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## Standing Committee on Transport

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**Tuesday, November 23, 2004**

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**Chair**

**The Honourable Roger Gallaway**

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## Standing Committee on Transport

Tuesday, November 23, 2004

• (1530)

[English]

**The Chair (Hon. Roger Gallaway (Sarnia—Lambton, Lib.)):** Good afternoon. According to the clock supplied by the clerk's branch, it is now 3:30 and we can call this meeting to order, as there is a quorum present.

Before we continue with our examination of the estimates, pursuant to Standing Order 80(4), I would point out that Madame St-Hilaire has asked for the floor with respect to presenting a notice of motion.

Madame St-Hilaire, please proceed.

[Translation]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Thank you, Mr. Chair.

I am indeed presenting a motion today. Do you want me to read it to you, or is it enough for me to present it?

[English]

**The Chair:** No.

[Translation]

**Ms. Caroline St-Hilaire:** It essentially concerns Mirabel.

[English]

**The Chair:** If you care to read them you can.

[Translation]

**Ms. Caroline St-Hilaire:** Since the Parliamentary Secretary is arriving, I won't request unanimous consent.

[English]

I was waiting for you.

**The Chair:** If you're seeking unanimous consent, I recommend you read it.

[Translation]

**Ms. Caroline St-Hilaire:** Would you like me to read it?

**The Chair:** Yes.

**Ms. Caroline St-Hilaire:** The motion reads as follows:

Whereas poor federal management led to the closing of Mirabel airport to passenger travel;

Whereas October 31, 2004 was the last day for international flights at this airport;

Whereas irreparable damage was caused to farmers by the expropriation of close to 100,000 acres of arable land;

Whereas 17,000 acres of land are still federal property and the farmers or former owners who were expropriated from Mirabel are claiming 11,000 for farming;

Whereas after return of land there would still be 6,000 acres of land remaining for the future development of airport activities, which is twice the surface area of Dorval;

Whereas it is the federal government's duty to recognize its past mistakes and make up for the injustices caused to the farmers and former owners who were expropriated from Mirabel;

The Standing Committee on Transport calls upon the Minister of Transport to take the necessary measures to return the 11,000 acres of arable land claimed by the farmers and former owners who were expropriated from Mirabel, which would provide for the long-term development and enhancement of this agricultural land.

[English]

**The Chair:** Thank you. It's now put on notice.

You indicated you were going to seek unanimous consent. That's entirely up to you.

**Ms. Caroline St-Hilaire:** No. I'll wait until Thursday.

**The Chair:** We'll accept that as being put on notice. Thank you very much.

I apologize to our witnesses for the very brief delay. Today we have before us, from the Canadian Air Transport Security Authority, the president of that agency, Mr. Jacques Duchesneau.

Mr. Duchesneau, it's been a year since we saw you here. Welcome.

**Mr. Jacques Duchesneau (President and Chief Executive Officer, Canadian Air Transport Security Authority):** It's been over a year, Mr. Chairman.

**The Chair:** It's been over a year—awfully close. Welcome back.

We have Mr. Mark Duncan, the executive vice-president and chief operating officer. With him is Mr. Michael McLaughlin, the vice-president and chief financial officer. I understand that the vice-president of operations, Mr. MacKay, is here in the room; and Madame Patry, who's the director of legal and regulatory affairs, is also here. If questions arise that you feel they can best answer, we will have them come forward to sit at the table.

Mr. Duchesneau, we welcome your opening statement. We ask that you limit it to about ten minutes. Then of course, far be it for me to say, I'm certain there'll be questions. So please proceed.

**Mr. Jacques Duchesneau:** Thanks a lot, Mr. Chairman. I'm delighted to be here. Members of the committee, I'm really grateful for this opportunity to address this committee. You already introduced the witnesses who are here with me.

[Translation]

Mr. Chair, members of the committee, I'm here today to answer all your questions. And, Mr. Chair, I emphasize the words "all your questions".

