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:

Tenue à :

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

Monday, May 2, 2011

le lundi 2 mai 2011



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

#### Errata for the Transcript of Hearings on May 2, 2011

Page	Line	Error	Correction
7	20	REGISTRAR	COMMISSIONER
12	6	3/31/28	3/31/2008
12	21	7419	749
44	23	psychological	ecological
48	22	affects	effects
50	23	"demographic disease transmission,"	"demographic disease transmission," (sic)
65	38	conversation hatcheries	conservation hatcheries
66	23	fishing is intense	pressure is intense
74	2, 10	lake in Richmond program	Lake Enrichment Program.
90	8	loo	look
91	13	sighting	siting
91	21	sight	site
94	7	socks	stocks
101	44	los	loss
102	9	lodging model	logic model
120	44	armed	harmed
123	38	he	the

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("SPABC")

No appearance Aquaculture Coalition: Alexandra

Morton; Raincoast Research Society; Pacific Coast Wild Salmon Society

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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

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Crystal Reeves

## APPEARANCES / COMPARUTIONS, cont'd.

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No appearance Laich-kwil-tach Treaty Society

Chief Harold Sewid, Aboriginal

Aquaculture Association ("LJHAH")

No appearance Musgamagw Tsawataineuk Tribal

Council ("MTTC")

Lisa Fong Heiltsuk Tribal Council ("HTC")

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Vancouver, B.C. /Vancouver
(C.-B.)
May 2, 2011/le 2 mai 2011

THE REGISTRAR: Order. The hearing is now resumed.

MS. BAKER: Good morning, Mr. Commissioner. It's Wendy
Baker for the Commission, and with me is Maia
Tsurumi. I have a number of housekeeping matters
to take care of this morning.

The way we're proceeding this morning is by way of sworn evidence in chief that's been distributed to all parties last week. We'll be turning the witnesses over for cross-examination once their affidavits are in evidence and I have a couple of exhibits to take them to in relation to their affidavits, and then I'll be turning them over for cross-examination. But before we get there, I wanted to just go over a couple of things.

Timing, we're starting early this morning, and I would like to suggest that we take our morning break at about 10:45, ballpark that should take us about halfway through the morning, starting again around 11:00.

We have outstanding from the harvest management hearings questions and answers that were given to Paul Ryall, if you'll recall, on his last day of testimony we weren't able to complete. So questions were posed to him by Area G and by the First Nations Coalition, and those have now been answered by Mr. Ryall, and I'd like those marked. The first one is the Area G questions and answers, and those have been provided to all parties. They were provided on April 27, 2011, and I'd like those marked as the next exhibit. REGISTRAR: Exhibit number 755.

THE REGISTRAR: Exhibit nur

EXHIBIT 755: Area G/UFAWU written questions and answers asked of Paul Ryall, dated April 27, 2011

MS. BAKER: And the next questions and answers were circulated, or are dated - I can't remember, sorry, the date we circulated them - but they are dated April 21 on their face, and they are questions for Paul Ryall from the First Nations Coalition with answers. If those could be marked,

please, as the next exhibit.
THE REGISTRAR: Exhibit 756.

EXHIBIT 756: First Nat

EXHIBIT 756: First Nations Coalition written questions and answers asked of Paul Ryall, dated April 21, 2011

MS. BAKER: Mr. Lunn, perhaps you can call 755 up just so people can see that document. Thank you.

All right. The next document to be marked this morning is the Policy and Practice Report for this section of the hearings, which is dealing with habitat enhancement and restoration. This is a Policy and Practice Report prepared by the Commission on April 1, 2011, and I'd like that marked as the next PPR in the proceedings.

THE REGISTRAR: That will be marked as PPR number 11.

PPR11: Overview of Habitat Enhancement and Restoration, April 1, 2011

MS. BAKER: Thank you. On April 18, 2011, the Commission circulated another Policy and Practice Report called A Scientific Literature Review to Inform the Investigation Into the Potential Effects of Salmonid Enhancement on the Fraser River of Fraser River Sockeye Salmon, and I'd like to have that marked as the next Policy and Practice Report.

MR. BLAIR: Mr. Commissioner, Alan Blair, appearing for the B.C. Salmon Farmers Association. On this question of whether we ought to be marking the scientific literature review, it appears in two places in the Commission counsel's review of documents for today. Firstly in Tab 10 of the book which was circulated to all of us, and there's also a reference to it at paragraph 165 of the PPR which has just been marked as an exhibit.

We are unaware of any other scientific literature reviews which have been tendered in the process so far. So I think I'm correct in saying that this is the first summary of scientific literature. I'm aware of at least one other scientific literature review which has been prepared and there may possibly be others that would seek to be tendered. We object to it being filed as an exhibit for the following fairly

simple reason. It's an authorless report. It goes on for several pages, and if you have it in front of you at Tab 10, I'll pull my...

We do know that it was prepared by staff at the Commission, but we don't know by whom. And in the preamble of this document at page 1, it describes it as a:

Summary and compilation of findings and conclusions expressed by various authors in the community.

And it says towards the end of that first paragraph:

The purpose is to provide a bibliography of research that has been conducted.

For that purpose we have no objection to it. If it's an aid to the court, or in this case an aid to the Commission, we would have no difficulty. It's a useful document.

But it purports to be entered as an exhibit and found as referenced in the PPR at paragraph 165, it's incorporated in that reference at paragraph 165 of the PPR also to be effectively an exhibit. And we think it's a dangerous precedent to set in these hearings that an authorless summary of scientific research could be tendered as an exhibit. In that fashion, it's not just a bibliography of research, but is entered as an exhibit. It perhaps erroneously takes the participants and, Mr. Commissioner, yourself to a conclusion summarized in the paragraph of a document or documents which may be dozens or hundreds of pages long. And we think it's a dangerous precedent that someone who we don't know has summarized a 200-page technical report into a paragraph of what it says.

I was thinking of lawyers and how we use head notes in cases, and I want to draw this analogy and as a distinction. We know that if we go to a reporting series and read a Court of Appeal of British Columbia or Ontario head note, as counsel, we have some confidence that that head note was prepared by people who are skilled in doing such things. We know that it summarizes the law and

 the Court of Appeal decision on that particular date, and we know there is only one Court of Appeal of Ontario or British Columbia at a given point in time.

This appears to do the same thing. It appears to summarize the case, or in this case the report or series of reports, to a point in time with a conclusion, but we have no knowledge of the accuracy of that summary, and given the vast amount of material that, Mr. Commissioner, you'll have to read in this process, we think it's a dangerous precedent to allow you to be drawn, as we might be in reading a head note to a case, to say this case, this report stands for this proposition.

More to the point, because in the Court of Appeal analogy, there is only one Court of Appeal in British Columbia or in Ontario at a given point in time, so on the narrow points found in the head note, we know that that was the position in law in that province at that date.

The dangerous thing about this is we don't know what reports weren't referred to. We have no idea whether the report referred to by this authorless person who summarized this, or people who summarized this, referred to the leading authority at that point in time, whether it's a dissenting opinion, whether it carries the weight of evidence in the scientific community, and since none of us really on this side of the bar are biologists, although we have access to them, and since, if I may, infer that, Mr. Commissioner, you're not a biologist, to my knowledge, I think it's dangerous that we be drawn to a paragraph of some authorless summary.

So an aid to the process, no objection. Mark it for identification, no problem. But to mark it as an exhibit so the Commission could rely upon it and the summary, by picking a paragraph and assuming that that paragraph accurately summarizes either the case of the report for the body of evidence on that point at that point in time is a dangerous precedent and we wouldn't want to see it in this part of the hearing, nor in others where I expect it's going to be tendered.

Thank you.

THE COMMISSIONER: Thank you.

MS. BAKER: Mr. Commissioner, this is intended as an It is intended to summarize the literature, as you can see in the preamble to the review. It's identified that it is a non-critical review. It does not assess methods or assumptions behind the studies reported. So it is intended simply to summarize the papers that are set out. It doesn't assess them, and as with the PPRs, the parties are entitled to critique it in their final submissions, they're entitled to bring forward their evidence to rebut what's in these articles if they feel that it's necessary to do so. They -- it is intended as a review because there is a lot of literature that's of some relevance to this issue, which we don't have an ability to get into in the kind of depth suggested by the length of this bibliography.

However, the weight that this would be given, I submit, is simply that of a summary of articles, and it's useful for the participants to understand the issues that are before us. It's useful to the Commission to understand the breadth of issues. But the evidence on these issues will be dealt with through sworn evidence, and through testimony in the proceedings. So it is intended to be marked as a PPR, not as an exhibit, and to be relied on in that way at the Commission.

MR. BLAIR: If I may just a follow-up, Mr.
Commissioner. I do note that recent Commission
rules were amended, and Rule 27-1 says, and I am
summarizing, that any document identified and
referenced in a PPR, or in this, the PPR, which is
how my friend wishes to have it marked, may be
relied on by the Commissioner.

So that recent rule change suggests to me that perhaps the rules are contemplating that you could use it, rely on it as if it were evidence. And our point is simply that it can't be, shouldn't be, given that it is an authorless summary of somebody's opinion of some report, which may be right or wrong, but certainly doesn't canvass whether or not it's the only report on that subject that ought to have been referenced to the Commission. Thank you.

MR. TYZUK: Mr. Commissioner, Boris Tyzuk for the Province of British Columbia. We share some of Mr. Blair's concerns. We see what Ms. Baker is

 trying to do with it. But given the way the rules have been structured, where any document referenced in a PPR can be used by you, that's where some of our concerns sort of are; we have them for some of the reasons that Mr. Blair has expressed.

MS BAKER: Thank you Again I -- oh, sorry, Mr

- MS. BAKER: Thank you. Again I -- oh, sorry, Mr. Taylor.
- MR. TAYLOR: I understand what Mr. Blair is saying and share some of those concerns. We recognize that as a public inquiry some of the strictures of the rules of evidence that apply in litigation in the courts don't need to be fully adhered to here, but nonetheless it does seem to me that this shouldn't be something more than an aid to the Commissioner. It seems that that's what Ms. Baker is intending and it's more a question of how that is put in so that that understanding is clear. And I don't have anything more to say on that.

But I do add that two things, really. The Commission counsel, and I understand why they're doing this, time and moving forward is really the main reason. Commission counsel have in a number of respects put forward ways and means that expedite the evidence but overshoot to some extent any challenge to the evidence in many respects in doing so, and I'm thinking of the PPRs, but then the rule that now has anything that's referred to in a PPR can be referred to by the Commissioner in your report.

I understand that to a certain extent, but it puts a big onus on the participants to fathom through hundreds of footnotes in PPRs, and there's ten or 12 of them now, and figure out what to respond to. That's a lot of work. And now this, if you like, is one added thing that one would have to sift through if one really wanted to go at it and pick out what is wrong, and so forth.

At the same time, we, for the Government of Canada as a participant, have been in a dialogue with the Commission about getting some science evidence in, and without belabouring or going into the detail, where that's at is we may put forward draft affidavits that the Commission counsel will then consider whether they go in or not. And that's fine, but it's showing that if we want to put in evidentiary material of a science nature,

and opinions and so forth, we have to go through some hoops. And I certainly wouldn't want us having to do that, see that any of the scientific literature review and the commentary thereon is just going in as an exhibit. Fine, as Mr. Blair says, as an aid to the Commissioner, but shouldn't be beyond that. Thank you.

MS. BAKER: Mr. Commissioner, as stated earlier, this is intended as an aid. What we don't address, of course, is the weight to be given to anything in this document, and that is a question for the Commissioner. And that given that we are in a public inquiry, and we are able to receive evidence in a manner differently than in a court proceeding, I submit that this should be marked as a PPR as an aid to the Commission. As to the weight that's given to anything contained in it, that's for the Commissioner to determine and it should go in on that basis.

Thank you, Ms. Baker and counsel, for THE REGISTRAR: your submissions with respect to this particular PPR, which is at Tab 10 of the binder I'm looking at, and it is entitled "A Scientific Literature Review to Inform the Investigation Into the Potential Effects of Salmonid Enhancement on Fraser River Sockeye Salmon". After hearing submissions, my conclusion is that this particular document at Tab 10 should be marked for identification purposes, and that in due course when submissions are made with respect to the body of the evidence before the Commission, I could then hear further submissions from Commission counsel and participants' counsel with respect to the issue of the content of this particular document, and how much weight ought to be attached, not only to it, but to any reference to it in other documents.

I think that's the fair way to deal with the concerns that have been raised, and I say that, fully respecting the view that Ms. Baker has expressed with respect to its intended use, but also to try and balance the concerns that counsel have raised here this morning with respect to the weight that I ought to attach to it.

MS. BAKER: Thank you. I'll move now to swearing the witnesses. We --

MR. TAYLOR: That should be exhibit for ID then,

1 whatever letter that is. THE REGISTRAR: Yes, that will be marked for 3 identification as letters double A, AA. 4 5 MARKED AA FOR IDENTIFICATION: A Scientific 6 Literature Review to Inform the Investigation 7 Into the Potential Effects of Salmonid 8 Enhancement on Fraser River Sockeye Salmon 9 10 MS. BAKER: Thank you. We'll move to swearing the 11 witness, then. Dr. Peterman was here on April 20 and 21, so his oath remains in place, but the 12 13 other witnesses can be sworn. 14 15 RANDALL PETERMAN, recalled. 16 17 CAROL CROSS, affirmed. 18 19 GREG SAVARD, affirmed. 20 21 THE REGISTRAR: Will you state your name, please. 22 MS. CROSS: Carol Cross. 23 MR. SAVARD: Greg Savard. 24 THE COMMISSIONER: Thank you. Counsel. 25 26 EXAMINATION IN CHIEF BY MS. BAKER: 27 28 Thank you. Before we tender the affidavits from Q 29 these witnesses, I have one housekeeping matter to 30 take care of with Dr. Peterman. Dr. Peterman, 31 when you were here on April 21, you were asked 32 some questions by Lisa Fong on behalf of the 33 Heiltsuk Tribal Counsel. Do you remember that? 34 DR. PETERMAN: Yes. 35 And you've had a look at the transcript of that 36 proceeding and you are concerned that you misheard 37 a question. And that if I could have that 38 transcript pulled up on page 97 on April 21. 39 Should I just read out the lines? Are you 40 close, or... 41 MR. LUNN: Here we are. 42 MS. BAKER: Okay, page 97. 43 Now, Mr. Peterman, at the top of this page, line 44 beginning at line 4, you were asked: 45

Now, do you know, looking at this map for

reference here, if there's Fraser River

46

47

sockeye salmon migration through areas -- Management Areas 7 and 8, either migrating out or returning to spawn?

And then your answers follow. Did you have something you wanted to add there?

DR. PETERMAN: Yes. I unfortunately at the end of the second day of hearings kind of missed the key phrase there, "Fraser River", and I thought Ms. Fong was asking me whether Fraser River sockeye migrate through the Areas 7 and 8, and I just heard "sockeye" as opposed to "Fraser River sockeye". So I would like to replace my answer with the following:

I do not know any data on this, but I suspect that Fraser sockeye juveniles pass through there on their way northward. However, I have no information or expectations on Fraser River sockeye adult migration routes related to that region.

Q Okay, thank you. We'll put that transcript away.

Now, I'd like to move to the topic that we're here to talk about today, Enhancement and Restoration, and I have provided all parties with the sworn affidavits of Mr. Greg Savard and Ms. Carol Cross. And this morning I have provided all parties on Friday with an unsworn copy of the affidavit of Randall Peterman, which will be circulated today, but I can advise that the unsworn version that was sent out on Friday is the version that was sworn this morning before we began the hearings and that is now available by PDF and we'll see it on the screen when it comes up.

So I would like to start with the affidavit of Carole Cross. This was sworn on April 26th, 2011, if that could...

Ms. Cross, this is your affidavit?

MS. CROSS: Yes, it is.

- Q And we can turn to the second page with your signature on it.
- MS. CROSS: That is my signature.
- MS. BAKER: Okay, thank you. I'd like this marked, please, as the next exhibit.
  - THE REGISTRAR: Exhibit number 757.

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PANEL NO. 30
In chief by Ms. Baker
In chief on qualifications by Ms. Baker

EXHIBIT 757: Affidavit #1 of Carol Cross sworn April 26, 2011

- MS. BAKER: Thank you. And then Mr. Savard's affidavit, also sworn on April 26th, 2011.
- Q Mr. Savard, you can review that affidavit, and turn to page 2 where your signature's showing.
- MR. SAVARD: Yes, this is my affidavit and that's my signature, yes.
- MS. BAKER: Okay, thank you. I'd like this marked as the exhibit.

THE REGISTRAR: Exhibit number 758.

EXHIBIT 758: Affidavit #1 of Greg Savard, sworn April 26, 2011

- MS. BAKER: And finally, Dr. Peterman.
- Q This is your affidavit sworn this morning. You can turn to page 3 to see your signature on it.
- DR. PETERMAN: Yes, this is my affidavit and that's my signature.
- MS. BAKER: Thank you. And I'd like this marked, please, as the next exhibit.

THE REGISTRAR: Exhibit 759.

EXHIBIT 759: Affidavit #1 of Randall Peterman, Sworn May 2, 2011

MS. BAKER: And. Mr. Commissioner, Dr. Peterman was sworn or was qualified as an expert on April 20, 2011, and I would also like to have him qualified this morning as an expert in density dependent effects on wild and enhanced fish populations.

EXAMINATION IN CHIEF ON QUALIFICATIONS BY MS. BAKER:

- Q In that respect, Dr. Peterman, in your affidavit, page 2 -- sorry, in Exhibit A to your affidavit on the first page thank you you've set out your background related to interactions between wild and enhanced fish, and if I can just clarify that you have done work in the area of density dependent effects in both wild and enhanced populations; is that right?
- DR. PETERMAN: Yes, that's correct.
- Q And this, and what was in -- what did you intend in setting out these articles numbered 1 to 11 on

11
PANEL NO. 30
In chief on qualifications by Ms. Baker Ruling on qualifications
In chief by Ms. Baker

1 pages 1 and 2 of Exhibit A?

- DR. PETERMAN: Well, these are just examples of research that my colleagues and I have done related to interactions between salmon populations and within populations on the high seas.
- Q Right. And that is work done in the Pacific Northwest, writ large, and also in B.C. specific, is that right?
- DR. PETERMAN: Yes, that's correct. Well, and the first paper is in the North Pacific, written even larger.
- Q Okay, thank you. And that's work that you've continued with up until 2010, which is the first (indiscernible overlapping speakers).

DR. PETERMAN: Yes, that's right.

MS. BAKER: Thank you. Mr. Commissioner, I would like Dr. Peterman to be further qualified as an expert in the area identified.

THE COMMISSIONER: Yes, thank you, Ms. Baker. MS. BAKER: Thank you.

EXAMINATION IN CHIEF BY MS. BAKER, continuing:

Now, Mr. Savard and Ms. Cross, in your affidavits you've referred to some documents but they're not attached to your affidavit, so I'd just like to go through and clarify which documents you're referring to, and in doing that I'll refer to the Commission's list of potential exhibits which were circulated to all parties. I'd like to begin with Ms. Cross.

On page 1 of your Exhibit A, which is where the questions and answers are set out, which make up your evidence in direct in this proceeding. Thank you. Paragraph number 3, you identify the SEP Enhancement Guidelines, and I'd just like to confirm that those are the guidelines found in Tab 3 of the Commission's list. It's on the screen before you. Is that the document that you're referring to?

MS. CROSS: Yes, that's correct.

- Q All right. And, Mr. Savard, you also refer to the same document, I take it, at paragraph 19(6) of your affidavit?
- MR. SAVARD: Yes, that's correct.
- Q Sorry, sub (b), not sub (6), 19(b); is that right?
  MR. SAVARD: Yes.

MS. BAKER: Thank you. I'd like this SEP Enhancement 1 Guidelines please be marked as an exhibit. 3 THE REGISTRAR: Exhibit number 760. 4 5 EXHIBIT 760: Enhancement Guidelines for 6 Salmon Enhancement Programs, 3/31/28, Draft 7 8 MS. BAKER: 9 Ms. Cross, your c.v. is found at Tab 7 of the 10 binder before you. It should be up on the screen. 11 It's at Tab 7. This is your c.v.? 12 Yes, it is. MS. CROSS: I'd like this marked, please, as the next 13 MS. BAKER: 14 exhibit. 15 THE REGISTRAR: Exhibit 761. 16 17 EXHIBIT 761: Curriculum vitae of Carol Cross 18 19 MS. BAKER: 20 And, Dr. Peterman's c.v. has already been marked 21 in these proceedings as Exhibit 7419, so I'm not 22 going to mark that, at Tab 9 of the binder is the curriculum vitae of Mr. Savard; is that right, Mr. 23 24 Savard? 25 MR. SAVARD: Yes, that's correct. 26 MS. BAKER: Okay. I'd like that marked, please, as the 27 next exhibit. 2.8 THE REGISTRAR: Exhibit 762. 29 30 EXHIBIT 762: Curriculum vitae of Greg Savard 31 32 MS. BAKER: 33 Tab 11 is the Hatchery Risk Assessment Tool 34 prepared by DFO for DFO. Ms. Cross, you referred 35 to this -- sorry, I forgot to mark the paragraph 36 that you refer to this in. Maybe I have, I'll 37 just get someone to find that for me while I go to 38 Mr. Savard. You refer to this in paragraph 39 5(c)(iv)? 40 That's of the affidavit? MR. LUNN: 41 MS. BAKER: 42 It's in the Appendix A to his affidavit. Yes, that's the -- that's the document. 43 MR. SAVARD: 44 The Biological Assessment Framework, that's what 45 you referred to as the Biological Assessment 46 Framework in your paragraph 5(c)(iv), which is on

page 4?

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MR. SAVARD: No, the Biological Assessment Framework is 1 a different --It's a different document? 3 4 MR. SAVARD: -- a different document than the one that 5 you're referring to. 6 Okay, thank you. My misunderstanding then. 7 can ask Ms. Cross if your paragraph 17 of your 8 affidavit refers to a biological risk assessment 9 framework. Is this the document that you're 10 referring to, or am I mistaken on that, as well? 11 MS. CROSS: Could I just see my affidavit? It refers to a hatchery risk analysis tool. 12 yes. 13 MS. CROSS: Yes. That is the document. 14 MS. BAKER: Okay, thank you. So I'd like this document 15 marked then as the next exhibit. THE REGISTRAR: Exhibit 763. 16 17 18 EXHIBIT 763: Hatchery Risk Assessment Tool 19 (HRAT), User and Administrator Guide 20

MS. BAKER:

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- Q Mr. Savard, if you turn to Tab 13 of the binder, there's a SEP Revitalization Strategy, and I just wanted to confirm, if you turn to page 2 of that document, if you can cross-reference that with paragraph 5(a) of your affidavit. Is this the --while Mr. Lunn's pulling it up, is this Revitalization Strategy document a document which is referred to in paragraph 5(a) of your affidavit?
- MR. SAVARD: It appears to be. If I could see the affidavit. Yes, that's the same document.

  MS. BAKER: All right. Have that marked, please.

  THE REGISTRAR: Exhibit 764.

EXHIBIT 764: SEP Revitalization An Update, May 18, 2010

39 MS. BAKER:

- Ms. Cross, paragraph 13 of your affidavit refers to an experiment designed by Ted Perry of DFO. And I'd just like to take you to Tab 15 of the binder and ask if that's the -- that article relates to the experiment designed by Ted Perry?
- MS. CROSS: Yes, that is the article. But just for clarification, that experiment was designed with a group of people, and Ted led the group.

MS. BAKER: Thank you. Okay, so I'll have that marked, please.

THE REGISTRAR: Exhibit 765.

EXHIBIT 765: Perry et al, Salmon Stock Restoration and Enhancement: Strategies and Experiences in British Columbia

#### MS. BAKER:

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- And the last document, 19 in the binder, Ms. Cross, in your affidavit at paragraph 10, you identify requests made by SEP to Science Branch for research described in earlier paragraphs in your affidavit. Is this Request for Science Advice that you see on the screen before you the request document prepared by SEP, or on behalf of SEP? Perhaps, Mr. Lunn, if you can move that Yes. over.
- MS. CROSS: Yes, that is one of the requests that we had put forward.
- MS. BAKER: Okay. I'll have that marked, please. THE REGISTRAR: Exhibit 766.

EXHIBIT 766: Request for Science Information and/or Advice, Pacific Region

#### MS. BAKER: Thank you.

And the last piece of housekeeping is with respect to the PPR that's now been marked as number 11, there were some corrections that need to be made to this document. If I can take these through fairly quickly with either of the DFO witnesses, beginning with paragraph 24 on page 12. All right, paragraph 24 says that second line at the end:

> ...but many of these items are supposed to be encompassed by the biological risk assessment...

You're referring to the guideline document. Should that read "some" or instead of "many"? MR. SAVARD: Yes, that's correct.

Okay. And then paragraph 25, the Enhancement Guidelines again, it says:

...exist only in draft form, but they

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May 2, 2011

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1 represent the practices... 2 3 Is what it says in the PPR. Should it say "they 4 represent many of the practices"? 5 MS. CROSS: That's correct. 6 Okay. Then paragraph 26 refers to the Excess 7 Salmon to Spawning Requirements Initiative, and I 8 think the date might be incorrect there. It says 9 '93. It should say that it was implemented in the 10 1980s and amended in 1993; is that right? 11 MS. CROSS: That's correct. 12 Okay. Paragraph 29, "DFO's Regional guiding 13 principles", we should have identified that they 14 came from the Pacific Region Stewardship Strategy 15 and are supposed to be consistent with those, et 16 cetera. Is that right? 17 That's correct. MS. CROSS: 18 On page 18, paragraph 40, the SEP Risk Assessment 19 that's referred to in paragraph 40 should actually 20 be a reference to a SEP Corporate Risk Profile; is 21 that right? 22 MS. CROSS: That's correct. 23 Okay. And I'll just leave it at that. Paragraph 24 45 on page 20, 45(d), where it says "Biological" 25 risk assessment" it should be just "Biological 26 assessment"; is that right? 27 MS. CROSS: Yes. 28 And that's different, this is a biological Okay. 29 assessment framework, which is different from the 30 risk assessment; is that right? 31 MS. CROSS: Yes, that's correct. 32 Okay. And then that correction should follow 33 along to paragraph 48, where it also says 34 "biological risk assessment", the word "risk" 35 should be deleted? 36 Did you say 48? MR. LUNN: 37 MS. BAKER: 48. 38 MS. CROSS: Yes. 39 MS. BAKER: 40 Paragraph 54. You see spawning channels 41 have been set out there: 42 43 ...build fishways which included building 44 spawning channels in the 1960s at Weaver 45 Creek in the lower Harrison, Gates Creek... 46 47 And the word "and" should go in between "Harrison"

1 and "Gates Creek", is that right, first of all? MS. CROSS: Yes. 3 Okay, and: 4 5 ...in the upper Anderson-Seton system... 6 7 Then the Nadina River spawning channel was 8 actually built in 1973; is that right? 9 MS. CROSS: Yes. 10 Okay. And we should probably have also referenced 11 that Hell's Gate was built in this paragraph, as 12 well -- sorry, the Hell's Gate, the fishways were 13 built by the International Pacific Salmon 14 Fisheries Commission, as well, right? 15 That's correct. MS. CROSS: 16 Okay. Paragraph 57 where you see in brackets, "(Upper Pitt River stock)" we should have written 17 18 "(Upper Pitt River and Cultus Lake stocks)"; is 19 that right? 20 MS. CROSS: Yes. 21 68, we identified that: 22 2.3 The CEDP was reviewed in 1982 and 2005/06. 24 25 And that -- sorry? If you turn the page over, 26 continuing on, it reads that: 27 28 The 2005/06 review identified a program 29 funding shortfall and also found that DFO 30 staff were unable to provide an adequate 31 level of support and direction to CEDP 32 contractors. DFO's response to the review 33 recommendations was to develop... 34 35 An action plan to implement the recommendations; 36 is that right? 37 MS. CROSS: Yes. 38 And was there also a four-year plan for CEDP 39 renewal prepared? 40 MS. CROSS: Yes. 41 Okay. And paragraph 78 on page 31. The very last 42 line of that paragraph says "\$27 million" and in fact it should be "26 million"; is that right? 43 44 MS. CROSS: Yes. 45 And then 97, paragraph 97, which is on page 38, 46 there's a reference to program "HCSP". Do you see 47 that reference? It should really be a reference

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PANEL NO. 30
In chief by Ms. Baker
Cross-exam by Mr. Taylor (CAN)

to the Strategic Stock and Enhancement Program? MS. CROSS: Yes, that's correct.

