAU: Yeah.  
25 Q -- carry on here. "Species at Risk Management",  
26 again there are Fraser sockeye stocks that are  
27 monitored in that context, so I suppose that's the  
28 relationship with that priority to Fraser sockeye.  
29 MS. DANSEREAU: Yes. And I have to say that this is --  
30 this is '09, and some of the changes, the  
31 organizational changes that I've made have  
32 actually undone one of the -- one of the results  
33 achieved here. Not only because it was an  
34 organizational change that I have now brought **SARA**  
35 much more into ecosystems management in general,  
36 not so much as a standalone item.  
37 Q So the separate identification of the species at  
38 risk management would not appear in next year's  
39 report.  
40 MS. DANSEREAU: It -- I think the activities will. But  
41 the -- the result as we define here as an  
42 organizational change will certainly not be. But  
43 issues around **SARA** will.  
44 Q Right. Can you explain that reorganizational  
45 change while we're focused here?  
46 MS. DANSEREAU: Before we --  
47 Q Well, you raised it, we might as well

1 (indiscernible - overlapping speakers).

2 MS. DANSEREAU: Sure. Certainly. I -- it was my  
3 belief, and David Bevan mentioned some of this in  
4 the -- in the introductory remarks, that it was my  
5 belief that we should be better organized around  
6 ecosystems management as a Department. We also,  
7 in my view, should have been more able to provide  
8 clear client service, both internally to  
9 government and externally to stakeholders. And  
10 all organizations require a review from time to  
11 time, and our Department had not in the National  
12 Headquarter structures had a review for about ten  
13 years.

14 So I took a look at the workload that people  
15 were facing, and the priorities that we needed to  
16 be focusing on, and felt that we had not built the  
17 appropriate synergies internally to be able to  
18 deliver on everything that we need to deliver on.  
19 so I created - and we created collectively, but it  
20 was my direction - what's called an Ecosystems and  
21 Fisheries Management Sector in which all of the  
22 delivery of our programs resides. So Small Craft  
23 Harbours program is there now with the Fisheries  
24 Resource Management folks, with Aquaculture, with  
25 everything that we do externally and working with  
26 stakeholders. And that does a number of things:  
27 (1) it makes it easier for people to interact with  
28 us, because there's one point of entry, but it  
29 also means that the people who are managing  
30 certain programs can sit and have synergy with  
31 their colleagues around certain programs.

32 So as David mentioned, the clearest example  
33 is Small Craft Harbours. The client group there  
34 is primarily fishermen or fishing families, and  
35 the client group of our Resource Management folks  
36 is exactly the same people. Prior to the change,  
37 the Small Craft Harbours program was generally  
38 managed in our Corporate Services area, and that  
39 didn't make any sense to me at all. So they are  
40 now residing together with others who deliver  
41 services to the same client group.

42 I've also placed in there, though, delivery  
43 on Habitat Management, because a lot of the work  
44 that we do on Habitat Management is very similar  
45 to the work that's done by the Conservation and  
46 Protection Officers, so the Enforcement side of  
47 our Habitat program, the Regulatory side of our

1 Habitat program, all of that now resides in the  
2 Ecosystems and Fisheries Management Sector to  
3 again build synergies and complementarity inside  
4 that sector.

5 I've strengthened, then, I've taken away the  
6 policy role that that group used to play and  
7 placed that in what we now call the Program Sector  
8 where Ecosystems and Fisheries Management policies  
9 can now be developed again having built the  
10 synergies on the ecosystems approach. So **SARA**  
11 policy is in there. **SARA** delivery is in the  
12 delivery group, the Operations group, so **SARA**,  
13 Habitat, Fisheries, Small Craft Harbours, all of  
14 the operations are in one group, and all of the  
15 policy around that is in another group. So again  
16 we get the synergy around the policy work.

17 Q Ms. Dansereau, and other members of the panel, I'm  
18 actually not very important here --

19 MS. DANSEREAU: That's true.

20 Q -- the important person is Commissioner Cohen.

21 MS. DANSEREAU: Sorry.

22 Q Is it fair to say, Ms. Dansereau, that the changes  
23 you've suggested are changes in how the services  
24 and how -- are delivered, if you like, as opposed  
25 to the selection of the priorities?

26 MS. DANSEREAU: Definitely. It's simply how we can  
27 better provide -- how we can better organize  
28 ourselves, first of all to make sure we can manage  
29 workload to some extent, but also that we can  
30 provide better service both to our internal  
31 clients within government, and the external  
32 clients, absolutely.

33 So we haven't changed any of the priorities,  
34 except we believe, many of us believe that we can  
35 start -- that integration matters in ecosystems  
36 management. I think everybody agrees with that.  
37 And by having people not working in silos off  
38 reporting to different ADMs, by working together  
39 in one unit, we can actually have real  
40 integration.

41 Q Thank you. Is there anything else that we should  
42 have as an overview from this Performance Report?  
43 I have -- I would expect there may be other  
44 questions as we proceed.

45 MS. DANSEREAU: No, I think -- I think I'm happy to  
46 answer questions, but...

47 Q Yes. Then let me move on. The next document to

1           which I would refer you, Ms. Dansereau, and  
2           they're now on the screen, is the Departmental  
3           Plan, which is Tab number 6, Mr. Lunn.  
4           "Departmental Plan - Integrated Business and Human  
5           Resources Plan 2010-11", and is this a -- this is  
6           the third document in the planning priorities  
7           process?

8           MS. DANSEREAU: Yes.

9           Q     Can you just explain what we get from this.

10          MS. DANSEREAU: This is a very important document for  
11          the management side of the organization. If we  
12          start from the priorities established by the Prime  
13          Minister and in the budget, to sort of give us our  
14          marching orders on priority, through to how we  
15          report on those in reports on plans and priorities  
16          and departmental performance reports, then there's  
17          the matter of how we organize ourselves to make  
18          sure that we have the appropriate resources  
19          targeted at the right areas in order to deliver on  
20          those priorities, and that's what this is.

21                 And the Government of Canada a number of  
22          years ago, and I'm not sure when, because I don't  
23          think I was there, began this approach of  
24          combining human resource and business operational  
25          planning to make sure that we were integrated. In  
26          part, I think it came as a result of many folks  
27          looking down the line, recognizing that we were  
28          going to be heading into a real demographic crunch  
29          as baby-boomers were making their way out of the  
30          system. And we as government needed to be -- make  
31          sure that we were aligning our human resources  
32          with our business plans so that we could in fact  
33          be better able to deliver on our objectives.

34                 So this is a very important document on  
35          integrated planning, which I think is maybe five  
36          years old. I'm not sure when it started in the  
37          federal government system.

38                 So again it takes the strategic outcomes that  
39          we have defined, and on page 2 you'll notice that  
40          there's this planning cycle that incorporates all  
41          of the documents, and this we get more specific in  
42          terms of what will be the -- so the planning  
43          circle that you have there describes the various  
44          steps for any federal department, and our  
45          responsibility back to Parliament. And then what  
46          it is that we do internally in order to deliver on  
47          the strategic outcomes as we defined them.

41  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1           The strategic outcomes that we talk about are  
2           in fact approved by the Treasury Board and  
3           approved by Cabinet, and any changes that we  
4           choose to make to them, or would like to make to  
5           them, have to go back through a Cabinet process.

6           So we then look at what the priorities are  
7           for the given year, and look at how we are  
8           organized from a human resource perspective, what  
9           the risks are to our delivery in our human  
10          resource component, and in our financial delivery.  
11          And so that's what we do. We go through each one  
12          of our areas as a management team to see where the  
13          risks are and what it is that we should be doing  
14          to address those risks.

15         Q     Thank you. The next --

16         THE COMMISSIONER: Has this document been marked, Mr.  
17                 Wallace?

18         MR. WALLACE: Oh, thank you very much, Mr.  
19                 Commissioner. I neglected to do that.

20         THE REGISTRAR: That will be document 19.

21  
22                 EXHIBIT 19: Departmental Plan - Integrated  
23                 Business and Human Resources Plan 2010-11

24  
25         MR. WALLACE: Thank you. And the next document I would  
26                 like to refer you to is the 2009-2010 Integrated  
27                 Business and Human Resources Plan, which I take to  
28                 be the same document, but an earlier --

29         MS. DANSEREAU: From the earlier version.

30         MR. WALLACE: -- for the earlier time period.

31                 May that be marked, Mr. Giles, please.

32         THE REGISTRAR: Number 20.

33  
34                 EXHIBIT 20: 2009-2010 Integrated Business  
35                 and Human Resources Plan

36  
37         MR. WALLACE:

38         Q     The next, Ms. Dansereau, I would ask you to go to  
39                 the Treasury Board Management Accountability  
40                 Framework, which is at number 10 on your list, Mr.  
41                 Lunn.

42         MS. DANSEREAU: Mm-hmm.

43         Q     This is an overriding document that informs the  
44                 whole of the federal government on management  
45                 accountability. The date of this is 2003, I  
46                 believe. Is that the current version of this?

47                 I'm interested that what I see on my screen

42  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 is different than what I have in front of me on my  
2 -- on paper, Mr. Lunn. I'm not sure if it's  
3 different in substance. Apparently -- I don't  
4 think so. So let's just go with that.

5 MR. LUNN: I can pull up the PDF version to correspond  
6 to your...

7 MR. WALLACE: Let's go to the PDF, because that's what  
8 we've been using, and for the last two documents,  
9 as well, please use the PDF, which is what I  
10 provided to you.

11 So the management -- Ms. Dansereau, this  
12 should be marked then, as the next exhibit, the  
13 Treasury Board of Canada Secretariat Management  
14 Accountability Framework 2003.

15 THE REGISTRAR: That will be 21.

16  
17 EXHIBIT 21: Treasury Board of Canada  
18 Secretariat Management Accountability  
19 Framework 2003  
20

21 MR. WALLACE:

22 Q And that is the current version of this, I believe  
23 you said, Ms. Dansereau?

24 MS. DANSEREAU: It is the basic version of it. It  
25 doesn't change very much in terms of the core  
26 elements. This is a very important document again  
27 for the Federal Public Service. It's called in  
28 our language "the MAF". Everybody talks about the  
29 "the MAF", the Management Accountability  
30 Framework, and it is really a tool through which  
31 Deputies, in fact, are -- the performance of  
32 Deputies is measured by the Clerk, and in our  
33 annual performance assessment, because it is the  
34 -- it is the basic management tool. Under each of  
35 the boxes that you -- that you see here on some of  
36 the subsequent pages, there are indicators and  
37 then there are sub-indicators.

38 Q Would it be helpful to go to a page, perhaps  
39 graphic number 1, is that -- would that be  
40 helpful?

41 MS. DANSEREAU: Certainly.

42 Q That's on page 3. Here we are.

43 MS. DANSEREAU: Certainly. Any of them are similar,  
44 but there is even more detail below this for  
45 indicators and sub-indicators, and some of those  
46 will change on a yearly basis, but the  
47 fundamentals of the program are as you see here.

43  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1           And again very important. We need to -- this is  
2           how we manage our people and how we manage our  
3           assets, and how I can be held accountable for the  
4           management of the Department.

5           Q     And as I was going through the documents I see  
6           reference in some of the DFO documents referring  
7           back to this framework, so...

8           MS. DANSEREAU: All the time. And the indicators we  
9           are seriously measured on them, and there are  
10          categories of we have achieved what we said we  
11          would achieve, or there are areas of improvement  
12          in certain indicators, or we in fact have failed,  
13          and those are all colour-coded, and we pay very  
14          close attention to them. It's an area that I as  
15          Deputy have asked the Associate Deputy Minister to  
16          make sure that we -- he keeps us very -- very much  
17          informed, and it takes an awful lot of management,  
18          because it gets to the heart of how we do our  
19          business.

20          Q     And going to the next document I have, which is  
21          the MAF Assessment for Fisheries and Oceans in  
22          2008, that's the sort of assessment to which you  
23          just referred?

24          MS. DANSEREAU: Yes.

25          MR. WALLACE: That's document number 11, Mr. Lunn, and  
26          I wonder if that could be marked as the next  
27          exhibit.

28          THE REGISTRAR: It will be marked as document number  
29          22.

30  
31                   EXHIBIT 22: MAF Assessment: Fisheries and  
32                   Oceans - 2008  
33

34          MR. WALLACE:

35          Q     This is for 2008. Is that the last one that we  
36          have?

37          MS. DANSEREAU: We go by rounds, and we just finished,  
38          I think we're in the process of finishing the  
39          round subsequent to this one. So 2008 we will  
40          just be finishing 2009, I think. Yes.

41          Q     Yes. How did you do?

42          MS. DANSEREAU: We did well. In some areas, like  
43          everybody else, there's some areas that we need to  
44          improve on. I like to think -- I like to excel in  
45          each area, so obviously we'll pay attention to --  
46          to the areas where we need to improve.

47          MR. WALLACE: Now, Mr. Bevan, you --

44  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 THE COMMISSIONER: Sorry, Mr. Wallace, what is the  
2 document that you're referring to now?  
3 MR. WALLACE: Oh, I'm sorry. Oh, I'm sorry, this --  
4 MR. LUNN: Mr. Wallace, the Ringtail is still down, so  
5 I'm able to bring that one up.  
6 MR. WALLACE: I see. All right. So is that -- that's  
7 technical problem. You won't be able to bring  
8 anything up.  
9 MR. LUNN: Anything that's on Ringtail. The documents  
10 that you've been referring to have been on the  
11 Web, and that's how I've accessed them.  
12 MR. WALLACE: Okay.  
13 THE COMMISSIONER: But what is the document you've just  
14 been referring to?  
15 MR. WALLACE: Sorry?  
16 THE COMMISSIONER: What is the document that --  
17 MR. WALLACE: The document to which I jus referred, Mr.  
18 Commissioner, is the MAF Assessment: Fisheries  
19 and Oceans - 2008. Was that marked?  
20 MR. LUNN: Yes, Exhibit 22.  
21 MR. WALLACE: Exhibit 22. Well, given the frustrations  
22 of the technology and the fact that it's now 25  
23 after 12:00, Mr. Commissioner, I wonder if we  
24 might break now and see if we can speed up the  
25 Ringtail and the Internet this afternoon.  
26 THE COMMISSIONER: Have you finished your questions on  
27 Exhibit 22?  
28 MR. WALLACE: I have not. Well, I'm not sure. I'm  
29 going to ask Mr. Bevan about this assessment,  
30 because I think he was involved in that, as well  
31 as Ms. Dansereau at the time.  
32 THE COMMISSIONER: Are you able to do that for the next  
33 five minutes or six minutes without the document?  
34 MR. WALLACE: Absolutely.  
35 THE COMMISSIONER: Okay.  
36 MR. WALLACE:  
37 Q Is there anything in this assessment in particular  
38 that, Ms. Dansereau, you would identify as areas  
39 for -- of great success and of areas for  
40 improvement?  
41 MS. DANSEREAU: I think in this particular year the --  
42 one of the areas that we are measured on is the  
43 values and ethics and how we manage the question  
44 of values and ethics in the Department, and we  
45 receive very high rating at that point. There are  
46 areas and if we had the full chart of areas in  
47 need of improvement, one was on -- there was a

45  
PANEL NO. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 particular very narrow piece of work that needed  
2 to be done for uploading some of our information  
3 onto a website, which we hadn't done and that led  
4 to an area for improvement. So we -- we've  
5 rectified that.

