

Pursuant to Standing Order 68, Tony Cornect, MHA for Port au Port, replaces Clayton Forsey, MHA for Exploits; and Elizabeth Marshall, MHA for Topsail, replaces Keith Hutchings, MHA for Ferryland.

The Committee met at 9:00 a.m. in the House of Assembly.

**CHAIR (Oram):** Order, please!

First of all, welcome, everyone, to this session. It is good to have the Minister of Intergovernmental Affairs and his staff here this morning.

First of all, we need a motion to adopt some minutes from a couple of previous meetings. One was for the Department of Government Services, which was May 3, 2007.

If I could get a motion to adopt these?

**MR. DINN:** So moved.

**CHAIR:** Okay, we have a motion from Mr. Dinn to adopt those minutes.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Good.

On motion, minutes adopted as circulated.

**CHAIR:** We also have minutes from the Department Finance for May 7, so I need a motion for that as well.

**MR. DINN:** So moved.

**CHAIR:** Mr. Dinn again.

Thank you very much.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Good.

On motion, minutes adopted as circulated.

**CHAIR:** Well, this morning the first thing we are going to do is, we are going to ask each person here to identify themselves. We will probably start on this side and then we will go to the minister and staff. We will probably ask the minister to just have a brief few words to open this thing up, but first of all we will start on this side to get some introductions.

**MR. CORNECT:** Tony Cornect, MHA for Port au Port, filling in for Clayton Forsey, MHA for Exploits.

**MR. HUTCHINGS:** Keith Hutchings, MHA for Ferryland.

**MR. DINN:** John Dinn, MHA for Kilbride.

**MR. PARSONS:** Kelvin Parsons, MHA for Burgeo & LaPoile, and Intergovernmental Affairs critic for the Opposition.

**MR. ANDERSEN:** Wally Andersen, MHA for Torngat Mountains.

Excuse me, Mr. Chair, but Labrador time reads 8:35 a.m.

**CHAIR:** Thank you, Mr. Andersen. I usually go by what they tell me downstairs, and the light was on. When the light is on, I have to go.

Over here, please.

**MR. MORRISSEY:** Ken Morrissey, Communications Specialist, Intergovernmental Affairs.

**MR. DUTTON:** Sean Dutton, Deputy Minister.

**MR. OTTENHEIMER:** John Ottenheimer, Minister of Intergovernmental Affairs and MHA for St. John's East.

**MR. SMITH:** Doug Smith, Assistant Deputy Minister.

**CHAIR:** Thank you.

Mr. Minister, if you like, you can start.

**MR. OTTENHEIMER:** Okay.

**CHAIR:** Maybe I should just call the head first. We are going to be talking about subheading 2.3.01, so we will call that.

Mr. Minister, you go right ahead.

**MR. OTTENHEIMER:** Thank you, Mr. Chairman.

Welcome, everyone. Welcome to the Committee and, in particular, the critic for the department. It is good to see everyone here this morning as we do the Estimates in the department for which I now have responsibility, the Department of Intergovernmental Affairs.

My officials, I will just mention them once again. To my right is my deputy, Mr. Sean Sutton; to my left, Mr. Doug Smith, the assistant deputy minister; and next to Mr. Dutton is the communications specialist in the department, Mr. Ken Morrissey.

I would like to take a few minutes, if I may, to speak about the Secretariat and its role within government.

The Secretariat's mandate is to ensure that this Province is recognized as making an important contribution to a strong and united Canada and is treated equitably within the federation.

The Secretariat's mission is to promote and represent Newfoundland and Labrador's interest within Canada and internationally to maximize benefits to our Province.

The Intergovernmental Affairs Secretariat leads the formulation of government's intergovernmental strategies and policies,

and monitors and co-ordinates interdepartmental initiatives to ensure the consistent application of these policies and strategies.

Intergovernmental policy formation and advice: The Intergovernmental Affairs Secretariat is responsible for monitoring and analyzing the intergovernmental dimensions of social/fiscal and economic/resource policy matters and intergovernmental issues of an overarching nature in order to formulate and provide policy advice on the development of government's intergovernmental strategy and agenda.

With respect to promotion of the interests of the Province, I, as minister, as well as officials from the Secretariat, attend, from time to time, bilateral, multilateral, regional, national and occasionally international intergovernmental meetings and conferences to present and promote our Province's positions on matters of importance to this Province.

The Secretariat also promotes the Province's interests by assisting departments in their participation in intergovernmental meetings and negotiations of intergovernmental agreements.

The Intergovernmental Affairs Secretariat co-ordinates and provides support for interdepartmental initiatives that have intergovernmental implications. Also, the Secretariat develops provincial policy in areas that do not fall under the responsibility of other departments, including defense and, from time to time, foreign affairs.

On defense matters, the Secretariat co-ordinates discussion with military officials and local representatives related to planning issues and provincial interests. In recent years, defense activity has focused on flight training by allied forces in Canadian Forces 5 Wing Goose Bay.