Q And then finally on paragraph 137, which is on page 50, but the correction is on page 51, there's an agreement, the "Canada-BC Agreement on the Management of Pacific Salmon Fisheries Issues" is indicated as being in "1988", and that's a mistake, it should be "1998"; is that right?

MS. CROSS: Yes.

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- MS. BAKER: Thank you. Those were the questions I have for these witnesses. Their affidavits set out their direct evidence. We have a number of people who would like to examine these witnesses. We're a little bit behind schedule for where I wanted to be to start the cross-examination, so people are going to need to try and trim down their questions, if they can, by five to ten minutes, and the first questioner is Mr. Taylor on behalf of Canada. Thank you.
- MR. TAYLOR: Mitchell Taylor, Mr. Commissioner, with me is Charles Fugère, and we represent the participant Government of Canada. My questions will be direct, that's my intent, of the DFO witnesses, and as we have a panel, interestingly technically I'm cross-examining Dr. Peterman, but I aim that my cross will be sufficiently soft that direct and cross will meld quite well together. But when Ms. Baker was saying that the direct of the witnesses would be by affidavit, that didn't include me.

CROSS-EXAMINATION BY MR. TAYLOR:

- Q Now, I'd like to start, if I may -- oh, I have 55 minutes allotted to me. I'd like to start, if I may --
- MS. BAKER: Mr. Taylor, you're probably going to have to trim that back a little bit. I don't think you're going to have 55.
- MR. TAYLOR: That's top of mind.
- Q I'd like to start, if I may, with Mr. Savard, and Ms. Cross, and ask some questions of you, and my question to begin is what is SEP all about? What are the component parts of it? There is a focus, as I read your affidavits, and some of the other material on the hatcheries, and to some extent the spawning channels, but I understand there's more

to it than that. So could one of you start by taking a run at what is the SEP program, in a nutshell.

MR. SAVARD: I'll start and ask my colleague to respond, as well. So the Salmon Enhancement Program really has three different elements to it. One relates to fish culture, and this is largely the hatchery component of the program. And within the Pacific region there are about 23 hatcheries and spawning channels, and so this is a big part of the program.

The second element to the program is something called the Community Involvement Program, and this part of the program is focused in a few different areas. One is on building community stewardship arrangements. And nested within this Community Involvement Program is also a program called the Public Involvement Program, which in the Pacific region has about 265 different projects. And these are largely community-based projects. Some of them deal with small-scale fish culture, but many of them are related to just working in communities and building stewardship and awareness around the salmon resource.

Also as another significant point of the Community Involvement Program is an Education and Awareness Program, and again within this program there's a few pieces to this. It's about working with communities around education and awareness with salmon, but there's also a formal program within the British Columbia school system that is called the Salmonids in the Classroom, our Stream to Sea Program, so a significant education component.

And I guess the third element to the Salmon Enhancement Program more broadly is a part of the program that is the Resource Restoration Program. And this part of that program deals with the restoration of salmon habitat in the Pacific region and the Yukon. So working with partners and communities and other proponents, this is work that restores habitat on an annual basis.

I might just stop there with my answer and then ask Ms. Cross to respond, as well. Do you have things to add, Ms. Cross?

MS. CROSS: No, I don't.

- 1 Q Is it the case that the three components that you just spoke of are sometimes called pillars?
  3 MR. SAVARD: They can be called pillars. We tend to refer to them as elements, the three elements of
  - refer to them as elements, the three elements of the Salmon Enhancement Program. Q All right. Now, there is a document that is at
  - Tab 12 of the Commission's binder of documents that is a deck or PowerPoint. Is that a document familiar to you, Mr. Savard, and Ms. Cross?
  - MS. CROSS: Yes, it is. MR. SAVARD: Yes, it is.

Q And I understand this is what it says, that it's a document prepared by Fisheries in the Salmonid Enhancement Program as a presentation to the Cohen Commission. It was actually originally done for an interview, I understand. But being familiar with it, if you turn to — the pages are not numbered, but if you turn to I think it's the third page. Yes, third page. Yes, and then following and you probably have a binder in front of you that will have this, as well, at Tab 12 of the Commission's documents.

The page you're on is the Salmonid Enhancement Program and then it flows over a number of pages, including some headings that are called "Community Involvement", "Resource Restoration" and "Salmon Production". And if you take a quick look at those pages, is that a further enunciation of what you were just going over in your evidence a moment ago?

MR. SAVARD: Yes, it is.

MR. TAYLOR: All right. I'd ask that this document be the next exhibit, please.

THE REGISTRAR: Exhibit number 767.

EXHIBIT 767: Salmonid Enhancement Program, A Presentation to the Cohen Commission, March 2011

MR. TAYLOR:

- Q And if you look at the page following the one that we first went to, which is about three pages or four pages back from that one, thank you, you'll see a map there. What do those red dots -- do those red dots depict all of the SEP facilities, or some of them?
- MR. SAVARD: The red dots are meant to depict the --

- both the departmental facilities, the contract facilities and the public involvement facilities in the Province of B.C.

  I think you mentioned this a few moments ago. As
  - Q I think you mentioned this a few moments ago. Am I right that there's 23 DFO facilities?
  - MR. SAVARD: Twenty-three hatcheries and spawning channels.
  - Q All right. And do you know of the 23 how many are on the Fraser River system?
  - MR. SAVARD: There are approximately seven hatcheries and four spawning channels.
  - Q And of the seven hatcheries and four spawning channels, do you know how many deal with sockeye?
  - MR. SAVARD: All of the spawning channels deal with sockeye and the two of the hatcheries deal with sockeye.
  - All right. And I think we'll come back to that in a bit more detail in a few moments. In addition to the 23, then, there's some other facilities that are not DFO facilities; is that right?
  - MR. SAVARD: Yes, the community economic development and the public involvement facilities are not DFO -owned facilities.
  - Q Does DFO have any involvement with those?
  - MR. SAVARD: Yes. We work on an annual basis through contract, contract relationship with the community economic development facilities, and also through small contract arrangements with the public involvement facilities, to design and talk about annual production plans that the facilities will be implementing.
  - Q I understand that the facilities that are not DFO facilities encompass quite a range of type of facility; is that right?
  - MR. SAVARD: Yes, particularly in the Public Involvement Program, as I mentioned earlier, about 265 projects within the Pacific region, about 178 of those, I believe, are involved in fish culture activities. So of the 265, not all of them are doing fish culture activities. A lot of them are doing kind of stewardship, education work, habitat enhancement type work, as well, so...
  - Q And of the 161 that are doing fish culture, can you just clarify what you mean by fish culture?
  - MR. SAVARD: Yeah, this is a process where the facilities are taking -- taking eggs and incubating them in their facilities, salmon eggs

and incubating them in their facilities.

And would it be the case that some are very small and others would be of modest size, but not huge.

- MR. SAVARD: Yes, some of them will range in as low as 5,000 to 10,000 eggs, others might be tens of thousands of eggs. But they range in size from very small fish culture facilities to kind of medium size.
- Q I understand that SEP started in about 1977 and I think there's some evidence on that, and had objectives at that time and has objectives now. Are the objectives now the same as then, or have they changed over time?
- MR. SAVARD: At the start of the Salmon Enhancement Program in the late 1970s there were five key objectives, and currently through some of the work that we've been doing under SEP revitalization, there's three key objectives that the program has. One is working with vulnerable salmon populations, to try and recover them, a second objective is to the producing fish for harvest, and a third objective is to be working with communities, stakeholders, First Nations, groups around stewardship and community, community activities related to salmon.
- All right. Now, there is a document that has been prepared by the Government of Canada. I believe there's a copy in front of you. It's dated September 2010, and I have passed to Mr. Registrar for the Commissioner a copy, as well. This is something that I gave to the participants this morning. It's something that's newly come to my attention. And I want to ask you some questions about this. Ms. Cross, I think I'll go to you first. Are you familiar with that document?
- MS. CROSS: Yes, I am.
- Q You've got a copy, paper copy in front of you, do you?
- MS. CROSS: Yes, I do.
- Q And is it possible, Mr. Lunn, to bring this up on the screen? It's the one I sent this morning.
- MR. LUNN: Canadian Enhanced...
- MR. TAYLOR: Canadian Enhanced Salmonid Production During 1978-2009.
- 45 MR. LUNN: Thank you.
- 46 MR. TAYLOR:

Q Now, this, firstly, Ms. Cross, what is this

document?

- MS. CROSS: This is a document that summarizes the hatchery and spawning channel releases for British Columbia, and it's a document that's prepared annually and submitted to the North Pacific Anadromous Fish Commission, and it forms part of the dataset that they comprised on the North Pacific for hatchery releases.
- All right. And I see from the cover that the people producing this are people within the Department of Fisheries and Oceans, are they?
- MS. CROSS: Yeah, two of the people are in SEP and one of the individuals is in Science.
- Q And that Science person would be -- it's either Mr. or Dr. Irvine?
- MS. CROSS: Dr. Irvine.
- Q Are they all scientists?
- MS. CROSS: The other two individuals are biologists.
- Okay. I think there's been some evidence on this next point so far, but can you just say briefly for the Commissioner what is the North Pacific Anadromous Fish Commission?
- MS. CROSS: It's a body -- I'm not overly familiar with it, but it's a body that comprises all of the agencies that are involved in fisheries activities around the North Pacific, Asia and Alaska, Canada and the U.S., and we do have members from Science Branch as part of that group.
- Q All right. If you turn to page 2 of this document, it speaks of the methodology for determining the amount of releases, and it says about between a half and two-thirds down the page, the paragraph:

It is not possible to assess each enhancement project and release strategy.

Do you see that sentence beginning a paragraph? MS. CROSS: Yes, I do.

- Q Can you say why that's so, that it's not possible to assess each project and release strategy?
- MS. CROSS: The assessment that is referred to there is particular to post-release assessment, and so that would involve things like overall survival rates, fisheries distribution, exploitation rates. The reason that it's not possible to assess each project is that there are some statistical

requirements around the numbers of fish that have to be marked in order to actually have any statistical reliability. And some of the projects are just too small to do that, they release too few fish, and there are some sort of logistical reasons, as well, in terms of the way fish are released and the numbers that are released that can interfere with that kind of assessment. We do have a methodology for applying 

We do have a methodology for applying assessment data from indicator stocks to those sites that aren't specifically released individually.

- All right. Now, if you turn to page 3, you'll see a multicoloured bar chart there. I understand that is graphically depicting over quite a number of years the annual release from enhancement facilities; is that right?
- MS. CROSS: Yes.

- Q And when it says enhancement facilities, is that hatcheries and spawning channels, or just hatcheries?
- MS. CROSS: It is hatcheries and managed spawning channels.
- All right. And while we're on this, can you explain whether there's a difference between hatchery and spawning channel and, if so, what is the difference, both in terms of the facility itself, and in terms of the fish that come from each of those, and take the facilities first and compare them, and then the fish.
- MS. CROSS: Okay. So hatcheries generally involve some kind of a more significant intervention in the life history that involves collecting adult brood stock, taking eggs, fertilizing them, incubating them for some period of time and rearing them for some period of time, and that time is dependent on the species. In some instances, fish can be released as unfed fry, in other instances they may be fed for up to a year using commercial feeds.

Spawning channels are considered to be one of the more least minimal intervention forms. They involve allowing animals to volitionally move into the spawning channel. A spawning channel is an area that has optimal gravel and flow conditions. So animals from the river move into the spawning channel. There is some minimal control over density and timing of moving into that channel.

They spawn naturally. They pair naturally. They incubate and rear naturally, or they incubate naturally, and then they migrate as juveniles volitionally out of the channel as fry. And so they'd be in the order of maybe half a gram, depending on the species. And then in the case of sockeye, those animals would move into lakes and they would rear naturally as together with the wild salmon and have similar survival rates as those wild salmon in terms of that rearing strategy.

- All right. And in terms of the fish, can you compare and contrast the fish from a hatchery versus a spawning channel, and whether there's some difference between the two?
- MS. CROSS: Well, there'd be a difference in terms of the fact that the spawning channel fish are going out as largely unfed fry. For sockeye salmon, that comprises about 97 percent of the sockeye that we release. They're just basically natural animals emerging from the channel and migrating when they're ready to migrate.

Fish from hatcheries would be reared for some period of time and generally they'd be bigger than a channel fry, but they are a different species, as well, so they would have a different life history.

For sockeye in particular when we're releasing sockeye from hatcheries, and that's a very small part of our program, but they would be released, some of them, as fed fry, and some of them as smolts. And they'd be probably in the order of ten grams versus a half a gram released.

- Q As I listen to your evidence, I think I'm hearing that the hatchery fish are reared, initially at least, in an artificial environment by humans, and the spawning channel fish are in an enhanced natural habitat doing whatever they would normally do. Is that a fair assessment?
- MS. CROSS: Yeah, that's correct.
- Q And is the life cycle of a spawning channel fish different or the same as a wild stock fish?
- MS. CROSS: I'd say it's the same. The only minor difference would be the fact that the -- the access to the spawning channel is somewhat controlled in terms of the time that they can enter the channel, and there is some control over

the density of fish in the spawning channel so 1 that we don't have later arriving fish coming in 3 and spawning over top of previously -- a previous 4 spawn. 5 All right. Dr. Peterman, are there things that 6 you want to say on this, or add, or comment on 7 what Ms. Cross has just said? 8 DR. PETERMAN: No, I have nothing to add. 9 All right. So you accept what she says as 10 accurate? 11 DR. PETERMAN: Yes. Yes, definitely. 12 MR. TAYLOR: Now, coming back to the document that I 13 had before you, Ms. Cross, and maybe at this point 14 I could ask that it be marked as an exhibit. 15 THE REGISTRAR: Exhibit 768. 16 17 EXHIBIT 768: Sandher, Cook and Irvine, 18 Canadian Enhanced Salmonid Production During 19 1978-2009 (1977 - 2008 Brood Years), 20 September 2010 21 22 MR. TAYLOR: 23 If you turn to the very end of the document, 24 you'll see Table 3, which is "Juvenile salmon 25 releases by area in 2009". This is data that 26 would come from the Department of Fisheries and 27 Oceans, I gather, is it, Ms. Cross? 28 MS. CROSS: Yes, it would come from SEP databases, yes. 29 And for sockeye it appears that 151 million 30 juvenile sockeye releases came from hatcheries and 31 manned channels in 2009, of which approximately 32 137,000 came from the Skeena. Do I have that 33 riaht? ROSS: 137 million, yes.
I'm sorry, yes. If I said 100,000 in any case, I 34 MS. CROSS: 35 36 meant 100 million. MS. CROSS: 37 That's correct. And it looks like approximately 20 million, I 38 39 guess, came out of the Fraser system; is that 40 I'm looking at the "Lower Fraser" and right? 41 "Upper Fraser" numbers together. It seems to be a figure of 39, that is 3.9 million, and then a 42 43 small number, then another 3.9 million, and so 44 forth, in the lower part of the chart.

MS. CROSS: So the Lower Fraser total is four million,

Oh, I'm sorry. You're quite right. I was missing

and, yes, that's correct.

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that there's some totals there.

MS. CROSS: Yes.

O So the Lower Fraser is 3.9 million total, and the Upper Fraser is 6.7 million?

MS. CROSS: Correct. Yes.

O So it seems that for 2009 the number of sockeye

- Q So it seems that for 2009 the number of sockeye released from hatcheries and manned channels is a very small percentage of the total that were released that year coast-wide.
- MS. CROSS: Yeah, that's correct, and I should add that on the Fraser about 90 percent of those sockeye come out of spawning channels, and the Skeena release that you were referring to earlier is all from one spawning channel. So overall, 97 percent of our releases on average come from spawning channels for sockeye.
- Is the number of releases -- sorry, let me rephrase that. Is the percentage of releases from the Fraser system, which in 2009 was a small percentage, historically roughly the same, and has consistently been a small percentage of the total?
- MS. CROSS: Yes, that's correct.
- Q And has it historically been the case that most of the sockeye being released, you said 97 percent in 2009, are from spawning channels, as opposed to hatcheries?
- MS. CROSS: Yeah, and that -- and in fact the hatchery releases have only become more prominent in the last ten years or so with the Cultus and Sakinaw.
- Q If you turn back to page 5, there's a map there with a legend that shows what facility is being spoken of by reference to a number, and I understand this to be the hatcheries and spawning channels on the Fraser system; is that right?
- MS. CROSS: Yes, that's correct.
- Q And there's 13 listed there. I think as I heard Mr. Savard a few moments ago, he had 11, seven hatcheries and four spawning channels. I may have misheard, but the numbers sound close. If it is a spawning channel, does the word "spawning channel" appear in the name of the facility in that legend? In other words, are there any of these things that are spawning channels beyond what is called a spawning channel, which appear to be three of them?
- MS. CROSS: Yes, that's correct. But I should point out that some of these facilities are not actually

- on the Fraser. This was a depictment of the Lower
  Mainland, as well. So Tenderfoot Creek, Seymour
  River, those are not on the Fraser.
  Right. I have been around long enough that I
  - Q Right. I have been around long enough that I notice with some intrigue that Capilano and Seymour were put on the Fraser.
  - MS. CROSS: And Capilano, as well, yes.
  - Q And the others that are not labelled "spawning channels" are hatcheries, are they?
  - MS. CROSS: That's correct.

- Q Can you pick out from that list which are the sockeye ones?
- MS. CROSS: Gates Creek, Horsefly Spawning Channel, Weaver Spawning Channel, and there are hatchery sockeye done at Inch Creek.
- Q Where is Gates on -- oh, there it is, number 4. So number 4, 5, 6 and 13 are sockeye-related, are they?
- MS. CROSS: Yes, that's correct.
- Is there a particular reason why a facility is set up as being sockeye, or some other species, and the other species would be divided between the other four salmon species, I take it? Why are some sockeye and others different? How is it decided or chosen?
- MS. CROSS: The particular species mix at any given facility has developed over time and production plans for facilities are developed in cooperation between Fisheries Management, Science and stock assessment in general. And enhancement does needs to be integrated into the overall planning for that area. And so in the particular instances for the Gates and Weaver spawning channels, those were built by the International Pacific Salmon Fisheries Commission to address some concerns about habitat issues in terms of spawning habitat.

And so that's typically the kind of enhancement response. An issue may be identified by another sector, by ourselves. There's cooperative work on determining what is the best way to address that. If enhancement is determined to be the best way to address that, and that's not always the case, then we would go forward with an enhancement program.

Q All right. Mr. Savard, in your affidavit at page 5, paragraph 6 in the exhibit to your affidavit, where you give the answers, there's a listing of

the annual budget for the SEP program over quite a number of years, and just as a flag I don't need to take anyone to this at the moment, but for a recent year in the PowerPoint that was marked as an exhibit, there's a division between the three pillars that Mr. Savard spoke of earlier. And so, for example, in recent years the 26 million is divided, according to that exhibit, between the facilities we've just been talking about and then the other two pillars.

Mr. Savard, in terms of the total amount of money, it appears that from about 1995 onwards the annual budget has been pretty stable at 27, 26 million, in that range. Before that it was higher and this goes back to 1990. Were there even different amounts before 1990?

MR. SAVARD: I think the SEP program in the early days when it was first being started in the late 1970s, was close to -- it was around 38 or 39 million at its peak, so you'll note that in 1990 it's about \$38 million. Over the course of the years a number of things have occurred. As we've learned more about different enhancement programs, some of the facilities were actually discontinued because the benefits were not being appreciated that we had anticipated from those things. So some of the reduction in budgets will reflect that a smaller program since the late 1970s when the SEP program first started.

And over the course of the years, you know, with respect to the three pillars or three elements that you've talked about, you know, we've put different emphasis on and different focus on the money that we've put towards those three things. But by and large, the lion's share of the money does go towards the operation and maintenance of the facilities, around \$19 million or \$20 million. And --

- $\mathbb{Q}$  And -- no, go on.
- MR. SAVARD: -- that budget now has been stabilized of about \$26 million.
- Q And in the what I'll call early years, before the early 1990s and back in the '80s, was there a component of the annual budget that was used or allocated for what I'll call starting up, getting going, construction, that sort of thing?
- MR. SAVARD: Yes, there was.

Q And that need, I take it, dropped off as you went through the formative years where the start-up and construction was occurring and you hit your stride with the facilities now in place and it was a matter of carrying forward year-by-year?

MR. SAVARD: That's correct.

- With the \$26 million that has been relatively that amount for quite a number of years now, can you say how your program manages in terms of doing what is useful to do with a stable amount of money, even though inflation would be eating into it from time -- as you go through the years?
- MR. SAVARD: Yeah, I guess a couple of points on that topic. I mean, I guess I would characterize the Salmon Enhancement Program is really a kind of a tool that the Department of Fisheries has in the Pacific region, first for meeting a number of different objectives. So and by that I mean that a lot of the things that the Salmon Enhancement Program does is related to supporting Fisheries Management or Science programs.

So you know, the program is involved in -- in fish culture for sure, in terms of kind of producing fish, but a lot of the work that is done in producing those fish is marking them, which then creates information data in terms of kind of both -- that can be applied to both kind of wild and enhanced returns of fish. Through the Pacific Salmon Treaty we have obligations in terms of working with chinook stocks, largely the Salmon Enhancement Program is supporting the development of indicator stocks.

With respect to, Ms. Cross mentioned earlier, things like Cultus and Sakinaw sockeye, which are significantly depressed stocks. The Salmon Enhancement Program is working to do work with those stocks to try and recover them.

So with respect to kind of the annual business planning and production planning, the -- you know, an overview of the process that the Salmon Enhancement Program uses is to define priorities, departmental and regional priorities for the coming year with respect to how the Salmon Enhancement Program may support a wide range of other departmental programs.

Through that process we identify, as I said, key priorities. We're working with fisheries

managers. We're working with Science staff and we're working with a range of other folks around identifying what those priorities are. And we're working with stakeholders and other interested parties with respect to what their interests are. And at the end of the day, all that kind of comes together in terms of kind of helping us to make decisions around where we allocate money across the three program elements.

- Q Okay. In terms of the work you do in the SEP program, can you say how it relates to, or fits with the Wild Salmon Policy?
- MR. SAVARD: The work with respect to the Wild Salmon Policy, we -- the Salmon Enhancement Guidelines that Ms. Cross spoke about earlier, are linked with the Wild Salmon Policy work and help us make decisions in terms of where we're enhancing, to what level we're enhancing and how that links with the Wild Salmon Policy, as one example. I might...
- Q Do you have anything to add, Ms. Cross?

  MS. CROSS: Perhaps I could add a few things. The policy explicitly recognizes enhancement, the role of enhancement potentially in meeting sort of local or watershed objectives for CUs. But the key to integrating enhancement within the Wild Salmon Policy is the planning process. And that's the process by which the CU status is considered, and what the objectives are for that CU, and how those might best be met.

Enhancement Program has considered how we specifically sort of fit into the CU concept, from the perspective of we have developed a sort of internal practice whereby we do not move fish across CUs. However, we would consider it on a case-by-case basis if there was a necessity to reestablish animals in a CU in which there were no longer any animals. And so we generally are beginning to work on biological risk assessment framework, as well.

- Q All right. Dr. Peterman, I recognize you're not within DFO, but nonetheless you're in the fisheries biology business and science. Do you have anything that you want to add as to how SEP relates to the Wild Salmon Policy?
- DR. PETERMAN: No, I think what I heard sounds quite sufficient.

Q All right. Now, in the operation of the facilities, Mr. Savard and Ms. Cross, I want to ask you, and then I'll come to Dr. Peterman in a moment, what do you do to make sure that things are operating fine and the fry or smolts that you're putting out are fine smolts to put out?

MS. CROSS: We referred earlier to a document, Operational Guidelines, so we have a series of practices and guidelines that have been developed since the inception of the program, specifically around things like brood stock collection, spawning, genetic management overall. We have fish health management plans for DFO facilities. We have a veterinarian, and technical support staff who work very actively with our hatcheries and to some degree with the community hatcheries, as well, in providing advice, review, supervision of aspects of the program, the sort of technical aspects of the program.

Generally there's fairly broad program oversight in terms of we have programs report annually on numbers of brood stock collection, juvenile inventories, number of fish released. So we maintain databases of information around each facility, and that actually allows us to review the performances of the facilities and identify where there may be issues arising that require additional technical support.

- Q And is there a veterinarian assigned to the SEP program?
- MS. CROSS: Yes, we have a veterinarian assigned who works within the Science program and works 80 percent of her time on SEP issues.
- Q There is a document -- actually, before I go to the document, Dr. Peterman, do you, in your work, are you familiar with the monitoring and the sorts of things that Ms. Cross has just outlined?
- DR. PETERMAN: No, I'm not familiar with that level of detail at all. So I really can't comment on it.
- Are you able to comment on the results, if I could put it that way, the output that comes from the facilities? Do you find them to be, if you have knowledge of this, fine and good, or otherwise, or what?
- DR. PETERMAN: I guess it depends on how you define "fine and good".
- Q All right.

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And not being flippant, I think --
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       DR. PETERMAN:
            (Indiscernible - overlapping speakers) reasonably
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            healthy stock with reasonable size, and so forth.
       DR. PETERMAN: Well, I think there's always been an
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            assumption that seems to be well-supported that
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            the spawning channel fish are as healthy as the
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            wild fish in nearby streams. There always has
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            been questions about whether the juveniles
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            released from hatcheries are going to survive the
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            same way that the wild populations would. And
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            there are various marking programs that have been
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            undertaken to try to compare those, and I can't
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            really speak to the details because they seem to
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            vary by location and by species across the West
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            Coast, not speaking specifically about B.C.
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            All right. And in terms of spawning channel fish,
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            which is the majority for the sockeye, as I
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            understand it, and you're nodding, they're
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            referred to as enhanced fish, but they're
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            essentially wild fish that are in an enhanced
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            habitat, aren't they?
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       DR. PETERMAN: Yes, that's right. Essentially, you're
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            looking at a situation where they have increased
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            the square metres of spawning habitat.
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            Right. Now, there's a document which is number 12
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            in Canada's binder that was sent around to the
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            participants on Thursday or Friday. It's called
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            Pacific Fisheries Resource Conservation Council -
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            yes, thank you - from May of 2005. Are you
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            familiar with this, Ms. Cross?
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       MS. CROSS: Yes, I am.
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            What is this, and what does it say, if you are
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            familiar with it?
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       MS. CROSS: There was a report, the Conservation
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            Council was asked to review salmon enhancement in
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            Pacific region.
                            They issued initially a report, a
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            literature review report. Then they undertook a
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            consultation on -- on the program, and the report,
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            and I believe this was the document that
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            summarized the outcome of that consultation.
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            general recollection of this document was that
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            they heard a variety of views, but that there was
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            -- the program was popular, there was a general
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acceptance of the work that was done, and that

there were just such a range of views that they

didn't come to a conclusion at the end of this.