As you know, CATSA is an organization that values integrity, accountability, transparency and loyalty. I must say I respect the work that you do and I take pride in the fact that I answer directly to Parliament.

CATSA is a maturing Authority. We are proud of what we've done in a little more than two years and we are eager to share our accomplishments and projects with you. Canadians have never used a more secure air transportation system.

● (1535)

[English]

Last week the current Minister of Transport appeared before this committee and said we could testify without restriction, but with a caveat on matters of security, which he said should only be disclosed during an in camera session, adding that we should use our judgment as to what these questions should be.

With this in mind I repeat, Mr. Chairman, we are ready to answer all of your questions. If we or members of your committee feel some answers should not be made public in the interests of national security, we respectfully suggest the committee rule that these matters be dealt with in camera.

I will not go any further. I'm really anxious to answer all of your questions to start on a good note.

**The Chair:** Thank you.

I know Mr. Gouk is very anxious to start the questions.

Mr. Gouk.

**Mr. Jim Gouk (British Columbia Southern Interior, CPC):** How do you know that, Mr. Chairman? It's amazing.

Thank you.

Welcome back again. I will say at the start that several of the concerns I had about CATSA have been resolved either somewhat or wholly. I have some concerns still. We're probably at length going to get into the financial aspects and determine what you're doing with the money. There was a problem getting answers last year; now we have a mechanism for it.

I want to start with a pet project of mine concerning CATSA; that concerns what is being referred to now as the "registered traveller". We have real bottlenecks just because of design of airports and frequency and volume of passengers. Using a "registered traveller" designation could do a lot to reduce that. I guess my question for openers, to get into this, is why haven't we got that going?

**Mr. Jacques Duchesneau:** I'll give you a quick answer, and Mark Duncan, our chief operating officer working on this pilot project, will give you more details on it.

I remember the last time we were here, Mr. Chairman, Mr. Gouk asked many questions about the registered traveller. We're working; it's work in progress. As Mr. Duncan will mention later on, we're

working with the Canada Border Services Agency to have a common project we could develop much more quickly than anticipated.

I will ask Mr. Duncan to give you more details.

**Mr. Mark Duncan (Executive Vice-President and Chief Operating Officer, Canadian Air Transport Security Authority):** Members of the committee may know the TSA of the United States actually have five pilot projects going on currently. We're working closely with them monitoring the success or non-success and their experience with this.

We agree with you about differentiating the lines. We would like to maintain good security but also put some efficiency into the security and hence deliver some customer service. As Mr. Duchesneau mentioned, because CANPASS and NEXUS already are in existence we're partnering with them in biometrics.

There are some regulatory exemptions we have to work on, since it's no good setting up a "registered traveller" unless there are some efficiencies in screening. We would like to have some efficiencies in terms of whether this truly is a trusted passenger and we can manage that designation on a risk basis; then we should have some of the secondary aspects—

**Mr. Jim Gouk:** Could you explain that a little better? I'm not quite following what you're saying about the extra measures.

**Mr. Mark Duncan:** For example, if you go through a screening point at the present time, you will note that very often you have an EDS trace on your material, for example. We're in discussions right now about whether, since we're dealing with a known commodity, we could reduce the frequency of that. That's one example.

Again, we're working with the TSA. They have secondary inspections and have eliminated the secondary inspections in their process.

● (1540)

**Mr. Jim Gouk:** All right.

Right now, say for example, for a member of Parliament or a business executive who travels very frequently, is there no way the system can deal with allowing him to get to the secure side of the airport without going through the full security?

**Mr. Mark Duncan:** We have one pilot program we are working on with Vancouver Airport Authority at the present time called FasTrack. That is a program in which Vancouver Airport and the airlines there are paying for an individual at the front who will determine if you have a—

**Mr. Jim Gouk:** They still go through the same security. That just puts them through a dedicated—

**Mr. Mark Duncan:** That puts them through the priority lane.

**Mr. Jim Gouk:** Yes. But what you're saying is there is no way in our system right now that will allow any of the people I just described to go through safely without going through the actual screening check.