6 I would say apart from that, no, I think the  
7 -- generally it was not a bad year. I was not the  
8 Deputy at the time, and nor was David Bevan in the  
9 position he's in now --

10 Q Yes.

11 MS. DANSEREAU: -- so neither one of us really --

12 Q That's true, you were in the position that he is  
13 now.

14 MS. DANSEREAU: That's right.

15 Q Yes.

16 MS. DANSEREAU: And even for only a very short period  
17 of that year.

18 Q Yes.

19 MS. DANSEREAU: Yes.

20 MR. WALLACE: Thank you. The Integrated Risk  
21 Management document, Mr. Lunn, is that available  
22 to you? Integrated Risk Management Policy, which  
23 is at Tab --

24 MR. LUNN: No, I am sorry, the only document that is  
25 available is number 14. Is that the one you're  
26 referring to?

27 MR. WALLACE: No. I think we need to go to 12 and 13  
28 before we go to 14, because I think they work --  
29 they work better in that order.

30 Mr. Commissioner, I have no further questions  
31 on this document and the next one doesn't seem to  
32 be available.

33 THE COMMISSIONER: All right. Well, then we'll take  
34 the break and hopefully over the break we can sort  
35 out the technical difficulties. Thank you.

36 MR. WALLACE: Thank you.

37 THE REGISTRAR: The hearing is now adjourned until 2:00  
38 p.m.

39

40 (PROCEEDINGS ADJOURNED FOR NOON RECESS)

41 (PROCEEDINGS RECONVENED)

42

43 THE REGISTRAR: The hearing is now resumed.

44 MR. WALLACE: Good afternoon, Commissioner Cohen. I  
45 will move now, I think, to some documents that  
46 relate to the Pacific Region, and then we'll come  
47 back to the integrated risk management federally.

46  
PANEL No. 3  
Paul Sprout  
In chief by Mr. Wallace

1           So I wonder if I could ask you to pull up your  
2           document number 2, Pacific Region Implementation  
3           Plan, 2006 to 2010.

4           I'll put this question to Mr. Sprout, because  
5           his fingerprints are on this one.

6  
7           EXAMINATION IN CHIEF BY MR. WALLACE:

8  
9           Q     We heard this morning, Mr. Sprout, that this plan  
10           flowed from our waters, our future, the strategic  
11           plan 2005 and 2010, correct?

12          MR. SPROUT: That's correct.

13          MR. WALLACE: Yes. Could this be marked please as the  
14           next exhibit?

15          THE REGISTRAR: Number 23.

16  
17                   EXHIBIT 23: Pacific Region Implementation  
18                   Plan, 2006 to 2010

19  
20          MR. WALLACE: Thank you.

21          Q     Mr. Sprout, I gather from the evidence this  
22           morning from the Deputy Minister that this  
23           priority setting has changed now and we'll get  
24           into the current version in a moment. But I  
25           wonder if you could just give us an overview of  
26           this document and, in particular, how it -- you  
27           know, whether or not there was an assessment done  
28           of the implementation plan which was established  
29           in 2006.

30          MR. WALLACE: Mr. Commissioner, can you hear me? I --

31          THE COMMISSIONER: Yes, I --

32          MR. WALLACE: I can tell if I lean right over, it seems  
33           to work. It's not -- it appears that these mikes  
34           are not as sensitive as we would like, so I think  
35           we need to lean into them. Thank you.

36          MR. SPROUT: I will. So first of all, I need to  
37           explain. The Department's implementation plan  
38           flows from a national strategic plan that the  
39           department prepared in 2005. The first strategic  
40           plan the Department prepared was in year 2000. It  
41           was a five-year plan, and the next one was in  
42           2005.

43           When I returned to the Pacific Region at  
44           roughly this time, one of the things that I wanted  
45           to do was to prepare something that would take  
46           national direction which sometimes is difficult  
47           for people in the regions to relate to the

1 national direction. It's at a very high level.  
2 It's at a corporate level. Understandably, it is.

3 So what I wanted to do in the Region, is take  
4 national priorities and say, okay, what does this  
5 mean more specifically in the Pacific? And I  
6 wanted to do that over a five-year time horizon to  
7 match the national strategic plan. So the Pacific  
8 Region in 2004 prepared this plan which was  
9 eventually produced in, I think, late 2005, that  
10 sets out the ideas and the actions and the  
11 thinking the Region had over a five-year period to  
12 follow up on the national plan that was prepared  
13 in 2005.

14 So when you read through this report, what  
15 you see is regionalizing the department's national  
16 direction. So it starts with the Pacific Region  
17 context. So what are the things that are  
18 affecting the Region that fit within the national  
19 context. Then it talks a little bit about the  
20 ideas or constraints or issues that we might be  
21 facing, and then it goes on -- it lays out some of  
22 the broad directions, and then finally, in the  
23 appendix, there is a series of actions.

24 Now, this document is not an on-the-ground  
25 document. If you look at the national plan, the  
26 2005 national plan, if I can use this -- this  
27 metaphor, it's at 40,000 feet. When you read it,  
28 it's hard to really grasp, in my opinion,  
29 sometimes, what it means on the ground. And so  
30 the Region's attempt to produce this  
31 implementation plan was to go from 40,000 to  
32 20,000. It's not on the ground yet. To go to the  
33 ground, you've got to go to work plans and other  
34 activities.

35 But this should give it more of a regional  
36 context and it should explain, with some degree of  
37 precision, about how the region will try to follow  
38 the priorities set nationally, and how the two  
39 link. It's also meant to give our staff a sense  
40 of direction and to link the implementation plan  
41 with the national strategic direction.

42 So that's what we attempted to do. That was  
43 the first plan that the region had ever done, and  
44 that's the plan that I've just referred to. Now,  
45 would you like me to go on and talk about the  
46 assessment of this plan?

47 Q Well, let's -- I was next going to look at the

48  
PANEL No. 3  
Paul Sprout  
In chief by Mr. Wallace

1 implementation plan, report on progress. Is that  
2 where you were going to go, or were you -- did you  
3 want to speak --

4 MR. SPROUT: No, that's where I was going to go.

5 Q Okay. So perhaps, then, Mr. Lunn, if I could ask  
6 you to bring up the next document, Pacific Region  
7 Implementation Plan Report on Progress as of March  
8 2009. Thank you. Can that be marked as the next  
9 exhibit, please?

10 THE REGISTRAR: Number 24.

11 MR. WALLACE: Thank you.

12  
13 EXHIBIT 24: Pacific Regional Implementation  
14 Plan Report on Progress as of March 2009.  
15

16 MR. WALLACE:

17 Q Please proceed.

18 MR. SPROUT: So the implementation plan was five years,  
19 and so the report that has just been referred to  
20 is a one-year evaluation of how well I believe  
21 we're implementing the plan as of 2008, I think.  
22 I believe that we were doing the one-year progress  
23 reports for each year to evaluate how well the  
24 implementation plan was being implemented on a  
25 yearly basis.

26 So I believe what you've got in front of you  
27 is the 2008 evaluation which --

28 Q It's the 2009 evaluation. The date is --

29 MR. SPROUT: It would be -- if it's 2009, I think it  
30 would be reporting out in 2008, I'm thinking. I  
31 haven't refreshed my memory on this, but I'm  
32 guessing it's a year or so behind the publication  
33 date.

34 Q The date on your cover letter is April 2010, and  
35 the -- it's referred to as the Pacific Region  
36 2008/2009 Report on Progress.

37 MR. SPROUT: Okay. So if it's a 2008/2009, it should  
38 be reporting on the progress in that year.

39 Q Thank you.

40 MR. SPROUT: And we would have done this, I believe,  
41 for each year, looking backward over that previous  
42 year. So this would report out on, okay, what did  
43 the implementation plan say we would do that  
44 particular year or to that particular period in  
45 time, and what did we actually do? So this report  
46 should be aimed at reflecting that, to get a sense  
47 of the progress we're making against the initial

1 implementation plan.

2 Q Thank you. And I note from the plan itself, the  
3 previous exhibit, that the top priority is  
4 realizing --

5 MR. WALLACE: Just go back to the prior document, Mr.  
6 Lunn. Sorry, I've forgotten already the exhibit  
7 number, but the plan itself.

8 MR. LUNN: Exhibit 23.

9 MR. WALLACE: Exhibit 23.

10 Q I notice that the first priority on page 1 of that  
11 document under the "Introduction" is "realize  
12 conservation and sustainable development". Can  
13 you comment on the success with respect to that in  
14 your -- and where we would find that in the report  
15 from 2010.

16 MR. SPROUT: Now, are you referring to the  
17 implementation plan or the progress report?

18 Q I'm finding the goals in the plan itself, Exhibit  
19 23, and I'm asking you to point me to where in the  
20 progress report you comment on the success of  
21 achieving that goal.

22 MR. SPROUT: Okay. So I would have to go through the  
23 progress report quite carefully to draw that out,  
24 but I can give you a general response, if that's  
25 right.

26 Q But there's no -- it's not explicitly addressed in  
27 the progress report?

28 MR. SPROUT: No. The way -- just to explain, the  
29 implementation plan sets out the broad goals that  
30 I did -- that you just referred to, one of which  
31 you referred to. The implementation plan then  
32 goes on - I think it's in the appendix - and it  
33 lays out some action steps. These are the kinds  
34 of things that we're going to follow up on to the  
35 best of our abilities, to try to realize these  
36 broad goals.

37 So the progress report is designed to reflect  
38 some of those action steps which tie back into the  
39 broad goals. So I don't know, because I can't  
40 recall the progress report specifically, but you  
41 would look at the action and the action should be  
42 able to link back eventually to a goal, whether  
43 it's sustainable fisheries or cooperation,  
44 collaboration, which might be another goal. First  
45 Nations aspirations might be another goal. All of  
46 those, we should be able to link them to the  
47 actions in the progress report.

1 Q Okay. So you'd look at the actions rather than  
2 the goals to see --

3 MR. SPROUT: You look at both. You see, the goals give  
4 you the broad direction. They tell you to turn  
5 right or to turn left. The actions then help you  
6 realize that. There's steps along the path to  
7 help you realize that goal. So you'd want to look  
8 at the actions in -- as to whether they were in  
9 fact helping you proceed down the path towards the  
10 goal which the implementation plan was broadly  
11 outlining, and the appendices, I believe, were  
12 outlining some of the steps or actions to get  
13 there.

14 The progress report is reporting out on those  
15 steps or actions which then can tie back logically  
16 to the goals.

17 Q Now, as I understand it, the priorities and  
18 planning methodology, if I may use that word,  
19 changed in 2010, and we then got into the planning  
20 process that Ms. Dansereau spoke of, and on that  
21 point, may I take you then to the next exhibit  
22 which is Pacific Region Business Plan 2010/2011  
23 dated February of this year.

24 MR. WALLACE: That document 8, Mr. Lunn. Perhaps, Ms.  
25 Farlinger, I should put this question to you.  
26 This I think is now in your bailiwick.

27 Q Can you comment on the role of the business  
28 planning now in the context of establishing  
29 priorities in the region?

30 MS. FARLINGER: I can. I should point out, just for  
31 clarity, that at the time we finalized this  
32 business plan that Mr. Sprout was still the RDG,  
33 so you may want to address the question to him.

34 MR. WALLACE: By all means. My question to you,  
35 really, is how he planned to use it. I may well  
36 come back to --

37 MS. FARLINGER: Okay.

38 MR. WALLACE: -- Mr. Sprout as to why things are there.

39 MS. FARLINGER: Okay. The plan in this context does  
40 much the same as the previous plan, but is really  
41 a fundamentally -- a shorter term sets out the  
42 actual business plan and how we will deal with the  
43 priorities in 2011.

44 You'll see that the regional profile is much  
45 the same as in the longer-term plan, but perhaps  
46 more specific in terms of incorporating the  
47 departmental risks on page 2. Looking at the

51  
PANEL No. 3  
Susan Farlinger  
In chief by Mr. Wallace

1 challenges in the context of the region,  
2 specifically, the risks are Department-wide. The  
3 challenges are focused on the region. Then on  
4 page 4, the summary of opportunities.

5 Q Ms. Farlinger, then that answers the question I  
6 was about to ask. So the risks, then, set out on  
7 page 2 simply recapture the language of the  
8 departmental business plan; is that right?

9 MS. FARLINGER: Right.

10 Q And the challenges are the application of those  
11 risks in the context of the Pacific Region?

12 MS. FARLINGER: That's right.

13 Q Thank you. That's helpful. Looking, then, at the  
14 summary of John -- I note I haven't marked this  
15 yet as an exhibit.

16 MR. WALLACE: Perhaps, then, Mr. Giles, we could mark  
17 the business plan for the Pacific Region 2010/2011  
18 Exhibit 25.

19 THE REGISTRAR: Twenty-five, yes.

20  
21 EXHIBIT 25: Business Plan for Pacific Region  
22 2010/2011  
23

24 MR. WALLACE:

25 Q So looking at page 3, Ms. Farlinger, there are  
26 nine challenges listed there. I wonder if you  
27 could just comment on each of those in the context  
28 of this inquiry and onto Pacific sockeye, just how  
29 you see your -- the issues that the Pacific Region  
30 has to deal with in those challenges.

31 MS. FARLINGER: Well, I'll do my best. I think  
32 certainly number 1 is self-evident simply in terms  
33 of all the activities we carried out in the  
34 region, including the science and management  
35 associated with Fraser sockeye that, you know, we  
36 were having to ensure that we were focusing our  
37 efforts on the highest priorities.

38 In the matter of public scepticism, I think  
39 it, once again, talks about the stakeholders with  
40 very different interests and very different  
41 perceptions. The -- there's reference to the  
42 criticism that the Department is seeing by some to  
43 mismanage the fishery and doesn't adequately  
44 address conservation. This is certainly an  
45 ongoing challenge for us in terms of bringing to  
46 the fore the policies and the principles on which  
47 we base the decisions that are made fundamentally

1 from the frontline level in the Department up  
2 through the region, through the various levels  
3 and, in fact, making clear the kinds of policy  
4 framework in which we frame decisions or advice  
5 for decisions that the Deputy or the Minister may  
6 make.

7 Part of this has to do with challenge number  
8 3 is that there are very differing perceptions of  
9 climate change, changing environment and the  
10 impacts on fisheries, and we were clear that this  
11 was a challenge for us in terms of the fact that  
12 abundances were dramatically shifting. In the  
13 species we looked at, there was greater  
14 variability in the things we were seeing in terms  
15 of both marine and salmon species.

16 Sustainable fisheries, we talk there about  
17 reduced salmon harvest opportunities and the need  
18 to address conservation requirements. There are  
19 other issues operating in the fishery such as  
20 costs for operating, processing costs and  
21 marketing. These changes have led to a decline in  
22 the economic viability of the commercial salmon  
23 fishery. This was intensified, as we say, by  
24 impacts to market access.

25 Catch monitoring, concerns between and  
26 amongst the sectors, the fishing sectors about the  
27 information that each sector would provide in  
28 terms of catch, and the reasons that we were  
29 looking at the opportunity to, once again, improve  
30 catch monitoring and reporting standards.

31 As you know, First Nations' aspirations are a  
32 significant factor in -- and challenge in B.C. in  
33 terms of managing fisheries. We speak a bit to  
34 the uncertainty and the expectations around that.  
35 We look at the challenge of bringing an  
36 aquaculture management regime resulting from the  
37 court decision. As in most areas in this country,  
38 urban growth and industrial development continue  
39 to increase these. This, of course, relates to  
40 how we manage the habitat program and the  
41 regulatory activities under those portions of the  
42 **Act.**

43 Then, of course, we look at the situation in  
44 British Columbia and the potential impacts of the  
45 budget and some of the development activities that  
46 are going on in British Columbia.