There was a third document as part of this

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PANEL NO. 30
Cross-exam by Mr. Taylor (CAN)
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series which summarized this and their own findings, and in that document they described the 3 very wide but positive in a range of views in terms of the consultation. 5 MR. TAYLOR: All right. I'm going to ask that this be 6 marked as the next exhibit, if I may. 7 THE REGISTRAR: Exhibit 769. 8 9 EXHIBIT 769: Pacific Fisheries Resource 10 Conservation Council, Perspectives on Salmon 11 Enhancement and Hatcheries: What the Council 12 Heard, May 2005 13 14 MR. TAYLOR: And I might just clarify a point. 15 Gaertner just passed me a note asking a question, 16 and I thought that the document submitted to the 17 North Pacific Anadromous Fish Commission is 18 Exhibit 768 now, but since there is a question by 19 Ms. Gaertner, I want to just check. Is it an 20 exhibit? 21 THE COMMISSIONER: That's correct. 22 THE REGISTRAR: Yes, that's correct. MR. TAYLOR: I think Mr. Lunn is saying yes. 23 24 Ms. Cross and Mr. Savard, I want to quickly take 25 you to a few documents, ask if you identify them, 26 and then in the interests of time, if you can 27 identify them, I think I'll just mark them as an 28 exhibit for what you say they are., because I want 29 to move to some other areas of questioning. 30 Tab 3 of the Canada list of documents is an 31 article from 2004, Fisheries Management 32 Perspective, The Controversy about Salmon 33 Hatcheries. Is that a document you're familiar with, and if so, what is it? 34 35 MS. CROSS: Yes, this a document I'm familiar with, and 36 so this was a Perspectives document in a magazine 37 that described a number of the issues around hatchery fish that were in the -- that have 38 39 occurred routinely in the literature, and just 40 reviewed some of the discussion on that. 41 All right. Are you familiar with this document, 42 Dr. Peterman? 43 DR. PETERMAN: Yes. 44 Do you accept it as authoritative? 45 It's one point of view, yes. DR. PETERMAN: Okay. If you turn to page 26, Dr. Peterman, and I 46

think you're going to have a paper copy there in

addition to it coming up on the screen, you'll see a heading the left column, "Benefits of Artificial Propagation" and in that first paragraph it says partway through:

 a tool to maintain population structure in the presence of potential negative environmental stochastic influences and the fishery.

As mentioned above, artificial propagation is

First can you tell me what "stochastic" is? I may be showing what I don't know, I suppose, but what is that?

DR. PETERMAN: Yes, it means "random".

- Q All right, thank you. And do you agree with what's set out in that sentence?
- DR. PETERMAN: It's a tool to maintain the population structure only if the artificial propagation is done in a way that's sensitive to things like which animals are chosen to provide the eggs and milt, and run timing, are they -- in other words, are the appropriate safeguards in place for randomly choosing the parent stock, as opposed to selectively removing the early run timing group or the largest fish, or something like that.
- So in all aspects of hatchery operation and spawning channel operation, do you agree that if it's done right, they're good things to do?
- DR. PETERMAN: Well, I hesitate to say they're good things to do, as a blanket, because obviously there are different sources, different ways of measuring the success of output from hatcheries. And I want to bring to your attention that this paper is part of a series of debates. The Myers et al, 2004 paper in *Science* is another part of this debate. And it would be worthwhile for the Commission to look at this, a range of a few points.
- All right. If you say you're familiar with this article, I appreciate you may not have read it recently, but if you look at page 26 and 27 in the lower part of the left column and then over to the upper part of the right column, it appears to be saying, as I read this, that artificial propagation can serve a useful purpose in ensuring genetic diversity, and in particular where you

have stocks that are at the low end of what they might usefully be at. Do you -- do you read it that way?

- DR. PETERMAN: Well, I can't say that I've read it recently enough to know the details. But I certainly agree with that sentiment, that in cases, for instance, as in Cultus example, we have population that's at very low abundance and a hatchery is a useful way to try to maintain that genetic group, where all other measures may have failed.
- All right. And there's another point that's made at the bottom of the right column, just above that heading "Hatchery Management Reform", that as I read it, it essentially says that hatchery fish and the production of hatchery fish can serve a useful purpose, that when they return, there's more biomass on the coming back, if you like, and that's good for nutrients, and that itself is a benefit. Do you see it there in that last paragraph that begins "Finally"?
- DR. PETERMAN: No, I'm sorry, I don't see which paragraph you're talking about.
- Q It's in the right --
- DR. PETERMAN: Oh, the one above the heading. I beg your pardon.
- Q -- column, just above "Hatchery Management Reform".
- DR. PETERMAN: Well, that only applies if there are excess hatchery fish, or, pardon me, if there are excess fish to the needs of the hatchery that go into the spawning grounds --
- Q All right.

- DR. PETERMAN: -- for the wild stock. But, of course, that's just one measure of their effect. As the article does discuss, there are other effects of those hatchery fish straying onto the wild spawning areas that would be negative in terms of the genetic -- the interbreeding of hatchery and wild fish. There's been well-documented examples where there's some deterioration in fitness of the wild populations as a result of that interbreeding between hatchery strays and wild fish.
- MR. TAYLOR: All right. We'll come back to some of that perhaps. Could this document be marked as the next exhibit, please.
- THE REGISTRAR: Exhibit number 770.

1 EXHIBIT 770: Fisheries Management 2 Perspective article entitled "The Controversy 3 about Salmon Hatcheries", 2004 4 5 MS. BAKER: Mr. Commissioner, I just rise because we 6 are -- I'm concerned about timing of course, this 7 morning, and wondering how much longer Mr. Taylor 8 will be. 9 MR. TAYLOR: Well, I'm not going to exceed my 55 10 minutes. I think I started at ten to, and --11 MS. BAKER: Right, and I --12 MR. TAYLOR: -- (indiscernible - overlapping speakers) 13 said I had 54 minutes. 14 MS. BAKER: Well, right, and I think I had said that you don't have 55, you have somewhat like ten minutes less than that. So are you going to be 15 16 17 finished -- when will you be finished? 18 MR. TAYLOR: Seven minutes. 19 Tab 5 of Canada's documents. I'm just going to 20 ask if either Mr. Savard or Ms. Cross can identify 21 that document, and what it purports to be, and if 22 so, we'll mark it as an exhibit. Do you recognize 23 that document? 24 MR. SAVARD: Yes, I do. It's a document that 25 summarizes an evaluation that was done on the 26 Salmonid Enhancement Program in 2008 and 2009. 27 MR. TAYLOR: All right. And may that be marked as the 28 next exhibit, please. 29 THE REGISTRAR: Exhibit 771. 30 31 EXHIBIT 771: Evaluation Directorate, 32 Salmonid Enhancement Program, Final

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Evaluation Report September 22, 2009

## MR. TAYLOR:

- And then Tab 8, which is a document entitled "National Conservation Strategy for Cultus Lake Sockeye Salmon (Oncorhynchus Nerka)", it's a Fisheries document, technical report from 2009. Do you recognize, either Mr. Savard or Ms. Cross?
- MS. CROSS: Yes, I do.
  - And I see the title, but what is it?
  - It's a strategy for developing a recovery MS. CROSS: strategy for Cultus Lake sockeye, which includes an enhancement component.
  - MR. TAYLOR: All right. May that be marked as the next exhibit, please.

THE REGISTRAR: Exhibit 772.

EXHIBIT 772: National Conservation Strategy for Cultus Lake Sockeye Salmon (*Oncorhynchus Nerka*), Cultus Sockeye Recovery Team, DFO, 2009

# MR. TAYLOR:

- Q Dr. Peterman, I think we touched on this in some of my questions of you, but I want to just be sure I've got your evidence on this point. Do you agree that spawning channel fish are unlikely to have an impact on wild stocks?
- DR. PETERMAN: Are you talking specifically about the spawning channels on the Fraser, or in general?
- Q Well, let's bring it down to what this Commission is about and, yes, on the Fraser, then.
- DR. PETERMAN: Well, I hesitate -- no, I won't say a blanket yes because having an effect can come at various life stages. So if you're talking about will the juveniles coming out of the Weaver Creek, for example, have an impact on other wild juveniles from the Fraser, I would say probably not, because the numbers are not huge coming out of the Weaver system. However, in terms of the mixed stock fishery that occurs on the adults coming back, there may be an effect on other less productive stocks. So as you've heard in other sessions in this Commission's hearings, I know the more productive enhanced fish can be harvested at a higher rate - can be, not will be - and if there are other less productive fish coming through the fishery at the same time, that will expose those less productive stocks to a higher harvest rate.
- I think then I'm hearing your evidence on that as it's not so much that the enhanced fish are having an effect on the wild stock, but the presence of a large number of enhanced fish could encourage an amount of fishing that would have a detrimental effect on the endangered stock. Is that what you're saying?
- DR. PETERMAN: Yes, that's a good way to phrase it.

  Q So that's a matter of being alive to what the situation is and governing the fisheries management accordingly, is it?
- DR. PETERMAN: Yes, that's right. And I'm certain that DFO people are well aware of this.

- 1 Now, you speak in your affidavit of predatorinduced mortality, and as I read your affidavit, 3 and it's at page 3 of your affidavit, you essentially say that enhanced fish can have a 5 positive and negative effect on predator-induced 6 mortality. On the one hand more fish might 7 attract predators. On the other hand, there might 8 be so many fish that the predators get full and go 9 away. 10 That's right. DR. PETERMAN: 11
  - Q So it's a mixed blessing, then, you're saying, is it?
  - DR. PETERMAN: That's right.

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- Now, in the case of the Fraser sockeye enhanced fish, they're not a significant number in the scheme of things that would really have much impact on predator-induced mortality, are they?
- DR. PETERMAN: For the -- well, actually, I can't say that. On a local level, it might be true. I'm not sure we have evidence for what happens to predator abundances, unfortunately, to be able to answer that question.
- Q Okay. On food abundance, do you agree that the enhanced fish, the hatchery and the spawning channel sockeye are of a number that they really don't have an impact on -- a drain on food abundance?
- DR. PETERMAN: On what spatial scale are we talking here?
- Well, coast-wide, I suppose. But the enhanced Fraser sockeye come out and then move up the coast to the Gulf of Alaska, as I understand it.
- DR. PETERMAN: Right.
- Q And do you agree with me that their numbers are sufficiently modest that they really don't constitute a factor in the competition for food?
- DR. PETERMAN: Well, again, I would be cautious to answer that, because first of all it is true that from this document you just handed us this morning, the maximum -- not the maximum, the release of all species of salmon in 2009 was about 300 million from enhancement facilities, hatcheries plus spawning channels, and that constitutes about six percent of the total release from all facilities in the North Pacific of all species. So in that sense it's a small percentage. But on a more local scale, it could

 be that there are particular runs of juveniles that coincide with wild populations on their northward migration as juveniles, where they — they could have a competitive influence.

Q But you're just postulating at that point. DR. PETERMAN: Yes, absolutely. Yes, we have n

- DR. PETERMAN: Yes, absolutely. Yes, we have no data unfortunately on food supply at various locales as a function of the number of fish at those locales.
- Q Are you aware of study or studies that at a broad level conclude that very small percentage of the plankton is eaten?
- DR. PETERMAN: Well, yes, I'm aware of such studies, but you've got to categorize the plankton into available and not available. So back in the '70s there was this observation, and it's definitely the case that if you estimate abundance over the full depth of the water column, yes, the salmon are eating a very small percentage of what's there. But if you look at just what's available in the top 20 metres where the salmon are, that is not the case. There are certain areas where they're depleting food supply.

In fact, if you look at one of the papers that I submitted as part of the Commission's report from Ruggerone et al -- no, it was Ruggerone and Neilson, 2004, they document in there several cases where the food supply has been diminished in the North Pacific in the open ocean as a result of feeding by -- largely by pink salmon. It shows up as a depletion when you have these large runs every other year.

- Q At the same time, though, and just going back to my question, is it your understanding that of the available plankton, only a small fraction is consumed or eaten?
- DR. PETERMAN: I would say yes, the way you just stated, but I would say as a fraction of the total available plankton, no, I won't agree with that.
- Q All right. At page 4 of your affidavit -- sorry, page 3 of your affidavit, in question 4, if that might be brought up -- and I'm almost finished in the sense my time is up. Oh, I'm sorry, in the exhibit to the affidavit, the actual answers. Just at the bottom there, I think.

In that last paragraph that begins:

In the overall picture for B.C. enhancement

40
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Questions by the Commissioner

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programs, such effects on body size and survival rate may be of relatively little consequence to fishable biomass, except in particular local situations...

And you go on, explaining you don't have the data. DR. PETERMAN: Right.

 Would it be accurate to replace that word "may" with "is likely", so that it would read:

...such effects on body size and survival rate is likely of relatively little consequence to fishable biomass...

- DR. PETERMAN: No, I'd prefer to stick with my wording. Q All right. So you're essentially saying it could be or it could not be.
- DR. PETERMAN: Yes, right.
- Q You just don't know.
- DR. PETERMAN: Yes, right, because we don't really have enough data to say.
- MR. TAYLOR: All right. I see my time is up, as was the case with another panel of witnesses, Mr. Commissioner. I do have some questions on the PPR. I do appreciate Ms. Baker having corrected some things, but I've got some more, and as with the first one that involved Mr. Martland, I still have to figure out a way to get some of our intended corrections before you. And I will add this PPR to my list and see what I can do through Ms. Baker. Thank you.

Thank you, witnesses.

- MS. BAKER: Mr. Commissioner, perhaps this would be the time for the break.
- THE COMMISSIONER: It is. I just want to take one quick moment to ask the panel this, and make sure I understand your answers in this context.

# QUESTIONS BY THE COMMISSIONER:

Q With regard to the channel, the spawning channels, the fish that are released and go through their cycle, I presume return to the spawning channel once again to spawn in the same channel where they were born. With regard to hatchery fish, what happens to them when they return to the hatchery?

MS. CROSS: Hatchery fish return to the hatchery, as

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well. Many of the hatcheries actually have a fishway that the fish can swim right into the hatchery, and they do swim in, certainly a proportion of them will swim into the hatchery.

When the SEP program was designed, it was designed to actually produce fish that were as similar to the wild fish as possible, so that they would actually return to the spawning grounds as well and spawn there to rebuild the population. And so, yes, there are a component of the hatchery fish that spawn in the wild, with wild salmon, but they are native stocks. We have moved fish around in the past. It's a very small proportion of our program. So the fish that are spawning have originated from that stock and they may be spawning in the wild, they may be returning to the hatchery.

THE COMMISSIONER: Thank you. Yes, we'll take the break at this time.

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

> (PROCEEDINGS ADJOURNED FOR MORNING RECESS) (PROCEEDINGS RECONVENED)

THE REGISTRAR: The hearing is now resumed. MS. BAKER: Mr. Commissioner, we're going to start with Alan Blair now, and I'm hoping that Mr. Blair and also Mr. Harrison can complete by the lunch break. Thank you.

MR. BLAIR: Mr. Commissioner, for the record, Alan Blair. I appear on behalf of the B.C. Salmon Farmers Association.

## CROSS-EXAMINATION BY MR. BLAIR:

Members of the panel, I just wanted to set my mind correct, I think, in terms of what is a policy and what might be merely a draft policy. And if I could direct my first question to you, Ms. Cross, in your affidavit, where you referenced, I think it's paragraph 3, to the SEP Enhancement Guidelines, marked now, I believe, as Exhibit 760, you were asked whether it's policy or draft, and am I correct that it's still a draft policy and not a completed document?

MS. CROSS: It's a draft set of guidelines. Some of

- the components within that document are complete and are either on the Internet or the intranet, other components are less well developed. And so just so we're referring to the right last
  - And so just so we're referring to the right last draft, what date, what year, month are you referring to as the latest draft?
  - MS. CROSS: 2008, I believe. I don't have it in front of me right now.
  - Q And so your comments in your affidavit are related to that latest 2008 document, then?
  - MS. CROSS: That's correct.
  - Q All right. And just while we're on the question of identifying where we are with documents, the Hatchery Risk Assessment tool, I'm not sure how you say that acronym, but it's Exhibit 763, and the copy that I'm working from says, "Last updated January 30th, 2008." Is that also the latest of these documents?
  - MS. CROSS: That's correct.
  - Q All right. Now, I appreciate that the affidavits we have from the three of you are responding to specific questions framed by Commission counsel, and you operated on that basis, correct?
  - MS. CROSS: Yes.

- Q I see three heads nodding. Everybody agrees with that proposition?
- DR. PETERMAN: Yes.
- MR. SAVARD: Yes.
- Q And I'm going to direct my first question or series of questions to you, if I may, Ms. Cross, and again, following on my reference to the Enhancement Guidelines, the 2008 document, Exhibit 760, you were asked to what extent the document represented current guidelines in use by DFO?
- MS. CROSS: Mm-hmm.
- And you indicated in your answer that the document substantially represents the current guidelines and practices with respect to, and you list several areas. Are you following along with me? you list genetic management, captive breeding, assessment, marking and carcass placement?
- MS. CROSS: Yes, I am.
- Q So that represents current guidelines. I wasn't quite sure what the rest of your answer was when you say other components such as release strategies, fish health management, bio-security

will be reviewed and further developed. 1 I wasn't clear from that answer whether you could tell me 3 whether this is new components being drafted, or 4 there's an update of existing areas within those 5 listed components? 6 This is an update of existing components. MS. CROSS: 7 Some of those components are in the operational 8 quidelines and we're in the process of updating 9 some of that material now. 10 All right. When I look at the Hatchery Risk 11 Assessment tool, Exhibit 363, and in particular, at pages 6 and 7 of that document --12 13 MR. BLAIR: No, I'm sorry, the Hatchery is -- I think 14 it's 763, Hatchery Risk Assessment Tool? 15 Oh, I'm sorry. MR. LUNN: 16 MR. BLAIR: Perhaps I've -- that's it, yes. 17 MR. LUNN: Thanks very much. MR. BLAIR: Six and 7, please. 18 19 So we're looking there at the bottom, all of 20 page 6, and if you could perhaps go over to the 21 top of page 7, thank you, the two tables, would be 22 excellent. Members of the panel, we have here Table 1 in this document, it says, "Some Risks and Benefit from Salmon Enhancement." You see it on 23 24 25 the screen. I'm going to direct this question to each of you in turn and I'm going to make the 26 27 suggestion -- which one is allowed to do in cross-28 examination, and you can agree or disagree, I'm 29 sure you've been briefed on that -- to the Benefit 30 section at the second part of that table, there 31 are five areas listed, "Conservation of At-Risk Stocks," "Economic Benefits from Harvest 32 Increases," "Stock Assessment," "Mitigation," 33 34 "Social, Cultural, First Nations and Partners," do 35 you see that? You're all nodding. I'm going to 36 suggest to you that when the Salmon Enhancement 37 Program was first commenced in the late 1970s, 38 these key benefits were largely known to the 39 program then and have remained central key 40 benefits to the program through the last two or 41 three decades; is that correct? They haven't 42 fundamentally changed? Maybe in order, Ms. Cross? 43 MS. CROSS: Yes. 44 Mr. Savard? 45

I would say yes. Just with respect to

conservation of at-risk stocks, with respect to

the Species at Risk Act, which is a relatively new

MR. SAVARD:

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act, I think I would say that this is a component that's probably -- we're much more focussed on than we were at the inception of the SEP program. Dr. Peterman?

 DR. PETERMAN: Well, not being within DFO, I can't say what their objectives were back then specifically so I'll defer to my DFO colleagues on the panel, here.

Q Would you disagree that, with your knowledge of the fish professional, would you disagree that those were the benefits well espoused by DFO for the last 30 years?

DR. PETERMAN: Well, as I just said, I'm not sure exactly what they espoused in 1976, but these seem like reasonable objectives. They certainly are the ones I've heard about recently.

So they appear to be, in your perspective, at least current benefits to be derived from the Salmon Enhancement Program?

DR. PETERMAN: Yes.

Now, in the same order, if I may start with you, Ms. Cross, Table 1, commence with risks, and they refer to risks as being genetic, psychological, demographic, disease and facility operations. I notice the table looks to be cut off, or perhaps that's just the way we jump to benefits, because the very last word in "Facility Operations," is "releases or." If that "or" meant --

DR. PETERMAN: That's on the next page.

 Q Is that just to the next page? All right. Ms. Cross, are those risks also things which were largely known at the commencement of the Salmon Enhancement Program in the late 1970s, or were they newer in terms of knowledge and operation of DFO?

MS. CROSS: No, those risks were known at the onset of the program.

Q Mr. Savard?

 MR. SAVARD: Yes, those are risks that were known and that we've been doing work on through the history of the program.

 Q Dr. Peterman?

May 2, 2011

DR. PETERMAN: Yes, I would think they were known.

Q Now, back to the affidavits that you were all asked to swear, and we have them by numbers, although I don't need to refer to them by number, I suppose. So Ms. Cross, and for the record, your

affidavit is Exhibit 757, and this question I will put to each of you, to your affidavits. But 3 you're asked questions in Ms. Cross's affidavit, perhaps, and it's question number 8, Mr. Lunn, the 5 reference there, the heading is "Wild Hatchery 6 Fish Interactions." We have that on the screen. 7 You were asked to comment on wild and hatchery 8 fish interactions in, really, three distinct sub-9 questions. One is really quantifying the risk of 10 over-exploitation through mixed-stock fisheries. 11 And I think I take from your answer, Ms. Cross, 12 that there's really not been perhaps a lot of 13 research done in this area?

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MS. CROSS: You're referring to 8(a)?

Q Well, I'm referring to your answer, which says:

SEP has not done research on overexploitation of wild sockeye due to the presence of enhanced populations.

So if that's your answer, do you stand by it, that there hasn't really been much research done?

- MS. CROSS: This is not a particular issue that SEP would do research on. The issue is around how mixed stock fisheries are managed and so regardless of whether the stock is of enhanced origin, or wild origin, stocks that are more productive, that are co-migrating with weaker stocks are managed accordingly by the Department so that's not a SEP research item.
- Well, I'm going to your affidavit so do you say that the answer in your affidavit is not correct?
- MS. CROSS: No, SEP has not done research on overexploitation, that's correct.
- Q And then the next two questions --
- MR. TAYLOR: Well, in fairness to the witness, she basically said SEP doesn't do it. If you look at the next sentence, it talks about who does.
- DR. PETERMAN: That's right. Yes.
- MR. BLAIR: Yes, I understand that.
- You understood my question was being confined to the Salmon Enhancement Program, of which you're a manager?
- MS. CROSS: Yes. Yes, I do.
- Q Thank you. 8(b) and (c), basically, are the same question, the first one 8(b) referring to freshwater rearing environment, and 8(c) being a

marine environment, but otherwise, they're 1 identical questions, you all say that? 3

MS. CROSS: Yes.

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- I'll stick with you, Ms. Cross, if I may, your answer, in summary, to 8(b) is that there have been limited studies done on the effects of competition between wild and hatchery for food and space?
- MS. CROSS: I'd say that there have been limited published studies. When SEP undertakes enhancement, there is some -- certainly, when the program began, there was extensive biorecognizance and biological analysis done of the data before hatcheries were sited. And currently, where there is potential for juvenile interactions, there is an attempt made, certainly for DFO facilities, to do an analysis of freshwater interactions and carrying capacity and to adjust strategies accordingly. So the two studies that I cited here, even though there are actually only two systems, have provided information for us to utilize when we're setting release targets for other sites.
- I'm going to suggest within the range of projects you've undertaken for many years, 30 years, that represents, really, a fairly limited body of knowledge in this area?
- It's a limited published body of knowledge, MS. CROSS: I'd say.
- And in answer to question 8(c) is that you're just not aware of any specific studies done with respect to competition for food and space in the marine environment? That answers and properly reflects your knowledge?
- MS. CROSS: Yeah, not that are specifically -- could you scroll up for me, please?
- I'm sorry, I can't hear you.
- I'm asking that the screen be scrolled up. MS. CROSS: Could you go to 8(c) for me, please?
- MR. LUNN: Yes. Sorry.
- MS. CROSS: Thank you. Yeah, I'm not aware of a specific study on competition between wild and hatchery salmon for food and space.
- Now, under this heading, "Wild and Hatchery Fishing Directions," you were not, and, in fact, none of you were asked to comment in this affidavit with respect to the effects of fish

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            health effects between wild and hatchery, correct?
       MS. CROSS: That's correct.
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            And Mr. Savard, I'll go to your affidavit now, as
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            well, if I may, which is Exhibit 758, Mr. Lunn.
            And, again, taking you to -- in your case, it's number 19(a), (b) and (c). Those questions and
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            answers at 19(a), (b) and (c) are the same
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            questions, at least, that I referred Ms. Cross to
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            in her section 8(a), (b) and (c)?
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       MR. SAVARD: Yes, they appear to be. Yes.
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            And your answers stand as you've written them?
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            just wanted to direct your attention to these
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            three answers. You're not aware of any specific
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            studies on risk of over-exploitation, correct?
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       MR. SAVARD: That's correct, yes.
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            You've given an answer about the various studies
            you've done, the Department has done with respect
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            to freshwater, but you're not aware of any
19
            specific studies with respect to the competition
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            for food and space in a marine environment?
       MR. SAVARD: That's correct, yes.
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            Merging your 19(b) and (c) together in that
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            question?
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       MR. SAVARD: Yes.
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            And again, you were not asked with respect to any
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            disease question regarding wild and hatchery?
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       MR. SAVARD: No, I was not.
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            And Dr. Peterman --
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       MR. BLAIR: Mr. Lunn, that's Exhibit 759, I think.
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            think that's correct. Just a second, I'll get the
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            right version, or perhaps I can just read it off
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            the screen.
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       DR. PETERMAN:
                      The questions are on the next page.
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       MR. BLAIR:
                   Thank you.
                      There you go.
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       DR. PETERMAN:
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                   Thanks, Dr. Peterman, I'm working from a
       MR. BLAIR:
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            different copy.
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            So in your case, Dr. Peterman, the questions are
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            found as questions 2(a), (b) and (c) in your
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            affidavit, and they're the same three questions
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            I've been asking of the other two witnesses on the
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            panel, correct?
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       DR. PETERMAN:
                      No, these are different questions.
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       MR. BLAIR: I'm sorry. I need to get the right part,
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I'll do it a different way while my

Actually, my question really relates to the last

colleague looks for the documents.

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then.

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question of my series, which is you were also not directed to answer any questions with respect to the wild hatchery fish interactions as it relates to disease or disease transfer, correct?

DR. PETERMAN: That's correct.

- Q Okay. I care less about -- your answers to the questions you were put, rather than the ones which weren't put to you, which is why I wanted to make that point of all of you. Thank you.
- DR. PETERMAN: Okay.