Another issue of significance to the Secretariat is the issue of federal presence

within our Province. While we do not have control of this issue, we do advocate to the federal government on behalf of the people of Newfoundland and Labrador for an increase in federal offices, jobs, and any opportunities for our Province.

I, and my officials, have met over the previous months with federal ministers and officials, as well as with various stakeholders who have a direct stake in federal presence in our Province, and this is an avenue that we will continue to pursue.

I say to the Committee members, this is a brief outline of the roles performed by the staff of the Secretariat. It gives you some indication of the mandate of the department. I thank you for this, and I would be happy to respond to any questions or concerns with respect to the Estimates, or indeed any issue, and I have invited my officials to participate and jump in when needed.

**CHAIR:** Thank you, Minister.

We will get right to the questions.

Mr. Parsons.

**MR. PARSONS:** Thank you.

Minister, let's start, I guess, with the line-by-line stuff in the actual Estimates of the Budget, if we would.

**MR. OTTENHEIMER:** Okay, sure.

**MR. PARSONS:** I believe that is found within the Office of the Executive Council, beginning on page 16, heading 2.3.01.

**MR. OTTENHEIMER:** Right.

**MR. PARSONS:** Could you tell us exactly how many people are employed in the Minister's Office under that salary component?

**MR. OTTENHEIMER:** In the Minister's Office there are presently four: my salary,

my departmental salary, my constituency assistant, and my EA, a total of four.

**MR. PARSONS:** Under 2.3.02., the Salaries component, there has been an increase this year of \$389,700. Could you explain what that is about?

**MR. OTTENHEIMER:** Could you speak to that, Doug?

**MR. SMITH:** Excuse me, I am sorry, I didn't quite catch the reference. Are you speaking of the Executive Support Salaries, Sir?

**MR. PARSONS:** Yes, Executive Support.

**MR. SMITH:** Very good, Sir.

The increase is comprised of a number of costs. There is a general, as you know, overall increase due July 1 which will generally increase costs by \$10,000. Executive salaries have been reclassified, which increases our salary cost by \$11,000. There is funding for the communications specialist of \$50,000. The largest amount is a sum of \$143,700 which is for the salary of the Secretary to the Council of Atlantic Premiers. It is Newfoundland and Labrador's turn to appoint this person. It is a term appointment for five years.

The arrangements are that the sponsoring government continues to pay the employee through its own program so that the employee's benefits remain intact; however, all costs associated are recoverable, so we recover not only the salary but also the employer's contributions. That amount is a recoverable expense.

**MR. PARSONS:** Did I see somewhere recently who that person was? Did I read somewhere?

**MR. SMITH:** Yes, that was announced last week. It is Don Osmond, formerly Deputy Minister of Municipal Affairs.

**MR. PARSONS:** The communications specialist, I take it that is this gentleman over here.

**MR. SMITH:** That is Mr. Morrissey, yes

**MR. PARSONS:** Is this the first year we have had a communications specialist for Intergovernmental Affairs?

**MR. SMITH:** This will be the first full fiscal year, yes, Sir.

**MR. PARSONS:** Is there any particular reason why it was felt necessary that Intergovernmental Affairs needed one this year?

**MR. SMITH:** Previous to this year, Sir, and previous to Minister Ottenheimer's tenure as minister, our ministers were always elsewhere, had other portfolios, and their communications directors doubled up on the job. When Minister Ottenheimer was appointed, we no longer had direct services for communications so a communications specialist was assigned.

**MR. PARSONS:** Just shifting down to item 10, under that Executive Support section, Grants and Subsidies, last year, I believe, you spent \$147,000. What exactly are we talking about here in terms of grants and subsidies which might come from this department?

**MR. SMITH:** Specifically, they are our contribution to the Canadian Intergovernmental Conference Secretariat. This is a per capita contribution paid by all provinces. The CICS is a cost-shared service between the federal government and the provincial and territorial governments, providing conference support services to all intergovernmental meetings, such as Ministers of Education, Ministers of Finance or whomever. The costs are shared fifty-fifty by the federal government and the provinces and territories. Our portion is a per capita one and comes to \$44,400 for this year. We have also a small amount for

unanticipated requests of \$5,000 for this year.

**MR. PARSONS:** Moving along to 2.3.03, Policy Analysis and Coordination, it looks like an increase of \$216,300 for this fiscal year. What is the reason for such an increase? 2.3.03.

**MR. SMITH:** Yes, Sir, I am just having a quick look at it here now.

The reason it is substantially up from the Revised figure of last year is we had a number of vacancies during the year. You will note that the original budget figure for 2006-2007 was \$623,500. We are up to \$642,300 and that differential is largely accounted for by the 3 per cent salary rise that is due in January. We have now filled all but one of the positions.

**MR. PARSONS:** Where are the vacancies?

**MR. SMITH:** Which were vacant?

**MR. PARSONS:** Yes.

**MR. SMITH:** At various times we have had as many as three analyst positions vacant, and two directors. We have now backfilled all but one position, and we are currently looking for an analyst position.