**Mr. Mark Duncan:** That is correct, certainly with our current regulations.

The other side of the coin that we have to consider is that the whole security system is a large network worldwide. To get on the secure side, if you travel to the United States.... And even in the U.S. you go through screening

**Mr. Jim Gouk:** Is there a regulation that prevents this, though?

**Mr. Mark Duncan:** That is regulation; that is correct.

**Mr. Jim Gouk:** Can you tell me, then, why CATSA allows window washers, concessionaires, baggage handlers, ramp attendants, and an assortment of other people, to go through with only random security?

**Mr. Mark Duncan:** They have random security, but on the other side of that coin, all of them have received a security clearance—again through Transport Canada, so they have received an appropriate security clearance.

**Mr. Jim Gouk:** Why, then, cannot a member of Parliament, a frequent-flyer businessman, a variety of other people, get that same kind of clearance—apply for it and go through that clearance, and get through the same as a baggage handler or a window washer?

**Mr. Mark Duncan:** That's certainly a worthwhile discussion and debate. As I said, our current regulations do not permit this. We would also have to be in harmony with the U.S.

**Mr. Jim Gouk:** Yes, but I'm still a little troubled with this, Mark. It doesn't alter the fact that once people are on the air side it's really irrelevant whether they themselves are passengers or not. There's a whole assortment of people who are being allowed through without security screening, and apparently you feel it's safe—there's a system; there's a whole brochure on exactly how it works—and these people can get through and yet we can't.

What do we have to do to change that?

**Mr. Mark Duncan:** Well, it's a very interesting point. The one thing I can indicate is those people who work on the air side are not actually going in the aircraft. Whether that is relevant or not is another question. But we know from working with the European community, from working with the TSA.... In the European community, as you know, they're pushing to have 100% screening of everyone going on the air side. We don't yet have it.

**The Chair:** This will be your last question, Mr. Gouk. You'll have lots of time today.

**Mr. Jim Gouk:** Okay. I appreciate that we have two hours for this.

**Mr. Mark Duncan:** Just to finish off on the registered traveller question, we met with the privacy commissioner on November 17 and we had a stakeholder meeting on November 18. There is a lot of positive reaction from ATAC, the airlines. We're briefing our board on December 7. We are hoping to proceed with a pilot to test the biometrics. I will take your concern with respect to free access back to Transport Canada, in terms of—

**Mr. Jim Gouk:** Do I still have my question?

**The Chair:** Yes, you do. Go ahead.

**Mr. Jim Gouk:** What would prevent someone—for example, myself—applying for a restricted air side pass? Are there specific restrictions in regulation that would prevent me from applying for that?

**Mr. Mark Duncan:** You would need to have a reason to have air side access.

**Mr. Jim Gouk:** To get on a plane.

**Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.):** Are you looking for special favouritism?

● (1545)

**Mr. Jim Gouk:** No, I'm looking to be an example that will get it for all of us.

**The Chair:** Madame St-Hilaire, please.

[Translation]

**Ms. Caroline St-Hilaire:** Thank you, Mr. Chair.

I have a number of questions. The first concerns the security tax. That of course has been a burden for taxpayers, but also for the industry and especially for the regions. I wondered whether you applied the same criteria at regional airports as at the bigger airports, even though the amount of the tax is not the same. How do you manage that? What criteria do you rely on?

**Mr. Jacques Duchesneau:** I think it's important to note that the security tax for passengers is not determined, collected or administered by CATSA, but by the Department of Finance. So I'm not the right witness to answer that. CATSA receives money from the Government of Canada without regard to the amounts it collects.

**Ms. Caroline St-Hilaire:** If I understand you correctly, your security system isn't the same at a regional airport as at an international airport.