47 Q Thank you. Ms. Farlinger, the next -- the next

1 document I would take you to is the Integrated  
2 Business and Human Resources Plan for 2009/2010.  
3 Again, this is part of the new suite of planning  
4 documents. I think it's probably Tab 9 in your  
5 book.

6 Ms. Dansereau spoke to this in the national  
7 context. Would you care to comment on it in the  
8 regional context?

9 MR. WALLACE: Perhaps that could be marked as the next  
10 exhibit, Mr. Giles.

11 THE REGISTRAR: Twenty-six.

12

13

EXHIBIT 26: Integrated Business and Human  
Resources Plan for 2009/2010

14

15

16 MS. FARLINGER: This is really as was described at the  
17 national level, as you've just mentioned, the  
18 Pacific Region version of the business plan.

19

20

21

22

I think because this is -- just a moment,  
please. I suspect that Mr. Sprout may be more  
able to deal with this one, because it looked over  
the three years.

23

24 Q Indeed. This one goes back to your time, Mr.  
25 Sprout. You may wish to comment on the previous  
26 document as well as the genesis of the business  
27 plan. Maybe that's the place to start.

28

29

MR. SPROUT: Okay. So maybe I'll start with the  
challenge section just for a moment.

30

31

Q Thank you. So we're back to Exhibit 25 and to  
page 3 of that document.

32

MR. SPROUT: So the Pacific Region business plan is  
designed to help inform, ultimately, the national  
business plan. So it's -- and it's this document  
along with all other documents that would come  
from other regional directors, from ADM's, inform  
the DMC. So the idea is that around the DMC  
table, you have this awareness of what the views  
and perspectives are from across the Department  
geographically and within the functional areas:  
fisheries management, science, et cetera, along  
the lines that the organization that the Deputy  
referred to and you asked about earlier.

33

34

35

36

37

38

39

40

41

42

43

So in the Pacific region, in developing the  
business plan for '10 and '11, what we did is  
identify the challenges that the region is facing,  
the ones that we thought were very important in  
influencing and shaping and effecting our ability

1 to deliver, ultimately, activities. So those, I  
2 think, are very candid and reflect our  
3 observations and we think are important  
4 considerations as we reflect on ultimately  
5 designing a departmental plan and having that  
6 debate at the DMC table that I referred to.

7 The integrated -- or the HR plan, what that  
8 does is it brings together the human resources,  
9 admittedly at a very high level, with some of the  
10 Pacific Region contacts and repeats a little bit,  
11 I think, of some of the other plans we've already  
12 discussed, but brings it together in one document:  
13 the resources, the HR resources, plus the  
14 priorities that you are contemplating delivering  
15 on with those resources, and that's the Region's  
16 attempt at, in fact, doing that.

17 Q Just an aside for a moment, Mr. Sprout. I notice  
18 that this document, Business Plan 2010/2011 is  
19 marked and the copy that we have, in any event, on  
20 the first page - and actually on each page - has a  
21 "draft". Are you aware of a subsequent final  
22 version of this?

23 MR. SPROUT: I believe there was a final version. I'm  
24 assuming there were. I know we went through a lot  
25 of iterations.

26 The development of the plan is debated  
27 internally within the region with the Directors  
28 and others as we try to work out something that  
29 makes sense. As a consequence, that leads to many  
30 iterations and then finally a final version that  
31 would go to Ottawa and then be incorporated.

32 So I'm assuming that final version exists  
33 someplace.

34 Q This is dated February 9th, 2010. In your  
35 recollection, how close would that be to the final  
36 version?

37 MR. SPROUT: This looks pretty good to me. Like I  
38 think the issues that we would be debating, I  
39 think, probably in the earlier drafts, would be,  
40 okay, how do we describe the challenges? What are  
41 they? We probably wouldn't debate nearly to the  
42 extent of the actual programs because, by and  
43 large, those are fairly clear from year to year to  
44 year, except for the priorities that would be  
45 added on that year that ultimately flow from  
46 headquarters, from the DMC process.

47 So I believe that the version you have in

1 front of you would be, frankly, very close to  
2 whatever final thing we produced. I don't think  
3 there'd be substantive changes.

4 Q Ms. Farlinger, are you aware of a subsequent final  
5 document?

6 MS. FARLINGER: As I understand it, this is the version  
7 that Mr. Sprout took with him and presented at the  
8 Departmental Management Committee as part of all  
9 the regions presenting their business plans, and I  
10 believe that was in April, if I recall correctly,  
11 but my understanding is this is the version.

12 MR. WALLACE:

13 Q We've raised this issue before with your counsel,  
14 and perhaps we can see whether we can have  
15 confirmation that this is the most recent version?

16 MR. TAYLOR: Well, I don't think I can add to what the  
17 client, Ms. Farlinger, is saying. It's my  
18 understanding this is the final version. I don't  
19 know more than what Ms. Farlinger said.

20 MR. WALLACE:

21 Q Thank you. And we started this conversation on  
22 the next exhibit, Mr. Sprout, the Integrated  
23 Business and Human Resources Plan.

24 MR. SPROUT: I thought I had succinctly answered your  
25 question on that.

26 Q All right.

27 MR. SPROUT: But basically, what the Integrated  
28 Business and Human Resource Plan does is it brings  
29 together the key priorities, in this case, the  
30 Region understands that it's supposed to pursue,  
31 with the human resources, the budgets and the  
32 staff that would be available to pursue those  
33 priorities.

34 Now, if you read through the Pacific Region's  
35 version, you'll see it's quite high level. It  
36 rolls -- the figures are rolled up to quite a high  
37 level. But nevertheless, that comports with the  
38 standard that Ottawa was seeking which we would  
39 then use as a basis to inform the departmental  
40 management discussions along the lines that I  
41 discussed. So all of the RDGs, all of the ADMs  
42 will have their version of a business plan like  
43 this, and that ultimately informs a discussion at  
44 the most senior management table in the  
45 Department.

46 MR. WALLACE: Thank you. If we can then go back now to  
47 nationally. Ms. Dansereau, and I'd like to

1 address the issue of integrated risk management.  
2 There are five documents which we've provided  
3 which relate to that issue starting with the  
4 Departmental Integrated Risk Management Policy of  
5 July 2004. That's number 12. Ms. Dansereau,  
6 perhaps you could just address how the Integrated  
7 Risk Management Policy was established and its  
8 genesis in this document.

9 MS. DANSEREAU: Thank you. The documents that I'm most  
10 familiar with obviously are the ones that begin in  
11 2008, that because that is when I joined the  
12 Department, and we were on -- the Department  
13 itself was on a trajectory, improving its  
14 integrated risk management profile and the  
15 mitigation strategies that resulted from the  
16 profile. So I can speak to from 2008 on.

17 I do know that we spoke a minute ago or a  
18 while ago about the management accountability  
19 framework, the MAF, as we call it, and in the MAF,  
20 one of the key areas that deputies are held  
21 accountable for is to make sure that there's a  
22 good corporation risk profile and good corporate  
23 risk management systems in place, and that we had  
24 not been doing very well in relation -- as a  
25 result of our first documents from 2004, 2008. We  
26 had been deemed to require further work around  
27 integrated risk management. So in 2008, we put in  
28 a significant effort into changing the process  
29 that we had.

30 I can also say that I have continued in that  
31 effort, and we will make available to the  
32 Commission the most recent version of these  
33 documents. I, in 2010, asked -- one of the big  
34 changes that's happened in the federal government  
35 is the creation of -- we mentioned this earlier  
36 this morning -- the Departmental Audit Committees.  
37 These are committees made up of external advisors  
38 who advise the deputy on -- essentially on the  
39 control frameworks that we have in place to make  
40 sure that we are well managed.

41 We are fortunate in that on our Departmental  
42 Audit Committee, we have an expert, somebody who  
43 actually teaches in university, risk management  
44 and so I, in June, held another retreat of the  
45 senior management table with my Departmental Audit  
46 Committee to address in further detail, and to  
47 modernize even more our profile. So that work was

1 sort of making its way through the system over the  
2 course of the summer and the documents are not  
3 here because they are just in final preparation  
4 now. So we can make those available to you.

5 I can tell you the thinking in 2008, we had  
6 moved towards and integrated risk profile, a risk  
7 management profile that really addressed -- and  
8 this is a changing field for governments and for  
9 the private sector. Risk management is a changing  
10 field and a very dynamic field. We had been  
11 focussing, in 2008, on the risks over which we, as  
12 a Department, and we, as federal civil servants,  
13 had a certain degree of control. Because to lay  
14 out all the risks over which we had no control  
15 meant that we would be putting ourselves in a  
16 position of vulnerability, really, because we  
17 could not show progress at managing and at  
18 mitigating because we had no control over them.

19 The new thinking around corporate risk  
20 profiles is that we ought to be including in the  
21 risk profile as many factors as we can. So that  
22 work was done in the summer, and I haven't seen  
23 the final product of it yet, or at least not the  
24 mitigation strategies that would go with it.

25 So this is then. The world continues to  
26 change, and we should continue to change because  
27 the more senior levels of the federal government,  
28 of any decision-making body, really, has to spend  
29 an awful lot of time thinking and planning around  
30 risk, and making decisions around risk. So it's  
31 one of the key things that we do.

32 So I'm not sure how much further you want to  
33 go into this question.

34 Q Well, I think you've given us the overview of how  
35 things have moved on.

36 MS. DANSEREAU: Yes.

37 Q And using, as a vehicle, the earlier documents.  
38 So there may be -- we'll come back to what's  
39 happening today and how this has progressed over  
40 time.

41 MS. DANSEREAU: Okay.

42 MR. WALLACE: Mr. Giles, could the Integrated Risk  
43 Management Policy of July 2004 please be marked as  
44 the next exhibit?

45 THE REGISTRAR: Twenty-seven.

46 MR. WALLACE: Thank you.

1 EXHIBIT 27: Integrated Risk Management  
2 Policy of July 2004  
3

4 MR. WALLACE: Thank you. Now, I'm not sure to whom to  
5 address this question, because I'm not sure any  
6 members of the panel were involved in the  
7 development of this. Perhaps Mr. Bevan, I don't  
8 know.

9 If I go to page 4 of this document, under  
10 "Definitions", we have a definition of integrated  
11 risk management which describes the principle of  
12 it as, if I might use the word, a management tool.

13 The second definition is the precautionary  
14 approach, and I guess I am curious as to how the  
15 precautionary approach fits into the issue of  
16 corporate risk management as opposed to risk  
17 management with which I think of the precautionary  
18 approach being (indiscernible - coughing) and how  
19 do you deal with the risks that exist in the  
20 world, in fisheries, for example, and  
21 sustainability. That's where the precautionary  
22 approach is used, as I understand it -- and I  
23 don't understand it in the context of corporate  
24 risk management.

25 MR. BEVAN: Yes, I was involved in these discussions,  
26 and you see the two definitions. But  
27 precautionary approach in DFO, it does have two  
28 different meanings to some extent. It's exactly  
29 the same concept: making decisions, taking  
30 decisions when you don't have perfect information,  
31 where you have uncertainty. Clearly, over the  
32 years, we've learned that we can't ask science for  
33 more precision if it's impossible to give it to  
34 us. We need to be able to deal with uncertainty.

35 That has permeated the culture of the  
36 organization to the point where it also comes up  
37 in dealing with corporate risk management. So we  
38 are going to be dealing with uncertainty. There  
39 are going to be external forces that we are unable  
40 to control or often predict, and we need to be  
41 taking our decisions with that uncertainty in  
42 mind.

43 That's essentially what it means, and it's  
44 the same kind of approach that we take in managing  
45 fisheries. We deal with uncertainty. We deal  
46 with uncertainty as to the state of the ecosystem  
47 and as to the kinds of circumstances that could

59  
PANEL No. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 impact on the outcomes, and that means that we  
2 have to be precautionous when taking those risks.  
3 That applies here as well.

4 MR. WALLACE: Thank you.

5 Q Now, if I may, Ms. Dansereau, take you to the  
6 guidelines which flowed from the Integrated Risk  
7 Management Policy of July 2004, and they're called  
8 the Initial IRM Implementation Guidelines approved  
9 December 2004. That's document 13.

10 MR. WALLACE: That could be marked as the next exhibit,  
11 Mr. Giles, please.

12 THE REGISTRAR: Number 28.

13  
14 EXHIBIT 28: Initial IRM Implementation  
15 Guidelines December 2004.  
16

17 MR. WALLACE:

18 Q Perhaps Ms. Dansereau or Mr. Bevan, you can just  
19 explain how this fits into the sequence of  
20 managing, taking into account the investment --  
21 sorry, the integrated risk management.

22 MS. DANSEREAU: If I may, to the best of my ability  
23 because I was not there, but following the  
24 sequence of the way documents are prepared in  
25 government, the first document is the policy, the  
26 second would be the guidelines to allow us, or to  
27 allow the Department to put into practice the  
28 policy as it was written, and then further on,  
29 there's an implementation plan, et cetera. So  
30 it's just the sequencing of documents, I presume,  
31 that the decision-makers of the day would have put  
32 in place. It's a standard process. You do  
33 policy, then guidelines, the implementation plan  
34 and then reporting.

35 Q So just the next level of precision.

36 MS. DANSEREAU: Exactly. Precision, exactly.

37 MR. WALLACE: And the document you've just referred to  
38 being the implementation plan, I take it, is the  
39 next document, number 14, Mr. Lunn, and that  
40 January 2005 through April 2006, I take it from  
41 that this is a more or less annual document or...?

42 MS. DANSEREAU: I wouldn't necessarily -- this was the  
43 year that this one was created, but I do know the  
44 current structure and what I do with the  
45 Department Audit Committee is revisit this on a  
46 regular basis. I don't think we have a new  
47 implementation plan every year.

60  
PANEL No. 3  
Claire Dansereau  
In chief by Mr. Wallace

1 Q Yeah. Is there a more current one than this one  
2 from 2005?

3 MS. DANSEREAU: I can't pretend to remember. I will  
4 have to go back and check. And I'm hesitating  
5 only because I'm not sure of the extent to which  
6 we went into the implementation side of things  
7 this June, and I would have to go back and look at  
8 that.

9 MR. WALLACE: Thank you. Mr. Giles, could this be  
10 marked as the next exhibit, please?

11 THE REGISTRAR: Number 29.

12  
13 EXHIBIT 29: Implementation Guidelines,  
14 January 2005 through April 2006  
15

16 MR. WALLACE: The next document to which I would refer  
17 you, Ms. Dansereau, is the Corporate Risk Profile,  
18 and the one I have is from 2008, which I again  
19 understand is the most recent one.

20 Q Can you identify this document, please, and  
21 explain its place in the planning?

22 MS. DANSEREAU: Happily, I can say that I was actually  
23 there for this one, so I recognize it. It is not  
24 the most recent one. As I say, we held another  
25 meeting in June where we have now updated it and  
26 we will make that information available.

27 Q So there is a more recent one.

28 MS. DANSEREAU: Yes.

29 Q But it's not yet completed?

30 MS. DANSEREAU: It's not yet completed, but I will look  
31 into where exactly it's at in terms of our  
32 approval process and, if possible, make it  
33 available to the Commission.

34 MR. WALLACE: Thank you. Mr. Giles, could this be  
35 marked as the next exhibit, please?

36 THE REGISTRAR: Number 30.

37  
38 EXHIBIT 30: Corporate Risk Profile 2008  
39

40 MS. DANSEREAU: Sorry.

41 MR. WALLACE: Yes, thank you.

42 Q Please continue.

43 MS. DANSEREAU: The essential difference that started  
44 in 2008 was really the thinking around what are  
45 the areas over which we can have some control and  
46 then develop mitigation strategies around each of  
47 those areas. You'll notice inside the document

1 that there are names attached to risks, so  
2 champions in the management committee were  
3 actually assigned to developing systems around  
4 managing those risks, even though they were not  
5 risks for which that particular DMC member had  
6 direct responsibility.