**MR. PARSONS:** The Ottawa office, 2.3.04, that is Dr. Fitzgerald, I believe. Maybe the minister might be able to tell us. We had some discussion about Dr. Feelgood's limousine service in the House the last time we were open. I am wondering is the limousine service still in tact and what is happening exactly.

**MR. OTTENHEIMER:** The issue in a general sense, I say to the Committee, is an important one. We have Dr. John Fitzgerald in Ottawa. He does exemplary work. He acts as a representative for the Province, he meets ministers on a regular basis when they travel to Ottawa, acts very often as a liaison between the Province and the federal

government, and, I might add, Mr. Chairman and members of the Committee, also is of assistance to the seven Newfoundland and Labrador Members of Parliament. In fact, I want to share with you, in a moment, correspondence I received from one of the MPs.

Dr. Fitzgerald's office is most modest. In fact, only recently was there an assistant hired. He was essentially there, completely on his own. That would perhaps be reflected in the figures in the Estimates. It will show an increase, and that is largely due to the fact that a staff member has now been hired, kind of a researcher-receptionist, an individual that when somebody walks in from the Province, there is somebody to meet and greet, I guess, as opposed to Dr. Fitzgerald having to do that. So, he does now have some assistance.

I know jokingly in the House some while ago, Mr. Parsons referred to limousine service. I can assure the Committee that there is nothing extravagant about this office. In fact, it is interesting to note that - on that issue of driving, I guess - Dr. Fitzgerald does not even own a car. He usually walks. He has a bicycle, I believe, and from time to time, if distance requires it, he takes a cab. So, there is nothing extravagant in any way.

I want to refer to a letter that, in fact, the Premier received only two weeks ago. I will just read a paragraph in it because I think it perhaps reflects the good work that Dr. Fitzgerald does on behalf of the Province. I will just refer to one paragraph. This is written to the Premier: I would like to take this opportunity to thank your office and staff members for assisting me, on occasion, in order to effectively speak up on behalf of all Newfoundlanders and Labradorians. In particular, Dr. John Fitzgerald, your representative in Ottawa, has been doing an exemplary job providing information and establishing an open channel of communications - and I feel this is important

- in a non-political and unbiased way that serves our Province well.

That letter is signed by Scott Simms, the federal Member of Parliament for the riding of Bonavista-Gander-Grand Falls-Windsor. As I say, it is dated just two weeks ago, April 19.

I think, Mr. Chairman, in a way, it reflects the legitimacy of the appointment and I feel the services that are being provided in what a federal Opposition Member of Parliament describes as non-political and non-partisan. I thought I would just share that with the Committee because it may be an accurate reflection of Dr. Fitzgerald's role on behalf of the people of Newfoundland and Labrador in the Nation's capital.

**MR. PARSONS:** Does he file any reports or anything, minister? What appreciation would the public of this Province ever have to justify this \$360,000 a year that we are spending? We can talk all we want about the feel good relationships, opening doors, how he has been useful. How would the people of this Province ever know that? What do they see materially to represent the value of their dollars?

**MR. OTTENHEIMER:** If it facilitates, when elected officials - I have been in Ottawa not an excessive amount of times, I can think of two maybe, no more than three. I can think of two visits since I have been in this department. Each time, even though it may not be a public issue that I met with Dr. Fitzgerald - and when I met with maybe three or four federal Cabinet Ministers, Dr. Fitzgerald was with me on each occasion.

In response to your question, Mr. Parsons, it may not be publicly known that that has taken place but it certainly, as one minister of this government, is something that I appreciate. It helps facilitate these meetings. He has established, I believe, a good relationship with many of the federal government departments and the ministers. Even though, as I say, it may not be

broadcasted, it does serve to facilitate the role that we, as ministers in a smaller jurisdiction, in our own provincial government - and it goes to help serve and facilitate the role that we carry out on a day-to-day basis.

I agree with the point that you make, that it may not be public but it does not in anyway, I believe, minimize or compromise the good work that is done and helping individuals, such as myself and my colleagues from time to time, and from this correspondence, I guess, Mr. Parsons, your own colleagues. So, that has some service, as I see it.

**MR. PARSONS:** What would fall under the Purchased Services heading for \$85,000 in that office? What kind of services would he have purchased?

**MR. SMITH:** Purchased Services, primarily, reflects the basic costs of operating an office, photocopying charges, printing costs, lease and rental costs, some official entertainment and professional training.

**MR. PARSONS:** I am wondering if you are aware of - apparently there was a Freedom of Information request that was filed with respect to the office and the evidence revealed that there was quite a substantial expenditure on private dining by Dr. Fitzgerald, and not in Ottawa but in St. John's.

**MR. SMITH:** I am not aware of the full details of the ATIPP request, sir, because it was not handled directly by our office; rather it was handled by another office. My understanding is that all of the expenses that were listed under the expense claim forms were within the guidelines provided.

**MR. PARSONS:** Moving along with more specific issues, I guess. The Council of the Federation that was held here, the meetings this past summer; it seems to have been quite a party. How do we compare with the expenditures in this Province, the total cost

of the conference that we held here at the end of July, of which the Premier chaired, in relation to the two preceding ones that other provinces hosted?