- Q I'll go back to that last question that I just posed to Dr. Peterman and we'll go in the same order again, Cross, Savard, Peterman, if I may. Had you been asked about interactions of wild hatchery disease interactions, you would have had an opinion on that, Ms. Cross?
- MS. BAKER: Sorry, if I could just interrupt, Mr.
  Commissioner, these witnesses are here today to
  talk about everything except disease because there
  is a disease component coming up, there's a
  technical report being prepared on disease,
  diseases in hatchery and wild affects, there'll be
  other hearings on disease so we actually
  deliberately limited their testimony to exclude
  disease issues because it is coming up later in
  the hearings. That may assist my friend, that
  there was a method to this, which was to leave
  that component of this topic for a later date in
  the hearings, given that we only have the one day
  today.
- MR. BLAIR: Mr. Commissioner, I understand and I'm not surprised by my friend's objection. This hatchery issue is on the list because of my client's insistence, really, that we needed, all of the participants and the Commissioner, needed to have more information on the interaction between wild and hatchery, and it has been no surprise that our concern here is making sure that all of the various fish stocks which might be interacting with wild stocks have a fair hearing, and the issue of disease, as it relates to hatchery and wild, is very much the key focus of my client's interest in this area. So it's not a surprise to Commission counsel that we want to go into this They drafted their questions to their area. panel. They didn't talk about disease. It doesn't make the issue any less relevant for

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PANEL NO. 30
Cross-exam by Mr. Blair (BCSFA)

ourselves.

Further, my friend, Mr. Taylor, raised the issue in his direct when I think he said, towards the end of his examination to Dr. Peterman, something to the effect of the effect of reasonably healthy fish, thereby invoking the issue of health and disease, which Dr. Peterman basically said, and I'm paraphrasing Dr. Peterman so forgive me if I get it a little bit wrong, that he was not aware of health or disease issues in spawning channel-enhanced fish, but I think he said there's always been a question about hatchery-raised fish, or words to that effect, and that is exactly the point of our cross-examination of this panel.

To suggest that we can wait until August, when this Commission has two days to discuss the very contentious issue of disease, when we have the experts on salmon enhancement here before us is to suggest we have to cram this information relative to the hatcheries into those two days, when we have a perfectly capable panel to discuss it. Just to finish, Mr. Commissioner, I don't intend to ask lots of detailed questions about types of diseases to these witnesses, but rather just explore the question around whether or not there's the capacity for disease to transfer from hatchery to wild.

THE COMMISSIONER: Mr. Blair, I'm going to start off this way and try this. I think it would be certainly within the realm of assistance for you to discover or explore what knowledge base they might have around the issue you're raising, but whether you go beyond that and then ask them to delve into the detail without them having prepared for that level of detail, or having Commission counsel prepare the documents to complement their answers would be problematic. So I certainly am comfortable, as Commissioner, with you exploring with them what kind of studies may have been conducted within the Department, or what level of understanding there might be within the Department. I think the discomfort will come when you go beyond that into the detail, if they're not prepared to delve into those areas, or they have not been prepared by Commission counsel or DFO counsel to delve into those areas.

- MR. BLAIR: Thank you. I'll proceed on that basis.

  I'm directing the panel and Mr. Lunn, if I may, to
  Exhibit 763, which is the Hatchery Risk Assessment
  Tool, the same pages, 6 and 7, but Mr. Lunn, if
  you could highlight the passage just above the
  Table 1, middle of page 6, the two paragraphs.
  Yes, thank you.

  Firstly, again in order, Ms. Cross, you're
  - Q Firstly, again in order, Ms. Cross, you're familiar with this document?
  - MS. CROSS: Yes, I am.

- Q And you'll note that in the paragraph that the Registrar has highlighted, commencing with the word, "Minimizing the risks," there are a number of risks that are being identified to be managed and they include, among other things, disease and disease transfer?
- MS. CROSS: I can't see the specific passage, but yes.

  Q All right. It's really in the start of the second paragraph that's been highlighted, "Several types of enhancement risks."
- MS. CROSS: Okay. Yes.
- Q So you see "genetic consequences," "ecological effects," "demographic disease transmission," do you see that list?
- MS. CROSS: Yes.
- So you're not surprised that the Department has looked at the risk of disease transmission from hatcheries to wild fish as part of the management of the SEP program?
- MS. CROSS: No, I am not surprised.
- Q And the reason you're not surprised is because there is such a risk, correct?
- MS. CROSS: We've identified it as a risk as part of this risk analysis tool and, similarly, we've identified the activities that we take to mitigate for that risk.
- Q And you would come to that decision to move in that manner because the evidence has suggested that there is a risk that needs to be managed and diseases that need to be managed as it relates to hatchery and wild?
- MS. CROSS: I'm just going to step back a little bit and describe that. So when the SEP program began, one of the things that was done was a broad survey of all of the facilities where enhancement -- or all the stocks where enhancement was going to be undertaken. And there was an analysis done on the

wild stocks to determine what the presence of disease was in those stocks. And certainly, there are diseases endemic in wild stocks, present naturally in wild stocks. So armed with that knowledge, we were able to go forward with our program, aware of the kinds of diseases that might be an issue for us, and to develop best management practices around them by which we could ensure that we were mitigating for that risk.

- Q I think I understood that to say yes, you're aware that there's a disease risk and you're managing it?
- MS. CROSS: Yes. Yes.

- Q Now, Dr. Peterman, in response to Mr. Taylor's questions, was he distinguished in his answer about reasonably healthy fish, and again, I'll let Dr. Peterman jump in if I inadvertently misstate his conclusion, but I'm trying to speed that process up. I think I heard Dr. Peterman say, "We're not really worried about the fish in spawning channels due to our enhancement processes of spawning channels, but there's always been a question about hatchery-raised fish. Whether I've characterized that right or wrong, do you agree with that statement, Ms. Cross?
- MS. CROSS: There has always been an understanding that diseases are potentially present in hatchery fish because we use wild salmon as part of our brood stock and diseases are present in wild fish. And the only diseases that are at issue for our hatcheries are those diseases that are currently present in wild salmon. We're not concerned about exotic pathogens because we're dealing with the fish and the diseases that are naturally present.
- Q Does that mean you also don't test for exotic pathogens?
- MS. CROSS: I don't know, I'm not aware of the testing protocols for exotic pathogens.
- Q Dr. Peterman's raising his hand. That's so polite of you, amongst a roomful of lawyers. I haven't seen that happen in several months so please, you have the floor.
- DR. PETERMAN: Well, am I supposed to stand up? Yeah, I just wanted to correct the implication of your question, though, for what I said.
- 46 Q Please.
  - DR. PETERMAN: And what you said, I think, basically

does characterize what I said, but what I was referring to in response to Mr. Taylor's question was whether there's any evidence of a change in survival rate of juveniles released from hatcheries, compared to spawning channels, compared again to the wild stock. So that's my only basis for saying what I said. It had nothing to do with my knowledge of diseases or any other particular mechanisms that might cause the survivor rates to change because I don't know about disease. So I was simply saying that from what I know, there's no difference in the survival rate of juveniles coming out of a spawning channel compared to the wild stocks that's adjacent, but there are questions that I've read about and heard about with respect to the hatchery-released fish, compared to wild stocks with respect to their survival, period.

Q Thank you.

- DR. PETERMAN: No mechanism specified.
- Q Thank you, Dr. Peterman, for that clarification. And now, Mr. Savard, we're going to give you the last answer in this area. I don't need to repeat the questions. Can you follow-up on what Ms. Cross is saying and indicate whether you agree or disagree?
- MR. SAVARD: Yeah, I don't have a whole lot to add from what Ms. Cross has said. This isn't my area of expertise, but I would acknowledge Ms. Cross's answer about what we're working with is endemic diseases from wild fish and how you manage those in the hatchery situation.
- Now, this question, then, is to all of you, and it relates to the whole question of genetic diversification and, really, the benefit risk around that question. Perhaps I'll start with you, Mr. Savard, since you've been going last and riding on the others' coattails. I'm going to suggest that, of course, the enhancement of weakened stocks, putting more fish down the river, of course, can be a positive benefit in terms of ensuring the stock survives as a species. More fish out to the ocean, a likelihood you get more fish returning, basic true principle, Mr. Savard?
- MR. SAVARD: So if I understand your question, you're suggesting that the more fish you produce, the more fish that will return, is that the premise?

- Q I'm suggesting that's the basis behind hatcheries.
  MR. SAVARD: I guess I'm not sure I would agree with
  that. You know, I think what we do in the various
  different facilities is take a look at -- well,
  first of all, take a look at, you know, what our
  priorities are in terms of enhancement. You need
  to be kind of working within the system and the
  populations that you're dealing with so it doesn't
  necessarily follow that if you produce a whole
  bunch of fish, a whole bunch of fish come back.
  There are so many dynamics with respect to the
  freshwater environment and other things that you
  need to consider so as a blanket statement, I'm
  not sure I would agree with your comment.
- MR. BLAIR: Mr. Lunn, if you could just roll down so we could get the bottom of the next table? Thank you.
- Q Mr. Savard, just following up on your answer, it seems to me that at least three or four of those five benefits answer the very proposition that I put to you and that is, you know, more fish out of a hatchery, the less likelihood of extinction, or threatened or endangered stocks, the economic benefit to allow for increased harvest, you can get more information on a stock assessment, maybe less direct mitigation. You're preserving stocks which would otherwise be lost due to factors in the river system so surely you'll agree with the principle that we raise fish and release fish so we have lots of fish?
- MR. SAVARD: Well, again, it depends on the system that you're talking about, the production targets that you've got and the dynamics of the population. Generally, in a hatchery system, what we're trying to do is improve the chance of survival of the fish that we're working with, but, you know, in some cases, it's not necessarily producing a whole bunch of fish, you know, to return and reap benefits from. You know, I guess I speak to the conservation of at-risk stocks, where we're specifically working with stocks that are vulnerable and the work that we're doing there doesn't necessarily produce large numbers of fish, but it's working with a population to ensure that that population continues. So again, I guess I'm just trying to differentiate between a blanket statement of producing a lot of fish and then lots

come back, versus what some of the other 1 2 objectives might be. 3 But that's clearly one objective? 4 MR. SAVARD: It is one objective, to produce fish for 5 harvest, yes. 6 And the first risk listed in that table --7 MR. BLAIR: If you could roll it up, Mr. Lunn? 8 -- there's the genetic risk from hatcheries, and 9 it's identified here in this table with a broad 10 stroke, correct? Sorry, it's identified in the table, yes. 11 MR. SAVARD: 12 I'm going to suggest that one of the genetic risks 13 of mingling hatchery fish with wild stocks is that 14 you sometimes have a loss of unique genetic 15 material of individual stocks and that would have 16 come about as a result of the transplanting of 17 various species from river system to river system, 18 which you'll agree has gone on in the past in the 19 Salmon Enhancement Program? 20 MR. SAVARD: Well, I think to clarify, you know, 21 generally speaking, we're working within 22 individual river systems and unless there's a kind 23 of specific objective, we're not necessarily 24 transferring between river systems. 25 I'm sorry to interrupt you, but is that the state 26 of affairs now, in 2010/2011, and was that different in the early days of salmon enhancement? 27 28 You know, I might ask my colleague, Ms. MR. SAVARD: 29 Cross, to respond to that, she's more familiar 30 with that piece, but the thing I would say about 31 this particular one is that as we've identified, 32 that genetic integrity is one of the things that 33 we, as a program, have been focussed on since the 34 beginning of the program, and one of the things 35 that we've done in our SEP guidelines is to 36 identify guidelines that help us work with fish in 37 a way that helps to protect genetic integrity so 38 while we recognize that this is a potential risk, 39 we have mitigation measures in place. 40 I hate to come back to it, but would you agree

MR. SAVARD: I think I'd ask my colleague to speak to that.

systems in the early days of SEP than perhaps

that there was more movement of fish between river

Q Ms. Cross, could you pick that one up, please?
MS. CROSS: Yes, I'd say that there was more movement

occurs now?

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than occurs now, but I'd also add that all of the fish movements that we undertake have been reviewed by a committee, a provincial/federal committee that exists called the Introductions and Transfers Committee, and the role of that committee was to look at the ecological, genetic, and disease risks that might be associated with any movements. And if the movement was approved, a licence was issued for that movement so there has been review of any of the movements that were undertaken.

- Thank you. Referring to the Fish Health Benefit Plan that Mr. Taylor took you to in a general way, I can't recall, but I think it may have been you, Ms. Cross, who suggested that there was a fish vet who was on staff, who was there to aid and provide that technical basis that a fish veterinarian could do with the SEP program? Was that you, Ms. Cross?
- MS. CROSS: Yeah, that's correct.
- Q And I think my note reflects that you had a fish vet assigned and about 80 percent of their time was to SEP issues and the rest was on other matters?
- MS. CROSS: Yes, that's correct.
- Q And does that fish veterinarian, would that 80 percent of their time, look only at the big 23 hatcheries that DFO manages, or is it all of the various enhancement projects that are undertaken generally?
- MS. CROSS: She provides consultation services on any of our fish production facilities, including the community program ones, as well. So those facilities are supported by DFO technical staff, and when they see a fish health issue, they bring it to the attention of the vet.
- Q And I think I saw a number of community-based programs, First Nations programs, fisheries programs. I can't recall whether my note was 200 separate projects, or 400. I think it was 400.
- MS. CROSS: There are over 300 community projects all together, but of those, as Mr. Savard referred to, it's a smaller number that actually do fish culture, and of those, they generally do pretty small numbers of fish. So of the number of facilities, maybe 87 percent of them might be in community programs, but our total release is about

- 1 1 percent of those actually come from community 2 facilities so the impact is fairly small from 3 those small releases. 4 O Does that 11 percent refer to 11 percent of the
  - Q Does that 11 percent refer to 11 percent of the total numbers of fish released a year?
  - MS. CROSS: Yeah, that's correct.
  - Q So you correct me if I get this wrong, is it roughly, a half a billion, 500,000 million fish a year released?
  - MS. CROSS: We're, I think, in the order of about 350 million now.
  - Q 350?

- 13 MS. CROSS: Yeah.
  - Q And the community-based programs only account for, perhaps, 40 million of the 350 million?
  - MS. CROSS: 10, 11 percent of that, yeah.
  - Q And are those fish, do they get the benefit from the fish veterinarian's 80-percent time allotment?
  - MS. CROSS: When there is a disease issue raised, the fish veterinarian would be connecting with those facilities, yes.
  - Q But the issue would have to be raised by the individual facility?
  - MS. CROSS: By the facility or by the DFO community advisor that supports each one of those facilities.
  - Now, throughout some of the documents that counsel have been able to read as we prepare for today, there's been a common theme, common in all government departments, and not just in the Canadian Federal Government, about decreasing resources to do the work and so my question to you, with that backdrop, is: is it fair to say that it's getting more and more difficult for internal staff, DFO resources, to go out and be on the scene and manage those community-based resources?
  - MS. CROSS: Well, one of the ways we address that is by ensuring that we can support our community groups with standard operating practices and we encourage them to maintain inventory records that can be reviewed and give them clues as to when they need to involve -- not just clues, but give them an indication of when they need to involve more technical staff or the veterinarian.
  - Q So those of us who read the newspaper might be familiar with that as a government offloading from

a staff responsibility to a community-based responsibility to be that front line?

MS. CROSS: Those facilities are operated by

- MS. CROSS: Those facilities are operated by volunteers. They're owned and operated by them and they've developed the programs on their own. They often pay for their facilities themselves so they're their facilities and we're supporting them so I wouldn't consider that offloading, I would just consider that support.
- Would you say that those community-based facilities have the same vigour around fish health issues and disease management that one of the big DFO hatcheries would?
- MS. CROSS: They don't have fish health management plans. I would say that their rigour is somewhat reduced.
- Q Would you say significantly reduced in that they might, in fact, release diseased fish that they wouldn't even be aware were diseased because of a lack of skill and training?
- MS. CROSS: I wouldn't say that they would be releasing diseased fish and unaware of it. Diseased fish, certainly, we would expect to see symptoms, we would expect to see changes in mortality, and these community members actually undertake training, fish health training. We offer courses, and they also have community workshops every two years and in each one of those, we offer training and our veterinarian comes along and provides some training, as well, so they're not naive individuals when it comes to the resource.
- Q These projects receive funding, is that correct, to operate?
- MS. CROSS: Some of them receive a little bit of seed funding, but by no means do they all receive funding. The CEDP facilities are contract facilities and they do receive funding.
- Q And what percentage of the non-DFO hatcheries would that comprise?
- MS. CROSS: That's 21 facilities, those CEDP facilities.
- Q That would get funding?
- MS. CROSS: That's right, that are contracted facilities, yeah. I can't tell you the percentage that receives seed funding, I don't know.
- 46 Q Is that funding based on a formula?
- 47 MS. CROSS: A formula?

- 1 Q Do they just ask every year for money and they get what they ask for?
  - MS. CROSS: Are you referring to the contracts, or the --
  - Q Yes. Yes.

- MS. CROSS: Well, the contract has a work plan identified and a set of common objectives that DFO and the contractor agree on and that's how the funding -- and their funding has not changed for a number of years.
- Q And is it related to the size of an operation?
- MS. CROSS: The size, and the nature, and the complexity of their operation.
- Q So if we're speaking of a hatchery which is raising hatchery fish, is there a connection between how much money they get and how many fish they release?
- MS. CROSS: That is not a direct connection. The funding is dependent on the scope of the activities that are undertaken. It's more complex to go out and collect brood stock from a distant river and then return the juveniles there to be released than it is to collect animals that swim into your hatchery. Those kinds of operations cost more money.
- But if you had apples and apples, rather than the apples and oranges that you've just described, if you had apples and apples, would you agree that a hatchery that releases 10 million fish is going to get more money than a hatchery that releases a tenth of that?
- MS. CROSS: No, I wouldn't agree.
- Q There's no correlation between fish released and funding?
- MS. CROSS: It's not a direct correlation, it's a component of the consideration with regard to the funding.
- MR. BLAIR: Just a moment, please.
- I'll put this question in a general way, but I am referring to a particular report. I don't want to be bogged down with the time it will take to pull that up, but I'm going to put this to you, Dr. Peterman, if I may, and I'm referring to what I believe to be a 1991 report, Oregon Fish and Health -- Fish and Wildlife. I think it was a Hilborn and Hare. I'm sure if you're remotely familiar with the report, that the proposition I

1 want to put that I understand comes from that is this quote: 3 4 The disease resistance of wild fish has been 5 eroded by crosses with hatchery fish. 6 7 Now, there's a bold statement, and I've tried to 8 give you the citation. Regardless of whether --9 firstly, do you know the citation, do you know the 10 report? 11 DR. PETERMAN: I know of the report. 12 THE RECORDER: Microphone, please. 13 Oh, sorry. Yes, I know of the report, DR. PETERMAN: 14 but I don't know its contents intimately. 15 MR. BLAIR: 16 All right. So I won't ask you to comment on what 17 they were commenting on, but rather, the 18 proposition generally, do you accept the 19 proposition that disease resistance of wild fish 20 has been eroded by crosses with hatchery fish? 21 No, I have no information on that. DR. PETERMAN: 22 You'd neither agree nor disagree? 23 DR. PETERMAN: That's correct. 24 Okay. Do you have any expertise or knowledge on 25 hybridization between hatchery and wild fish? 26 DR. PETERMAN: No, I don't. 27 And I take it -- I'm sorry, Mr. Savard or Ms. 2.8 Cross, do you have any information on that 29 proposition? 30 MS. CROSS: I would take advice from our geneticist on that, from our geneticist. 31 32 Thank you. 33 MR. SAVARD: And I have no specific knowledge of that. 34 And Dr. Peterman, again, another question, do you 35 accept the proposition that hatchery fish spawn 36 naturally with wild fish and that as a result, the 37 productivity and viability of the naturally-38 spawning population declines substantially? Do 39 you accept that proposition or do you have 40 knowledge of that? 41 DR. PETERMAN: No. No, I don't accept that 42 proposition. 43 Do you disagree with it? 44 DR. PETERMAN: The word, "substantially," is well 45 beyond what I understand to be the case, and I've 46 only read about this process so I don't really

have much detail on it, but I know that there is

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some straying of hatchery fish in the wild streams. There have been experimental studies 3 done in the lab showing that there is some reduced fitness from the offspring that arise from those 5 straying hatchery fish, but other than that, I 6 really don't know any details. 7 You're not disagreeing with it, you're just saying you don't --8 DR. PETERMAN: Well, yeah, I did disagree with the 9 10 statement, literally.

- You disagree that wild and hatchery fish spawning can have a negative effect on the wild fish?
- DR. PETERMAN: It can have, yes.
- You agree with that proposition?
- DR. PETERMAN: Yes.

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- And that it's been studied and some have found that it does have?
- DR. PETERMAN: Yes.
- But you've not done those studies?
- DR. PETERMAN: No.
- Thank you.
- MR. BLAIR: Just a moment, please. We're just going to dig up a document to put up on the screen, but I'll quote it and I will have it up there for you to comment on, and it's a document done by Noakes and others in 2002, and the comment that I'm going to refer and ask for a comment is:

Straying hatchery fish and salmon egg transfer from other rivers and other parts of the Fraser, in the first half of the 20th century, to rebuild runs after the Hell's Gate slide, to increase abundance and generally disperse genetically distinct stocks widely have likely had unknown genetic impacts on present-day Fraser River sockeye salmon which may have impaired their ability to adapt to climate change.

39 40 There's a lot in that.

- MS. BAKER: Could the article be put up for the witness to look at.
- Yes, we're looking for it. It's the B.C. MR. BLAIR: Salmon Farmer's documents at Tab 2, at page 11.
- It's on the screen now. MS. BAKER:
  - MR. BLAIR: It's on page 13. It also would be page 373 in the actual document, and it's near the top,

about 10 lines down. I'm sorry, Mr. Commissioner. 1 Q 3 5 6 7 8 9

All right. Now, members of the panel, I'm just referring you to the top of page 373, which Mr. Lunn has kindly put up. I'm looking for the word, "straying," which I don't find and we may have summarized that word so you can read the document for itself, by itself, rather. You can see the third line down, it says:

> It was also common practice to move eggs or fry among hatcheries to either address shortfalls and egg intake targets, or to simply disperse genetically-distinct stocks widely.

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Do you see that, all of you?

DR. PETERMAN: Mm-hmm.

MS. CROSS: Mm-hmm.

- So the proposition that I'm suggesting that I'm suggesting this document puts forward is that you can have negative genetic effects from that practice. Dr. Peterman, do you accept that that statement is true, you can have negative genetic impacts from that practice?
- DR. PETERMAN: They can be. The negative effects can exist, but I don't see evidence of it in this document you're showing us right here.
- All right. Fine. Are you aware of other documents that would demonstrate that more clearly? I don't want to quibble over the words here. You're the doctor, does that happen, yes or no?
- DR. PETERMAN: Does it happen now, I can't say. Did it happened in the past, yes. I think people have transferred stocks that were adapted to one area to another area. In fact, the classic example is there have been many introductions of Atlantic Salmon in B.C. over the last century and most of them have failed. Well, in fact, some would say all of them have failed.
- You're an expert in that?
- DR. PETERMAN: No.
- I have to agree with you, but I wish you were.
- 44 MR. BLAIR: That's fine. Thank you, Mr. Commissioner, 45 thank you, members of the panel, I have no other questions. 46
  - MR. HARRISON: Good morning, Mr. Commissioner, good

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morning, panel, my name is Judah Harrison, and I'm representing the Conservation Coalition, which is a group of six non-governmental organizations and one individual interested in the conservation of wild salmon.

#### CROSS-EXAMINATION BY MR. HARRISON:

- Q This morning, there was discussions, including from Mr. Taylor, you were discussing the difference between hatchery fish and fish that have enhanced habitat or changed habitat, such as spawning channels.
- MR. HARRISON: And Mr. Registrar, could you please bring up Exhibit 8, which is the Wild Salmon Policy, and specifically, page 1 on the document, or page 8 of the pdf.
- Q If you see, on the sidebar on the right, this is page 1 of the Wild Salmon Policy, there's a discussion between the differences between enhanced and wild salmon, and very near the bottom, the second-last paragraph, or I guess you have to read the third, it says that salmons from hatcheries are enhanced salmon, whereas salmon that benefit from enhanced activities to their habitat, such as spawning channels are still considered wild. My question is would the three of you agree with this proposition, that there's a large distinction between hatchery fish and those that have benefited from habitat modification, such as spawning channels, and that it's proper for hatchery fish to be designated as enhanced, whereas the other fish, it's proper for them to be designated as wild? I'll start with Mr. Savard, please.
- MR. SAVARD: Well, I think very definitely there is a distinction between fish that are produced from spawning channels. It's more close to the wild situation than in a hatchery situation.
- And the Wild Salmon Policy actually designates those that have benefited from habitat modification as wild and those that have not, or have come from hatchery as enhanced. There's a major difference and if you look, this will be in my next question, but I guess above, it says enhanced salmon will not count for various things for the first lifecycle.

MR. HARRISON: And we can scroll up, please, Mr. Registrar. You may have to go to the -- okay, right there. Sorry:

Salmon that originate directly from hatcheries and managed spawning channels are not considered wild in this policy and are enhanced salmon.

- Q So I guess I'll ask the question again. Is there a major distinction between hatchery fish and those benefiting from habitat modification? And does the Policy consider one wild and one enhanced?
- MR. SAVARD: I think I'd defer to my colleague. I'm not as familiar with the Wild Salmon Policy as she is.
- Q Okay. Ms. Cross?
- MS. CROSS: So this was a distinction that was explicitly made as the Policy was being developed. Because fish that emerge from restored habitat or lake enrichment undergo a completely normal -- you know, a completely -- a lifecycle that has no active human intervention so --
- Q And I guess, scientifically, that makes sense to you, that this distinction has been made?
- MS. CROSS: Yes, we made this distinction in the Policy, yes.
- Q Okay. And then the paragraph that I just read from here, it said:

Salmon that originate directly from hatcheries and managed spawning channels are not considered wild in this policy ...

I take that to mean that enhanced salmon, DFO should not make their decisions based on counting enhanced salmon, including, let's say, the status of a conservation unit or setting harvest rates. Do you believe that this paragraph supports that, namely, that enhanced salmon will not dictate or have an influence on management decisions from DFO personnel?

MS. CROSS: I think there are other parts of the policy, however, that refer to the fact that enhancement is part of the suite of activities

that the Department utilizes to meet objectives, and that there will be considerations on how enhanced salmon interact with wild salmon, but I would not interpret this paragraph as you have. The enhanced salmon are part of the planning process, and they were identified explicitly as an acceptable way of meeting local objectives. Yeah.