7 It was a way, and it's something that happens  
8 more and more often in the federal government. We  
9 do this on risk and we do this on HR management to  
10 assign championing functions to certain members of  
11 DMC to continue in the integration approach. So  
12 champions were -- the staffing is not in place to  
13 support the champions; it's much more of a  
14 volunteer effort. But they take responsibility  
15 and are accountable for managing the risk in a way  
16 that the rest of us know that somebody's leading  
17 it, and then they report back to DMC, and they  
18 report back to me as the Deputy in our performance  
19 management agreements that I have with them.

20 MR. WALLACE: Would I be correct in saying -- have we  
21 marked this one?

22 THE REGISTRAR: Yes,.

23 MR. WALLACE: Yes.

24 Q Would I be correct, Ms. Dansereau, in saying that  
25 this is the first step in the application of  
26 integrated risk management processes? Here you  
27 identify specific risks for your Department, and  
28 that's the first document that does that.

29 Do you recall whether these - and I'm looking  
30 at the risks identified starting at page 6, and  
31 there are eight of them. They're referred to in  
32 the regional document we looked at earlier, which  
33 is a current document. So am I correct that these  
34 are still the eight risks identified as the  
35 principle risks for DFO?

36 MS. DANSEREAU: They will -- these certainly continue  
37 to exist. Whether or not they are the eight  
38 primary, I'd have to go back and look at the June  
39 documents, because there was a retreat held in  
40 which a similar exercise was developed, and I know  
41 that, at that point -- and the only reason I'm  
42 hesitating was that I set it up and I wasn't there  
43 that day because I had an operation on that day,  
44 and David was not the associate at that time.

45 The associate led the conversation, but we  
46 added to the list by including external factors in  
47 addition to some of these internal risks. So it

1 would be along the --

2 Q Thank you. I wonder if I could ask this witness,  
3 through her counsel, if we could be provided with  
4 the -- either the updated profile or at least with  
5 the risks identified in it.

6 MS. DANSEREAU: Of course.

7 MR. TAYLOR: Yes, we'll take steps and produce what we  
8 can. I understand that there is likely something  
9 there.

10 MR. WALLACE: Thank you, Mr. Taylor.

11 Q Ms. Dansereau, there is a particular risk that I  
12 have identified, which is number 2,  
13 "Organizational Adaptability". I wonder if you  
14 could tell me a little bit about that. I see that  
15 you are the champion, or one of the champions for  
16 that risk.

17 MS. DANSEREAU: Yes, thank you. And, Mr. Chair, yes, I  
18 was the champion for this when I was associate.  
19 And there was a sense in the Department, at the  
20 senior management table, that there was  
21 significant amount of change happening, both in  
22 the world and inside the department. We needed to  
23 determine whether or not our culture and our  
24 structure were sufficiently aligned to -- to  
25 provide the resilience that's required in order to  
26 be adaptable. The world is changing very rapidly,  
27 and we need to determine whether or not we had the  
28 capacity inside the Department, both at the human  
29 resource level and in terms of our practices to  
30 really move with the -- move with the changes.

31 Q There are, in the right-hand column of page 6, it  
32 identifies two policy initiatives, fisheries  
33 renewal and the new policy for oceans management  
34 as being sectors to monitor, the effectiveness, I  
35 guess, of organizational adaptability.

36 Can you report on the success of either of  
37 those two monitoring efforts?

38 MS. DANSEREAU: Not really, because some of the  
39 thinking that went into this is in fact what led  
40 to my recommendation for changes in the  
41 organizational structure. So it was my sense,  
42 after we looked at this work that we were doing,  
43 that we were not organized well enough to be  
44 adaptable to change. So some of the org changes  
45 that I implemented, once I became Deputy, were as  
46 a result of that. But there would be no specific  
47 document that I could point to, to say that,

1           because it has much more to do with culture than  
2           it does with evidence.

3           Q     Right. So am I correct, then, that the monitoring  
4           that was suggested here didn't occur?

5           MS. DANSEREAU: Yeah, you are correct in saying that,  
6           yes.

7           Q     Would this be a fair comment? Over the course of  
8           this morning, I developed the sense that there was  
9           a significant change in the past ten or maybe 15  
10          years in DFO, going from species-specific  
11          regulation to an ecosystem-based regulation"  
12          Would that be the kind of cultural shift for which  
13          you would need to be concerned about the risk of  
14          operational -- organizational adaptability?

15          MS. DANSEREAU: Yes.

16          Q     And has there been any effort in DFO to look at  
17          how successful it has been in making that  
18          significant shift?

19          MS. DANSEREAU: I think I will ask David Bevan to  
20          address some of this, because he has been  
21          instrumental in managing that change long before  
22          my arrival, and he remembers the stories, as does  
23          Paul. I think everybody at this table has  
24          certainly a longer memory than I do on these  
25          questions.

26                 But I can say that there is success in --  
27          coming in from the outside, I can tell by the  
28          receptivity to these ideas that I get every time I  
29          speak about them with the staff - and I meet with  
30          people all over the country all the time - and  
31          certainly what I get from the younger people in  
32          the Department and the people with new degrees,  
33          the direction that we're going is exactly the  
34          direction that they want to go.

35                 So there is an openness and a willingness to  
36          go in that direction. We just need to make -- I  
37          need to make sure that we've provided them with  
38          the tools in order to get there, but I'll let  
39          others speak to it.

40          MR. WALLACE: Thank you. Mr. Bevan?

41          MR. BEVAN: Yes, we have been working on the fisheries  
42          renewal file for some time, and that's the process  
43          of moving towards a precautionary approach  
44          implementation, quota-management fisheries, unlike  
45          the salmon are -- many of them have now got  
46          conservation limits factored in to the management  
47          of the fishery. Decision rules are associated

1 with the use of those limits. And the realization  
2 by managers and the scientists providing advise  
3 that there are limits on what precision can be  
4 expected, and you have to manage with those risks  
5 in mind.

6 So in the couple of decades ago, I would say,  
7 is where we really got the lesson driven home hard  
8 because we were managing to standards like fishery  
9 mortality set into a decision role of FO.1,  
10 thinking that that was the one control you needed  
11 to use in order to manage fisheries. We didn't  
12 have an appreciation of the impact of the  
13 ecosystem on the productivity of the ecosystem or  
14 the stocks we were fishing, and we actually saw  
15 some of these changes taking place.

16 I'm not talking here in terms of the Pacific,  
17 but rather the Atlantic. We saw them taking  
18 place, we didn't know how to respond, we didn't  
19 respond, we kept on fishing, and the rest unfolded  
20 in a rather unfortunate way to say the least.  
21 From those experiences, learned that we need to  
22 exercise caution. We need to understand our  
23 limits in terms of our knowledge and the fact that  
24 we don't have control by turning the dial on  
25 fishing mortality to change the outcome entirely.  
26 It's the one control that we do have, but we need  
27 to understand the level of uncertainty that we're  
28 dealing with.

29 So that was the driver of a desire to move in  
30 that direction, and fisheries renewal, there's a  
31 website that's got the sustainable fisheries  
32 framework on it. It talks about vulnerable marine  
33 ecosystem and our policies around that. It talks  
34 about a whole suite of things that are outside the  
35 direct harvest control activity.

36 That's in the fisheries renewal group. It's  
37 now housed in the ADM programs group, and it's  
38 certainly making progress. But the interesting  
39 thing here is that we also are dealing with people  
40 who are in the system. So we have some who are  
41 modellers. They punch data into computer systems  
42 and they -- if they can't quantify it, they can't  
43 punch it into the system, and therefore you have  
44 weaknesses.

45 I guess the good example is the fact that we  
46 have very good people working on forecasts in the  
47 salmon fishery, but there are limits on what they

1 can actually model because they don't know how to  
2 quantify the huge suite of variables that impact  
3 on salmon abundance.

4 So it's not something you can turn on a dime  
5 with a big organization of 11,000 people in the  
6 organization that the Deputy manages. It's not  
7 something you can turn on the dime because we have  
8 people who have been used to a particular process,  
9 different skill sets are needed, a different  
10 approach is needed. We are developing the  
11 policies and we are, I think, making progress, but  
12 it's going to take a continuous effort to make  
13 that transition.

14 Q Mr. Sprout, I wonder if you could comment on that  
15 in the context of the sockeye and salmon in  
16 general?

17 MR. SPROUT: Well, I think it's true to say that any  
18 institution faces resistance in changing and  
19 adapting for the very reason that you tend to get  
20 groups springing up that like the status quo, for  
21 whatever reason that is.

22 So I think the challenge the Department faces  
23 is making adjustments, given the reality that the  
24 context is changing. So the question is, how well  
25 are we doing that?

26 In the Pacific, the way I would answer that  
27 is that I think we did it well mainly because of  
28 the advisory processes that we put into place,  
29 which exposed us to all these interest groups. So  
30 you can imagine going into rooms where you have  
31 recreational fisherman, First Nations,  
32 environmentalists, commercial fisherman, and you  
33 can imagine they have contested views. The very  
34 nature of that process, then, invites you to  
35 reflect on what you're doing and why you're doing  
36 it, and causes you to reflect on whether the  
37 status quo works.

38 So I think the Department has embraced the  
39 notion of processes that encourage debate, and  
40 then as a consequence of that, I think, in some  
41 cases, has been forced to make adjustments because  
42 of the very processes it's set up.

43 So David referred to some of the changes that  
44 we have put into place as a Department with  
45 respect to ecosystem-based management. Certainly,  
46 from myself, when I first started, we were a  
47 single species organization. We managed a

1 species. And in the case of salmon or sockeye, I  
2 can go back to periods of time where we applied  
3 exploitation rates on Fraser River sockeye of 70  
4 and 80 percent. So seven out of ten fish that  
5 returned were being harvested.

6 Okay. Today, those rates now are down to  
7 five, four, three, two or one. Why? Because of  
8 the processes we put into place where we had  
9 debates about the status of the populations,  
10 different opinions on what the department should  
11 do, and ultimately we arrived at a different  
12 perspective in terms of how we could best preserve  
13 and allow sustainable utilization.

14 So it's fair to say that institutions are  
15 challenged by trying to change. There's no doubt  
16 about that. And the capacity to change varies  
17 amongst the department officials from a  
18 willingness to change to an unwillingness to  
19 change. We represent society.

20 But I think, by and large, in answering your  
21 question, we have made these transitions and these  
22 changes, I think encouraged by the processes that  
23 we put into place that have then brought out these  
24 debates, and the Department has attempted to try  
25 to reconcile them as it's moved along to try to  
26 adapt to the changing context.

27 Q Thank you, Mr. Sprout. Ms. Farlinger, you now  
28 have your hands on the reins here. Do you have  
29 anything you could add to the challenges of the  
30 organizational inertia, perhaps?

31 MS. FARLINGER: Well, only to say that we operate, if  
32 you think about this organization and all the  
33 things we're accountable to deliver and all the  
34 various programs, that there is really no one  
35 person who can know anything about it. But it  
36 really -- managing in this Department is really  
37 about understanding how the, I suppose you could  
38 call it, the organism or the ecosystem works and  
39 making sure that one part of it speaks to the  
40 other and it is informed, as Mr. Sprout has just  
41 said, by the context in which we work.

42 Also, I would add, ensuring that the folks we  
43 work with, the stakeholders and the First Nations,  
44 are also informed by that context, and in a  
45 similar measure.

46 So one of the great challenges has been for  
47 us, and we mentioned it in that list of

1 challenges, was having everyone believe everyone  
2 else's numbers, whether it's catch, whether it's  
3 what you think the state of the stocks is or any  
4 other set of numbers that we use as a basis for  
5 discussing how we manage fisheries or manage  
6 habitat or manage aquaculture, and how it is we  
7 come to a common understanding of what information  
8 is available and what information is not.

9 So that's really the part I would add. We  
10 need to understand that in a common way. We've  
11 put a lot of time and energy into working with  
12 various stakeholders and First Nations over the  
13 last ten years in terms of sharing information  
14 between groups, sharing information that the  
15 Department has with groups, and developing a  
16 common understanding of, you know, what that  
17 information is and what the limitations of it are,  
18 and therefore to play it back into the risk  
19 framework of what the risk of taking a decision in  
20 any particular area is.

21 So, really, achieving a common understanding  
22 inside the organization is as challenging and  
23 difficult as achieving a common understanding  
24 outside of it, but in both those areas, we've been  
25 doing a considerable amount of work.

26 Our advisory processes, for example, rather  
27 than having them all operate separately, we will  
28 bring different program people to, for example, a  
29 similar advisory process, so people hear the same  
30 information from different programs.

31 So it's really a system of integrating across  
32 multiple levels, both horizontally and vertically.  
33 Quite frankly, we have a far more integrated  
34 operation today than we did ten years ago. Is it  
35 sufficiently integrated? Probably not. We'll  
36 probably have to keep working at it, I think.

37 MR. WALLACE: Thank you, Ms. Farlinger. Mr.  
38 Macgillivray, I'll leave the last word to the  
39 Deputy Minister if she wishes. Mr. Macgillivray?

40 MR. MACGILLIVRAY: Thank you. I'll just elaborate on  
41 one aspect of this organizational adaptability,  
42 and focusing on the salmon fishery.

43 Paul Sprout had mentioned in the past Fraser  
44 River sockeye returns had been exploited at rates  
45 of 70 percent or higher.

46 Over the past 25 years, what we've seen is a  
47 decline. In some cases, a gradual decline or

1 sharp decline in the overall exploitation rates  
2 and in the locations where fisheries take place.  
3 So, for Fraser River specifically, there used to  
4 be seine fisheries that would take place in the  
5 central coast of B.C. where there'd be a lot of  
6 mixed stocks of sockeyes. You couldn't really get  
7 a good handle on what abundance of those catches  
8 were bound for Fraser River versus other rivers.

9 Over time, the location of those fisheries  
10 has moved, so that there's more stock separation  
11 and there's better information on the quantity of  
12 fish that's being removed destined for various  
13 rivers.

14 I think, more generally, I would characterize  
15 some of the changes over the past 15 years of so,  
16 as kind of like this: The focus, if we go back 15  
17 or 20 years, was to identify large surpluses and  
18 have fisheries that took significant quantities of  
19 those fish. I think starting in the late 1990s,  
20 prompted by coho conservation concerns, there was  
21 a big shift in how fisheries were identified and  
22 prosecuted. The change really was identify where  
23 the conservation concerns exist and then try and  
24 identify where fisheries can take place and when,  
25 that don't do further harm to those stocks where  
26 there's a conservation concern, but allow you to  
27 catch the surpluses where possible.

28 In terms of policy, that approach is  
29 reflected in a 1998 policy document called, "The  
30 New Direction for Pacific Salmon" that lays out 12  
31 principles to guide the operation of the salmon  
32 fishery, and those are grouped under three  
33 headings: conservation, sustainable use, and  
34 improve decision-making. When you get deeper into  
35 that set of policies, in that 1998 paper, there  
36 was a commitment to provide more detail on each  
37 aspect of those three themes.

38 That was the impetus to develop the wild  
39 salmon policy that more clearly articulates this  
40 direction of protecting the weaker stocks, erring  
41 on the side of protection rather than harvesting,  
42 as well as other policies came out of that new  
43 direction paper which included things like  
44 selective fishing policy which again states if  
45 fisheries can't be conducted in a way to harvest  
46 the available surpluses for abundant runs without  
47 hurting stocks of conservation, then that

1           constrains the ability to have fisheries  
2           generally.