**MR. OTTENHEIMER:** I will just make an introductory comment, if I may, and then I will ask Mr. Smith to specifically answer that question.

The cost to the Province - and I am sure my critic is fully aware of this - for the conference was less than \$500,000. The overall expenses were just over \$1.2 million and were offset by approximately \$750,000 in revenue.

I think another important point on the cost issue, I would say to the Committee, is that we generated, in Newfoundland and Labrador, some \$1.4 million in economic spin off for local businesses, including: hotels, restaurants, retail outlets, taxis, tour companies, crafts people, artists, musicians and others. That just puts it, I guess, in some parameters.

In a general sense, I say to Mr. Parsons and his colleagues on the Committee, that last year was our year. These events take place on an annual basis. Our Premier is the Chair of the Council of the Federation. Last year it was our turn. There were two venues that were selected in our Province, one on the West Coast, one here in the capital and we welcomed some 350, 400 delegates.

Relating more specifically to the question that was raised, in previous years - in recent history, for example, similar meetings were held in Banff, I believe, and Charlottetown and Niagara-on-the-Lake in Ontario. As the member is fully aware, these events happen, and every ten or eleven years there will be a similar event here in our own Province. That is the nature of it. Years ago, these were the annual Premiers' conferences. Now it is replaced by the newly formed title of the Council of the Federation.

In terms of cost, we showcased the Province, I think, in a very exceptional way. We were under budget. Yes, we entertained our visitors and our guests. We were proud to do so. Our Premier is the Chair of the organization. He is the Premier of Newfoundland and Labrador. We were here in the peak of the summer and we were proud to showcase our Province both on the West Coast and, as I say, here in the city.

In terms of comparatives, I do not know if Mr. Smith has any information that he would like to share.

**MR. SMITH:** I do not actually have the comparative numbers, Sir, but I do know that our conference was less than the previous two, probably significantly less. I will endeavour to find those numbers. I am not sure that they have been released in the same format that our information has been released, but I will endeavour to find that information for you.

**MR. PARSONS:** I understand the information we have was released, actually, by a freedom of information request initially - the details.

**MR. SMITH:** The information on our conference?

**MR. PARSONS:** Yes.

**MR. SMITH:** Yes, that is correct.

**MR. PARSONS:** That is right, not because it was made publicly available. It was released only after a freedom of information request.

**MR. SMITH:** That is correct.

**MR. OTTENHEIMER:** I think what Mr. Smith is saying is that your question about how it compares with other conferences in other jurisdictions, we will get that; we will provide it to you.

**MR. PARSONS:** Yes.

Minister, I have no problem with showcasing the Province. We are, all of us, I am sure, very proud of our Province. I do not think anyone has any problem with showcasing it, with spending money that goes to our artisans, musicians, and our cultural events, no problem in showing two parts of our Province, the West Coast and the East Coast, or Labrador, however many places you wanted to show. I do not think that is where the public concern is, and I certainly do not think that anybody has any issue with our Premier proudly displaying our Province, but I think it is some of the items that were reflected in the expenditures that caused concern. Sometimes it seems like - I don't know if you would call it enthusiasm or in the desire to showcase your Province - you sometimes go over the top. How can you ever justify these expenses, the two fur coats for Ralph Klein and his wife? That just does not fit with the people in this Province. There has never been even an acknowledgement that maybe that was over the top. That is not just showcasing your Province. That is not helping our artisans. That is an absolute unnecessary expenditure of provincial taxpayers' money when you select one Premier, retirement or not, and give them a gift of \$8,000. How can you dispute that?

**MR. OTTENHEIMER:** The issue was raised publicly a number of months ago by yourself, and it was raised publicly. I guess the public will ultimately formulate its own opinion, and individuals will make a judgment on that.

I think it has to be considered in the context of my earlier comments. This was an event that we were very proud to host. The Premier was indeed proud, as the Chair of this organization, to host it. Premier Klein was the dean of Premiers, the longest serving Premier in the country. He was about to resign. It would have been his last Council of the Federation meeting. The gift that was given reflects truly the culture, the people, and the history of this Province.

He and his wife were chosen because of the reasons I have just given. The information is out there and all I can say, Mr. Parsons, is that the public will formulate its own decision and its own mind on whether or not that was a gesture that exceeded, in any way, the - and extends to the point of view that you are raising.

**MR. PARSONS:** I will just conclude by making one comment. Again, I do not think the people of this Province or any province had an issue with a send-off or a retirement gift for Premier Klein. I think where the issue arose here was, number one, the amount of the expense - \$8,000 for two fur coats. I even like the optics of the fact that it was a fur coat - don't get me wrong, I like that piece - but I think the amount of \$8,000 was an issue. The fact that his wife was included as getting one, in a retirement gift to him, is an issue. If it was a gift to the dean of Premiers, which he was, it is not something that should have legitimately fallen under the conference cost; it is something that all provinces should have chipped in and done. That is where the problem lies.