**Mr. Jacques Duchesneau:** The safety measures that CATSA puts in place have nothing to do with the amounts that are collected. It's really a security concept that is extended to all 89 Canadian airports based on their size, number of passengers and security measures that the Canadian government has clearly enacted through Transport Canada. It's also based on the rules that the U.S. administration requires for its airports, as well as the measures of the International Civil Aviation Organization, the ICAO. That's what guides us, not the amounts of money.

**Ms. Caroline St-Hilaire:** I'm not sure I follow you. I want to come back to that. If I go to Sept-Îles or to Dorval, those are different types of airports. How do you define the security measures? If I understand correctly, you're telling me that you don't determine them.

**Mr. Jacques Duchesneau:** Security measures are the same across the country at the 89 airports designated by Transport Canada. As a result, 100 percent of passengers who board a commercial flight must be searched.

What changes are the measures that are put in place based on the number of passengers. So, at the biggest airports, there's a much more automated system, whereas the smaller airports have systems that are just as effective, but less sophisticated from the automation standpoint. That's why there's a price difference. Less money is invested in a smaller airport because the systems are less sophisticated from an automation standpoint. However, security measures are the same across the country.

**Ms. Caroline St-Hilaire:** Is it also because the dangers are not as great?

**Mr. Jacques Duchesneau:** No. Security measure number one is that the same level of security is applied to every passenger who boards a commercial flight in Canada. That's done differently, but the level of security is the same.

The security system is often compared to an onion, in that there are a number of layers. At the centre, there is the aircraft and its passengers. There are more or fewer security measures depending on the airport. For example, at a large airport, there will be greater police presence, more airline employees and so on.

**Ms. Caroline St-Hilaire:** So that's one of the reasons why the tax isn't the same from one airport to another: the security isn't the same.

**Mr. Jacques Duchesneau:** I couldn't tell you why the tax is higher or lower from one airport to another. Once again, I think the Department of Finance would be in a much better position than I to answer that question.

**Ms. Caroline St-Hilaire:** I have another question. I read in your expenditure plan that your capital assets in fact have an economic life of seven years. Is that correct?

**Mr. Jacques Duchesneau:** Yes. Perhaps Mr. McLaughlin, who is our chief financial officer, could give you more details. The fact is certain aircraft are depreciated over seven years.

**Ms. Caroline St-Hilaire:** Is the equipment obsolete after seven years?

**Mr. Michael McLaughlin (Vice-President and Chief Financial Officer, Canadian Air Transport Security Authority):** That's not necessarily how it works. We have to establish a figure in accordance with our policy on depreciation of equipment at airports.

We normally have to decide what the economic life of that equipment is. However, we don't have a lot of experience with certain types of equipment because they've just arrived at the airport. However, in light of Transport Canada's experience and that of other countries, we've decided to establish a seven-year economic life. We've discussed this with the Auditor General to ensure that our policy is correct. This always entails a risk that the type of equipment we have may be obsolete in a few years. We also have to think of that when we establish the number of years that we'll use.

It's quite possible that we can use the same equipment for five or even 10 years. However, we've estimated seven years.

• (1550)

**Ms. Caroline St-Hilaire:** You also said that there were two pilot projects in October. Is that correct?

**Mr. Jacques Duchesneau:** We've done a number of them. In what area exactly?

**Ms. Caroline St-Hilaire:** I'm talking about the one on access cards for regulated areas. Will the \$37 million in supplementary estimates essentially be used to fund that pilot project?

**Mr. Michael McLaughlin:** The supplementary estimates are there simply because we haven't spent all the money we had for capital expenditures in past years. The projects are still under way and they must continue. We've taken action to transfer the money from last year to the current year and to subsequent years to complete our projects before January 1, 2006.

**Ms. Caroline St-Hilaire:** Will your explosives detection program be implemented and tested at small airports as well?

**Mr. Michael McLaughlin:** Yes. We have explosives detection equipment at the 89 airports designated by the Department of Transport. That's not exactly the same equipment, but there is equipment.