3           So if you can either avoid or release, live  
4           and unharmed, those weaker stocks, then fisheries  
5           can proceed. If you cannot do that, that provides  
6           a constraint to getting at those more abundant  
7           runs that are typically the focus of major  
8           fishers.

9           So that aspect of adaptability, I think, has  
10          seen a lot of changes, particularly since about  
11          1996 -- mid 1990s right through to today.

12       MR. WALLACE: Thank you. Ms. Dansereau, anything  
13          further on the risks of organizational  
14          adaptability --

15       THE COMMISSIONER: Mr. Wallace, I apologize for  
16          interrupting, but the witness just referred to a  
17          document. Is it in evidence?

18       MR. WALLACE: Yes. It's not in evidence, Mr.  
19          Commissioner, thank you. The "New Directions"  
20          will be in evidence in the context of the wild  
21          salmon policy which comes up in two weeks. Thank  
22          you.

23       THE COMMISSIONER: Is it a document that's going to  
24          have to be in evidence now that it's been  
25          mentioned, so that witnesses can respond to any  
26          questions?

27       MR. WALLACE: Mr. Macgillivray's comment was just it is  
28          the impetus of part of the cultural change, I  
29          suppose, and the details of that are reflected in  
30          the specifics that we'll come to soon. I made the  
31          decision that that wasn't as -- we didn't need to  
32          go into that, but we can certainly introduce it  
33          now if that would be convenient, although I'm not  
34          sure how quickly we could pull it up, but we'll do  
35          that and mark it after the break.

36       MR. ROSENBLOOM: As a participant, I would appreciate,  
37          if at all possible, that this document be provided  
38          to us overnight so that when this panel appears  
39          tomorrow, we have access to it.

40       MR. WALLACE: I'm sure that could be done. It's in  
41          your ringtail, Mr. Rosenbloom. Thank you.

42          I just have one more -- actually, Mr.  
43          Commissioner, I have one more document on which I  
44          have to put no specific questions to, but to Ms.  
45          Dansereau, and I would just give her, as I  
46          promised, the final word on organizational  
47          adaptability, and if that would be convenient time

1 to break in about five minutes, that would --  
2 THE COMMISSIONER: That's fine.

3 MR. WALLACE: Thank you. Ms. Dansereau?

4 MS. DANSEREAU: No, I don't. I think the comments that  
5 you've heard at the table pretty much cover at  
6 least that risk on organizational adaptability,  
7 and to say -- to reiterate some of the comments,  
8 that we are an organization made of about 11,000  
9 people. We include the Coast Guard. There are  
10 various cultures within all of the organizations.  
11 Our conservation protection folks have a culture,  
12 our Coast Guard folks have another culture, and  
13 we're made up of human beings. We're made up of  
14 Canadians.

15 We are, though, I think more adaptable now  
16 than we might have been at some point in the past.  
17 I think that's what I've heard across this table,  
18 and it's certainly my observation that this is  
19 true. The organizational change that I put into  
20 place last year, and I have been making smaller  
21 changes throughout since I arrived -- and I've  
22 done this before in other organizations. I tend  
23 to be a bit of a change agent. It can sometimes  
24 create cultural backlash, and this time it didn't  
25 happen. There was an openness and a willingness  
26 to embrace the direction that we were going  
27 because it was built on where I think the  
28 Department wanted to go anyway.

29 So I think that the risk, as we identified it  
30 in the risk profile, is not as great today as it  
31 was then. But we will always have to be changing.  
32 We will always have to be changing because we're  
33 dealing with changing priorities and what is  
34 happening in Canada is changing as well.

35 MR. WALLACE: Thank you, Ms. Dansereau. The final  
36 document I'd like to put to you is the "Review of  
37 Existing Mitigation Measures for DFO's Eight  
38 Corporation Risks in 2008", which builds on all of  
39 the risk we were referring to, not just the one I  
40 mentioned.

41 I wonder if that could be marked as the next  
42 exhibit?

43 THE REGISTRAR: Thirty-one.

44  
45 EXHIBIT 31: Review of Existing Mitigation  
46 Measures for DFO's Eight Corporation Risks in  
47 2008

1 MR. WALLACE: Ms. Dansereau, I'm happy to leave this  
2 document simply as a resource. If there's  
3 something in particular you'd like to take us to,  
4 please feel free.

5 MS. DANSEREAU: No, thank you.

6 MR. WALLACE: Thank you. Mr. Commissioner, that  
7 perhaps is a good place to break, and I have  
8 completed my questions for this panel.

9 THE COMMISSIONER: Thank you.

10 MR. WALLACE: Oh, I haven't, apparently. I haven't  
11 finished my questions.

12 THE COMMISSIONER: All right. But do you want a break  
13 in any event?

14 MR. WALLACE: I'd like to break and we can find out  
15 what they are.

16 THE REGISTRAR: The hearing will now recess for 15  
17 minutes.

18

19 (PROCEEDINGS ADJOURNED FOR AFTERNOON RECESS)

20 (PROCEEDINGS RECONVENED)

21

22 THE REGISTRAR: The hearing will now resume.

23 MR. WALLACE: Mr. Commissioner, Mr. Macgillivray  
24 referred to the document *A New Directions for*  
25 *Canada's Pacific Salmon Fisheries*, October 1998  
26 and I would ask that that be marked as the next  
27 exhibit.

28 THE REGISTRAR: Thirty-two.

29 THE COMMISSIONER: Thank you.

30

31 EXHIBIT 32: Report titled, *A New Direction*  
32 *for Canada's Pacific Salmon Fisheries* October  
33 1998"

34

35 MR. WALLACE: And I was right the first time. I have  
36 no further questions.

37 THE COMMISSIONER: Mr. Taylor?

38 MR. WALLACE: Oh, but I do have to put in some 35  
39 position descriptions, mark them as one exhibit,  
40 please. They've been circulated to everybody as  
41 .pdf's. I don't intend to ask any questions about  
42 them. They're simply there as a resource so that  
43 participants can see the job descriptions of  
44 people who have a relationship or may have a  
45 relationship to the issues before you for their  
46 questioning. It's simply a list of job  
47 descriptions of some 35 employees of DFO.

72  
PANEL NO. 3  
Claire Dansereau  
Cross-exam by Mr. Taylor (Canada)

1 THE REGISTRAR: Marked as Exhibit 33.

2  
3 EXHIBIT 33: List of job descriptions of  
4 positions at Department of Fisheries and  
5 Oceans  
6

7 THE COMMISSIONER: Thank you. Mr. Taylor?  
8

9 CROSS-EXAMINATION BY MR. TAYLOR:  
10

11 Q I'll begin with some detail, if I may, and get it  
12 out of the way. The 35 or so position  
13 descriptions that Mr. Wallace just referred to,  
14 Deputy, I believe you've had a chance to look  
15 those over, have you?

16 MS. DANSEREAU: Yes, I have.

17 Q And can you, as a group, if necessary you can go  
18 into a given one or more of them, if you wish, but  
19 as a group are they current or some current and  
20 some not or what?

21 MS. DANSEREAU: Some are current and some are not. If  
22 I may speak to the process, when an --

23 Q Sure.

24 MS. DANSEREAU: -- excuse me. When an organizational  
25 change occurs within the rules of the government,  
26 we have one year in which to complete all of the  
27 job descriptions for all of the positions that  
28 could in some way be affected and so we are  
29 partway through that process because we are  
30 partway through the year.

31 Q All right. So in short then, I understand you to  
32 be saying that some of the job descriptions are  
33 out of date because there's been a reorganization  
34 and the department is still working on new job  
35 descriptions for the new positions?

36 MS. DANSEREAU: Yes.

37 Q Thank you. Now, I want to ask some questions that  
38 seeks to pull together some of the threads that  
39 we've been hearing about over the course of this  
40 morning and into this afternoon. And let me begin  
41 by asking if you, Deputy, can describe in an  
42 overview fashion how it is that the department  
43 goes about setting priorities.

44 MS. DANSEREAU: Thank you for the question. We really  
45 have a top-down bottom-up and lateral process for  
46 setting our priorities. As you heard from Paul  
47 Sprout and Sue Farlinger, priorities are set in

1 the region depending on regional priorities.  
2 Those are fed into a national process. But at the  
3 same time we receive priorities from the Prime  
4 Minister and from the Minister of Finance through  
5 either the Speech from the Throne or from the  
6 budget process. The Speech from the Throne will  
7 lay out some, for example, in the last Speech from  
8 the Throne the Prime Minister made it clear that  
9 fisheries renewal was something that we should  
10 continue on which includes possibly reference to  
11 and introducing a new **Fisheries Act**, so that's a  
12 priority that is established for the department.  
13 At the same time though, priorities come from the  
14 ground in -- through various processes where it's  
15 clear that our stakeholders are unhappy with a  
16 policy suite or we feel from a science perspective  
17 that some objectives are not being met and so  
18 there's a constant iterative setting of  
19 priorities, however our general direction, it  
20 doesn't change all that much over time. We -- our  
21 mandate is very clear and the priorities can  
22 simply shift within that mandate.

23 Q Is it the case that the general directions you've  
24 just spoken of are reflected in one or more of the  
25 documents that Mr. Wallace was taking you to  
26 earlier?

27 MS. DANSEREAU: Yes. Even the document, The Strategic  
28 Plan 2006/2010, if you were to -- if we were to  
29 start the process today there would be very little  
30 change from that document in terms of the  
31 direction that we want to go, because our changes  
32 are really quite incremental.

33 Q And are there formal processes within the  
34 department for the setting of priorities or bodies  
35 that do that?

36 MS. DANSEREAU: Yes. Well, the -- as the document  
37 shown by Mr. Bevan and by Mr. Macgillivray,  
38 certainly at the national level, the departmental  
39 management committee is a priority-setting body  
40 for the department and that departmental  
41 management committee is chaired by me. We meet  
42 weekly for regular management matters and we meet  
43 approximately every two months face-to-face. As  
44 you saw from the org chart, the organization  
45 chart, the regional directors general are part of  
46 the management committee, so in other federal  
47 departments, regional directors general often

1 report up to and through an ADM and the ADM sits  
2 on the management committee. In our case the  
3 regional directors general report directly to me,  
4 so I am kept very much in the loop on matters of  
5 importance to the regions, which means I can also  
6 then keep the minister informed and up to date.

7 So in the -- what we call the face-to-face or  
8 the extended departmental management committee  
9 meetings, at various times through the year they  
10 are set aside for priority-setting.

11 Q And then when we come to the regional level, Ms.  
12 Farlinger, how are priorities set at the regional  
13 level?

14 MS. FARLINGER: Priorities are set in much the same way  
15 a level down. We understand the Government of  
16 Canada priorities that come to us through a set of  
17 departmental priorities. At the same time, we're  
18 putting together the contextual and scan  
19 information of the situation here in Pacific  
20 Region that would make one item a particular  
21 priority in a particular year and then we factor  
22 at the Regional Management Committee those  
23 priorities that we understand from the context of  
24 issues and challenges that are going on in the  
25 region into the departmental priorities that we  
26 have from the departmental management committee to  
27 arrive then at a set of regional priorities, which  
28 is a subset of the departmental priorities.

29 Q All right. Are you then -- is it fair to sum up  
30 then that you're saying that you take the  
31 priorities set by the department and then apply  
32 them at the local or regional level?

33 MS. FARLINGER: It is fair and I would just also add  
34 that there may be challenges or issues that are  
35 arising in the Pacific context that may not be  
36 arising nationally.

37 Q All right.

38 MS. FARLINGER: And so we will need to bring those to  
39 the table, both at the departmental management  
40 committee and the Regional Management Committee to  
41 figure out the relative priority of those in the  
42 context of the departmental priorities.

43 Q Okay. Mr. Sprout, did you have anything that you  
44 wanted to add to that as the former RDG?

45 MR. SPROUT: No, I agree with the overview provided by  
46 both the deputy and by Sue Farlinger.

47 Q Okay. Now, when it comes to implementing the

1 priorities and some of this has been touched on  
2 already, Deputy, how does the department go about  
3 implementing the priorities once they've been  
4 identified in the way that you've said?

5 MS. DANSEREAU: The implementation happens in --  
6 through two routes basically, one through what we  
7 call the sectors, so those groups that are led by  
8 assistant deputy ministers and then by regional  
9 directors general as well. Implementation plans  
10 will be developed sectorally in consultation with  
11 regional directors general and then regional  
12 directors general will take that one step further  
13 for implementation in the regions because by and  
14 large, as you saw, the delivery of our programs is  
15 regional. It's not done -- we don't actually  
16 manage any fisheries in Ottawa.

17 Q Which then --

18 MS. DANSEREAU: We don't manage any fish in Ottawa,  
19 sorry. We manage fisheries, but not fish.

20 Q All right. Which then takes us to you, Ms.  
21 Farlinger, as the regional director general here.  
22 Do you have anything at the -- in the regional  
23 context that you want to add to what the deputy  
24 has just said?

25 MS. FARLINGER: Ultimately, once each of the regional  
26 directors and myself have worked with the ADMs  
27 responsible for the programs, the region then  
28 needs to pull together those priorities on a  
29 regional basis. And then those priorities go into  
30 our regional work planning process which occurs  
31 between the regional directors horizontally at the  
32 Regional Management Committee and also between the  
33 regional directors and their staff who report to  
34 the area directors. So they ultimately become the  
35 work plans of the region.

36 Q Now, I can't at this moment remember whether Mr.  
37 Macgillivray spoke to the makeup of the Regional  
38 Management Committee but just to be sure we've  
39 covered it off, can you quickly tell us or remind  
40 us who is on that committee?

41 MS. FARLINGER: Certainly. The committee is chaired by  
42 the regional director general.

43 Q Which is you?

44 MS. FARLINGER: The -- yes.

45 Q Or Mr. Sprout before you?

46 MS. FARLINGER: The regional directors in the six areas  
47 that Mr. Macgillivray pointed out participate in

1 the Regional Management Committee. The area  
2 directors participate in the Regional Management  
3 Committee and the associate RDG participates.  
4 From time to time we also have direct reports of  
5 those individuals who come to meetings to attend  
6 either because there are specific topics that  
7 pertain to them or for development purposes.

8 Q Now, I'd like to ask you, Deputy, about the role  
9 of science in decision-making in the department.  
10 Can you tell the commissioner how science fits in?

11 MS. DANSEREAU: Certainly. And I'm happy to do so.  
12 Science, as you know, as we -- I think you know  
13 for this department is critical for all of our  
14 decision-making and one aspect we haven't spoken  
15 about very much today because it's not evident in  
16 our documents is the role of the minister in  
17 decision-making. And the minister as we  
18 referenced this morning has the ultimate  
19 discretion when not constrained by certain pieces  
20 of the law and the minister, in order to make her  
21 decisions, requires advice. My job is to make  
22 sure that all of the governance structures that we  
23 have in place and the implementation mechanisms we  
24 have in place, the priority-setting tools we have  
25 in place, are designed in part to manage but also  
26 in order to provide the minister with the best,  
27 most rounded, most fulsome advice that we possibly  
28 can. Within that advice there will always be a  
29 reference to science. I will always make sure  
30 that the science, the precautionary approach is  
31 defined by science and other science factors are  
32 included and the minister and the minister prior  
33 to this minister and I'm sure all ministers will  
34 always say, "And what does science say about this  
35 particular item?" And so most of our decisions,  
36 when they involve matters of whether it's  
37 allowable catch or habitat management or anything  
38 else, the science function is a critical piece to  
39 our decision-making.