This Province did not have to take it upon itself, I would suggest to you, to bear the sole cost and the full cost of getting Mr. Klein and his wife a send-off gift. That is where I think government is missing the problem, missing the issue here. It is not the gift fact, it is not the fact that it is a fur coat; it is the amount of it, and the fact that everybody else in this country did not chip in and give the gift. That is where the problem lies, I think, with the public here. That comes to show extravagance. That is the issue.

**MR. OTTENHEIMER:** I will make one final comment, if I may. I accept your point. I do not agree with the point that you make, but I accept it. You have made it in the past, and you have made it publicly. As I said, I do not agree with it, and one could argue that indirectly it was not solely the Province;

because funding, as I understand it, was given by the Council of the Federation Secretariat. Therefore, from an overall funding point of view, any cost, I guess, is derived from its source, and its source in this case was the Province, in addition to a contribution by a federal body, by a federal governing secretariat. However, you have made your point in the past; it was well publicized. I do not share the comments that you make, but I accept the points that you have made. You have made them in the past, and made them clear again this morning.

**MR. PARSONS:** Minister, just some clarification, if you might. Under the Activity Plan of the Intergovernmental Affairs Secretariat for 2006-2008, can you explain the difference between a goal and an objective? Can somebody explain that to me?

**MR. OTTENHEIMER:** My guess is, in a Thesaurus they are probably used interchangeably in a broad sense. I know, doing educational theory one time, we had educational outcomes and then other words to describe that were goals, objectives and targets and everything else. So, in a general sense, it is arguable that perhaps there is no distinction - in a general sense.

As it relates to the wording, I do not have the activity book in front of me. Do you have it there, Mr. Deputy?

**MR. PARSONS:** I am just referring to your Activity Plan. There are all kinds of nice words, of course. It starts with vision, mission, goal and objective.

**MR. OTTENHEIMER:** Well, it is a nice department.

**MR. PARSONS:** You will certainly need a lot of vision, too.

Looking at the Mission piece, it says, "By 2011, the Secretariat will have promoted and represented the province's interests within



Canada and internationally to maximize benefits to Newfoundland and Labrador.”

Goal number one, “By 2008, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to promote the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.”

It seems as if you have broken out from the Goal to Objectives. “1. By 2007, the Secretariat will have strengthened the province’s capacity to work with the community and the federal government.” That seems to be in serious doubt, given the on-goings in the recent past. “2. By 2008, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to attract foreign military flight training and other military training at 5 Wing Goose Bay.”

Just looking at that – Objectives, Goal, whatever you want to call it - where are we exactly with the Goose Bay piece now?

**MR. SMITH:** Do you want to go first?

**MR. OTTENHEIMER:** Yes, sure.

Upon arriving at this department, it was clear to me that perhaps the priority of a number of them was the 5 Wing Goose Bay. The situation there, and I have said this publicly, and I believe I have said it to you in response to questions, perhaps in the House, is that we continue, on an ongoing basis, to seek reassurance from the federal government that the commitment that the Conservative Party of Canada made, both prior to being elected and upon being elected, be respected and maintained.

I have met with Minister O’Connor on several occasions. The Prime Minister, while in Newfoundland - I believe, I am not sure, maybe in Labrador as well, but

certainly in the Province - made a commitment to 5 Wing.

Every opportunity that I get, as minister, and my officials as well, we seek reassurances that the commitment that was given with respect to the army battalion and the UAV squadron at CFB Goose Bay, that the commitment be honoured and maintained. There is nothing, in terms of any reference or representation made to me and my officials, that changes that course as I see it.

Yes, I would be remiss if I did not say to you that we would like to see this expedited; we would like to see the activity actually commencing on the base. That has not happened, but I have every confidence that this is a commitment that will be honoured, and every time I have the opportunity to meet the federal minister he gives me the reassurance that 5 Wing Goose Bay is part and parcel of the northern military strategic plan that this government envisages, and we will continue, I guess, to say to you, Mr. Parsons, to seek those reassurances.

**MR. PARSONS:** When was the last time you met, Minister, with the federal –

**MR. OTTENHEIMER:** The last time I met with him would be approximately two months ago.

**OFFICIAL:** Mid-February.

**MR. OTTENHEIMER:** Mid-February. That was in Ottawa.

**MR. PARSONS:** Under the letter, of course, that was exchanged between the Premier and the then Leader of the Conservative Party, Mr. Harper, who formed the Government of Canada after, the commitments that you referred to by the federal government, or what they said they would live with, was outlined.

**MR. OTTENHEIMER:** Yes.

**MR. PARSONS:** Can you give us anything more concrete than generalities when it comes to these issues? For example, the international training to be held at 5 Wing Goose, where are we with that? It is going to happen? Who is it? When will it start? How much money will it mean?

**MR. OTTENHEIMER:** I can't be specific because I have sought the details and the particulars from the minister and he has not - in fact, I remember in the meeting seeking some timelines: When can the people of this Province expect these commitments to begin? When can we see the activity actually beginning?

