

BRIEFING NOTE FOR THE ASSOCIATE DEPUTY MINISTER

MEETING WITH BC SALMON FARMERS ASSOCIATION (BCSFA)
MONDAY, OCTOBER 27, 2003

(For Information Only)

SUMMARY

- The B.C. Salmon Farmers Association (BCSFA) continues to express concern with the time required to conduct CEAA screenings in BC and the failure of the department to meet time commitments set by the Minister at the Boston Seafood Show in March 2003.
- While the BCSFA recognizes the value of significant changes that DFO has undertaken with respect to internal structure and process aimed at clearing the backlog of aquaculture sites, the BCSFA is not satisfied at the current rate of progress in completing site assessments.
- The BCSFA is interested in the development of a blanket bond as a replacement for individual company letters of credit for *Fisheries Act* Authorizations and Mitigation and Monitoring Agreements. DFO is willing to negotiate such an arrangement with the BCSFA to the benefit of industry and to help expedite referrals.
- To improve relationships and increase understanding of DFO legislative requirements, DFO Pacific Region has also approached the BCSFA to fund a CEAA screening biologist that would assist with the backlog of applications. This proposal has met with limited response, to date.
- DFO has proposed a session with the BCSFA technical group to discuss elements of a comprehensive framework to meet the requirements of section 35 of the *Fisheries Act*, and of CEAA.

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Background

- There are a large number of finfish aquaculture sites at DFO awaiting an assessment pursuant to the *Canadian Environmental Assessment Act* (CEAA). Industry is concerned about the delays regarding these sites, while other interested parties such as First Nations, environmental non-government organizations and the general public are equally concerned that these files be handled with adequate rigour and scrutiny.
- DFO Pacific Region Aquaculture Action Plan has been developed including structural changes to the Regional Aquaculture Coordination Office (RACO), and progress has been made in the last few months including the approval of 4 sites and the imminent completion of another 3-4 sites. Key areas for further improvement include providing direction and clarity on assessing benthic habitat impacts, siting criteria and fish health plans, and harmonization of these elements with provincial requirements. Regional DFO officials have recently discussed these elements and harmonization with the BC Ministry of Agriculture, Food and Fisheries (MAFF).
- The industry through the BCSFA wants to develop a blanket bond for its member companies to use as security in *Fisheries Act* Authorisations and Mitigation and Monitoring agreements. The bonds are required by DFO to ensure the monitoring or compensation plans can be carried out by DFO in the event that a proponent fails to meet its requirements.
- The letters of credit currently used by proponents average \$40K per site, and with increasing usage the amounts per company are becoming onerous. The BCSFA has proposed holding the bond, with provisions to replenish funds as needed on a site-by-site basis. Discussions are ongoing as to the amount of the blanket bond, and the legalities of a non-profit organisation, such as the BCSFA, being held financially responsible.
- DFO has made a request to the industry to fund or loan a biologist to DFO to work in the Aquaculture Division on CEAA screenings of fish farm sites. There has been limited interest in this offer to date.

DFO Comment/Analysis

- Substantive effort has been invested by senior management in Pacific Region to diagnose the systemic issues related to this file and an appropriate action plan has been developed to address these key barriers to progress.
- A framework for processing the large backlog of renewals is being developed jointly with national headquarters and Pacific Region and is expected to be presented to senior management in the late fall of 2003, and to the industry shortly thereafter.
- Proposals by industry for finfish farm sites are often lacking key information which leads to delays in completion of the CEAA screening.

- The requirement for DFO to consult with affected First Nations can further delay the process. Recent litigation by First Nations opposed to site approvals highlight the need to complete consultations in a way that meets our fiduciary and legislative obligations.
- DFO Pacific Region is continuing to consult with the BCSFA over the terms of the blanket bond. The department, while not wishing to hamper the development of the industry, must be assured that the funding is adequate to complete compensation plans and/or monitoring programs for sites should companies default on their responsibilities. The Region is supportive of such an arrangement and believes that this can be resolved in a positive manner for both parties in the near-term.
- Industry reluctance to fund a CEAA biologist is further hampering DFO's efforts to process CEAA screenings in a timely fashion. This model is similar to other new and emerging industries that fully fund DFO staff as a cost of doing business. In addition, this type of interchange allows for better mutual understanding of the requirements of industry and DFO.

Recommendation/Next Steps

- Maintain current structure of the Pacific Region RACO office to ensure CEAA screenings are completed in as timely a fashion as possible.
- Continue to work to implement the Pacific Region Action Plan including Science, regulatory and harmonization aspects, and development of a framework for assessing project renewals with the support of national headquarters.
- Continue to develop the blanket bond proposal with the BCSFA.
- Proceed with an information session for BCSFA and province to assist in understanding DFO information requirements under CEAA and to discuss elements of a framework to address these requirements.
- Encourage the BCSFA to loan or fund a CEAA screening biologist to assist in processing the backlog of farm sites, to foster better relationships, to increase transparency, and to promote understanding of DFO regulatory requirements.

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