40 It is critical and it is one of the  
41 foundational decision-making requirements that we  
42 have, but in addition to that we also have legal  
43 advice that often accompanies the advice that we  
44 give the minister and other factors because public  
45 policy is not just about -- and public policy  
46 decisions are not just about one aspect, but that  
47 science plays a key role in helping us shape the

1 best possible decision, but it plays one role in  
2 that decision.

3 Q All right. And I think I'm correct that all of  
4 you on the panel with the possible exception of  
5 Mr. Macgillivray are all people with science  
6 degrees as your background, aren't you? Is there  
7 anyone who's not a science degree? Mr.  
8 Macgillivray. All right. And more specifically,  
9 Deputy, you have a microbiology degree as a  
10 backdrop to -- or as your university training and  
11 then you moved into management after that; is that  
12 right?

13 MR. MACGILLIVRAY: That's correct.

14 Q And Mr. Bevan and Ms. Farlinger and Mr. Sprout, I  
15 believe you're all biologists, are you?  
16 Everyone's nodding or all three of them are  
17 nodding.

18 Mr. Sprout, in terms of the role of science  
19 and decision-making, you were the director general  
20 from about 2005 to mid-2010 in the Pacific Region  
21 and before that, you were mostly in the British --  
22 in the Pacific Region and have 35 or so years been  
23 in the Department of Fisheries. How do you see  
24 the role of science and decision-making and can  
25 you explain something about change that you saw,  
26 if there was change during the course of your time  
27 as regional director and were you associate  
28 regional director before that?

29 MR. SPROUT: I was. When I first came back to the  
30 region from Ottawa in 2003 I was the associate and  
31 then acting and then RDG, regional director  
32 general, in 2005. In terms of science, I can go  
33 back, unfortunately a long way. My view is, is  
34 that more recently, I think, science has been much  
35 more part of the decision process and part of the  
36 fishing planning process and other aspects of the  
37 department than I believe certainly my experience  
38 in early days when I first joined the department.  
39 To give you some examples of this currently, our  
40 science participates in the -- in three important  
41 committees in the region that are really  
42 influential in trying to put into place the  
43 priorities the region eventually gets in terms of  
44 national direction, but is trying to put into a  
45 regional context. So one of those committees is  
46 the Regional Management Committee. So the  
47 Regional Management Committee is the executive of

1 the Pacific Region, chaired by the RDG in which  
2 the science director is there along with her  
3 colleagues and that process is trying to come to  
4 decisions about priorities, about various issues  
5 and actions. And science is participating and  
6 provides their perspective along with perspectives  
7 provided by habitat director, the policy director,  
8 the fisheries director and so forth. So that's a  
9 process that was explained earlier that meets  
10 every two weeks, that science is a crucial part of  
11 a decision mechanism.

12 Science also participates in something we  
13 call the Strategic Directions Committee, so that's  
14 really a committee that is looking at typically  
15 problems or issues that at some point may have a  
16 science basis or issue or not and that process  
17 involves the science director along with a smaller  
18 number of executives, typically the regional  
19 directors are involved and one area director. And  
20 that committee deals with issues that are in early  
21 stages that typically require a concerted effort  
22 over a long period of time to develop responses  
23 to. And science is involved right at the  
24 beginning and all through that process.

25 Science is also part of the operations  
26 committee. The operations committee is the  
27 committee that deals with day-to-day issues that  
28 have to be put into effect usually during the  
29 season. There's usually time constraints and  
30 science is a member of that committee, as well.  
31 There are other committee and processes that  
32 science participates on. For example, science  
33 participates in our fishing planning process and  
34 they go out and work with fishing interest groups,  
35 make presentations to these groups, as we collect  
36 information and eventually make decisions on  
37 fishing plans. Science is part of that.

38 I could go on about other aspects, as well,  
39 but in my experience, many of the processes I have  
40 referred to have been developed over the last  
41 several years as opposed to early days when I was  
42 involved in the department where it was my  
43 perspective that science was involved in a few of  
44 those processes but not many. And I think more  
45 currently, their involvement is much more  
46 widespread and both in terms of direct science-  
47 related questions and questions that ultimately

1           might involve science but which science is  
2           participating and is part of that process.

3           So I know I've provided, I think, maybe a  
4           fulsome response and I can maybe go into detail,  
5           further detail if people want to hear other  
6           processes that they're involved in.

7           Q     All right. I think that's fine for now, thanks.  
8           You referred at one point to the science --

9           MS. DANSEREAU: Sorry, Mitch -- sorry, can I just add  
10          one thing?

11          Q     Yes.

12          MS. DANSEREAU: To this? Sorry.

13          Q     Certainly.

14          MS. DANSEREAU: The -- another key area that our  
15          science is really involved in is on the  
16          international scene and we -- Canada, in fact, is  
17          seen as a leader in many of the regional fisheries  
18          management organizations in which we participate.  
19          Canada is the one that is always putting on the  
20          table the requirement and the expectation that  
21          those decisions will also be based on science. So  
22          we are, I think -- I think it's safe to say that  
23          we are leaders in the incorporation of science  
24          into our decision-making.

25          Q     Just on that, Deputy, can you elaborate a bit more  
26          on the role and work of fisheries scientists in  
27          the international community or working with the  
28          international community?

29          MS. DANSEREAU: Certainly. And I can -- both Paul and  
30          David Bevan can speak to this, as well, because  
31          they've both been heads of delegation on  
32          international bodies, but we never or rarely go to  
33          any of the international bodies without bringing  
34          scientists with us, whether it's on international  
35          tuna or salmon or cod or any of those bodies.  
36          They're called regional fisheries management  
37          organizations, whether it's NAFA or ICAT or any of  
38          them, always we will bring -- all of them are --  
39          have a component that is science-driven that  
40          allows us to start managing the fisheries in the  
41          international waters in a way that is science-  
42          based. But I will turn it over to David, who has  
43          much more experience in this.

44          MR. BEVAN: Yes. Certainly there are scientific  
45          counsels in all of those bodies. Those bodies  
46          have changed, as well.

47                   As noted by Paul Sprout, in the past science

1 was much more of a separate entity within the  
2 department. Fish managers had a tendency to put  
3 pressure on them to find out how much fish can I  
4 kill today, kind of thing in order to achieve the  
5 goals they had of maximizing the harvesting  
6 opportunities, and that is now completely changed.  
7 They're much more transparent and as noted by  
8 Paul, involved and that involvement includes  
9 involvement in the directions set for RFMOs,  
10 Regional Fish Management Organizations. So in  
11 those cases science is with us as a major player  
12 in the RFMO and they're part of the process of  
13 moving the RFMOs away from that old culture, as  
14 well, of how much fish can we get an opportunity  
15 to harvest, to a much more complex and ecosystem-  
16 based approach. So I note, as well, that science,  
17 in terms of the fisheries renewal, was a partner  
18 with the fisheries and aquaculture management  
19 sector and now is partner with the ADM of  
20 programming or programs. They worked to set up  
21 the components of the fisheries renewal policy  
22 such as the sustainable fisheries framework,  
23 vulnerable marine ecosystem policies, policies on  
24 bycatch that are now under development, et cetera.  
25 So there's much more integrated process. Before  
26 it was, as I said, people asking questions of  
27 science and hoping to get an answer and asking  
28 questions sometimes that were unanswerable. Now  
29 working at the outset with science to develop the  
30 right kind of approaches to managing the ecosystem  
31 and certainly managing the fisheries and  
32 aquaculture activities within that ecosystem, and  
33 it goes, as I said, both domestically and  
34 internationally with some regional fish management  
35 organizations doing quite well in that regard and  
36 I would point to our experiences on NAFO and  
37 certainly the Pacific Salmon Treaty, the Halibut  
38 Treaty and the Tuna Treaties with the U.S., United  
39 States, is -- are examples where progress is being  
40 made.

41 Q Do any of the other panel members want to add  
42 anything about the international aspect of science  
43 in fisheries?

44 MR. SPROUT: Briefly, I could just give a Pacific  
45 context, so I'll mention one treaty arrangement.  
46 That's the Pacific Salmon Treaty between Canada  
47 and the United States. Okay. That -- that treaty

1 arrangement has a series of panels and a  
2 commission. Associated with the panels and the  
3 commission are technical committees. Each of  
4 those technical committees on the Canadian side is  
5 led by a Canadian scientist. That committee, when  
6 they're bilateral, they have a -- there's an  
7 American scientist. Each of those committees led  
8 by a Canadian or -- led by both Canadian and  
9 American scientists, report to the panels or to  
10 the commission and provide advice to the panel or  
11 commission, analysis, synthesis or -- in support  
12 of the Pacific Salmon Treaty.

13 And so on the Canadian side, we have a very  
14 robust system where our scientists participate  
15 actively throughout the committee processes and  
16 actually lead the committees as I've noted.

17 Q All right. Ms. Farlinger or Mr. Macgillivray,  
18 anything you want to add on international work  
19 that fisheries scientists have or engagements?

20 MS. FARLINGER: I guess the other couple of things I  
21 might point out is the North Pacific Anadromous  
22 Fish Commission where our scientists work with  
23 scientists around the Pacific Rim and specifically  
24 focused on salmon. In addition, of course, we  
25 participate in other international agreements like  
26 the -- we have an agreement on the West Coast  
27 regarding tuna management with U.S. and we also  
28 have an agreement and a commission regarding  
29 halibut management on the West Coast. In all of  
30 those scientists are an integral factor in the --  
31 in the actual system.

32 Q You mention the committee that is member countries  
33 from around the Pacific Rim dealing with science.  
34 Can you give more concrete example of what is done  
35 by fisheries with other countries on that  
36 committee or commission?

37 MS. FARLINGER: Well, I suspect that some of the detail  
38 on the science may well be best dealt with --

39 Q Okay.

40 MS. FARLINGER: -- by the science folks, but there is  
41 both an enforcement component where there is  
42 collaborative enforcement on the high seas between  
43 the participating countries, and then there also  
44 is a significant science component to the work  
45 there. Looking for the most part at the life  
46 cycle issues for -- that pertain to salmon that  
47 originate in each of the countries as they -- in

1           that part of their life cycle that takes place on  
2           the high seas.

3       Q     All right. I just want to follow up on question  
4           and answer three of you, Ms. Farlinger, Mr. Bevan  
5           and Mr. Sprout gave earlier, that you have your  
6           university degrees in science and I'll start with  
7           Ms. Farlinger. Am I correct that you first came  
8           into Fisheries decades ago as a scientist and then  
9           have moved into various parts of the department  
10          and are now the regional director here in the  
11          Pacific Region?

12    MS. FARLINGER: That's true. My first five years  
13          working at DFO was at the Science Branch in ground  
14          fish and shellfish stock assessment.

15    Q     And Mr. Sprout, is it also the case with you that  
16          you started with Fisheries decades ago as a  
17          scientist and then moved into various parts and  
18          ultimately regional director?

19    MR. SPROUT: This may be a fine point, but I started as  
20          a biologist.

21    Q     All right.

22    MR. SPROUT: Just to be technically correct. I was a  
23          management biologist. So I did stock assessment,  
24          I did a lot of the work that science was doing,  
25          but in those days it was called -- I was called a  
26          management biologist.

27    Q     All right. Thank you. And Mr. Bevan, you're -- I  
28          know you gave Mr. Wallace some evidence on this,  
29          but very briefly, what did you come in as and then  
30          ultimately, you are now the associate deputy?

31    MR. BEVAN: I came in as supervisor of fish inspection.  
32          We were inspecting food processing plants that  
33          process fish.

34    Q     All right. Did you work in science in the  
35          department at one point?

36    MR. BEVAN: It was a science-based program in that they  
37          transited from looking at quality to looking at  
38          use of laboratory results and other technical  
39          evaluations in assessing the safety of food. So I  
40          didn't do what would be called science and  
41          certainly didn't do science relevant to stock  
42          assessments, but rather used my background to  
43          assess risks posed by various processing  
44          operations or handling practices relevant to food  
45          safety.

46    Q     Right. Various members of the panel earlier have  
47          given some evidence about the biggest changes in

1 the priorities and shifting priorities that the  
2 department has seen and made over the last two and  
3 a half decades ago and there is mention made of  
4 moving from a species-based approach to ecosystem-  
5 based and an increase in consultative processes  
6 with any number of stakeholders and moving to more  
7 transparency, as I heard you, is there anything  
8 more that you, Deputy, want to say about the  
9 change in priorities and where that has taken and  
10 is taking the department under your leadership?

11 MS. DANSEREAU: The notion of moving towards ecosystems  
12 management is not new to people outside of the  
13 department. But I think it is now finally being  
14 really well-grounded, based on all the good work  
15 that people like Sue and David and Paul have done  
16 over the years, as well as Wendy Watson-Wright and  
17 others, they've laid the groundwork for us to  
18 start to truly be ecosystems managers and the time  
19 is right and we are there now. And the notion of  
20 transparency, we are a very transparent  
21 department. We are in a time when consultation is  
22 not necessarily easy to do in the federal system.  
23 Our department is in consultation on something  
24 every single day. All of our decisions are based  
25 on consultation. We call our peer review includes  
26 stakeholders and not simply scientists, so we are  
27 a very consultative department. We are a very  
28 transparent department. The decisions that the  
29 minister makes are very transparent. So I think  
30 the way that I am able to support the minister in  
31 her decision-making, my ability to do that depends  
32 very much on the fact that the department is  
33 moving towards ecosystems management and, with  
34 greater transparency, with all of the parts of the  
35 decision having been well-aired before it reaches  
36 my desk and the integration that we have been  
37 moving towards in the regions we're now  
38 consolidating in Ottawa and that makes my ability  
39 to advise the minister much greater because I know  
40 that I can then say I have really probed this  
41 recommendation throughout its development and I am  
42 comfortable in making the recommendation that I'm  
43 making because we have an integrated approach to  
44 how we make the -- provide that advice. So I'm  
45 not sure if that adds to a better understanding of  
46 how the department actually -- all the parts of  
47 the department, in fact, need to work together to

1 reach better conclusions and to reach better  
2 decisions.

3 The integrated approach and the consultation  
4 that we do, I think, adds -- is part of the  
5 richness of the department and is iterative in the  
6 sense that the fact that we are so consultative  
7 both internally and externally and we have a solid  
8 or are working towards a solid governance  
9 structure that really informs decision-making,  
10 then provides greater assistance, I think -- well,  
11 provides it certainly to the minister, but also to  
12 the regions because the regions benefit from the  
13 knowledge and the expertise that they can get from  
14 the rest of the country.

15 So there's -- we hope to be able to convey  
16 that there's a real dynamism. We really are a  
17 dynamic department and constantly questioning  
18 everything that comes across our desk and making  
19 -- and probing and pushing and making sure that we  
20 have the right information with which to make our  
21 decisions. We are definitely not perfect. We do  
22 recognize that we live in an uncertain world and  
23 we need to make sure that we have as many facts as  
24 possible within that structure.

25 So in that way we provide the minister with  
26 the advice we think that can lead to good, solid,  
27 defensible decisions.

28 Q All right. Thank you.

29 THE COMMISSIONER: Mr. Taylor, I wonder if -- I  
30 apologize for interrupting your examination. I  
31 wonder if you could just have the panel, any  
32 member of the panel who would like to, enlighten  
33 me on the meaning of being an ecosystem manager  
34 and where within the legislative jurisdiction of  
35 this department that context, concept or  
36 definition exists?