I remember him saying to me, when I asked him that question, is that it will happen soon but it will be done in conjunction with a plan that this government apparently has for all of the country. He gave me the assurance that 5 Wing Goose Bay is part and parcel of that and those commitments will be honoured.

In terms of timelines, as I said earlier, in response to my question to him, he did not give me a timeline.

**MR. PARSONS:** Again, one of the things said, "Station a new Rapid Reaction Army Battalion (approximately 650 regular force personnel) for enhanced Atlantic army response at CFB Goose Bay." The bottom line is, you have no commitment right now as to when the 650, that piece, is going to start.

**MR. OTTENHEIMER:** In terms of timing, the question you have asked me is the same question that I have posed to the federal minister. The commitment is there. He has given me the assurance that the commitment will be honoured as part of a federal strategy, but in terms of a timeline, I specifically asked him and he did not give me any timeline.

**MR. PARSONS:** "Establish a new Territorial Defence Battalion composed of

approximately 100 regular force and 400 reserve force personnel in the area St. John's, to assist the Federal and Provincial governments in countering threats to our security as well as responding to natural disasters." What have you asked him about that?

**MR. OTTENHEIMER:** On that, the same thing, St. John's and Gander were discussed in addition to 5 Wing. The focus of the discussion with him was 5 Wing Goose Bay. However, the bases at St. John's and Gander were discussed.

Not long ago, and quite unexpectedly, there was an announcement made by Minister Hearn, I believe Minister O'Connor was here, and there was a press conference. In fact, I do not know if I have the date - it was on April 5. The federal government announced for St. John's - I must say, I was pleased, because of course as minister with this department, and it is very adjacent to my own district that I represent, there was a commitment that the federal government will spend \$101 million to construct a new multi-purpose facility in Pleasantville. That, at least, was some, I guess, tangible evidence that the existence of our bases in this Province is of importance to the federal government and to see this sort of infrastructure investment here in the capital was, as I say, certainly good news to hear.

In terms of the detail that you just asked, in terms of that particular project, again, there was no time commitment given by the federal minister.

**MR. PARSONS:** The issue of the (inaudible) commitment: "Station a new long range Unmanned Aerial Vehicle (UAV) Squadron at CFB Goose Bay to provide surveillance over the Atlantic Ocean and Eastern Arctic." Where are we on that commitment?

**MR. OTTENHEIMER:** The two main projects for 5 Wing Goose Bay are the new Rapid Reaction Army Battalion and the long

range Unmanned Aerial Vehicle Squadron at CFB. These are the two you have just referenced. The total number of troops on the ground, I keep hearing, is about 650 or 700.

Again, in meetings with the minister, he is fully cognizant of these commitments. He gave us the reassurances that I felt we needed. Timelines he was short on, but what you are referring to, Mr. Parsons, reflect the original commitment given by this government, unlike the previous government, I might add, but at least given by this government and given by the Prime Minister and supported by his Minister of National Defence, but those two projects are, in fact, the two projects that form the basis of the commitment that you reference.

**MR. PARSONS:** Yes, but the three that I have asked you, are you telling me and confirming that neither the army battalion at Goose, the St. John's initiative or the UAV initiative and the Foreign Military Training program, neither of those four commitments that were stated in Harper's letter have any timelines attached to them, as far as you know?

**MR. OTTENHEIMER:** That is correct. The commitments stand, however short on timelines.

**MR. PARSONS:** Okay. Take it a step further. We had a written commitment again.

**MR. OTTENHEIMER:** Right.

**MR. PARSONS:** It is nice to see the Pleasantville stuff, great, but that obviously had nothing to do with the provincial government driving it. That was generated solely by the initiatives of the federal government. There is no reference in the Pleasantville expansion you referred to, to this administration having done anything to promote that or even ask for it. It came out of the blue and was announced. I guess you people had notice of it, like everyone else,

certainly no indication that you had any role whatsoever in it. I guess you would not be out taking credit for that even though we are all pleased to see it.

What do you do as a minister when things happen that you know nothing about, like Pleasantville, but is very pleasing to us, and yet the four things that are in writing, you have these meetings and most recent up to two months ago, and the guy gives you a lot of soft commitments? What do you do to enforce them? Where do you go from here?

**MR. OTTENHEIMER:** I do not mourn the issue, I say, Mr. Parsons. This is part and parcel of an overall mandate of the department. For example, there was a recent announcement on the reopening of the weather station in Gander. We appear to be making great progress on the issue of the airport in Gander.

In my meetings with Minister O'Connor we talked in a general way about federal presence. Yes, we talked about the military commitment as well. We can pick and choose, I guess, and try to be selective of an issue where we are pleased, where we are disappointed because of an absence of timelines and acknowledgement that there are further commitments that we would like to receive, but work goes on. Work in ongoing in a variety of areas. On this particular one, with respect to the military commitment, the timelines I have requested and I am looking forward to hearing something, hopefully sooner than later, that will give us some indication as when we can expect to see real activity at 5 Wing Goose Bay.