- Q So then, I guess, in your view, the status of a conservation unit would properly include the amount of enhanced salmon within that conservation unit?
- MS. CROSS: That work is still underway and I'm not engaged in it specifically.
- Q Okay. I'm going to move on. And this morning, there was also talk of the three pillars of the Salmonoid Enhancement Program. To reiterate, they were fish culture, hatcheries, community enhancement and resource restoration. Mr. Savard, my question is for you. Of the three pillars, can you give us a sense of what percentage of resources or focus within the SEP program each gets? You know, are they equal, is it a third, a third, a third, or of the resources, do fish culture get the vast majority of those resources?
- MR. SAVARD: The major enhancement facilities that the Department operates comprise about \$19 million of the \$26 million budget. The other two, resource restoration and the community involvement program, are about \$3 million each.
- Thank you. And earlier at this Commission, we heard evidence of the no net loss occurring in the Fraser basin, that there was general agreement, from some witnesses at least, that we are incurring what has been dubbed a slow net loss. Can you give us a sense of the habitat restoration that you do, how adequate that is for the type of -- for countering the habitat destruction that's going on in other areas, or from other sources?
- MR. SAVARD: Well, I can't speak to the context that you're referring to because I'm not familiar with that, but I would say about our Resource Restoration Unit, is that we work on -- on an annual basis, we undertake about 50 or possibly, as many as 70 different restoration projects in a particular year, and these will range from trying to restore habitat that's been damaged by whatever means, or working with developers or proponents in

and around fish habitat that want to create or restore or establish new habitat. So as I say, I'm not sure that I can comment on, you know, the question that you've asked, but the Resource Restoration Unit does, you know, work on some 50 to 70 new projects a year, which are designed to either restore, create new or improve -- Okay. So you said that -- sorry to cut you off.

- Q Okay. So you said that -- sorry to cut you off. You said there was about 50 to 70 restoration projects. Do you have any sense of, let's say, the amount of kilometres that is being restored, or acres, or area-wise? Do you have any sense of that?
- MR. SAVARD: On an annual basis, that will vary, depending on the projects, the size of the projects and the number of the projects so, I mean, it's hard to say, to give you a kind of a concrete answer in terms of kind of what it is on an annual basis. It depends on the size, and the nature and scope of the project.

Q Okay.

- MR. HARRISON: Mr. Registrar, can you bring up the affidavit of Dr. Peterman, which I believe is Exhibit 770, specifically, the Appendix, or Exhibit A, which is the answers. Thank you.
- Dr. Peterman, this morning, I heard you say that artificial propagation is useful. I believe it was in the context of maintaining the status of salmon, but I may have got that wrong. But you did say artificial propagation is useful and I'll put words in your mouth, but where all other measures may have failed. I'd like you to expand upon that, if you --
- DR. PETERMAN: I was referring specifically to the case where there is a population that's at extremely low abundance and other measures to try to rebuild the stock have failed, then these so-called conversation hatcheries, or an attempt to keep the genetic stock going. Cultus Hatchery is an example of that, and that, to me, seems an appropriate step to take.
- Q And I'll focus on the fact that you said where all other measures have failed. I guess I'll ask you why you believe that should be the last resort?
- DR. PETERMAN: Well, because of the detrimental effects of hatcheries on stocks that are out there in the literature, and the knowledge of people who've

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done it in the past.

- And when you say the detrimental effects, are you thinking mostly of genetic detrimental effects, or are you thinking of all different ones?
- DR. PETERMAN: No. No, I think that -- well, there are three issues, but the biggest one is the mixed stock fishery issue and so that's the one that I think is most of concern. If you have -- but that really only applies to large-scale hatcheries, where you're putting out enough fish to really make a difference to what the management strategy might be.
- Okay. Thank you.
- MR. HARRISON: Mr. Registrar, can you scroll down, please, to 3(c)? Right here.
- I mean, this is what you're talking about, and this is your -- the exhibit to your affidavit, Dr. Peterman. I'm looking specifically at 3(c), where it says:

In places where adults of wild and enhanced salmon co-migrate through fishing areas, fishing is intense on managers to allow high harvest rates.

I'd like you to please expand upon that concern and, you know, I guess best would be to identify to the Commissioner what he could do to counter that concern, if you are aware of something he can do.

DR. PETERMAN: Well, I'm not sure that the Commissioner can do anything beyond raising the profile that already exists. DFO managers, to my knowledge, are well aware of this problem, and they've been aware of it since 1976. That was one of the three criteria, I remember, that was put out when the SEP program was first announced, is that they would avoid creating mixed stock fisheries problems to the extent possible. So I believe that one of the reasons why we've had low harvest rates allowed on the Late Run Fraser sockeye in the past many years is because of this exact concern, that the Cultus Lake sockeye, which are part of that group, the Late group, have been at such low abundance, they cannot withstand even a moderate harvest rate. So the managers recognize that and they have reduced the harvest rates

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considerably.

Q Okay. And then the next paragraph 3(d) says:

After adults leave the ocean, large numbers of hatchery fish straying into spawning areas for wild fish can decrease biological diversity and fitness of the wild stocks.

DR. PETERMAN: Mm-hmm.

- Q I'd like it if you could comment and expand upon that, please.
- DR. PETERMAN: Okay. Well, as I was mentioning in response to the previous questions from Mr. Blair, there is evidence in the literature about this interaction between hatchery strays and wild populations based on some of the studies they've actually had in their own documents there. Ian Fleming's work, in particular, started that off in the 1980s and so the key word in my statement there is "can," not "will." It's the second line. There is a potential for a decrease in biological diversity and fitness of wild stocks from straying hatchery-reared fish.
- Okay. And then besides those two, are there other potential issues of concern relating to hatcheries that you feel this Commission should be aware of?
- DR. PETERMAN: Well, the item (a), above there. If you just scroll up. Yeah. It's competition for food, particularly in the marine environment. So as I mentioned in a few of the documents that I referred to here in my affidavit, there is evidence on a large scale in the North Pacific scale of competition between the large numbers of hatchery fish in Asia, for example, and some North American fish, both in terms of growth and, for some of them, survival rate.
- MR. HARRISON: Okay. Those are my questions. Thank you very much.
- MS. BAKER: Mr. Rosenbloom will be the next questioner.

QUESTIONS BY THE COMMISSIONER:

THE COMMISSIONER: Dr. Peterman, I wonder if I could just ask you, if you could go back to that last document, Mr. Lunn, please, just the last one.

Mr. Harrison started off his cross-examination referring to the Wild Salmon Policy, and the

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definition of wild salmon versus enhanced salmon. In item 3, "possible mechanisms for interacting the wild and enhanced salmon," I think some of your answers have referred to hatchery fish, but when you say enhanced salmon, are you describing just hatchery fish, or are you talking about what we've been talking about here this morning, which are spawning channels, as well?

DR. PETERMAN: Right. Okay. That's a good question. So I guess in item 3(a):

Competition for food can occur between wild and enhanced salmon.

That is definitely an intention there. So enhanced would refer to both hatchery and spawning channel fish, just more of them means you've got more competitors.

For item 3(b), that's also true. Large numbers of enhanced fish can alter the predation-induced mortality on juveniles independent of where those juveniles came from, a hatchery or enhanced -- spawning channels, pardon me.

And in 3(c), that's also correct, that in places where adults of wild and enhanced salmon co-migrate through the fishing areas, you can have this problem, mixed-stock fisheries. So it doesn't matter whether the enhanced fish are from hatcheries or spawning channels, it will have the same net effect on that mechanism, as well.

And in the 3(d), I specifically say large numbers of hatchery fish straying onto spawning areas for wild fish can decrease biological diversity. That is specifically referring to the hatchery fish and not the spawning channel fish.

THE COMMISSIONER: Thank you very much.

DR. PETERMAN: Yes.

MR. ROSENBLOOM: Thank you very much. My name is Don Rosenbloom, and I appear on behalf of Area D Gillnet and Area B Seiner.

## CROSS-EXAMINATION BY MR. ROSENBLOOM:

Q I have a series of questions in two or three main areas. One of my focuses throughout this inquiry relates to budgetary challenges that DFO faces in respect to various areas of their enterprise. I'd

like to speak directly and ask questions to you regarding the budget situation.

You have already testified, and I'll speak, firstly, to Ms. Cross in respect to funding, that the SEP, or SEP program used to be up in the \$38 million range, in the 1990s, and we've heard evidence today of its approximate figure of 23 million, at this point in time, 26 million. question I have for you is did I understand from your testimony this morning that you are suggesting that that reduction in budget is easily explainable in that there were front-end expenses with the hatchery program in the early stages that is no longer the case? Does that explain away the reductions, or is there a serious problem irrespective of the fact there was a start-up cost? Ms. Cross?

- MS. CROSS: There were start-up costs at the beginning of the program. We did have a larger budget, but as a result of program review in the mid-90s, our budgets were reduced, and in response to that, we closed a number of facilities, changed the configuration of some of our staff programs, as well.
- Q Yes. And what I'm trying to establish here as you present yourself and your evidence before this Commission, are you suggesting that the current budget for SEP is appropriate?
- MS. CROSS: The budget allows us to focus on the priorities that we have. Annually, we have some budget pressures, but we are generally able to manage within those or to obtain a small amount of additional regional funding to support those.
- Q So are you suggesting that the current budget satisfies not only the enhancement program and your responsibilities for the enhancement program, but also the restoration program? Am I right -- well, let me just first ask that question.
- MS. CROSS: It covers the three aspects of the program that were described, yes, including the restoration program.
- Q That doesn't quite answer my question. Yes, I know your budget covers the three aspects, my question is: is the current funding that your department receives to carry out your duties under SEP, in your opinion, satisfactory to fulfill what you see as your mandate?

- MS. CROSS: Well, everybody can always use more money, but in my opinion, the budget is adequate to address the priorities that we have put in front of us, yes.
  - Q But your priorities are, of course, established in the context of budget. You have to obviously priorize, and once you have done so, you pick the top programs that finance permits, that the fiscal situation permits. My question is are the programs that you believe should be carried out by your department being carried out because you have ample money?
  - MS. CROSS: I'd say, in my opinion, we are substantially addressing the programs that need to be carried out. We would benefit from some additional assessment funding. I could see some additional components, in my own opinion, that would benefit from some additional funding.
  - Q And you have said so to your superiors?

MS. CROSS: Yes.

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- Q And you have priorized to your superiors the projects that are not being carried out because of a restriction in funding that you believe should be carried out?
- MS. CROSS: I have identified a list of the projects that are of highest priority for funding, yes.
- Q Yes, that aren't receiving funding, you mean? That's my question.
- MS. CROSS: I've identified projects that would be of benefit that we could do with additional funding.
- Are those projects exclusively in the enhancement area, or are they in the enhancement and restoration area? Can you describe generally what area you focus on in respect to projects that aren't being funded that you would feel more comfortable if they were being funded?
- MS. CROSS: They are over the entire scope of the program.
- Q Okay. And that, of course, includes restoration. Did I understand testimony just earlier this morning that of the 26 million, three million is designated for restoration; am I correct?
- MS. CROSS: That's correct.
- 44 O Pardon me?
  - MS. CROSS: That's correct, yes.
- And I understand this three million for restoration is in respect to the Fraser watershed,

or the entire province? 1 2

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MS. CROSS: The entire province.

- Well, I'm obviously far less knowledgeable than anyone on this panel about this, but it sounds to me like \$3 million for restoration for the entire province is a very, very small sum of money. Am I thinking in a wrong direction about this? Is \$3 million, in your opinion, ample for restoration throughout the province on an annual basis?
- MS. CROSS: So the restoration program is actually a program that uses a lot of leveraged funding from external partners.
- A lot of what, I'm sorry?
- MS. CROSS: Leveraged funding. And so we engage in projects cooperatively with a number of either external stakeholders, other funding sources. There have, over the course of the history of the restoration program, been a number of various kinds of funding sources are available and so by using, by providing our expertise and some seed money, we're able to take advantage of those kinds of projects, or those kinds of funding sources and work with external partners. So in fact, even though there are only \$3 million of DFO funding that goes into this, I don't know the most recent figures, but I think in the order of every dollar we invest, leverage is seven, or eight, or nine dollars, externally. And so the impact of this kind of work is far greater than the money that we invest directly.
- So you're comfortable with \$3 million in your budget for province-wide restoration work?

MS. CROSS: Yes.

- That \$3 million has to be spent throughout the province. What percentage of the 3 million is for restoration work in the last few years in the Fraser watershed?
- MS. CROSS: I can't speak to that. I don't know.
- Without giving a precise figure, are you able to tell the Commission whether approximately half of the 3 million is being spent within the Fraser watershed?
- MS. CROSS: I couldn't even make a guess. We could find out that information for you, though.
- I wondered if through your counsel, Mr. Taylor, that you could provide that information to the Commission and let's, to be specific about it, for

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the years 2007 through to the current 2011. MR. TAYLOR: I don't know what's available, but we can look at it and just for Mr. Rosenbloom's benefit, and the Commissioner's, and others, one of the pages in Exhibit 767, which is the PowerPoint I put in as an exhibit, deals with some of this number and division of budget that Mr. Rosenbloom is speaking about.

MR. ROSENBLOOM: Thank you.

Still speaking to the budgetary issues, as the PPR informs us and we have heard previously in evidence from, in fact, your deputy minister, Ms. Dansereau, there is currently a five-percent reduction in budget, and the PPR, if Mr. Lunn can go to it for a moment, paragraph 176, found at page 163, says, and I quote:

> Currently, DFO is in the first year of a Treasury Board strategic review that requires all governmental departments to reduce their budgets by five percent over three years.

Is it your understanding that the five-percent reduction is cumulative over the three-year period, in other words, less than five percent the first year, and a portion of five percent the second and the third, or is it your understanding that five-percent reduction is applied each year to your budget over the three years?

- MS. CROSS: I'm going to defer to Mr. Savard.
- Yeah, any of you answer it. Yes, thank you. Savard?
- MR. SAVARD: I'd like to kind of touch on that, but I think it would be helpful maybe just to kind of spend a few minutes on some of your earlier questions to Ms. Cross with respect to budgets and allocations across the different elements.
- Fair enough, and then we'll come back to this question.
- MR. SAVARD: So I quess just to set a bit of context in terms of the budget within the Salmon Enhancement Program, and I've testified earlier that about 19 or \$20 million of that goes to our Hatchery Program, and about three million each to the other two elements. I just did want to draw the distinction, though, that, you know, the largest share of our budget, the 19 to \$20 million is

targeted at operation and maintenance of our major hatchery facilities, the 23 of them.

With respect to the Community Involvement Program and the Resource Restoration Program, a funding approach and the allocation of monies is quite different than the Hatchery Program. As Ms. Cross has identified, in the Resource Restoration Program, that whole program was always premised on leveraging funding from partners. So in a sense, the \$3 million that is assigned to that part of the program, very deliberately, the intent was that it's kind of seed money, it provides staff and expertise to be working with partners to do restoration projects. And that is by design. You know, that is kind of the approach to it.

And similarly, with the Community Involvement Program, we have about \$3 million for that program and by design, that program is set up where we are working with partners that, in many cases, they're volunteers, in many cases, there's leverage fundings from other sources, but that is, again, like I say, by design. In the Community Involvement Program, we offer seed money, small amounts of seed money to proponents to do work and we work with them. And the expectation is a lot of the work that gets done is through volunteers and through leveraging of funds. So I just wanted to make that distinction that there's, you know, quite a difference between the three elements and how we kind of approach the funding arrangements.

With respect to your question on strategic review, my understanding is the budget reduction of five percent is for the entire department across the country, and those reductions are to be realized over a three-year period.

- Q Meaning cumulatively over the three years? For example, this year, it might only be a 1.5-percent reduction?
- MR. SAVARD: That's my understanding.
- Q That's your understanding. When one reads the PPR, one sees documented a number of programs under the Enhancement department or division of DFO, where shortcomings in funding have limited programs. And I want to focus on one particular one in the context of you, Ms. Cross, saying you're satisfied generally with the budget provided to you, and I would like to refer you to

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paragraph 104 of the PPR, page 40, and it relates to the lake in Richmond program. And what we learn, and because we all are short of time here, I don't want to read the paragraph to you, but what I learn in reading that paragraph is, in the last sentence:

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As of April of 2011, LEP --

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Which is the lake in Richmond program:

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-- is almost completely defunct and Great Central Lake on Vancouver Island is the only lake being enriched.

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Firstly, do you agree that the LEP program has been rendered defunct because of a shortage of money?

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MS. CROSS: I wouldn't say that I would agree that it was primarily because of a shortage of funding. alluded to earlier the fact that enhancement programs and projects have to be undertaken in the larger context of fishery requirements and assessment requirements and an understanding of what the natural situation is. So I wasn't part of the sort of decision-making process around the earlier decisions not to fund additional lake enrichment programs, but I do think that we need to think about this in the context of are they needed, is it the right technology, or, sorry, is it the right tool for the right job. So I expect funding entered into this, but I'm also not aware of what the larger production planning context was for the decision making.

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Ms. Cross, are you suggesting within DFO there is controversy whether or not that program was a positive direction for DFO?

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MS. CROSS: No, I'm not suggesting that.

39 40 So you're agreeing with me that the program within DFO was considered to be beneficial?

41 42 43 MS. CROSS: I'm agreeing that the program is beneficial in the particular instances where it is the right technology for the situation.

44 45 46 Q All right. Well, in this very paragraph that I cited from the PPR, the previous sentence, preceding sentence of that paragraph:

To this end, a list of potential priority projects was developed by the HEB, Science, LEP team to guide the program, but due to funding shortfalls in other areas of HEB from '99 to 2001, LEP postponed implementing most of the major projects during this time.

Do you agree that paragraph is accurate as to what happened to the LEP program?

- MS. CROSS: I wasn't involved in the decision making at that time in terms of the program so I can't agree or disagree.
- Q How has this five-percent reduction over three years, how do you believe it will affect your services in the Pacific Region with SEP in those three years?
- MS. CROSS: Are you referring to me?
- Q Ms. Cross?
- MS. CROSS: Yes. I don't know. There have been a number of scenarios, I understand, under discussion in terms of how this five percent will be applied, but I don't know how it will affect us.
- Q When you say you don't know how it will affect you, and, please, I'm not wanting to be seen to be critical with you, aren't you the person in the position of authority that has to be worried about these issues, and has to grapple with these issues, or do I have that wrong?
- MS. CROSS: I'm a manager within the program and when we have an understanding of what that five percent looks like then we'll have to develop a strategy for how we will deal with it.
- I had gathered from Ms. Dansereau during her testimony, I believe, last November, that the five-percent budget reduction was to be applied to the current fiscal year, in other words, 2011 to 2012. One would have assumed, would one not, that you have already budgeted for that reduction in what is now the current fiscal year?
- MS. CROSS: So we had a little previous discussion there. Mr. Savard alluded to the fact that this would be over the three years and so we wouldn't understand exactly which portion of that might be applied in the first year, or in subsequent years.
- Q So you can't bring to the Commission today

information about what programs may be prejudiced as a result of the Treasury Board budgetary directive?

MS. CROSS: No.

I'd like to direct a few questions to Dr.

Q I'd like to direct a few questions to Dr.
Peterman, and I focus these questions, Dr.
Peterman, in an area that I believe is of special interest to you relating to marine environment, capacity, and the interplay of habitat enhancement to the whole marine environment situation and whether it's detrimental to the wild stock.

There is a document that was drawn to our attention by the Commission, but it's not as yet in evidence by the Commission.

- MR. ROSENBLOOM: And it's Tab 16, Mr. Lunn, of the Commission's book of documents.
- And it appears to be -- it will be put on the screen in a moment, Dr. Peterman. It appears to be a letter, and yet, it isn't addressed to anybody, at least the copy I have isn't address to anybody. Can you first give context to this particular document?
- DR. PETERMAN: Oh, yes, sure. This is a document that I put together with my co-authors on the Ruggerone et al 2010 paper that was published in Marine, Science and Fisheries. And this is basically a document that went out as kind of a media release so our media people at Simon Fraser University said, "Here's how you put this sort of thing together," and I've done many of these in past years and so we just highlighted some of the key findings and tried to relate them to issues that the general public would be interested in.
- Q And in this document, please, these are my words, not yours, alarm bells go off.
- DR. PETERMAN: Mm-hmm.
- Q Would you agree with me that you are alerting the scientific community to some very, very serious issues that have to be investigated?
- DR. PETERMAN: Yes. Well, how serious they are depends on the listener, I guess, because these are ideas that are well known among the salmon biologists' community, and the managers are not as aware of it.
- Q And assuming we are all here committed to the sustainability of the wild salmon and, in particular, of the Fraser River, you are calling

out here for some critical research to be done in 1 the context of enhancement programs, are you not? 3 DR. PETERMAN: Well, enhancement programs across the 4 Pacific Rim, yes. 5 Yes. 6 DR. PETERMAN: But we weren't specifically talking 7 about B.C.'s programs at all. 8 No, but Dr. Peterman, it would apply to the Fraser 9 watershed as much as anywhere else, would it not, 10 what you had to say in this document? 11 DR. PETERMAN: Yes. And in one of the other documents 12 that I provided, that Greg Ruggerone was an author 13 of, he was trying to relate some of these issues 14 about abundance on the high seas of pink salmon 15 from Russia and Alaska to Fraser sockeye 16 productivity and body size. 17 Indeed, and that led you to another of your 18 favourite topics relating to international 19 cooperation on some of these issues --20 DR. PETERMAN: Yes. 21 -- is it not? 22 DR. PETERMAN: 23 Now, sir -- Dr. Peterman, at page 1 of this document, under the third bullet, the last 24 25 sentence, you say, and because we're so short of 26 time, I'm having to deal with this in a context 27 I'd rather not, you say: 28 29 The net result --30 31 Maybe I should go up on the bullet: 32 33 Evidence indicates that the ocean is getting 34 overcrowded with salmon, raising the question 35 of how many more fish the ocean can sustain. 36 37 DR. PETERMAN: Right. 38 39 The ocean is always changing and current 40 favourable ecological conditions for salmon 41 will not last indefinitely. Unless 42

international agreements are developed to

dominate in the ocean as soon as ocean

precipitated by the following events.

be a perfect storm for wild salmon

manage production levels, hatchery fish may

conditions deteriorate. The net result could

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I want to give you the opportunity, sir, to just then go over these events and why you speak in such blunt and strong terms about your concern for the future.

DR. PETERMAN: All right. Okay. Well, first of all, I quess, this is an attempt to bring to the forefront here the idea that the ocean conditions are not stable and as we said there in the second sentence, it's likely that at some future point, the North Pacific will become less productive, as it was prior to the mid-1970s. And in that scenario, it's unlikely that the people around the Pacific Rim who are releasing fish from hatcheries, in particular, will turn down the taps in recognizing that, "Well, maybe the ocean carrying capacity has gone down so we'll turn down the taps." In fact, they'll probably be more likely to raise the release numbers from their facilities because they're under their control, whereas the wild populations might not be coming back in very large numbers. And so the issues that we're trying to raise here is that we're going to have a situation where it's disadvantageous to the wild stocks when there are fewer resources out there for them to feed upon in the North Pacific, if the ocean conditions become less favourable. There will be just as many hatchery fish, if not more hatchery fish as there are now, and likely fewer wild fish. So the body size at age when they return to the coast here, and subject to fisheries, will be smaller, which will decrease economic value of the fish, and also may influence their fecundity, the number of eggs produced per female.

Thank you.

DR. PETERMAN: Yes, go ahead.

Q No, it's at the lunch hour, but when we return after lunch, I want to ask you what response should DFO make to this prognosis, this worrisome prognosis that you give us. So I will be asking you that question on our return.

DR. PETERMAN: Okay. Thank you.

Q Thank you.

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

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## (PROCEEDINGS ADJOURNED FOR NOON RECESS) (PROCEEDINGS RECONVENED)

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 THE REGISTRAR: Order. The hearing is now resumed.

MR. ROSENBLOOM: Thank you very much. Don Rosenbloom continuing with my cross-examination. Just before carrying on with you, Dr. Peterman, in respect to the gathering storm, as you described it, we were referring to the document that you authored dated October the 1st, 2010. This was a document that is currently found as Tab 16 of the Commission's book of documents. I think that should be marked as an exhibit.

THE REGISTRAR: Exhibit Number 773. MR. ROSENBLOOM: Thank you very much.

EXHIBIT 773: General Press Release of Dr. Peterman, re Ruggerone et al, dated October 1, 2010

## CROSS-EXAMINATION BY MR. ROSENBLOOM, continuing:

- Now, Dr. Peterman, in respect to that perfect storm, the storm clouds have actually been around for the extended past. It's not a recent scientific proposition that there are issues here that have to be explored regarding the interaction of enhanced fish with the wild stock?
- DR. PETERMAN: That's right.
- And in fact, just for the record and for the Commissioner's benefit, we learn that indeed there have been forewarnings in respect to the possibility of a dangerous environment from the auditor general going back to a report in 1986. Are you familiar with the fact the auditor general spoke to this issue?
- DR. PETERMAN: No, I'm not.
- Well, I lead you to the PPR, page 56, up at the top paragraph 153. Mr. Lunn may be able to put that up. Not that I'm here to certainly educate you about anything to do with this subject, but in the PPR, it speaks, as I think if you just scan it very quickly, to an auditor general's report of 1986. You see that?
- DR. PETERMAN: Yes.
- Q Yes, and then we have Dr. Pearse in 1994 in the following paragraph, 154. That paragraph

documents Dr. Pearse ringing certain alarm bells about this issue, does he not, or did he not?

DR. PETERMAN: Yes, it looks like it from this description.

- Q Yes. And then we have a contribution by you and a number of other extremely respected scientists in 2004 in a workshop. And you see that documented in paragraph 155?
- DR. PETERMAN: I see it but I'm not sure which workshop that refers to.
- Well, let me try to refresh your memory. It was, I'm going to suggest to you, sir, a workshop that took place on November 6th and 7th, 2004. I have a document which I'm about to tender once you identify it, called "Advice Related to Five Big Picture Science Issues for B.C. Salmon". It was authored or prepared by none other than Karl English --
- DR. PETERMAN: Okay, yes.
  - Q -- Brian Riddell, Randall Peterman, yourself --
  - DR. PETERMAN: Yeah.

- Q -- and a number of others. Now, you're familiar
  with it?
- DR. PETERMAN: Yes.
- And would you agree with me -- again, time is so short here, would you agree with me this paper that you and the collective group of scientists participated and prepared this report really were in part was ringing an alarm bell of the issues of salmon enhancement proceeding and continuing in the absence of DFO paying any attention to the sequelae of those programs without investigating the interaction with the wild stock particularly in the marine environment?
- DR. PETERMAN: No, I'm sorry I can't agree with that because I remember the main thrust of that document as being that the decrease in funding available for monitoring escapements was what was most alarming. That is, we were observing that there had been a tremendous cutback in the amount of work being done to actually estimate the abundances for most of the salmon stocks in the north coast. Is this the one that is titled "North Coast"?
- 45 Q No, it is not.
- 46 DR. PETERMAN: Okay.
- 47 Q In fact, I'll just get it put right on the screen

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PANEL NO. 30
Cross-exam by Mr. Rosenbloom (GILLFSC)
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because it is --

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DR. PETERMAN: Yeah, okay. I must have confused it
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            with another one then.
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            Yes, I'm sorry. It is Ringtail document Canada
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            267755. And I am referring to it --
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       DR. PETERMAN: Okay. I see it.
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           Excuse me.
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       DR. PETERMAN:
                     I see it.
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            I'm referring to, from the PPR, that paragraph 155
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            where it speaks of academics, consultants and DFO
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            scientists. And there is a footnote, excuse me --
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            yes, there is a footnote, 289, and that's where I
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            found the document. It is now in front of you,
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            right?
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       DR. PETERMAN: Yes.
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            Yes, it is.
       DR. PETERMAN: I see it, thank you.
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           Are you familiar with it?
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       MR. TAYLOR: Is this something in the list for this
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            hearing?
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      MR. ROSENBLOOM:
                       Pardon me?
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      MR. TAYLOR: is this something in the list for this
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            hearing?
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      MR. ROSENBLOOM: No, it is not in the list but it is
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            footnoted in the PPR. Is that not appropriate to
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            make reference to documents that are referred to
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            in the PPR?
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                    I don't think I'm going to stand on it for
      MR. TAYLOR:
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            this one but I don't think it's appropriate that
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            you can drag up anything from a --
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                  It's in the salmon farmers' list for this
       MS. BAKER:
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            hearing.
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       MR. ROSENBLOOM: Okay, thank you.
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       THE REGISTRAR:
                      Tab 5.
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       MR. ROSENBLOOM: Thank you very much. Carrying on.
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            Occasionally you get bailed out in this business.
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       DR. PETERMAN: Yeah, right.
            You're familiar with this document?
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       DR. PETERMAN:
                     Vaguely. To be honest with you, I think
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            this is one of those workshops where, yes, I was
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            there and took part in the discussions and then
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            the draft was passed by me and it could be that I
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            didn't have a close look at it so that I remember
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            everything because I remember my journal papers
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            very well.
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            Yes.
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       DR. PETERMAN: But I don't remember this one.
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Q Well, Dr. Peterman, if you look at this document, which I'm about to have marked as an exhibit, and you go to page Roman numeral II, so the third page in the document, cover and then two pages in, and to the bullet at the bottom, as an executive summary, it says:

There is a pressing need for research into the early marine survival of Pacific salmonids and the role of hatchery production in these processes. The biological effects of hatchery production in B.C. has not been adequately assessed and may have long-term economic and biological consequences, particularly in the Strait of Georgia. This study could also be a major contributor to assess the impacts of climate change in the Pacific region.