37 MR. TAYLOR: That can be taken as a question. Who  
38 wants to pick it up?

39 MS. DANSEREAU: It's an approach to managing, and I  
40 will let the others speak to this, but it's an  
41 approach to managing that we believe will better  
42 protect the fish and the other species within, so  
43 within any ecosystem. But David...?

44 MR. BEVAN: Clearly, Mr. Commissioner, we can't manage  
45 an ecosystem. We don't have the knowledge to do  
46 that and we don't have the controls that would  
47 allow us to change the outcomes from an ecosystem

1 point of view. What we do need to do is manage  
2 fisheries, manage aquaculture, manage our habitat  
3 programs, taking into consideration the broader  
4 ecosystem. And ignoring productivity or ignoring  
5 whatever stock may be at a particular level, but  
6 ignoring the context that stock lives in, in the  
7 ocean is risky.

8 So to manage our risks, we need to consider  
9 the state of the ecosystem and the impacts of the  
10 ecosystem on the activity we're managing and vice  
11 versa, the impact of the activity on the  
12 ecosystem. It's not covered off explicitly in our  
13 documents except -- our legislation except perhaps  
14 for the **Oceans Act** but it is implicit in that if  
15 the minister is going to make decisions about who  
16 gets the fish, there has to be fish there to catch  
17 and there have to be -- there to catch, there has  
18 to be stocks that have a harvestable surplus and  
19 that they're being managed in the context of the  
20 ecosystem that they rely on such that we don't  
21 simplify those populations, leave them more  
22 vulnerable to external ecosystem shocks, et  
23 cetera, and the same with our aquaculture  
24 activities. We need to ensure that those  
25 activities are conducted so as not to permanently  
26 alter the ecosystem or to put the ecosystem in a  
27 position where other activities can't be  
28 supported, such as fishing or such as -- as  
29 ecotourism, et cetera, in the case of other  
30 activities. So it's -- it's not that we're trying  
31 to manage ecosystems. We're trying to do --  
32 manage the other activities that we have  
33 legislative responsibility for in the context of  
34 where they're situated within an ecosystem. And  
35 clearly, we don't have all the answers.

36 We don't know the details of how each  
37 ecosystem works and people say it's not rocket  
38 science and it isn't. It's way more complex.  
39 Rocket science is Newtonian physics. You have --  
40 you have an equal and opposite reaction and so on  
41 and we have a situation where the web is so  
42 complex it is very difficult to understand;  
43 therefore, you can't push it. You can't take huge  
44 risks with it. You've got to be cautious and  
45 you've got to understand that you don't know. And  
46 I think that's one of the huge issues in the past,  
47 we assumed we knew. We assumed we knew how much  
48 fish was there. We assumed we knew that if you've

1 harvested at a particular fishing mortality, the  
2 fish could be maintained at maximum sustainable  
3 yield. And that presupposes a stable state in the  
4 ecosystem, so we assumed the ecosystem was stable,  
5 constant, and the only variable that we needed to  
6 control was the fish harvesting and we assumed, as  
7 I said, that we knew with some degree of certainty  
8 the population. And we didn't know the population  
9 with that level of certainty and we certainly  
10 didn't understand how that population was reacting  
11 in the ecosystem and we've paid the price for that  
12 hubris.

13 Q Deputy...?

14 MS. DANSEREAU: If I may add, if I used the words  
15 inappropriately, I apologize, but for me, what it  
16 means is that we need to organize ourselves as a  
17 department in such a way that the ecosystem is, in  
18 fact, considered in the decisions that we're  
19 making and so gone are the days when we manage, as  
20 you've heard others say, simply manage the fish,  
21 thinking that we knew exactly how to manage it but  
22 now the way that the department is organized, the  
23 people that are making habitat decisions are in  
24 the same sector as the people making species at  
25 risk recommendations, in the same sector as the  
26 people that are making recommendations around  
27 fisheries, so that there is a conversation and all  
28 of which is based on science that has the  
29 ecosystem as a fundamental decision-making piece  
30 within it.

31 Q Does any other panel member want to add anything  
32 or answer the question that the commissioner had.  
33 Ms. Farlinger?

34 MS. FARLINGER: Just in response to the source  
35 documents, Mr. Bevan made some reference to it,  
36 but I think fundamentally you'll see the science,  
37 the policy, and the legislation to some degree  
38 that supports the department evolving along with  
39 the evolving science, and I think that we began to  
40 see in the '50s and '60s as a scientific community  
41 that fish stocks could collapse. I think before  
42 that, there may have been a more general  
43 understanding which was incorrect about that. And  
44 then we went through a series of science, I think,  
45 a series of evolutions in science that started to  
46 look at biological systems as systems and we began  
47 to see a reflection of that in our policy. In the

1 1990s on the Atlantic Coast there was the  
2 development of an Atlantic Fisheries policy. On  
3 the West Coast there was a development of a *New*  
4 *Directions* policy which has been referred to  
5 earlier.

6 At the same time the **Oceans Act** came into  
7 being and the **Oceans Act** very specifically  
8 mandates an integrated ecosystem-based approach to  
9 how ocean activities are managed. And it also  
10 sets out the department to lead and coordinate  
11 those activities and so it follows, not  
12 surprisingly, that our own activities would have  
13 to fall in line with those ecosystem and  
14 integrated management parameters that are set out  
15 in the **Oceans Act**. And if you, in fact, follow  
16 those two policy examples I talked about on the  
17 East Coast and the West Coast and then the **Oceans**  
18 **Act** directives for ecosystem and integrated  
19 management added into those, then you see the  
20 evolution of what we currently call our  
21 sustainable fisheries framework, which explicitly  
22 looks at policies that take ecosystem type  
23 considerations into account.

24 For example, we say that when we're managing  
25 a fishery, we're going to look at bycatch, which  
26 is simply fish that are caught by accident in a  
27 fishery. And we will manage a fishery to reduce  
28 the ecosystem impacts, whether it is bycatch or  
29 whether, for example, it's benthic impacts on the  
30 bottom of the ocean, so we have evolved into this  
31 sustainable fisheries framework that reflects  
32 those basic attempts to start to codify policies  
33 in the '90s as a result of the evolving science  
34 and what we were seeing on the ground and then the  
35 addition of the **Oceans Act** with very explicit  
36 directions about founding our work on ecosystem  
37 basis.

38 Q One of the things you seem to be saying or  
39 suggesting, Ms. Farlinger, is that while we  
40 frequently talk about the **Fisheries Act**, you're  
41 saying operationally the **Oceans Act** is a very  
42 important legislative framework and document for  
43 you, as well; is that right?

44 MS. FARLINGER: That's true. And it's certainly a  
45 reflection, as I've said, of the evolving science.

46 Q Just on that, and asking you from an operational  
47 standpoint, I'm not asking you to answer any

1 question of law, but where operationally does the  
2 department see the ocean coming to? How -- where  
3 does the ocean stop, as you get towards shore?  
4 Does it include the straits or not? Are they  
5 covered by the **Oceans Act**?

6 MS. FARLINGER: The Strait of Georgia, you mean?  
7 Q Yes, or Hecate Strait.

8 MS. FARLINGER: Yes, they're part of the ocean in the  
9 view of the department, yes.

10 Q All right.

11 MS. FARLINGER: Marine water, saltwater, I think, is  
12 the -- versus freshwater.

13 Q So as a working definition, is it the case that if  
14 it's saltwater, it's an ocean?

15 MS. FARLINGER: I'm not sure I want to declare any  
16 points of law, as you said, but certainly that's a  
17 working operational understanding we have.

18 MR. TAYLOR: All right. Now, I see it's four o'clock.  
19 Do you want me to stop now?

20 THE COMMISSIONER: Is it a convenient place for you to  
21 stop or do you have...?

22 MR. WALLACE: Mr. Commissioner, I have some concern  
23 about time tomorrow. How much longer do you think  
24 you would be, Mr. Taylor?

25 MR. TAYLOR: I can understand why Mr. Wallace is  
26 standing. I said 40 minutes and I've been 35  
27 minutes, I think. And I'm looking at half an  
28 hour.

29 THE COMMISSIONER: Would that inconvenience commission  
30 counsel or other counsel if we let Mr. Taylor  
31 complete if, in fact, his estimate is correct?

32 MR. WALLACE: Mr. Commissioner, that would be my  
33 preference, just to give us some flexibility  
34 tomorrow.

35 THE COMMISSIONER: Then we'll go to 4:30. Is that  
36 convenient for all counsel?

37 MR. TAYLOR: It's fine by me.

38 THE COMMISSIONER: All right.

39 MR. TAYLOR:

40 Q Mr. Macgillivray, I'll put this question to you.  
41 One of the panel members, I don't remember which  
42 one, mentioned concerns about Coho. You're  
43 familiar with that, are you?

44 MR. MACGILLIVRAY: Yes.

45 Q Can you elaborate and say what that's about and  
46 when was that arising and where did it lead to?

47 MR. MACGILLIVRAY: The particular concern, I think,

1 that was raised earlier was in the mid-1990s Coho  
2 populations in the Fraser River and the Skeena  
3 River in particular were at low levels. The  
4 response was -- was at the time, I think it was  
5 put in place 1998, severe restrictions on any  
6 catch of Coho in particular from those two rivers  
7 that I mentioned, which resulted really in a very  
8 big change in the operation of many fisheries,  
9 given the wide distribution of Coho and throughout  
10 the summer, when other fisheries were normally  
11 taking place.

12 Concerns for Coho conservation resulted in  
13 fishing restrictions for First Nations, commercial  
14 and recreational fisheries in a lot of British  
15 Columbia.

16 Q Did that include the Fraser River?

17 MR. MACGILLIVRAY: Yes, it did.

18 Q And did those concerns over Coho and then the  
19 restrictions that you've noted that were put in  
20 place, did they lead to any kind of change in  
21 approach or attitudinal change to fisheries  
22 management?

23 MR. MACGILLIVRAY: Yes, they certainly did. When I  
24 spoke earlier about policy changes in the late  
25 1990s and then in subsequent years, I link a lot  
26 of the impetus for those changes back to a  
27 decision to protect the Coho stocks in the late  
28 1990s, so for example, selective fishing policy  
29 really emerged from the Coho problems in the late  
30 1990s and I think I spoke about that a little bit  
31 earlier. That really determined -- avoiding Coho  
32 and making Coho conservation problems worse was a  
33 key objective that resulted in changes in the way  
34 that a whole range of fisheries occurred.

35 Q Now, about the same time, the document called *New*  
36 *Direction* came into play, did it?

37 MR. MACGILLIVRAY: Yes, that's right. That came into  
38 play in October of 1998.

39 Q And that's Exhibit 32 that was marked recently  
40 that Mr. Rosenbloom no doubt will question on  
41 tomorrow. He's interested in it. Can you, in an  
42 overview way, tell us what is the *New Directions*  
43 policy and what did it lead to?

44 MR. MACGILLIVRAY: The *New Direction* policy, described  
45 briefly earlier, but it contained 12 principles  
46 that were intended to provide direction to how  
47 Pacific salmon fisheries would be managed.

1 Q These are the 12 principles under the three  
2 headings that you spoke of before?

3 MR. MACGILLIVRAY: Yes, that's right. The three themes  
4 or headings were conservation, sustainable use and  
5 improved decision-making. Each of those  
6 principles provided some practical guidance on how  
7 to make decisions associated with Pacific salmon  
8 fisheries management. So at the overall level,  
9 that provided some general direction, but also as  
10 part of that policy there was a commitment to more  
11 clearly articulate detailed operational policies  
12 associated with these three themes. So, for  
13 example, under the heading of Conservation, there  
14 was a commitment to develop what became the Wild  
15 Salmon Policy which again, the theme of more  
16 clearly articulating what the objectives are, so  
17 the Wild Salmon Policy developed into a  
18 description of conservation units and many other  
19 aspects, but the real gist of it is to more  
20 clearly define what conservation means and what  
21 specific conservation objectives would be for  
22 Pacific salmon.

23 Other aspects or other detailed policies that  
24 were committed to in that overall *New Direction*  
25 paper included selective fishing, identifying a  
26 selective fishing policy. Other aspects were an  
27 allocation policy, so more clearly identifying  
28 allocation guidelines that would respect First  
29 Nations rights and priorities and go beyond that  
30 to identify portions of the available catch after  
31 conservation and after First Nations harvests that  
32 would be shared between commercial and  
33 recreational harvesters.

34 There was also a commitment to develop an  
35 operational paper on reforming the consultative  
36 process. So those are the four aspects of  
37 detailed policy that I can recall that were  
38 committed to in this more general *New Directions*  
39 paper from October of 1998.

40 Q Then the Wild Salmon Policy came into play in  
41 2005, correct?

42 A That's right.

43 MR. TAYLOR: And that's Exhibit 8, Mr. Commissioner.

44 Q And how does it fit into all of this, and  
45 specifically the *New Directions*?

46 MR. MACGILLIVRAY: The link, as I said, is the *New*  
47 *Directions* paper from 1998 provided a series of

1 principles and also a commitment to follow up and  
2 provide much more detail on each of those three  
3 themes of conservation, sustainable use and  
4 improved decision-making. The Wild Salmon Policy  
5 was committed to as a policy, a more detailed  
6 policy that would follow *New Directions* and more  
7 clearly articulate conservation objectives for  
8 Pacific salmon.

9 Q All right. Now, about a month or so from now on  
10 December 18th and I'll ask -- I'll put this  
11 question to the Deputy, Canada, within British  
12 Columbia will assume responsibility for  
13 aquaculture and first on that, just to be clear,  
14 is it correct that it's only in British Columbia  
15 that that change is happening?

16 MS. DANSEREAU: Yes.

17 Q And can you, in an overview way, say what DFO has  
18 done and is doing to prepare for that change of  
19 regime where Canada will assume responsibility for  
20 aquaculture management and regulation in British  
21 Columbia rather than the province doing it?

22 MS. DANSEREAU: Yes, certainly. And first let me say  
23 that it's -- will continue to be in some ways a  
24 shared responsibility because the province retains  
25 some responsibility both for leasing and for some  
26 of the substrate management. So the parts of the  
27 -- of aquaculture that are deemed to be the  
28 fishery, i.e., the fish in the water, will become  
29 the responsibility of the federal government, but  
30 some of the other functions still rest with the  
31 province and we are working with the province to  
32 establish a memorandum of understanding to fully  
33 define what the differences are between the two  
34 levels of government. We have been diligently  
35 working at making sure that we are ready for  
36 December 18th and that requires us to first of all  
37 post for consultation on *Canada Gazette I* the  
38 regulation because we will have to manage this  
39 program under a regulation, so we have posted --  
40 we've done a series of consultations across the  
41 province with many levels for many months. We  
42 have then written a regulation which was posted on  
43 *Canada Gazette I* and we are now analyzing the  
44 consultative product from that posting.

45 We will also then be -- we are in  
46 consultation at the moment for licence conditions,  
47 because we will have to attach licence conditions

1 to each of the fish farms. As we do in any other  
2 fishery, all of our fisheries are managed  
3 according to licence conditions. Again, this will  
4 be by attaching them to the licence with the  
5 companies.

6 We're also, of course, having to organize  
7 ourselves staff-wise. We will have to hire people  
8 and so we're in that process now and putting into  
9 place both the organizational structure that will  
10 be required to manage these new sets of programs  
11 and to be ready for December 18th. And we have no  
12 choice. We will be ready.

13 MR. TAYLOR: All right. Yes, and just to be clear, Mr.  
14 Commissioner, you're probably aware of this, but  
15 that's a court-ordered date, so there isn't any  
16 flexibility in it. It will happen on December  
17 18th by law and you're familiar with the **Morton**  
18 (phonetic) decision, of course, but that's the  
19 date that comes into play.