**MR. PARSONS:** Do you think, minister, the fact that the dispute now between the Premier and the Prime Minister - I mean, it is pretty obvious. Anybody who has been alive in this Province in the last two months and listening to any media source, it is a pretty heavily heated - a pretty hot topic.

Is the fact that the dispute is ongoing between the Prime Minister and the Premier and the regional minister - who, no doubt, would have some say over all of this - is being impacted because of that relationship over the equalization issue?

**MR. OTTENHEIMER:** The answer to that is that work is ongoing. We continue to have, and my colleagues in Cabinet continue to have a good working relationship with their federal counterparts. For example, I believe since the federal Budget, and the federal Budget came down only a few weeks ago, this Province has signed with the federal government - is it fifteen?

**OFFICIAL:** Thirteen.

**MR. OTTENHEIMER:** Thirteen intergovernmental agreements.

The work is ongoing. The departmental work is ongoing. There are good, solid, genuine relationships that exist between members of this government and the federal government of Canada. Publicly, one can easily draw the conclusion that everything has stalled, but that is not the case. The activity in Intergovernmental Affairs continues. The activity of my colleagues with respect to the relationship of their federal government counterparts, that relationship continues. Work is ongoing and successful work. I think the fact that we have had, just in the last few weeks, some thirteen brand new agreements between this Province and the federal government of Canada is indicative of that.

**MR. PARSONS:** I am wondering if you might be able to provide us with a list of those agreements, Minister.

**MR. OTTENHEIMER:** Yes, we can undertake to do that. We would be happy to do so.

**MR. PARSONS:** Thank you. I appreciate that.

It is just a matter of, I guess, there has been ongoing concern for quite some time and many people have dealt with this issue, including the Privy Council and Mother Britain.

What is the situation now on La Belle Province using the mapping situation and the boundaries? What is the latest on this?

**MR. OTTENHEIMER:** I have not checked today's *Le Devoir*, because it does change from day to day as the hon. member knows.

It is an issue that we continue to monitor. From time to time in French brochures and tourism brochures and even in their newspapers we will see an encroachment on the territory. I know the Premier has written - we have written - in the past, reminding our French Canadian friends that, you know, there is a legal reality here. It was long established.

As the hon. member would know, some seventy or eighty years ago a decision of the Privy Council made it quite clear constitutionally where this boundary is, and where it will continue to be; however, when it does occur, we, in a collegial way, respond, as a gentle reminder, that the boundary is clear and - make no bones about it - if it is necessary to strengthen, I suppose, or in any public way make it known any discomfort we have with their repeating of an encroachment, even in perhaps somewhat of a frivolous way, we will do what has to be done, but we continue to monitor that.

**MR. PARSONS:** Are they still using the inaccurate maps?

**MR. OTTENHEIMER:** As I understand it, there was a tourism document some while ago which showed - I believe it described it as The Nouveau Québec, if I am not mistaken, and Labrador was included on some tourism document.

**MR. PARSONS:** Documents that are printed by the Government of Quebec?

**MR. OTTENHEIMER:** Yes, it was a tourism document.

**CHAIR:** Wally, do you want to ask your questions?

**MR. ANDERSEN:** Minister, I know that my colleague asked a lot of the questions that I was going to ask, but, again, in a nutshell: For 5 Wing Goose Bay, where are we today?

**MR. OTTENHEIMER:** Where are we today? Full confidence in the commitment that was given by this government, disappointment that we have not received timelines as to when we can, in a concrete, real way, understand when the troops will arrive and work will begin, but a comfort that the commitment will be honoured.

That is where we are, and we will continue, as part of my mandate as minister of this department, to continue to seek that reassurance and recommitment from the federal government.

**MR. ANDERSEN:** Minister, recently there was a great concern over caribou in Labrador being killed. Some of them are considered to be endangered. I know, for example, the Red Wine Mountain Herd, some years ago it was probably known that there were 300 animals, and I know that over the last five or six years the Innu from Quebec have probably killed about 400, so one wonders.

The fact of the matter is that the majority of the caribou that are killed in Labrador, regarding the endangered species, are killed by people from out of the Province. Have you had any dealings with the minister from Quebec on this issue?

**MR. OTTENHEIMER:** It is an interesting point that you raise. That particular issue is largely led by the Department of Natural Resources, and it is my understanding that

Minister Dunderdale has responded to that particular issue.

Do you want to add anything else, Sean?

**MR. DUTTON:** Just that, in addition to that, the Department of Environment and Conservation has also been involved in the Woodland Caribou Recovery Strategy. As part of that, they have held some consultations over the last number of years with Innu Bands in Quebec to make them better informed about the objectives of the strategy and the importance to ensure the conservation of those species that are listed under the Endangered Species Act that you referenced.

In addition to that, there are a number of Quebec Aboriginal groups and other organizations that are part of the low-level flying Institute for Environmental Monitoring and Research in Happy Valley-Goose Bay. As a result of that, they certainly would have every reason to be aware of the science around the state of those herds.