You would adopt that now, wouldn't you? DR. PETERMAN: Yes, yes, that's right.

- Yes. And knowing, as we do, as I've just gone through it, the chronology of the alarms that have been going off to DFO in respect to the auditor general's report in respect to Dr. Pearse's report, in respect to your work and your collective initiative with the scientists in 2004, from your perspective, why is no work being done by DFO in respect to this critical area?
- DR. PETERMAN: Well, I'm not sure what you mean by "no work". And "this critical area", I assume, is you mean the effects of hatchery fish on wild fish?

  O Correct.
- DR. PETERMAN: Or is it in the marine environment only?

  No, let's take the former of those two questions first.
- DR. PETERMAN: Okay.
- Q In other words, generally, not just in the marine environment.
- DR. PETERMAN: Well, I think, as you heard from Ms.

  Cross and Mr. Savard this morning, there is recognition that there are these interactions going on. DFO is well aware of them. They have been for a long time. And how much research goes on in the Science Branch on these, I guess, is separate from them. I'm certainly aware of some people having worked on this mixed stock fishery

1 issue in the past.
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- Q But in respect to the marine environment coming to the latter of the two-fold --
- DR. PETERMAN: Okay. Yes?
- Q -- what I read, and correct me if I'm wrong, what I read in the materials supplied to us, there's no work being done by DFO, is there?
- DR. PETERMAN: No, that's not correct. There is a little work going on. So Dick Beamish is one of them who's working on the Strait of Georgia on the early survival of salmon. Mark Trudell is another research scientist at Nanaimo who is leading an annual survey or several surveys, I'm not sure how many, off the north tip of Vancouver Island, Queen Charlotte Sound and Queen Charlotte Strait.
- Q But are these projects specific to the issue of the interrelationship of the enhanced fishery with the wild stock?
- DR. PETERMAN: I don't think they're specific to it but I think that they can -- where they can identify hatchery-reared fish, it's possible to estimate survival rates of the wild and the hatchery fish, for example.
- Q All right. So let's get to the nub of this about the gathering storm. And I asked you just before the break --
- DR. PETERMAN: Sure.
- Q -- to reflect on this. What, in your opinion, are the remedial steps that are necessary to be conducted by DFO to ensure that that storm doesn't actually come to the coast? In other words, that that storm doesn't become the reality?
- DR. PETERMAN: Okay. So now there are two issues here and they have to be resolved by talking about which scale you're asking the question at. Are you talking about the north Pacific scale or the coastal B.C. scale?
- Q I guess I have to speak of the coastal B.C. scale.
- DR. PETERMAN: Okay. Let's start there.
- 40 Q Right.
- 41 DR. PETERMAN: Okay. So as I think I said when I was 42 here on the 20th and 21st, there is relatively 43 little work being done by Canada in the marine 44 environment on salmon survival rate, growth rates, 45 migration rates. In particular, compared to what 46 the U.S. researchers put in, it's somewhat 47 shameful, to be honest, and I think it's a

budgetary issue. It's not the lack of interest. I know several scientists who are very interested in these questions but simply the resources aren't available to mount the kind of projects we see mounted by our American colleagues who have much larger budgets at their disposal. So I think the kinds of projects that Mark Trudell and Dick Beamish are doing are important because what they're trying to do is look at the field data on survival rates, migration rates, timing, movement, mix of stocks through these areas but these are relatively small efforts compared to what could be done in a more coordinated fashion. And I think I mentioned this in the context last week or two weeks ago in terms of, if we're trying to understand the causal mechanisms behind the decline in Fraser River sockeye stocks, those kinds of initiatives that Drs. Beamish and Trudell are doing right now, should be complimented by other researchers going out at the same time working in the same places but measuring other variables that could potentially reflect other mortality mechanisms.

- All right. So if Commissioner Cohen concludes that the warnings that were given in the past, as I've just documented them with you, continue to be relevant to today's fishery, have you concluded your response as to the recommendations you'd give to the Commissioner as to the remedial steps that should be taken?
- DR. PETERMAN: No, I've not quite concluded my response because --
- Q Fair enough.

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- DR. PETERMAN: -- there's the bigger scale question.
  And I think this is an extremely point, Mr.
  Commissioner, and I'm glad that you brought this up, Mr. Rosenbloom.
- Q Thank you.
- DR. PETERMAN: I appreciate this. Some of the documents that I presented through the Commission lawyers in my affidavit deal with the fact that apparently our fish are influenced by interactions with fish from other countries. So it's hard enough to try to understand the dynamics of our fish populations and to manage them. But when we have a common pool resource like we have for the food for salmon out there in the north Pacific, we

have to be cognizant of the fact that there are other resource-grabbers, if you will, other fish from other nations and I'd just like to point out, for example, that in 1984, I documented that there was a decrease of up to 22 percent in the body weight of Chilko adult sockeye salmon when they were present in the ocean two years before with large numbers of Bristol Bay sockeye salmon. Both of these are wild stocks. But stick with me for a minute here --

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- DR. PETERMAN: -- because it will come to the hatchery issue. So there was documentation back then of this potential interaction. And several other researchers have found the same sort of thing subsequently and the analogy is like a pastureland. If you're a rancher and you don't have any fences around you but you just send your cattle out to this pasture and every year they come back fat and happy and you do what you do with them, and then other people who live adjacent to that pasture started putting out cattle on that pastureland, too, well, at some point if they get enough competitors your cattle are probably going to come back a little thinner, a little scrawnier than they would otherwise. Well, we're in exactly that situation now in the sense that we send our fish out there, "send" in a loose sense of the word, to grab the food resources that are in the north Pacific but the Japanese are doing the same thing, the Russians are doing the same thing and so are the Alaskans.
  - And there is a higher abundance of these what we'll call "foreign fish", Japanese, Russian, whatever, coming into that common area --

DR. PETERMAN: That's right.

- Q -- (indiscernible overlapping speakers) past, is that correct, sir?
- DR. PETERMAN: That's correct. Yeah.
- Q And why is that?
- DR. PETERMAN: Well, there are just more abundant populations in several areas, Alaska in particular. Depends on the species you're talking about. In Alaska, they have quite a few hatcheries for pink salmon and in Japan they have quite a few hatcheries for chum salmon.
- Q That increased abundance by these foreign

countries is, in part, an increase in enhancement 1 programs in those jurisdictions, is it not, sir? 3 DR. PETERMAN: It's part. Yes, I think in our paper, the Ruggerone et al 2010 paper, we document that 5 22 percent of the adult salmon coming out of the 6 north Pacific every year are hatchery-derived. 7 Right. 8 DR. PETERMAN: Hatchery-derived. We're not talking 9 about spawning channels there; it was hatchery-10 derived. But still there are wild populations 11 that have gone up tremendously in abundance over 12 the last few decades compared to the 1950s and 13 1960s. So in combination, what these fish are 14 doing is they're competing for an apparently 15 limited food resource and Greg Ruggerone and 16 Jennifer Nielsen published a paper in 2004, which 17 is one of the documents that I presented, showing 18 that indeed there is an effect, a clear-cut effect 19 of Asian pink salmon on a decrease in body size 20 per adult for Bristol Bay sockeye salmon and also 21 a decrease in the survival rate of those Bristol 22 Bay sockeye salmon. So here you have an 23 interaction between species because there is an

> overlap in their diet. And that kind of worked. They reviewed extensively in that paper and they attributed a loss of about three million Bristol Bay sockeye per year to that interaction with pink salmon from Asia. And then there's one final step in the logic here, which is bring it back down the Fraser River scale. Greg Ruggerone produced a document for our PSC workshop in June last year that is an exhibit in this hearing where he showed that there is an inverse relationship between the abundance of pink salmon in the north Pacific as a whole, Alaska, Russia and Canada, and the productivity of Fraser sockeye. Productivity being adult recruits produced per spawner. this is a very significant observation. It's a correlation. It's not a causal mechanism but at least raises a flag that, again coming back to my initial point, there is evidence that our fish are being affected by fish from other nations.

- Q Right. And because my time is so short and I have other questions I have to ask --
- DR. PETERMAN: Sure.
  - Q -- or I want to ask, you then call for some remedial steps. And to speed this up, in the

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material I've read that you have filed, you want 1 certain international --3 DR. PETERMAN: Establishments. 4 -- establishments of international bodies to start 5 governing or monitoring this international 6 situation, is that fair to say in a very short --7 DR. PETERMAN: Almost, yes. I'd say an international discussion should happen. So I'd say it's 8 9 incumbent upon DFO and Foreign Affairs or whoever 10 it is in Canada to start serious discussions with 11 these other salmon-producing nations who occupy 12 these areas in the north Pacific where B.C. 13 sockeye and other salmon species also go and 14 starting a discussion to say how can we share the 15 limited resources out there? 16 And it hasn't been happening up until now --17 DR. PETERMAN: No. 18 -- to the best of your knowledge? 19 DR. PETERMAN: No, not to my knowledge. The North 20 Pacific Anadromous Fish Commission is the most 21 logical place for it to happen. There might have 22 been some cursory discussions of this in 23 conferences but I don't know of any serious 24 negotiations. 25 And it concerns you, doesn't it? 26 DR. PETERMAN: Yes, definitely. 27 Thank you. Now, very, very briefly to any of the 28 panel, is the Cultus Lake and Sakinaw enhancement 29 programs, are they considered successful? Maybe 30 to you, Ms. -- excuse me, I apologize -- Ms. 31 Cross, I'm sorry. Thank you. 32 MS. CROSS: The Cultus enhancement program has recently 33 undergone a scientific assessment through our 34 formal advice review process. And certainly it 35 appears that there is potential for the stock to 36 recover. We are redesigning that program now 37 because it appears that the one component of it is 38 contributing a significant portion of the fish. So yes, considered successful. 39 40 It's considered successful up to this point in

MS. CROSS: That's correct.

Q Thank you. Unless any panel member disagrees with that. What about Sakinaw?

MS. CROSS: Still in review. We don't have enough returns yet to do a full assessment.

Q The jury's still out on that one?

time?

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MS. CROSS: That's correct.

Thank you. In the PPR, and I appreciate that none of you -- I assume none of you authored the PPR -- page 63, there is a curious statement that I wondered if any of you can interpret it for me. Paragraph 173, which starts at page 62. I'll, just to put it in context, read a sentence or two before the sentence where I want interpretation. I'm three lines from the bottom of page 62.

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SEP's original goal of doubling the commercial catch has failed, although Upper Adams sockeye are cited as an example of a SEP enhancement success and some might argue that enhancement may be the only thing keeping the Cultus stock from extinction.

Then it says, and I quote:

In any event, DFO acknowledges that fish culture is not sustainable over the long-run. Fraser River sockeye enhancement funding issues. If this is the case, then it supports a reconsideration of the funding model.

I am intrigued by that comment. Is it the position of DFO that fish culture is not sustainable over the long run? Ms. Cross, you look a little curious at this statement. Does it run contrary to your understanding of your department's position?

MS. CROSS: I was just curious what document 324, what the footnote referred to.

MR. ROSENBLOOM: Okay. I'm sorry. I don't have that in front of me and maybe Commission counsel can assist us? Is it possible for you, Mr. Lunn, to bring forward that document 324? It is 324, CAN document 023193 at page 2, I think. It's actually 324, yes, CAN 023193.

MR. LUNN: It'll take me a few moments to bring it up.

 MR. ROSENBLOOM: Yes, it'll take a moment.

Q As we await this document, you're surprised to see

that in the PPR?

MS. CROSS: No, I have seen the PPR before. Could you scroll back to that, please, while --

MR. LUNN: Certainly.

1 MS. CROSS: Thank you. 2 MR. ROSENBLOOM: 3 O Okay. I now have

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- Q Okay. I now have, through the assistance of Commission counsel, Ms. Baker, she informs me the document is "Re The Role of Public Groups in Protecting and Restoring Freshwater Habitats in British Columbia with a Special Emphasis on Urban Streams A Background Report Prepared for Consideration by the Pacific Fisheries Resource Conservation Council".
- MS. CROSS: My recollection is that that remark was -- or that was taken out of context from that document and that we had actually provided some clarification in our comments on the PPR.
- Q Okay. So again, because time is so precious, to the best of your knowledge, what I read out there is not the policy of DFO. DFO does not have an expectation that the cultured program is not sustainable in the long term?
- MS. CROSS: Well, as I say, I think there was quite a bit more to that statement so I think it's taken right out of context.
- Q All right. Well, we'll have to investigate it but obviously not now. Mr. Savard, do you have anything to say on this regard?
- MR. SAVARD: No.
- Q No. Thank you. And I assume Dr. Peterman doesn't.
- DR. PETERMAN: No.
- Q Very, very briefly, lastly, I was discussing this morning the budgetary issues. And in the PPR, and Mr. Harrison also made reference to this, there are directives about the WSP, the Wild Salmon Policy, and responsibilities for enhancement under that program. I've got to be very general in my question in light of the timing. And you're obviously aware of those responsibilities under WSP. Are you of the opinion that your current budget permits you to carry out the responsibilities, as dictated in the WSP when it comes to enhancement and restoration? Ms. Cross?
- MS. CROSS: So our specific responsibilities under the WSP refer to factors such as using enhancement as to meet conservation unit objectives, providing information through the IFMP process on production levels and a biological risk assessment framework. With respect to the first two, we don't have broad

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PANEL NO. 30
Cross-exam by Mr. Rosenbloom (GILLFSC)
Cross-exam by Ms. Gaertner (FNC)

scale conservation unit objectives yet that involve enhancement. But for those where we do, we are contributing to those. That's Cultus and Sakinaw. The risk assessment framework, that piece of work is just beginning. There will be a considerable cooperative piece of work required with Science Branch. I don't know what that study will loo like ultimately and I don't know what the funding requirements would be for that.

- Holding the position you do at the DFO, are you of the belief that the current funding provided to you under your budget will permit your carrying out your responsibilities under WSP?
- MS. CROSS: If there is a requirement for us to contribute to the rebuilding of additional stocks that are at risk, those are extensive programs. Under our current budget, that would require us to realign some of the current projects to meet those.
- Q And realign would mean taking from one project to fund another project?
- MS. CROSS: Would mean to fund those, that's correct.

  Q And that could be to the loss of instead of maybe
  Fraser River sockeye, it could be the loss of
  another specie of salmon in the Fraser watershed

another specie of salmon in the Fraser watershed or indeed anywhere in the province, correct?

MS. CROSS: It would be a realignment of projects, yes. MR. ROSENBLOOM: Thank you. I have no further

questions.

MS. GAERTNER: Good afternoon, Mr. Commissioner.

Brenda Gaertner for the First Nation Coalition and with me Crystal Reeves.

## CROSS-EXAMINATION BY MS. GAERTNER:

Q Good afternoon, panel. I think for some reason, I'm not quite sure why, but I'm going to start with Dr. Peterman and then return to the other panel members. Dr. Peterman, I think the reason why I'm doing that is that at the end of your short affidavit you give us some recommendations that I think inform the managers a bit so I think I'll take you through your affidavit, ask the questions I have and then end with your recommendations.

DR. PETERMAN: Okay.

Q And then we'll turn to some of the questions of

the managers. I'm going to go to the exhibit that's attached to Exhibit 759, which is Dr. Peterman's affidavit, and I'm going to start at page 2 and just briefly go through some of the points that you've raised and ask a couple questions of you, Dr. Peterman. Particularly, let's start at the interactions between wild and enhanced fish that's at paragraph 2. You start with some of the overlaps related between wild and enhanced salmon in space and time.

It's my understanding from my clients that most of that which is local environments can be — those issues can be dealt with, with the sighting of the hatchery and then the timing of the release of the fish and that that's what they work with DFO on in the situations where they're working directly with them.

Is that the kind of thing you're talking about there where you had to minimize where -- you know, take good care at a local level as to where you sight the hatchery and then take good care at when you're going to release the fish out?

- DR. PETERMAN: Certainly. At the local scale, it can be dealt with fairly easily, yes.
- Q Much easier than at that grander scale that we're talking about.

DR. PETERMAN: Yes.

- And then on the next one and on a local scale, there are places where hatchery-produced salmon outnumber wild salmon. Again, my understanding, and I tried to get through some of the articles that got listed all over the place last week coming into this, that my understanding with respect to Fraser River sockeye hatchery, there's relatively few Fraser River sockeye hatcheries in relation to the wild stocks that are out there. We're not putting out that much relative to what other countries are doing; is that correct?
- DR. PETERMAN: That's right. Well, in fact, I think even within the Fraser, the number of hatchery-reared Fraser sockeye is very small compared to the wild --
- Q Very small.
- DR. PETERMAN: -- Fraser sockeye.
- Q Thank you. So then if I'm reading the concerns that you raise in your affidavit correctly, as it relates to Fraser River sockeye stocks, your

concern would primarily be about the concern that Mr. Rosenbloom took you to, which is the interaction with pinks. Am I correct on that?

- DR. PETERMAN: At a minimum, yes, that's right.
- Q At a minimum?
- DR. PETERMAN: Well, that's all --
- Q Please don't let me --
- DR. PETERMAN: The strongest data evidence that we have comes from the interaction between pink salmon and the sockeye. But that hasn't really been investigated very thoroughly for other sorts of interactions.
- Okay. And then so on page -- sorry, mine don't have page -- I guess it's the third page. It's the last paragraph. It's 3(d) of your affidavit. You go:

After adults leave the ocean, large numbers of hatchery fish straying into spawning areas for wild fish --

- and you emphasized this morning -

-- can decrease biological diversity and fitness of the wild stocks.

That's not a local situation on the Fraser that you're raising there?

- DR. PETERMAN: Probably not. Except for, well, I'm thinking of Cultus. I couldn't tell you and maybe my colleagues on the panel here could tell you the number of hatchery-reared Cultus sockeye there are compared to the wild.
- So with the exception of Cultus, which is a very at-risk species in which we're doing conservation responses, that this concern would not be a concern you have on the Fraser; is that correct?
- DR. PETERMAN: I think that's right.
- All right. I mean these are good things. I like it when we can check off things that aren't concerns. Now, with respect to 3(c), I'm going to summarize that concern as being mixed stock fishery concerns, i.e., when you've got a very successful enhancement hatchery or an enhancement program and they mix with the wild stocks. Those are definitely concerns that my clients share. Would you agree with me that if managers are

looking at terminal or near terminal fisheries 1 that that's one of the ways that we can solve that 3 type of concern so that the mixed stocks are no longer mixed and we're harvesting those that are 5 in abundance and leaving those that are weak to 6 return to their spawning grounds? 7 DR. PETERMAN: Well, yes, if indeed you can get 8 terminal fisheries but let's define terminal. Terminal is often just identified as, well, it's 9 10 in an inlet. But in fact --11 No, I think in the Fraser, my clients are very 12 clear that terminal in some circumstances is once 13 the stocks have been separated out and they're 14 closer to their spawning channels so they can be 15 identified specific. Would you agree with me that 16 that would address the concern that you've raised 17 in 3(c)? 18 DR. PETERMAN: That's right. If you're harvesting fish 19 right near the spawning grounds, then obviously 20 they're going to be differentiated from other 21 stocks nearby at other spawning grounds. 22 And in fact, when it comes to excess fish that 23 have been created through hatcheries or something, 24 DFO has the ESSR programs where they're actually 25 caught very close to the hatcheries. And you're aware of that, aren't you? 26 27 DR. PETERMAN: Yes, I am. 28 Yes. Okay. So then I want to get to the concern 29 that you have raised, which is very important to 30 us all, on page 5. So that's the interaction so 31 far as best we can see the potential interaction 32 with the increase in pinks. And you raise a 33 concern at 4(c) on page 5 of your affidavit: 34 35 The concern about competing for limited 36 resources --37 38 And here you're talking about limited food 39 resources in the marine --40 DR. PETERMAN: Yes. 41 42 -- may become considerably more acute if the 43 north Pacific becomes less productive again. 44 45 This is precisely why you're asking for 46 international cooperation, isn't it? 47 DR. PETERMAN: It's one reason for it, yes, definitely.

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            And in fact, it only can be addressed with
            international cooperation when it comes to the
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            Fraser River stocks?
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       DR. PETERMAN:
                     Yes, well, from our perspective --
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            Yes.
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                      -- being worried about Fraser River
       DR. PETERMAN:
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            socks, yes, that's right.
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            Yes, this is --
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       DR. PETERMAN: The international concern is the main
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            All right. And that's why you go into 6(a) in
            your recommendations, if I read them right.
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            You've suggested the north Pacific Anadromous Fish
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            Commission but any other treaty -- but that's the
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            one you're aware of that could actually take this
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            task on?
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       DR. PETERMAN:
                     Well, it's a logical one.
                                                 Right now, it
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            doesn't have that under its mandate.
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            What's Canada's participation in that Commission?
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       DR. PETERMAN: Well, I don't know exactly how it's
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            formally structured but there are delegates to the
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            North Pacific Anadromous Fish Commission from DFO.
            Do you sit on that Commission?
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       DR. PETERMAN: No, I don't.
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            So if the Commissioner were to do any
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            recommendations, it would be recommendations as to
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            how to -- for DFO's delegates for this Commission?
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       DR. PETERMAN: Well, that's certainly one avenue but
            from what I've heard from people who have been to
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            those meetings, and Dr. Beamish in the audience
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            here could perhaps tell us otherwise, this topic
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            of international regulation of releases of fish is
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            not one that goes over very well because it's
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            basically saying something about sovereignty and
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            I'm not sure that going through the NPAFC is
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            necessarily the right avenue. It's worth trying
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And have I got the problem somewhat correct by saying that in some of these other countries they're quite dependent on their hatchery fisheries, as distinct from wild stocks, so they may not have an interest in protecting wild stocks; is that correct?

but it could be some other forum might be

appropriate just bilateral or multilateral

DR. PETERMAN: That's right.

direction negotiations.

Q Now, the next one you've recommended is something

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we could do something about, which is all hatchery-released juvenile salmon should be marked in some way so that resulting adults can be estimated separately from wild fish. And that's for data collection but also -- not only for survival but for fecundity and other things that you've been mentioning; is that true?

DR. PETERMAN: Well, the main thing is to identify what

proportion of the fish caught are from hatchery-

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- reared as opposed to wild populations and also to get the survival rates from wild fish compared to hatchery-reared fish. And I only mention this as an example of something. And again, my colleagues on the panel here could speak to it more directly but I learned over the last few years that there are some hatchery programs, I think, mainly in 17 Washington State where they're not marking all 18 hatchery-released fish. And I know that's the 19 case because I was at a conference a few weeks ago 20 where someone was going through great machinations 21 statistically to try to separate out what -- or 22 try to estimate what proportion of the catch actually was hatchery-released catch because they
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didn't have all the fish marked. So it's clearly important from your perspective that we make sure all the hatchery-released fish are marked?

DR. PETERMAN: Yes.

All right. And then you say something very broad here that I needed examples of and I'm wondering if the Commissioner might also. 6(c):

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behind program objectives. That's got to be one of the more general comments that I've heard from you, Mr. Peterman, so I wondered if you could help us by providing some

Managers should carefully examine assumptions

concerned about with respect to program objectives

examples of the kind of the concerns you were

and assumptions.

Well, I guess the first example DR. PETERMAN: Right. of that would be back when the Salmonid Enhancement Program was started and other enhancement programs in the U.S. In particular, I was aware that what they were often basing their goals on was what the catches used to be. And I

can't say for sure the DFO quoted it, but they were pointing to this objective of doubling the number of salmon in 1976, as a goal of the Salmonid Enhancement Program. And you can't assume that the ocean is going to be the same in the future as it was in the past. And we now know that's definitely not the case so it's a dynamic system out there. So that's one basic assumption that has to be carefully examined when undergoing any kind of program to increase the abundance.

- So let me see if I've got that. The dynamic marine environment needs to be carefully considered when making assumptions around hatchery and enhancement program objectives?
- DR. PETERMAN: That's right.
- And finally, you suggest that:

Salmon management agencies around the north Pacific should develop plans for regulations and activities.

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Could you give me an example of what you're talking about in this paragraph?

DR. PETERMAN: Okay. Well, this relates to the point I was making in response to Mr. Rosenbloom's question, that is, I think there should be some kind of discussion internationally about regulating the number of hatcheries that are built and the number of hatchery fish that are released in the various countries. Alaska has huge pink salmon hatcheries and Japan has huge numbers of pink salmon released from hatcheries and same with Japan for their chums. And these fish overlap to some extent with B.C. salmon. So to the extent that we can talk about some kind of regulations that will be in everyone's interest because body size is affected in all of these stocks from all places where they overlap, I think everyone would be better off. And I'd just like to point out one important example of where this sort of thing might work. So it might seem intractable based on what you just said earlier about some countries not being interested in maintaining their wild populations whereas we are.

> There's an example of the North Pacific fur seal or northern fur seal, pardon me. early 1900s, I don't know the exact layout and

1 I'll make it quick here but Japan, Russia, the U.S. and Canada were all involved in harvesting 3 northern fur seal. And the American's pointed out that, well, we've got all the rookeries here, the 5 rearing grounds essentially, and we want to 6 maintain these because there's a serious problem 7 with the depletion of those populations. And so 8 they went through the same kind of discussion that 9 I'm saying we need to go through here for salmon 10 and it was clearly the harvesters from Japan and 11 Russia, I believe, were the main ones, maybe 12 Canada, too, were going to be at a disadvantage if 13 the Americans said no more harvesting of fur 14 seals. But what they did was they had some sort 15 of side payment arrangement. So they couldn't 16 come to an agreement on trading rights to fur 17 seal, if you will, but rather they made some other 18 side payment of those institutions in the 19 countries that were harvesting them to cut back on 20 the harvest. And that might be what we need to do 21 for the salmon.

Q That's innovative. All right. I just had one final question on your recommendations and it actually is -- for some reason I'm working backwards today but let's go to the research priorities. You're suggesting under (a):

Enhancement of salmon of any species should be planned as large scale experiments.