20 Q Ms. Farlinger, as the regional director general,  
21 you will be the one tasked and charged with  
22 operationalizing this. Is there anything that you  
23 want to add as to what's been done within the  
24 region to be ready for December 18th, how you're  
25 going to go about operationalizing this new  
26 responsibility?

27 MS. FARLINGER: In addition to the steps that the  
28 deputy described in the development of the  
29 regulation, we've been also working in terms of  
30 staffing at developing the monitoring capacity.  
31 One of the significant issues that had been raised  
32 in that decision and has been a commitment of DFO  
33 is transparency in terms of managing that fishery,  
34 so another piece of work we've been doing is  
35 developing clear conditions for the industry in  
36 terms of reporting and also the structures we will  
37 be building are and will continue to build  
38 internally to make the information that we do  
39 collect in terms of regulating a -- both the  
40 shellfish aquaculture and the fin fish aquaculture  
41 available to the public in B.C.

42 We have, of course, been making sure we have  
43 places to put those folks, making sure that they  
44 are trained, so that December the 18th they will  
45 be able to work both with the industry and begin  
46 to develop the sort of consultative structures  
47 that will likely in very many ways mirror what we

1 see in the wild fisheries.

2 Q Now, on the wild salmon policy, and I'm not going  
3 to ask you about the details, Ms. Farlinger, and  
4 it is a topic that will be a week's worth of  
5 evidence before this commission in about two weeks  
6 and you, yourself, will be one of the people, I  
7 understand, giving evidence, but for now, and  
8 looking at it in the context of departmental  
9 structure and organization, can you in an overview  
10 and departmental structural sort of way say what  
11 has been done is being done and will be done to  
12 implement the Wild Salmon Policy?

13 MS. FARLINGER: To implement the Wild Salmon Policy  
14 writ large or with respect to aquaculture?

15 Q Writ large.

16 MS. FARLINGER: The work that has been done to date on  
17 -- to implement the Wild Salmon Policy essentially  
18 follows the five strategies and the sub-elements  
19 that are set out in terms of the Wild Salmon  
20 Policy. While each of those -- sorry, six  
21 strategies. Each of those strategies have been  
22 developed in some measure. There is work that can  
23 be done in parallel in those strategies and then  
24 there is also work that's required to be done  
25 sequentially.

26 I'll try and clarify that. For example, if  
27 we are to develop standards and indicators for  
28 specific conservation units, we need to know where  
29 those conservation units are, what the definition  
30 of them is. We have done that. We have developed  
31 the methodology in the Science Branch to take a  
32 look at how best we can establish those  
33 indicators, whether in the case of stock status,  
34 their limit reference points, or in the case of  
35 habitat we have developed a suite of indicators  
36 for that.

37 In Strategy 4, and I'm just picking a few  
38 examples here, we have pilots ongoing for  
39 integrated watershed multi-stakeholder groups to  
40 take a look at the information that is available  
41 on stock status, habitat status, ecosystem status  
42 in watersheds to begin to discuss and finalize  
43 what those conservation units will be, what the  
44 status is and what kind of considerations need to  
45 be taken in terms of recommendations to the  
46 minister about how the Wild Salmon Policy is  
47 actually implemented, that is, how we use it to

1 manage harvest, how we use it to determine how we  
2 use enhancement facilities, how we use it to  
3 manage habitat on a local level.

4 Also, as part of managing salmon since the  
5 Wild Salmon Policy operationally we have  
6 integrated the principles of the Wild Salmon  
7 Policy into decision-making at all levels of the  
8 organization. I will just simply say that we have  
9 enjoyed having a policy framework to which we can  
10 make reference when there is a need to make  
11 decisions with the input from stakeholders. And  
12 so some examples of that may be, for example,  
13 reducing the harvest rate on Skeena sockeye from  
14 what was historically above 40 percent to  
15 currently a rate that ranges from 20 to 30  
16 percent, depending on the abundance of fish and  
17 other factors. I'll try not to get too technical  
18 here.

19 But is simply having the policy framework and  
20 the principles that are provided to us by the Wild  
21 Salmon Policy that allows us to take day-to-day  
22 and year-to-year operational decisions in the  
23 context of that policy.

24 Q All right. Thank you. Now, I want to ask a  
25 couple of questions about Slide 17 in the  
26 presentation that was made earlier which is  
27 Exhibit 15. Slide 17 - and thank you, Mr. Lunn,  
28 if you're bringing it up - spoke to some  
29 relationships and partnerships that exist between  
30 Fisheries and others in your work and one of those  
31 is the Pacific Salmon Commission and it's referred  
32 to at the bottom of that slide. There is going to  
33 be evidence next week from the Pacific Salmon  
34 Commission what they say the Pacific Salmon  
35 Commission is all about and so forth, but from a  
36 Fisheries standpoint, briefly what is the role and  
37 relationship as between Fisheries and the Pacific  
38 Salmon Commission, Fisheries and Oceans, and who  
39 does what? Who wants to, on the panel, answer  
40 that?

41 MS. FARLINGER: The Fraser River panel focuses on  
42 updating and establishing the run size of -- with  
43 respect to Fraser sockeye in season, and it does  
44 this on the basis of the arrangements in the  
45 treaty which set out allocations between Canada  
46 and the U.S. and various details around that. In  
47 terms of the role of each country, each country

1 then goes away to implement the domestic  
2 management component of those decisions that are  
3 made by the Fraser River panel in season.

4 DFO contributes information and data to the  
5 commission which then prepares the information for  
6 the panel, as does the U.S.

7 Q The commission has commissioners, correct? And  
8 without getting into names, who are they and where  
9 do they come from?

10 MS. FARLINGER: The commissioners come from -- on each  
11 side, on the American side and the Canadian side,  
12 first of all from the agency responsible for the  
13 management of the salmon and also from First  
14 Nations and stakeholder groups. In -- we often,  
15 the minister will often take recommendations from  
16 the province or from stakeholders in terms of  
17 appointing new commissioners when commissioners  
18 retire, but in general they come from First  
19 Nations and stakeholder groups.

20 Q How many commissioners are there?

21 MS. FARLINGER: There are four commissioners on each  
22 side -- well, eight.

23 Q All right. Eight --

24 MS. FARLINGER: Actually, I'm going to defer. Just a  
25 moment.

26 Q Mr. Macgillivray can answer if he wants.

27 MS. FARLINGER: Okay. Sorry, four commissioners and  
28 four alternates on each side. I have just been  
29 formally to my first commission meeting, so I must  
30 -- I must say that there are some details I have  
31 to rely on my --

32 Q Are you one of the commissioners now?

33 MS. FARLINGER: I am, yes.

34 Q And that's because of your role as regional  
35 director general, is it?

36 MS. FARLINGER: That is, yes.

37 Q So each side has four commissioners plus four  
38 alternates?

39 MS. FARLINGER: Yes.

40 Q What's the role of an alternate?

41 MS. FARLINGER: The role of an alternate is to fill in  
42 for a commissioner when they're not available.

43 Q All right. So full sitting is eight, is it?

44 MS. FARLINGER: That's right.

45 Q And of the four Canadian commissioners, where do  
46 they come from? Where are they drawn from?

47 You've mentioned a number of different groups and

1           you're one. Is there more than one Fisheries  
2           official as a commissioner?

3       MS. FARLINGER: The other commissioners at the moment,  
4           there is one commissioner who has -- is -- has  
5           been put forward by the province. This is an  
6           individual who's had a good deal of experience in  
7           fisheries, both in the commercial and recreational  
8           side. There is a commissioner from the Fraser  
9           River First Nations. There is a commissioner from  
10          -- an incoming commissioner from the Pacific  
11          Salmon Foundation. I'm going to defer to Mr.  
12          Macgillivray here.

13       MR. WALLACE: Excuse me for rising, Mr. Commissioner,  
14           but Ms. Farlinger, all of this will be before the  
15           commission next week. I understood this  
16           questioning to be the DFO perspective on the  
17           salmon commission. Now we're getting into its  
18           makeup which is what we have three days set aside  
19           for.

20       MR. TAYLOR: Well, I don't need to pursue it. That's  
21           fine. And I note that we're approaching the  
22           bottom of the hour.

23       Q       Let me move to a question of the deputy then.  
24           There's been some evidence of a think tank that  
25           happened organized by SFU, Simon Fraser University  
26           in December of '09 and then another one in March  
27           of 2010; you're familiar with those, are you,  
28           Deputy?

29       MS. DANSEREAU: Yes, I am.

30       Q       And did Fisheries scientists attend those?

31       MS. DANSEREAU: We were not participants and I think we  
32           -- some of our participants went as observers, but  
33           not as participants, none of our scientists went,  
34           and it was in part my decision that we not  
35           participate at that time because the commission of  
36           inquiry was getting started and we wanted to make  
37           sure that we focused our energies on this  
38           commission rather than on others.

39       Q       All right. And then there was a symposium that  
40           the Pacific Salmon Commission held in June of this  
41           year; is that correct?

42       MS. DANSEREAU: Yes.

43       Q       And did Fisheries scientists participate in that?

44       MS. DANSEREAU: Yes.

45       Q       Is there a position or protocol within the  
46           Department of Fisheries and Oceans on scientists  
47           attending symposiums or conferences or other

1 outside meetings?

2 MS. DANSEREAU: There is and there isn't. If a  
3 symposium is generally within a scientist's work  
4 plan, then I certainly would not get involved.  
5 This was a particular case because there were  
6 other issues happening and we wanted to make sure  
7 that we were focused on our priorities.

8 There is some discussion around the role of  
9 scientists in the international fora as we talked  
10 about earlier, and I have been working very hard  
11 at making sure that all of our activities  
12 internationally are done within a plan and within  
13 established priorities and that we don't have  
14 people going off without it being somehow within  
15 some kind of work plan. Either it's a  
16 developmental opportunity for the scientist or  
17 it's because their work priorities require that  
18 they attend. There are any number of conferences  
19 and symposia happening internationally which is  
20 true for our scientists as much as it is for some  
21 of our policy thinkers and so we need to put some  
22 -- I need to have some way of managing the  
23 attendance at those, but not because of the --  
24 necessarily the content, but much more about work  
25 planning.

26 Q All right. There is mention earlier of a  
27 commission or committee that is made up of Pacific  
28 Rim country memberships. You remember that  
29 committee, do you? There's a conference of that  
30 group happening now, isn't there? Ms. Farlinger  
31 can answer, it looks like.

32 MS. FARLINGER: Yes. There is a meeting associated  
33 with the North -- North Pacific Anadromous Fish  
34 Commission now.

35 Q And is there DFO scientists at that?

36 MS. FARLINGER: Yes.

37 Q That's in Korea, is it?

38 MS. FARLINGER: Yes.

39 Q And that's an important international conference  
40 and body, is it?

41 MS. FARLINGER: Yes, it is, and it's part of our  
42 ongoing work on salmon. Yes.

43 MR. TAYLOR: All right. Thank you very much.

44 Mr. Commissioner, before I sit down, I don't  
45 believe that the witnesses are going to be under  
46 cross-examination at the end of today, but I'll  
47 take your direction on that and what you choose to

1 say to the witnesses and secondly, I am -- I do  
2 intend to pass -- I have passed to Mr. Wallace and  
3 intend that the Executive Summary to the first  
4 exhibit put in today, I think it might be Exhibit  
5 15, but that 300-page document was put in and I do  
6 intend that the Executive Summary to that go in as  
7 an exhibit and I will be speaking with Mr. Wallace  
8 trying to get that operationalized, if you like,  
9 into the computers and have that done.

10 THE COMMISSIONER: Thank you very much, Mr. Taylor.

11 MR. TAYLOR: Thank you. It's Exhibit 14 apparently.

12 THE COMMISSIONER: Thank you.

13 MR. WALLACE: Mr. Commissioner, before we rise, I just  
14 would like to take -- while everybody's here,  
15 before you leave and I lose control, I would ask  
16 counsel to provide me with their time estimates  
17 for their examinations of this panel tomorrow and  
18 I would say that we have asked our staff to email  
19 the *New Directions* document to participants so  
20 that they can review it overnight.

21 THE COMMISSIONER: Thank you, Mr. Wallace. I just have  
22 a couple of matters I wanted to raise with  
23 counsel. First of all, just to echo Mr. Wallace's  
24 comment if counsel could just provide him with  
25 your time estimates, we will have tomorrow and I  
26 understand tomorrow only for this panel, so that  
27 everybody gets a fair opportunity to ask their  
28 questions, if you would ensure that you're all  
29 able to carve up the time available to make sure  
30 there's a fair opportunity for each counsel who  
31 wishes to ask questions to get that opportunity.  
32 Otherwise, they're going to miss out on that  
33 opportunity and I don't want you to do so, so  
34 please cooperate with Mr. Wallace this evening and  
35 ensure that tomorrow is productively used by  
36 dividing it up amongst you in terms of the time  
37 estimates.

38 I want to thank the panel for their  
39 availability today and I understand tomorrow, as  
40 well. I -- and Mr. Taylor mentioned it, members  
41 of the panel, and I can tell you that -- I  
42 apologize to you for turning my shoulder to you.  
43 It's just an awkward way of addressing you with  
44 this microphone, but I have asked -- I've invited  
45 and respectfully asked those who are under cross-  
46 examination to not discuss their evidence with any  
47 person until that examination has been concluded.

1 You're not officially under cross-examination, but  
2 I wanted you to know what my practice is. I've  
3 incorporated that practice from my experience in  
4 trials because I think it's a fair practice to  
5 respectfully request witnesses to do that, but  
6 I'll let you exercise your judgment in that  
7 regard.

8 With respect to staying longer today, I  
9 overlooked asking my staff here, including Mr.  
10 Registrar, Mr. Lunn and Madam Reporter if it was  
11 convenient to stay longer. I won't overlook that  
12 again because I know everybody at times has  
13 commitments and they bank on the matters  
14 adjourning when we say they're going to adjourn,  
15 so I'm grateful that you were able to do so and  
16 I'm grateful to all counsel for allowing Mr.  
17 Taylor, who is obviously counsel for these parties  
18 as members of his client to complete his  
19 examination today.

20 So we'll adjourn then until ten o'clock  
21 tomorrow morning. Thank you all very much.

22 THE REGISTRAR: The hearing is now adjourned until ten  
23 o'clock tomorrow morning.

24  
25 (PROCEEDINGS ADJOURNED TO NOVEMBER 2, 2010 AT  
26 10:00 A.M.)  
27  
28  
29  
30

31 I HEREBY CERTIFY the foregoing to be a true  
32 and accurate transcript of the evidence  
33 recorded on a sound recording apparatus,  
34 transcribed to the best of my skill and  
35 ability, and in accordance with applicable  
36 standards.  
37  
38  
39

40 \_\_\_\_\_  
41 Irene Lim  
42 Registered Court Transcriber  
43  
44  
45  
46  
47

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

I HEREBY CERTIFY the foregoing to be a true and accurate transcript of the evidence recorded on a sound recording apparatus, transcribed to the best of my skill and ability, and in accordance with applicable standards.

---

Pat Neumann  
Registered Court Transcriber

I HEREBY CERTIFY the foregoing to be a true and accurate transcript of the evidence recorded on a sound recording apparatus, transcribed to the best of my skill and ability, and in accordance with applicable standards.

---

Diane Rochfort  
Registered Court Transcriber

I HEREBY CERTIFY the foregoing to be a true and accurate transcript of the evidence recorded on a sound recording apparatus, transcribed to the best of my skill and ability, and in accordance with applicable standards.

---

Susan Osborne