As you mentioned, the enforcement officers in the Department of Natural Resources have been making some efforts to try to ensure that those herds are protected, and there was some additional funding announced in the recent provincial Budget for more aerial surveillance as a means to try to ensure that those kinds of incidents that the member referenced are headed off before they occur.

**MR. ANDERSEN:** Has there been any consultation with the Government of Quebec probably to cost-share these aerial patrols that are needed? I suppose, from a standpoint, when you look at that, a lot of the poaching that is going on is coming from people outside of our Province.

**MR. OTTENHEIMER:** I can certainly check with my two colleagues, both in Environment and Natural Resources, to see if there has been any reference to that, and I

can let you know. Whether they have, in fact, corresponded, they may have done that on their own, but I will certainly undertake to see if that has happened.

**MR. ANDERSEN:** What is the latest on the federal government funding for the Trans-Labrador Highway, the portion they were supposed to bring to the table? There was some talk that the money was there, and then it was off, and on again and off again.

**MR. DUTTON:** I believe the last public statement by Minister Hearn was made last week, that the federal government was still intending to cost-share the surfacing project for Phase I for this coming season.

The challenge remains that the program from which the funding would be sourced was part of the recent federal budget, and I understand the terms are not going to be approved in the federal system for another couple of months. The construction season is starting much earlier than that, so the provincial government intends to proceed with surfacing and tender calls at the earliest possible date. We would intend to sort out the agreements to get the federal cost share before the season is out.

**MR. ANDERSEN:** What is the status now on the community of Sheshatshiu? Is it now fully recognized as a reserve, or are we still waiting?

**MR. DUTTON:** Sheshatshiu is now a reserve under the federal Indian Act. That was made effective in, I believe, November. Among the agreements that the minister referenced earlier are those to provide for federal funding responsibility for specific programs on reserve. Up until that time, the federal government had not assumed responsibility for K to 12 education or income support programming in Sheshatshiu and, as a result, now we will be accessing these federal funds. The Province will continue to deliver those programs for the time being, until devolution agreements are reached with the Band Council.

**MR. ANDERSEN:** Minister, is your Department of Intergovernmental Affairs having many dealings with the Nunatsiavut government?

**MR. OTTENHEIMER:** Pardon me?

**MR. ANDERSEN:** Is your department having any dealings with the Nunatsiavut government?

**MR. OTTENHEIMER:** Municipal government?

**MR. ANDERSEN:** No, Nunatsiavut government -

**MR. OTTENHEIMER:** Oh, Nunatsiavut government.

**MR. ANDERSEN:** - where they now have their own self-government, and I guess there should be a lot of meetings back and forth.

**MR. OTTENHEIMER:** Sure.

**MR. ANDERSEN:** Does your department play a role?

**MR. OTTENHEIMER:** I see that, Mr. Andersen, as something that is growing and developing. As you know, of course, the Nunatsiavut government is relatively new, but it is certainly a role that I see this department enjoying, in terms of a developing and growing role, with the new Nunatsiavut government.

I do not necessarily believe that it is restricted to this department. I mean there are other line departments in government, whether that be Municipal Affairs, or Education, or Justice, or Health and Community Services, they, too, will continue to share and develop a relationship with one another.

**MR. DUTTON:** (Inaudible).

**MR. OTTENHEIMER:** I am just advised by my deputy that Minister Rideout, the Deputy Premier, is the lead minister in accordance with his role as Minister responsible for Aboriginal Affairs. As I see it, it is an area that could develop, and maybe a relationship between the department and the new government is one that could grow and develop in the future.

**MR. ANDERSEN:** Okay. I think that is about all the questions that I have.

I will just make a comment, I guess, that having known Mr. Dutton from Labrador for a long time - and minister, I say this with all honesty, I think you have probably one of the most qualified people that you could ever get for Intergovernmental Affairs. Sean, I know how you worked over the years and I certainly want to congratulate you on your appointment.

**MR. DUTTON:** Thank you very much.

**MR. OTTENHEIMER:** Thank you for your questions and thank you for that comment.

**CHAIR:** Thank you, Mr. Andersen.

Are there any other questions?

All right, we will need a motion to move these subheads. I guess we will do all of them from 2.3.01 to 2.3.04. I need a motion.

**MR. HUTCHINGS:** So moved.

**CHAIR:** Mr. Hutchings.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, subheads 2.3.01 through 2.3.04 carried.

**CHAIR:** Thank you.

I also need a motion to adopt more minutes that we just received actually from the Department of Transportation and Works and Department of Labrador and Aboriginal Affairs.

**MR. DINN:** I will move those.

**CHAIR:** Thank you, Mr. Dinn.

Moved by Mr. Dinn.

All in those in favour 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, minutes adopted as circulated.

**CHAIR:** Thank you.

First of all, thanks Mr. Minister and staff.

**MR. OTTENHEIMER:** Thank you, and thanks to the Committee members and thank you, Mr. Chairman.

**CHAIR:** Good job.

We need a motion to adjourn, please.

**MR. CORNECT:** So moved.

**CHAIR:** Thank you, Mr. Cornect.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Thank you.

On motion, Committee adjourned.