That got me worried. I wasn't quite sure what you meant there.

And evaluations of such plans should take into account density dependent processes and the benefit cost analysis.

It's my understanding those are usually quite long-term projects that could do those types of things. And then I wasn't quite sure what -- to understand the density dependence issues of the marine that would take sometime, if I'm correct.

- DR. PETERMAN: Yes.
- Q Like decades; is that correct?
- DR. PETERMAN: Not necessarily decades but maybe a decade.
  - Q A decade?

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- DR. PETERMAN: It depends on what measures you're looking at.
  - So we're looking for longer-term commitments for research into these areas; is that what you're suggesting?
  - DR. PETERMAN: Yeah, well, it's not research. This is really part of management. So obviously we're in a realm here where there are uncertainties about what's going to happen with any kind of management regulation. And so the basic notion described in 5(a) here is a longstanding idea from Carl Walters back in 1976 that there should be some consideration to the value of the information you're going to get out of your management actions, as well as the economic and social values.
  - Q Right.

- DR. PETERMAN: The value of information comes from creating contrasting treatments so that you have a before-and-after or a spatial comparison. So this is part of what was suggested, I think, by Walters and I'm not sure who else about the Strait of Georgia coho hatcheries was, well, if we want to test whether there's some strong negative density-dependent effects, just shut down those hatcheries for a few years and see what happens. And that's the only way you're going to be able to tease apart whether the changes observed in the wild stocks are due to natural processed or hatchery or both together.
- Q Gotcha, okay. Just finally, the last question I have for you on your affidavit is, as I understand it, and correct me if I'm wrong, it's clear that the interaction between hatchery and wild stocks in the marine did not, from your perspective, you're not suggesting it caused the 2009 catastrophic return but could it be possibly affecting some of the long-term trends that you came to give evidence about last week?
- DR. PETERMAN: Yes, it very well could be. And I just draw your attention to the second figure in the Ruggerone 2010 document. I don't know if you want to take the time to look at that?
- Q I think it's important, if it influences that trend.
- DR. PETERMAN: Okay, yes. So could we have a look at it's the document that is Ruggerone 2010; he's

the sole author and it was -- which document was 1 it on my submission? It was --He's the sole author? 3 4 DR. PETERMAN: He is the sole author. So it was 5 Appendix 2, Part 2. 6 MS. BAKER: It's 573. 7 MR. LUNN: Thank you. 8 DR. PETERMAN: Thank you. 9 MS. GAERTNER: Thank you, Ms. Baker. 10 DR. PETERMAN: So if you go to his second figure, yeah, 11 that's the one, yeah, so it's about page 88 or 89 12 of that document. Keep going. There we go. 13 Okay, right there. So what you see is this is, on 14 the left-hand axis, just look at the top graph 15 only. 16 Yeah? Q 17 DR. PETERMAN: This is the average productivity for 16 18 Fraser sockeye salmon stocks and it's the "Natural 19 Log of Recruits-Per-Spawner". So it's just 20 basically how productive each spawner is in terms 21 of producing adults. And as you'll see, that 22 productivity is negatively correlated with an 23 abundance of pink salmon for three different areas 24 summed, Fraser River, southeast Alaska and Prince 25 William Sound. So we got up to two million pink 26 salmon and you see the productivity has gone down 27 compared to what it is, that very low number of 28 pink salmon. 29 The bottom graph is the same as the top 30 except now the author added in the Russian pink 31 salmon. So in answer to your question then, I said, yes, there is some evidence that this 32 33 interaction on the high seas could be affecting 34 Fraser sockeye. And the fact that he's got this 35 time series of productivity indices that we were 36 all provided with from 1961 to 2005, that does include the period when the Fraser sockeye 37 38 productivity has decreased. But again, this is 39 just a correlative graph. It doesn't say anything 40 about causation. 41 You could plot the price of oil on the "X" 42 That has also been increasing. And it 43 could be that there's an association with this as 44 I don't know. I haven't done it. But 45 that's the problem with any correlation analysis;

you need to get down to the mechanisms.

From your vantage point, Dr. Peterman, is that

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fixed two-year life cycle.

1 correlation strong enough that there should be a 2 recommendation from this Commission that has us 3 specifically looking at this matter?

 specifically looking at this matter?

DR. PETERMAN: Yes, I would think so because there are enough other pieces of evidence suggesting that this pink salmon abundance is important and particularly in the previous graph of this paper. If you want to go up one, please, Mr. Lunn? So here, the author is showing the even/odd year difference. And I won't go into it but the pink salmon abundances are much higher on the odd years than they are on the even years because they're a

O Yes?

- DR. PETERMAN: And it just turns out that the signal shows up very strongly on a stock-by-stock basis in this regard as well.
- MS. GAERTNER: Thank you very much, Dr. Peterman. This might be an appropriate time, Mr. Commissioner, to just say this. I'm loathe to complain about process issues, as you know, and we're all struggling with this but I have to say that much of this evidence came in very late in the day last week. I'm happy to bring it forward but I have not been able to get client instructions on this matter at all.

If there is further information that we would like to bring forward either through Dr. Peterman or otherwise, I would like the opportunity to. Obviously, over the weekend when I reviewed this material, I feared some of the answers or were interested in some of the answers. I was bold enough to ask them today but I do believe this matter requires some further consideration and I am concerned sometimes by the lateness in which we get the material.

Q Thank you, Dr. Peterman, very much. That was very helpful. And Ms. Cross and Mr. Savard, my rest of my time I'm going to ask some questions of you. I didn't get an opportunity to speak to you. I just wanted you to know that my clients' participation in this Commission have been most particularly interested in seeing how the information that gets brought forward could be brought into useful recommendations going forward. So while there is some factual foundations that I need to take you through on some of these questions, I'll be most

interested in seeing if you can help frame some recommendations, particularly as it relates to working with First Nations around SEP and other parts of your terms of reference or your working environment. So first of all, I'd like you to go to Tab 2 of the Commission's documents, which is a -- and when we were brought to this document, we see it's Draft 2. And at the bottom of it, it tells me that it was created perhaps by the policy branch Alison Webb of PR headquarters. Are you guys familiar with this document, either one of you? 

- MS. CROSS: I'm familiar with it. I actually developed it.
- Q Oh, great.

- MS. CROSS: Yeah.
- MS. GAERTNER: That's good news for me. I would like this document marked as the next exhibit.
- THE REGISTRAR: Exhibit 774.
- 20 MS. GAERTNER: 774.

EXHIBIT 774: Draft 2 - WSP Enhancement Operational Guidelines, Confidential - For Discussion Purposes Only - Feb. 3

#### MS. GAERTNER:

- And okay, then I think my questions around this, I'll direct to you, Ms. Cross, and we'll see where we go. I'm going to, first of all, take you to page 3 of 25. And it's just that that's where you do some of the history of the SEP, and just have you confirm that one of the five accounts of the initial program was to benefit Native people; is that correct?
- MS. CROSS: Yes, that's correct.
- Q That's the SEP program. And in fact, as it initially was developed, it had, as its goal, to work closely with Native people, as it relates to both spawning channels and hatchery developments; is that correct?
- MS. CROSS: Yes, that's correct.
- Q And would you say that it's fair to say that right now in the present situation, in particular, in the los of funding and other things, that First Nations' involvement in SEP is not one of the key priorities or the key risk assessments or any of those thing that are used to determined

priorities?

MS. CROSS: I wo
that the Fi

- MS. CROSS: I wouldn't quite say it that way. I'd say that the First Nations' component of the program has been fairly static for the last few years. We do have a set of performance measures. And one of the performance measures is specific to benefits for First Nations, both from the perspective of employment contracts and some of the ESSR benefits. And in the most recent lodging model, we have identified partnerships with First Nations and other parties as part of our ongoing program.
- Perhaps we could just take a moment and help me make sure that I've got my information correct. The First Nations' involvement in the SEP program is through the CIP's component of it; is that generally true?
- MS. CROSS: Yeah, there is a component there. There is also employment at some of our facilities of First Nations' people.
- Q And is it true that some of that employment or contracting at facilities is done through the CEDP part of the SEP program?
- MS. CROSS: There are contracts with the CEDP part of the program with First Nations but there are also First Nations' employees at DFO facilities.
- Q As DFO employees?
- MS. CROSS: Yes, that's correct.
- Q Okay. Now, one of my clients, which is the Chehalis First Nations, is working with the Department as it relates to the Weaver Creek hatchery. And it's my information that things like the marking programs and other on-the-ground programs are somewhat languishing because the CEDP program is being cut. Is that a concern that you're aware of?
- MS. CROSS: So the Chehalis First Nation at the Weaver Creek spawning channel, that's a DFO program, it's not a CEDP program.
- Q Okay.
- MS. CROSS: There has been some reduced marking in recent years at some facilities.
- And so when you heard Dr. Peterman's concerns about trying to make sure that all juveniles are marked coming out of the programs. Would you agree with me that it might be useful to get a recommendation that ensures funding for marking at all of the hatchery programs?

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- I think it's important, just to provide a MS. CROSS: little clarification and background on the objective of the marking programs that DFO currently undertakes, we do not mark all of our salmon. And that is because the salmon that we do mark, we have a marking framework that has been developed cooperatively with the Science Branch and it addresses the international marking requirements that we have for Pacific Salmon Treaty stocks and as such it meets those statistical requirements. And the way those programs work is that we mark a statistically significant portion of specific releases and those marks represent the unmarked fish in those groups. And we use those results to manage surrogates for wild salmon, to manage wild salmon populations. So the kind of marking that Dr. Peterman is mentioning is for a different objective and that is to identify all hatchery fish that are being seen in the catch or the escapement.
  - Q So that's an improvement that could be done?
    MS. CROSS: It's a different objective and I think we need to be clear on the reason for that, yeah.
  - Q And so would additional funding need to be found to do those types of markings or are those markings that could be done at the same time as everything else?
- MS. CROSS: There would be additional funding required to do that kind of marking and additional funding required in the fishery sampling and in the escapement sampling programs. There are also some logistical constraints around this as well because in order to do something like marking our 40 million chinook salmon, they all have to be marked over quite a short time period, over the course of three weeks to a month. And you know, these things could potentially be done in the future but there would be a development phase in order for us to actually be able to do that logistically.
- Q All right. I want to go to Tab 17 of our documents next. And that's a memo for the assistant deputy minister on the Salmonid Enhancement Program. It's like a briefing memo. Are either, Mr. Savard or Ms. Cross, are you aware of this briefing memo?

MR. SAVARD: Yes, I am.

Q Great. And actually if I could, 18, 19, 20 and

21, of our list are all the exhibits of that memo, if you could just piece through them and I can 3 have them marked as one exhibit if you can confirm 4 that. You can confirm that those remaining 5 exhibits are the appendices to that memo? 6 Yes, they are. MR. SAVARD: 7 MS. GAERTNER: I wonder if I could have this marked as 8 the next exhibit? And with 19, 20 and 21 marked as A, B and C, if you'd like. 9 10 THE REGISTRAR: Be Exhibit Number 775. And we've got 11 775-A, will be attachment 1; 775-B, be attachment 12 2; and attachment 3 will be 775-C. 13 14 EXHIBIT 775: Salmonid Enhancement Program 15 (SEP) Adjustments for Alignment with Budget 16 17 EXHIBIT 775-A: Attachment 1 18 19 EXHIBIT 775-B: Attachment 2 20 21 EXHIBIT 775-C: Attachment 3 22 2.3 MS. GAERTNER: 24 Now, if I was to summarize what I took from this 25 memo and its attachments is that we're continuing 26 to face cutbacks, including in the CEDP budgets, 27 and suggest that there will also be cuts across 28 some of the facilities, I'm going to now ask you 29 both a more general question and see if you can 30 help me out. It's not clear in any of the 31 documentary material or in the PPR what engagement 32 with First Nations there is at all when 33 determining priorities for cutbacks or priorities 34 for programs that are going to continue. And so 35 I'd like to know what steps you take or your 36 department takes when making determinations about 37 priorities in cutbacks in relation to First 38 Nations, particularly those that have been working 39 closely with DFO in these programs. 40 MR. SAVARD: Okay. So there's a few different 41 processes that we utilize in terms of developing 42

annual spending plans in the Salmonid Enhancement

Program. The one that we spend a lot of time on,

but not exclusively, is talking with people about

the production plans and including First Nations.

So where we have First Nations involved in

operating a community economic development

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facility there is direct engagement with the community advisors that we have in the areas working with those facilities, talking to them about production opportunities and plans and interest for the coming year. In addition to that, a broader process, the process that we use to develop the Integrated Fisheries Management Plans on an annual basis, all of the production plans that are developed on an annual basis are talked about and reviewed in that process as well.

- Q So are you talking about the IHPC process at that point in time?
- MR. SAVARD: That's correct, yes.
- Q So do you participate in the IHPC program or do you leave it in the hands of the managers to do that?
- MR. SAVARD: I personally don't but there are salmon enhancement managers that do.
- Q And so the Commission has heard a fair bit of information about the IHPC and, in particular, the challenges associated with having First Nations participate in that program at all. So are you saying that you're actually relying on the IHPC to do most of the discussions with First Nations around priorities and planning?
- MR. SAVARD: In part. That is one place. But we do bilateral discussions with our fisheries managers, as I understand, on an annual basis in developing Aboriginal fisheries' strategy agreements. As I mentioned, the community advisors are talking with First Nations on a bilateral basis around salmon enhancement activities so the development of the IFMPs is one place where there's an opportunity. But there is also more detailed bilateral opportunities through a number of different processes as well.
- Actually, it's hard, I suppose, to figure out how my clients are experiencing it and how you're describing it because they've informed me that what they experience is a budget that starts with something gets cut one year, then the next thing gets cut the next year, then the next thing gets cut the third year and by the fourth year we're pretty well not doing the program anymore. So that's an experience that you're aware of with First Nations, I'm sure, on the Fraser River, as it relates to some of these enhancement programs,

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correct?

- MR. SAVARD: Yeah, with respect to the community economic development program, and I think that's what you're referring to, is how those discussions are approached each year is a discussion about production planning opportunities and within a financial framework as well. And at the end of the -- before the plan is finalized, you know, there are ongoing discussions about, in the case of CEDP facilities, escapement of work, what the particular facility is -- what work they're going to do. And in the case of community economic development facilities that are producing fish in the statement of work, there would be some information. And there are identified what the commitments are around fish culture, for example. But there might be other activities as well. And you know, in some years, we will agree to fund certain things and other things we might not fund those and it's all kind of depending on what all kind of the regional interests and pressures and priorities are for the program.
- Q So it's really decisions that are made not in consultation with First Nations. You find out, you talk to them about what some of their priorities are, those are put into a mix by DFO and decisions around priorities are made by DFO?
- MR. SAVARD: Well, with input from the various First Nations communities, yes.
- Q I wonder if I could take you now to document 34 on our list. And Mr. Savard, if I've got this right, this is an email chain between you and Paul Sprout. And I'm going to take you to page 2 of that in which you're talking about the SEP program and the second-last bullet.

If there is continued interest in facility closures, my initial thinking is that we would fallow (no fall egg takes) --

And then you continue to:

-- the sites noted in the 5% option in the DMC BASR2 document.

What's the DMC BASR2 document? MR. SAVARD: So "DMC" stands for Departmental

Management Commission and the "BASR2" is Budget Alignment Strategic Review and there was two phases to that initiative.

- Q And that was done by Department officials? MR. SAVARD: That's right, yes.
- Q Are you aware of any consultation that occurred with First Nations around the 5 percent option in the DMC BASR2 document?
- MR. SAVARD: I guess a couple of comments on this particular one. This particular note was a discussion that was, you know, a snapshot of time about discussions that were ongoing around a potential 5 percent option. In the final analysis, this 5 percent option that's described here was not pursued. But with respect to consultation with First Nations around this kind of activity, I would kind of go back to my earlier comments about whenever we make decisions in the program around what the expenditures will look like on an annual basis, there is consultation with First Nations' communities as part of the overall kind of work that goes into making final decisions around financial allocations.
- Sorry. I need to unlock that a little bit, Mr. Savard. As I understood your evidence earlier, you speak to the First Nations who were involved in development production plans and you get -- you know, if they're directly involved in either the spawning channel or the hatchery, you'll talk to them about what the foreseeable, maybe the one-year, two-year or three-year production plans are and you get a sense of what's possible at the facilities. Then I heard you say is that you then take those into consideration in regional planning or priority issues. Did I hear your evidence correctly?
- MR. SAVARD: I think you did. What I'm saying is that we do consult at various different scales and through various different processes. At the end of the day, we have to roll up an entire plan for the region that talks about where we're going to spend money.
- Q All right. And that's a decision that's made by the Department. And there isn't a consultative process on those priorities on a general basis with First Nations. The Department is doing that; is that correct?

- MR. SAVARD: Well, when we talk about production
  planning things, we are also talking to First
  Nations and others about the departmental
  priorities that we're looking at in terms of
  trying to support, as we develop.
  Okav. Then I need to make sure that you do t
  - Q Okay. Then I need to make sure that you do that through the IHPC --
  - MR. SAVARD: We do it through the IHPC process. We do it through bilateral consultations with our community advisors. We do it with our fisheries managers. And there's a number of different forums where we're talking to a whole range of people, including First Nations.
  - MS. GAERTNER: I wonder if I could have that marked as the next exhibit?

THE REGISTRAR: 776.

MS. GAERTNER: 776?

THE REGISTRAR: That's correct.

MS. GAERTNER: Thank you.

EXHIBIT 776: Email chain between Greg Savard and Paul Sprout

### MS. GAERTNER:

- Q And then I need to take you to document 27. Now, this may not be something you're familiar with but it's a question that came out of around -- well, I'll take you to it first and see if you do know it. It's an email exchange between Adrian Wall and Jason Hwang. And this takes us to the next issue, which is the SEP Logic Planning Model. As I understand the PPR, that's a performance measure and assessment priority model the Department is now working with; is that correct? Have I got that right?
- MR. SAVARD: Yeah, it's a model that describes outcomes for the program but is supported by -- it talks about a number of different activities and inputs and outputs but ultimately leads to supporting outcomes.
- Q So there's a question that's being exchanged here between, as I understand it, if I've read this email correctly, for two DFO people. And they're asking whether there's any plan to consult on outcomes of the SEP Logic Planning Model. My understanding from my clients is there hasn't been consultation on the SEP Logic Planning Model. Do

you know if you intend to or if you plan to and who would be responsible for that and how it would 3 happen? MR. SAVARD: I'm not aware of what consultation might 5 have been done with this particular First Nations 6 community around the model. There has been some 7 level of consultation and discussion with 8 different folks on the model but I'm not certain about what level would have taken place with this 9 10 (indiscernible - overlapping speakers). 11 Ms. Cross, do you know of anything to add to this? 12 MS. CROSS: I'll add a couple of comments. So this 13 logic model is part of an overall performance 14 measurement framework that's required under the 15 Treasury Board policy for all programs. the logic model was developed with input from the 16 17 folks who are experts at this, some consultants. 18 And the approach they had proposed to us was that 19 we get this logic model developed, freeze it and 20 then begin consultation on it. We have done some 21 of that to date. We have a new Integrated Harvest 22 Planning Committee work group that's focused just on SEP issues so that's a SEP working group and it 23 24 includes some First Nations participants. We did 25 present that model to them probably nearly a year 26 ago now and an expectation that we will continue 27 to provide that to people for consultation. 28 So if I've understood that right, you developed 29 the model internally on your own, you've locked it 30 in place and now you're going to talk about it? 31 MS. CROSS: Yes. MS. GAERTNER: Okay. 32 Can I mark that as the next 33 exhibit, please? 34 THE REGISTRAR: 777.

EXHIBIT 777: Email chain between Adrian Wall and Jason Hwang

# MS. GAERTNER:

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I've just got one more factual area, one or two, and then I'm going to go to those recommendations we talked about. I got a little confused. As you can see, that's sometimes not that hard for me to do. But I was reading the Policy and Practice Report and, in particular, at pages 11 and 12. And if we start at paragraph 23, we've got the Enhancement Guidelines. Again, these are

guidelines that were developed by the Department. Is that right, Ms. Cross?

MS. CROSS: Yes.

- And they contain specific directions as to what managers should consider when assessing management strategies and weighing associated risks, benefits and costs of enhancement. And there's quite an extensive list there. And then at paragraph 24 and 25, this is where I got confused, even with the corrections that happened earlier today. haven't worked through this list to determine how to incorporate these considerations into your practices. Some of these items are supposed to be encompassed by the biological risk assessment framework currently under development. And then we have that the Enhancement Guidelines exist only in draft form but they represent the practices that the Salmonid Enhancement Program currently has in place. So I have to say I got a little confused. What's in place, what isn't in place, what are you working on and how are you going to work with First Nations to do this?
- MS. CROSS: So in my affidavit, I think I noted in there the pieces of the Enhancement Guidelines that are pretty much completed and in usage and that there are other components on the Enhancement Guidelines that are still under development and actively being worked on. So that fairly exhaustive list that you had earlier there, that represents some fairly early thinking on all of the things that we need to consider in the course of our work and that's a piece of work that will undergo some further development. Many components of the Guidelines are specific to how we need to do our job.

So for example, the Spawning Guidelines are specific to how we need to collect brood stock and how that spawning needs to take place. And those are technical guidelines for information purposes and we will work with First Nations and with communities on those in terms of how can we help you and how can you incorporate this into your operation? So those are really the kind of thing that we would consult on. They're pieces of science translated into operational aspects of our work that we would provide to support people in doing their work as contractors or volunteers.

1 I'll stop there.
2 O I guess I'm stil

- Q I guess I'm still not clear what part of the Enhancement Guidelines are in place.
- MS. CROSS: So if you look at my affidavit, I don't have it in front of me, but I referred to the Spawning Guidelines, the assessment, marking and one other component as being in practice and in place. And that there were aspects of the fish health management plans and bio security that were under development.
- All right. And then if I now take you back to Exhibit 774, maybe that's where they come together for me because in Exhibit 774, specifically at pages 6 of 25, and maybe I've mixed these up and are the wrong way, 7 and 8, you've got very specific descriptions of what you're going to do about some of the risk mitigation issues, partly, as I read them, to address some of the issues that generally were raised by Dr. Peterman. Have I understood that correct, Ms. Cross?
- MS. CROSS: Yeah, and perhaps I can provide some context of these Operational Guidelines, which are different than the other guidelines that we were looking at earlier. These specific Operational Guidelines, as you'll note, these are called the WSP Enhancement Operational Guidelines at the top? Yes, I see that.
- So these Guidelines were developed to MS. CROSS: support an earlier draft and approach to the Wild Salmon Policy that was developed in 2000. So prior to the current Wild Salmon Policy that we have in place right now, there was an approach that was being developed for Wild Salmon Policy that was far less fulsome than the current approach. And the intent was to provide a fairly high level policy document that would be supported by a series of detailed Operational Guidelines from the various component programs. So this was our set of Enhancement Operational Guidelines done to support a very early draft of the Wild Salmon Policy. So there's components of this material, you'll see has worked its way into other documents and some of which are the newer version of the Operational Guidelines that we talked about earlier.
- Q Actually, it might help me. It might help all of us. I note that I don't have the date. Like I

notice that this is a Wild Salmon Policy
Enhancement Operational Guidelines February 3rd.
What year?

MS. CROSS: 2003.

- Thank you. And so these operating strategies for enhancement that are set out in section 5, as it relates to this Wild Salmon Policy are not necessarily the ones you're going to currently work -- are they going to be the base on which you're going to work from, as it relates to the Wild Salmon Policy that's in place now, or where are you going with these, Ms. Cross?
- MS. CROSS: Could you go to section 5 for me, please? Q So it starts at page -- well, this is really confusing. Well, actually, no, I'll start at 3. Go to the top of page 3 or section 3.
- MS. CROSS: Okay. So for example, we've identified as part of this a series of risks and some of those were around genetic risks and some practices that can be undertaken to mitigate for those risks. And so we build this kind of risk mitigation practice into our Spawning Guidelines, for example, and our Brood Stock Collection Guidelines.
- Q Okay.
- MS. CROSS: And I referred earlier to the biological risk analysis tool for hatcheries. And that tool also includes the identification of a number of these risks and mitigators that can be put in place to address them.
- Q All right. So these are not in the Enhancement Guidelines. These are different. And these are a work-in-progress as it relates to the Wild Salmon Policy?
- MS. CROSS: There is no more work done on these. This would be the end, the last draft of these, and these were done to support a previous version of the Wild Salmon Policy, an approach that was not continued.
- Q Do you have a similar type of document, as it relates to the present Wild Salmon Policy?
- MS. CROSS: No, because the present Wild Salmon Policy was developed to be far more specific in terms of the kinds of things -- some of these things are actually included in the current Wild Salmon Policy but there was not an intention to develop a set of specific operational guidelines to support

1 the new Wild Salmon Policy. 2 Q So then if I've got it right, the Enhancement 3 Guidelines and the SEP Logic Model are the two 4 models you're most actively using internal 5 assessment; is that right? 6 The logic model is the component that we MS. CROSS: 7 are using as part of our performance measurement 8 framework. And the Operational Guidelines are the 9 guidelines that we are using to provide for our 10 facilities to use to mitigate risks using the 11 technical guidelines that they contain. 12 Dr. Peterman, have you ever taken a look at those 13 Enhancement Guidelines, those Operational 14 Guidelines? 15 DR. PETERMAN: No, I haven't. 16 Now, I just have a couple more questions of Ms. 17 Cross and Mr. Savard. You can hear from the 18 questions that I've asked that many of my clients 19 have raised concerns around what engagement 20 processes DFO are using to consult around your 21 priorities around funding and changes in funding, 22 as it relates to the SEP program, and in 23 particular the CEDP program and others that are 24 affecting them. If you're relying on the IHPC, 25 would you agree that recommendations from this 26 Commission need to be very clear that if DFO is 27 going to rely on the IHPC process for 28 consultations with First Nations, that (a) we need 29 to make sure First Nations are involved in that 30 process, and (b) you need to have the right people 31 at the table and the right mandates at the table? 32 MR. SAVARD: I guess I would just like to step back a 33 bit. And I think that with respect to -- and I'm 34 not sure which clients you're representing but 35 with respect to consultation with First Nations 36 communities around the Salmonid Enhancement 37 Program, we have five different areas within the 38 Pacific region. And within those areas, we have an area chief of the Oceans, Habitat and 39

Enhancement Branch that has responsibility for the

Salmonid Enhancement Program in a particular area.

consultation process on an annual basis with First

And it's my understanding, and I'm not sure what

your clients are experiencing, but it's my

understanding that there will be a regular

Nations and others around the SEP program and

production planning.

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And so that for me is what I think about as would be kind of the key First Nations consultation forum, those interactions in the local areas and with the various different local groups. There is an element of consultation at the IHPC process in terms of developing the Integrated Fisheries Management Plan. That includes production planning. But with respect to kind of specific interests, comments and of -- in local areas, there are other processes that happen in those areas that will -- all of that information, the results from those consultations come together to make final decisions around the Salmonid Enhancement Program on an annual basis.

So I guess I'm not suggesting that the one and only place to consult with First Nations is the IHPC process but to the extent that your clients are concerned about their involvement or how they might engage at that table with respect to the Salmonid Enhancement Program, if there's suggestions about improvements to that then I think any recommendations that they might make would be helpful.

- Q Well, how could consultation with First Nations on SEP priorities, on SEP assessments, all of those, be improved?
- MR. SAVARD: Well, I think what I'm hearing from you and the clients that you represent is that perhaps we might need to think about what the nature of the consultations are in the local area and if there's places that we can improve those consultations and seek advice and recommendations from First Nations in local areas, I think that's one of the key areas I would focus on.
- Q And would you also agree that when DFO is conducting and completing things like their SEP Logics and their Guidelines, that those are going to affect First Nations and their local environments?
- MR. SAVARD: Yes, I would agree.
- Q And so that consultation with respect to that could be improved?
- MR. SAVARD: Yes, and again I would look at those local consultations in the local areas and those would be places where I think that the most detailed discussions might be had rather than trying to kind of include it all in the IHPC process.

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MS. GAERTNER: Those are my questions, Mr.
            Commissioner.
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       THE COMMISSIONER:
                          Thank you very much.
       MS. BAKER: Mr. Commissioner, the next questioner is
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            Lisa Fong and I'm wondering if, given that we have
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            40 minutes left today, Ms. Fong has estimated 30
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            minutes and I'm hoping that we might have a few
            minutes for DFO to put those last PPR corrections
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            to the witnesses, I wonder if we could not have a
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            break this afternoon? Is that possible, or could
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            we have a very short one?
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                         No, I would like a short break,
       THE COMMISSIONER:
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            thank you.
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       MS. BAKER:
                   Okay.
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       THE REGISTRAR: The hearing will now recess for ten
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            minutes.
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                 (PROCEEDINGS ADJOURNED FOR AFTERNOON RECESS)
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                 (PROCEEDINGS RECONVENED)
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       THE REGISTRAR: Order. The hearing is now resumed.
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       MS. GAERTNER: Sorry, Mr. Commissioner, just a
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            housekeeping matter. Exhibit 775 that was marked
24
            as the memo, all of the appendices were marked as
25
            A, B and C. Could I also ask that the routing
26
            slip, which is Tab 18 of my documents, be marked
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            as D to that exhibit?
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       THE REGISTRAR: That will be so marked, 775D.
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                 EXHIBIT 775D: DFO Routing Slip from Paul
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                 Sprout to David Bevan via Rebecca Reid, dated
32
                 June 24, 2008, re: Salmonid Enhancement
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                 Program (SEP) Adjustments for Alignment with
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                 Budget
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       MS. GAERTNER:
                      Thank you.
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       THE COMMISSIONER:
                          Thank you.
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       MR. ROSENBLOOM: Mr. Commissioner, also in the course
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            of my cross-examination I neglected to tender as a
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            document the document related to the Advice
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            Related to Five "Big Picture" Science Issues for
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            BC Salmon, and it was a workshop of which Dr.
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            Peterman and others participated, dated January
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            the 11th, 2004. This is ringtail document
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            CAN267755. It was up on the screen, and is up on
            the screen, and I would ask that that document be
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marked as an exhibit, as it has been identified by

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PANEL NO. 30
Cross-exam by Ms. Fong (HTC)

Dr. Peterman. Thank you. THE REGISTRAR: That will be marked as Exhibit 778.

EXHIBIT 778: Advice Related to Five "Big Picture" Science Issues for BC Salmon, Report on 6-7 November 2004 Workshop, Prepared by Karl English et al

MR. ROSENBLOOM: Thank you.

MS. FONG: Mr. Commissioner and panel members, Lisa Fong for Heiltsuk Tribal Council, and with me is Ben Ralston, Articled Student. My first questions are about conservation hatcheries and will be for Dr. Peterman.

## CROSS-EXAMINATION BY MS. FONG:

On. Peterman, I'm going to ask you about conservation hatcheries in an effort to unpack what they are, and then I'm going to ask -- I'm going to describe a hatchery which my clients operate now and see if it fits within that definition, so that we have an example of what one is.

Now, in your affidavit, you state that there are conservation-oriented supplementation hatcheries that exist with the aim to rebuild extremely small wild populations. So unpacking that, the conservation aspect, and I'll call this, in shorthand, conservation hatcheries, the conservation aspect is it's restoration of a wild population that's at risk of extirpation; is that correct?

- DR. PETERMAN: Well, it certainly is a conservation concern. I don't know if it's at risk of extirpation.
- Q I see. Would you agree, then, that it could be extended as far as the conservation aspect being that the wild population has fallen below the carrying capacity of that habitat system, so it doesn't have to be at risk of extirpation?
- DR. PETERMAN: Well, almost any population is below its carrying capacity, so I would say, instead -O Mm-hmm?
- DR. PETERMAN: -- I think what you're driving at is that the population has fallen low enough in abundance to be of concern from a conservation

perspective.

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aspect, so t

- Q Been a concern, thank you. And the rebuilding aspect, so the restoration aspect, means to restore to a self-sustaining population in these conservation hatcheries?
- DR. PETERMAN: Well, I don't know if that's -- I can't speak for the government and what their objectives are in those hatcheries, but it's certainly the case that you want to rebuild the abundance to the point where they're no longer a concern. Whether they're self-sustaining, I don't know.
- Okay. But in your definition, the goal of a conservation hatchery, would that be one of the goals, then, a self-sustaining population, so that you wouldn't have to continue to hatch?
- DR. PETERMAN: Well, that's certainly a desirable goal, yes. Whether it is the goal for the conservation-oriented hatcheries in the province, I can't say. Again, it's up to DFO.
- Q Okay. But in your own definition of what a conservation hatchery is, and I'll just keep proceeding with that, so on this notion of self-sustaining, which I understand your evidence to be is a good thing, self-sustaining means, then, that the conservation hatcheries are not a permanent fixture but exist only until the population is self-sustaining, so there's that sunset concept. Would that be something you would agree is a feature of a conservation hatcheries?
- DR. PETERMAN: That could be, yes, but again, you could find reasons to keep it going because you've got such a highly variable environment that the fish are in that you want to make sure you've got insurance, to speak, an insurance policy, by having the hatchery going along further in time than you might have originally planned.
- Q Okay. And once a fish population -- so let's go with the self-sustaining feature, but once a fish population is self-sustaining, and I'm just getting back to Mr. Harrison's question, you wouldn't refer to that fish as a hatchery fish or an enhanced fish, but then you'd be referring to them as a wild fish, like when they're no longer hatched; is that correct?
- DR. PETERMAN: No, I'm afraid I can't say that, because there are various definitions of wild fish around, and I haven't really kept track of them, myself,

and believe it or not, there's debate among biologists what you should label as a wild. So is it wild if it's been in the reproductive cycle one, two, or three generations, is that wild? Or is it just one as to hatchery stray that's gotten in to spawn and in the spring come back, is that now wild? All bets are off when it comes to getting my opinion because I just don't know where you draw the line.

Q Okay.

- DR. PETERMAN: And I think it's a fine point that's only relevant if you're worried about the really technical definition of "wild" and that may be a completely legitimate concern for certain purposes here, but I'm afraid I just haven't bothered to get the detailed, technical things down.
- Q Okay. So for the purposes of your affidavit, then, when you use the phrase "enhanced fish" or the "hatchery fish", are you referring to -- I'm trying to understand, are you referring -- you're referring to fish that have been hatched as opposed to --
- DR. PETERMAN: Yes.
- Q -- fish whose parents were hatched?
- DR. PETERMAN: That's right.
- Q Okay. Thank you. Now, in terms of the relevance to Fraser River sockeye salmon, would you agree that successful conservation hatcheries increase the portfolio of harvest choices?
- DR. PETERMAN: If you mean by "portfolio harvest choices" you mean the stock composition available to be harvested?
- O Yes.
- DR. PETERMAN: Yes. Well, no, wait a minute, I would only say yes if there has been sufficiently large increase in the supplemented population to get it up to where it can be harvested.
- Q Right. Right. But assuming that it's at a point where it could be harvested, and that's what I meant by "successful" conservation hatchery --
- DR. PETERMAN: Right.
- Q -- a successful conservation hatchery would increase a portfolio of those harvest choices, correct?
- DR. PETERMAN: Yes, assuming, again, the hatchery had used the genetic stock that was from that adjacent wild population.

- Q Right. And being able to choose to fish one stock over another, in other words, having a portfolio of stocks, is useful if you want to conserve a particular stock, because then you can fish some other stock, right; would you agree with that?
- That's one of the problems with DR. PETERMAN: No. mixed stock fisheries is you often do not have the luxury, as a harvester, to choose exactly which stock you fish, because they're going through a fishing area simultaneously with other stocks. And so, for instance, the example we talked about a few times today is the late-run sockeye salmon are composed of several different stocks or populations. And one of those, the Cultus, might be in really dire straits and you would not, as a manager, want to expose those fish to a high harvest rate. But there's no way to tag -- pardon me, to identify when someone's on the fishing grounds, "Oh, at this minute and at this location these are non-Cultus, so I can go fish." Unfortunately, that's not the case.
- Q Okay. I'll address that later in relation to conservation hatcheries, but let me pose to you another scenario, because conservation hatcheries and their fish don't only exist in the scenario which you point out. Conservation hatcheries can, for example, occur within inland rivers and inland streams, which are then rebuilt, so they have a salmon stock in them, and the salmon stock, for example, can be fished at where the entrance to those rivers are, or close to the shallows, so that there isn't the problem, the mixed stock problem.

So in that scenario, where you may have multiple conservation hatcheries, restoring wild stocks in some of these, you know, destroyed habitats or habitats in danger, would that be a circumstance where you could create this portfolio of fish, where you have a portfolio of fish and then, therefore, people can rely on -- communities can rely on those in-rivers and in-stream-bred fish so that they don't have to be out there fishing the Fraser River sockeye salmon when it's time to conserve that particular run?

DR. PETERMAN: Yes, again, your key point there being -- or key assumption being you can identify places where those rebuilt stocks can be harvested

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separately from any other stock. Q Okay. Now, let me ask you whether this is a conservation hatchery. So my clients will be

giving testimony on this later on, in July, when the Aboriginal fishing hearing comes, but I'm being told that they operate a hatchery and they operate at a place called Emily Lake, and Emily Lake but for the purposes of restoring a sockeye population in what's called the Tankeeah River system. Now, I'm going to describe to you what they've told me.

What they do is they take wild brood stock from the Tankeeah system to the hatchery in Emily Lake. Emily Lake is a closed system. They engage in matrix breeding, 48 females to 48 males, the eggs are hatched at the hatchery and then reared until they're fry, and then the fry are transported back to Tankeeah and then released alongside the Tankeeah wild fry.

Now, they started this hatchery in 1997, and at that time they had 800 to 1,200 sockeye per cycle, and some years as low as 100. Currently, in 2010, there's a release of 100,000 fry back into the Tankeeah system, and a return of 6,500 The Heiltsuk fish, of those 6,500, 2,000 sockeye. of the sockeye and let the rest go back to spawn. The plan is that in three years Heiltsuk will stop using the hatchery at Emily Lake to feed Tankeeah, because it will be a self-sustaining system.

Now, does the hatchery which I've described to you fall within your definition of a conservation hatchery?

DR. PETERMAN: Sounds like it, yes.

- Now, in your affidavit, you raise potential negative effects of large numbers of hatchery fish competing of the same food as wild fish. Now, in the case of conservation hatcheries, do you still have those same concerns?
- DR. PETERMAN: Well, again, it may be a matter of geography, because it could be that there's some other wild population that's very low in abundance adjacent to one that is being treated with this hatchery, in which case that untreated wild stock might still be armed by the additional hatchery fish you can put out adjacent to it. I can't speak to any specific case until I know the exact geography of it, but in general, I think your

intent is in saying if these hatchery fish can be separate in their migration route then they wouldn't affect the wild stocks.

And would you have the same comment if I asked you

- Q And would you have the same comment if I asked you about another potential negative effect you raise, which is about the mixed stock fishing concern?
- DR. PETERMAN: I'm sorry, what was the question again?

  Q Sorry. Do conservation hatcheries dodge the mixed stock fishing concern that you have?
- DR. PETERMAN: Well, no, not necessarily. Again, if it's in -- if a conservation hatchery is a form that you described the Heiltsuk is doing in Emily Lake, then I don't know whether those fish come back as adults through a fishing zone at times that other fish stocks do. So I didn't hear any information about that, so I can't say. But if you can identify a conservation hatchery on a stock where the adults come back and can be harvested separately from any other stock, then, no, by definition there won't be a mixed stock hatchery -- or a mixed stock fishery problem.
- Q Okay. Well, I understand from my clients they don't run at the same time, so it isn't a mixed stock --
- DR. PETERMAN: I see.

- Q -- hatchery problem. But, you know, I think it would be useful for us to understand, in your view, assuming there is a mixed stock hatchery problem, or a mixed stock fishing problem, given the benefits and disadvantages, like given the negative impact of mixed stock fishing and the conservation hatchery addressing a species or a stock that's in danger or low, would you have a view as to whether there should be a conservation hatchery in those circumstances?
- DR. PETERMAN: I'm not a manager, so I don't know, because it depends on the management objective. If the management objective says, "Thou shalt not put at risk any other fish population by putting a hatchery in on a given fish population," then the mixed stock fishery might still be an issue.
- Q Okay. And a third issue which you raised in your affidavit is the potential negative effects of hatchery fish decreasing the biological diversity and fitness of wild stocks.
- DR. PETERMAN: Mm-hmm.
- Q Now, again, I'm going to ask you, is that still a

1 concern that you would still have in relation to conservation hatcheries?

- DR. PETERMAN: Well, again, it depends on the nature of the selection pressures in the hatchery, so the process of collecting the adults, rearing them, and then releasing them into the wild.
- Thank you. Now, Dr. Peterman, you've read the SEP Enhancement Guidelines, yes?
- DR. PETERMAN: No.

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- Q Okay. Then I'm going to tell you that one of the goals of the SEP is the restoration of a depleted stock. So you'll agree with me that the conservation hatcheries are consistent with that goal?
- DR. PETERMAN: Yes.
- Q Okay. And another goal of the SEP is the alleviation of major habitat loss, and you'd agree that conservation hatcheries are consistent with that goal in that habitat restoration is sometimes an aspect of rebuilding a stock?
- DR. PETERMAN: Yes, as one aspect of it, sure.
- Q Okay. And another goal of the SEP is the provision of harvest opportunities, so you'd agree that conservation hatcheries are also consistent with that goal?
- DR. PETERMAN: Only to the extent that they're successful enough to allow fishery harvest rates to increase.
- Q Okay. And another goal of the SEP is the reestablishment of extirpated stocks, and so, again, conservation hatcheries are consistent with that goal?
- DR. PETERMAN: Depends on where they draw the brood stock from, but that is certainly their intent in cases where there is extirpation, by definition, you'd have to go somewhere else to get the brood stock. So they won't be the same fish, genetically, as the ones that have been extirpated.
- Q Yes. And Ms. Cross and Mr. Savard, do you disagree with any of Dr. Peterman's answers?
- 42 MS. CROSS: No.
- 43 Q Mr. Savard?
- 44 MR. SAVARD: No, I think his answers were good.
- Q Okay. And a question for all three of you. You'll agree that these conservation hatcheries are consistent with the Wild Salmon Policy as

well?

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And anyone can answer first.
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       MS. CROSS:
                  Yes, I'd agree.
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           Mr. Savard?
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       MR. SAVARD: Yes, I'd agree.
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           Dr. Peterman?
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       DR. PETERMAN:
                     Yes.
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            Thank you. Okay, now, I'd like to -- I believe
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            it's Ms. Cross who would have the most facility
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            with this question. And Mr. Lunn, could you
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            please assist us by pulling up, it was document
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            number 2 on our list, which is Exhibit 349. It's
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            the IFMP 2010/2011, page 40.
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                 I'll ask the question, and I believe it's Ms.
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            Cross who could answer the question, but Mr.
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            Savard, if it's appropriate for you, please go
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            ahead and answer the question. Both of you are
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            familiar with the IFMP, yes?
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       MS. CROSS: Yes.
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            Okay. And specifically these sections regarding
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            the SEP. Now, this page is the section of the
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            IFMP which deals with the SEP program as it
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            relates to sockeye salmon, and there's a chart,
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            and on that chart there's a column, the very first
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            column under Project, and if you go down seven
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            rows it says, Emily Cr, and, in fact, that's Emily
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            Creek or Emily Lake, and that's the Heiltsuk
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            hatchery. And then if we move all the way over
            to, let's see, the column that says 2009 Brood
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            Release Target, you'll see that the brood release
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            target was 90,000; is that correct, Ms. Cross?
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       MS. CROSS: I'm not familiar with the specific
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            production plan for this facility, so...
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            Okay, but in reading this chart, am I reading this
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            correctly, like what it means is this is a brood
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            release target?
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       MS. CROSS: Yeah, that's correct.
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            Okay. And so it's not the actual release target,
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            it's -- or, sorry, it's not he actual release;
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            it's a target for that year?
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       MS. CROSS: That's right.
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            Okay. And then moving over, over to 2010, that's
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            the target for 2010 And then moving further
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            right, under the column where it says, 2010 Brood
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            Exp Adults, I understand that column to mean brood
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            expected adults, so those would be expected
            returns; is that correct? Is that what that
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            column is intended to mean?
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- MS. CROSS: Yeah, that's intended to be the expected number of adults that would result from a release of 90,000 fish.
  - Q Okay. And I notice the number's 900, so that's one percent of the 90,000. Is that meaningful somehow? Like is that sort of the baseline for minimum success, or what does that -- is there meaning to that number?
  - MS. CROSS: That number would be established based on what we would consider to be kind of average survival rates for sockeye hatchery releases.
  - Q Okay. And so the one percent number, do you know how that relates to wild fish?
  - MS. CROSS: No, I don't.
  - Q Okay. Mr. Savard, are you aware of that?
  - MR. SAVARD: (No audible response).
  - Q And Dr. Peterman, I don't suppose you're aware of that, are you?
  - DR. PETERMAN: No.
- 20 Q Okay.

- DR. PETERMAN: Sorry.
- Q Okay. Thank you. And Okay, so now I'd like to go to the next document, which is document number 1 on our list, which was a draft IFMP north for 2011/2012. So this is this year, and it's in draft form still, because they haven't finalized the IFMP. And if we can go, then, to page 107, Mr. Lunn. It should be an IFMP. It's number 1 on our list. That's it. No, that's not it. IFMP North 2011/2012.
- MR. LUNN: I'm sorry, there just seems to be something with the tab numbering I have.
- MS. FONG: Okay, if you could, Mr. Lunn, if you could look for that, I'll just finish that line of questioning and I'll just ask something else.
- Ms. Cross and Mr. Savard, you've talked about the numbers of large and community economic development hatcheries, and you've heard Dr. Peterman's description of a conservation hatchery. Are you able to tell me, just in terms of numbers, how many of the hatcheries are conservation hatcheries by Dr. Peterman's definition?
- MS. CROSS: I think it's important to understand that, in fact, hatcheries do a variety of things. Some of them do a component of conservation, but at the same time they'll be producing fish for harvest, and so we don't typically describe hatcheries as

conservation hatcheries. There's a component of the production that's described as conservation for -- production for a conservation objective.

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- Q I see. Are there hatcheries - maybe the other way I can speak about it is - are there hatcheries whose goal is to add to the natural carrying capacity of a habitat system? So they're fish on top of fish that the natural habitat system can carry, as opposed to these other hatcheries where you're trying to restore or rebuild the stock? that a way of being able to differentiate between types of hatcheries?
- MS. CROSS: Yeah, again, I think the issue is around the production lines within a hatchery, so there are, within given hatcheries, production lines that are intended to support harvest, as well as production lines that are intended to support conservation.
- Okay. Do you know the ones that are -- are there ones that are purely supposed to support conservation so its pure restoration?
- MS. CROSS: You know, again, it is a mix of objectives, yeah.
- Okay.
- MS. CROSS: Yeah.
- We'll leave it at that. Okay, so now we've got the document, and could we please go to page 107. Okay, thank you. So Ms. Cross, this is the chart that's in the IFMP draft, the draft this year, and it looks a little different, it's got some more categories in it, but again, if you run down the Project row you'll see Heiltsuk under Community Economic Development, and that's the Emily Lake/Tankeeah hatchery, and if you run across the row to the, let's see, the column under Release Target, you'll see that 90,000 number which we saw -- which is consistent with the number we saw on the previous chart, correct?
- MS. CROSS: Yes.
- Okay. And then we get to a new column where it says, Actual Release 104,737. So as I understand it, what this means is that there were more fry released than the target; is that correct?
- MS. CROSS: Yes.
- Okay. And then if we go down to the bullets and the one, two, three, fourth bullet where it says:

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PANEL NO. 30
Cross-exam by Ms. Fong (HTC)

Heiltsuk (Emily Lake Hatchery: is a sockeye facility run by the Heiltsuk First Nation.
Returns were good in 2009.

You've already said you're not aware as to the production of this particular hatchery, so if I

You've already said you're not aware as to the production of this particular hatchery, so if I told you that my clients report that their return was 6,500, not 900, but 6,500, would that surprise you? So not that one percent, but they're more at, what, five or six percent return.

- MS. CROSS: Well, that return, I'd want to understand what the components of that return were, but an analysis, a run reconstruction analysis to look at the survival rate would be a useful piece of information to understand that return, yes.
- Q Okay. And that return, as I understand it, is fish coming back?
- MS. CROSS: That return is --
- Q To spawn.

- MS. CROSS: Not necessarily. That return is the expected production from that release group.
- Q Oh, sorry, the 900 was the expected production from this release group --
- MS. CROSS: That's right.
- Q -- right, in the previous chart.
- MS. CROSS: Okay.
  - Q What I'm telling you is that the actual return, my clients tell me, that this hatchery has experienced for the 2009 -- no, this year, not the 2009 release, was 6,500 sockeye.
  - MS. CROSS: And I guess I just want to understand what the wild production might have been that was contributing to that as well.
  - Q Okay. Thank you. Okay, and are you aware that this is a hatchery which is slotted to cease in three years because it will become self-sustaining?
  - MS. CROSS: No, I wasn't aware of that.
  - Q Okay. So assuming, for now, the numbers of brood release, which you've seen in this chart, believing me that my clients have told me that 6,500 return and that in three years this is going to be a self-sustaining system -- oh, sorry, I missed the point, too, because I know you don't know anything about this particular hatchery, my clients tell me it's -- this costs \$45,000 a year of funding from SEP/DFO. Would you agree that

this is an example of a successful hatchery? 1 2 MS. CROSS: So just --3 With all those assumptions. 4 MS. CROSS: So just a point of clarification on the 5 funding source. I'm not clear that that funding 6 comes from SEP or whether it comes from the 7 Aboriginal Fisheries Strategy funding source. 8 Right. 9 MS. CROSS: Yeah. 10 And that was something I was unclear about as 11 well. 12 MS. CROSS: Yeah. 13 But you're familiar with funding for hatcheries 14 and, you know, good money spent and money not 15 spent particularly well, this is a \$45,000 16 hatchery, from what my clients tell me. So my 17 question to you was, you know, with the 18 information on this chart and the assumptions that 19 I asked you to make, you know, would you agree, 20 like given your experience with these hatcheries, 21 that this is a good hatchery? 22 MS. CROSS: It sounds like the returns have been good, 23 but as I commented, I would like to understand 24 what the wild component of that return was as 25 well. Thank you. Now, one of the major goals of 26 Okay. 27 SEP is the alleviation of major habitat loss. 28 You'd agree with me that major habitat loss means 29 a loss of spawning environment due to human 30 impacts, is that correct? Sorry, Ms. Cross or Mr. 31 Savard? 32 MR. SAVARD: So loss of habitat from, sorry, from human 33 impact? 34 Sorry, due to human impacts. And that's not a 35 trick question, I took that right from the 36 enhancement guidelines. MR. SAVARD: Yes. 37 And the budget, then -- I'm just mindful of 38 Okay. the time we're at right now. Okay, let's just go 39 40 right to the document. Mr. Lunn, could you go 41 please go to the document number 9 on my list.

And the page I'm looking for is - they're sort of

handwritten pages, just keep going, and then

you'll hit a page called the Executive Summary,

and then the page after that, where it has the

oddly numbered - past the first page, past all the

Introduction.

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Okay, Mr. Savard and Ms. Cross, this was an application that was made by Heiltsuk in January of 2001, for funding for habitat restoration. If you could just take a look at the introduction and the project description, and I can summarize it very quickly while you're trying to read as well, that what's being asked here is for funding for restoration due to DFO having done some stream cleaning in 1985, which ended up damaging some of the habitat for fish, and so Heiltsuk, here, are asking for funding to do field work to assess the fish habitat and remove some of the obstructions which were created by the DFO stream cleaning.

- Are either of you aware of this application?

  MR. SAVARD: I'm not aware of it. I do note, though, it's 2001 vintage, and I'm just wondering about the -- whether the information that's in the application, how it might relate to 2011. And for example, the things I think about is that it seems to be describing a situation in 2001 which, 10 years later, that system might be quite different now than what was described here in this particular document.
- Right. So my understanding is that you're not aware of this application, and are you aware of any further applications that have been made? Because I'm advised by my clients that they continue to ask for money to remediate the stream cleaning that was done in 1985 by DFO, and they ask for it in relation to this program here, the Habitat Restoration Program.
- MR. SAVARD: I'm personally not aware of this application, no.
- Q Thank you. Ms. Cross, do you have anything to add to that?
- MS. CROSS: No, I don't. I'm not aware of it, either.
- Q Okay. And if we look -- if we just flip onto the next -- sorry?
- THE COMMISSIONER: Ms. Fong, I'm sorry to interrupt, but we are going to have to adjourn. How much longer do you need?
- MS. FONG: I'm going to need another 10 or 15 minutes.
- THE COMMISSIONER: We're going to have to adjourn, Ms. Baker, I'm sorry.
- MS. BAKER: Thank you, I'll --
- THE COMMISSIONER: It sounds like we need another half an hour; is that correct?

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PANEL NO. 30
Cross-exam by Ms. Fong (HTC)

MS. BAKER: That's fine, I'll talk to the counsel about how we can accommodate additional time with these 3 witnesses. THE COMMISSIONER: All right, thank you very much. 5 THE REGISTRAR: Ms. Fong, would you like to mark that 6 document? 7 MS. FONG: Yes, thank you. MR. TAYLOR: Well, I don't think anyone's identified 8 9 anything about it. It could be marked as an 10 exhibit for ID, I suppose. 11 MS. FONG: You know, I don't think we want to have that 12 dispute here, now. I don't have any problems with that, because I can mark it during aboriginal 13 14 fishing, as well, so why don't we just leave it 15 for now, and then I can use it in the aboriginal fishing and mark it then? Thank you. 16 17 MS. BAKER: Excuse me, before we complete, would you 18 require all three witnesses to come back, or are 19 your questions now focused on the two DFO 20 witnesses? 21 MS. FONG: I will be asking about recommendations at 22 the end, for the Commissioner, at which point 23 three, or at least Ms. Cross and Dr. Peterman. 24 Thank you. 25 THE COMMISSIONER: Thank you. 26 THE REGISTRAR: The hearing is now adjourned for the 27 day and will resume on Wednesday morning at 10:00 28 a.m. 29 30 (PROCEEDINGS ADJOURNED TO WEDNESDAY, MAY 4, 31 2011, AT 10:00 A.M.) 32 33 34 35

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

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.

## Irene Lim

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#### Karen Acaster

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.

#### Karen Hefferland