**Ms. Caroline St-Hilaire:** It's smaller equipment for the smaller airports?

**Mr. Michael McLaughlin:** Yes.

[English]

**The Chair:** Ms. Desjarlais.

**Mrs. Bev Desjarlais (Churchill, NDP):** Thank you.

I want to follow up on Mr. Gouk's questions in regard to the program in Vancouver. Could I get you to explain what exactly is taking place there?

**Mr. Mark Duncan:** In Vancouver we have a fast-track lane. When the airlines had the responsibility for doing passenger screening, they had an executive class line. When CATSA took over the responsibility of screening, our concentration was on uniformity, good training, improving the security, increased trace. We do not have the resources to do what would really be a customer service element, separating a business class passenger from a regular passenger. Vancouver, with our cooperation, has put in place, paid for by the airlines, a greeter who will be at the front of the line who will differentiate a business class passenger from a normal passenger. It is very important for Asian traffic, for example.

**Mrs. Bev Desjarlais:** So it's only being done on the basis of business class passengers as compared to some other low-life passengers getting on the plane.

**Mr. Mark Duncan:** Compared to a registered travel.... We have no involvement in that. We accept that passenger, and they're doing what we call queue management in front of the security process.

**Mrs. Bev Desjarlais:** And then they go up to a priority lane and go through security the same way.

**Mr. Mark Duncan:** That is correct.

**Mrs. Bev Desjarlais:** And that's being done by the airlines?

**Mr. Mark Duncan:** That's being paid for by the airlines. It is actually being managed by the airport authority on behalf of the airlines. If you go to Vancouver and you are a business class passenger, for example, you'll have a little sticker, which they will put on your boarding pass, that will identify you.

**Mrs. Bev Desjarlais:** Would it be reasonable to ask whether that's being done where all business passengers are able to go through like that, or is there a differentiation between some business passengers and others? Is it happening where all business passengers are going through priority, or is someone picking and choosing which business passengers go through priority?

**Mr. Mark Duncan:** Again, that's being managed by the airlines, which are determining their business class. We don't want to get into that differentiation of queue management. In other words, the real advantage to the business class passenger is that if there is a queue, and again that's becoming obviously an issue, we don't want to get into the business of saying who is a business class passenger—

**Mrs. Bev Desjarlais:** Are all airlines doing this in Vancouver, or just some airlines?

• (1555)

**Mr. Mark Duncan:** All airlines, in cooperation. It is only in Vancouver and only as a pilot in Vancouver.

**Mrs. Bev Desjarlais:** It is only as a pilot project. Obviously, it gives an impression that some passengers are being treated differently in the security process, but if they're having to go through the exact same security check when they get upstairs where they're going to be wanded, and everything goes through the same way, it would have been like the line that was in Ottawa before.

**Mr. Mark Duncan:** That is absolutely correct, and this is Mr. Gouk's issue, that—

**Mrs. Bev Desjarlais:** So in essence if we wanted to find out that it was being done reasonably for all passengers we would be able to find that out from the airlines.

Each airline would do that then? They would give someone a sticker that would put them through?

**Mr. Mark Duncan:** That is correct—at check-in.

**Mrs. Bev Desjarlais:** All right.

In regard to the number of airports that have been designated throughout the country to need security on site, it's 89 airports. I have brought this issue up before, because I'm still baffled as to how this falls into a secure process. In Thompson, Manitoba, the tarmac is just one big long tarmac, and you have the airport authority running the airport. Then there are a couple of other airlines down the way, but because they have their own building, they don't have to provide security. They're also not necessarily flying and landing right in front of the terminal in Winnipeg.

However, the airlines operating out of the airport have to provide security. They land at the airport in Winnipeg, supposedly in a secure area, and even if they're continuing on, they come out of the secure area and go through security again.

The plane from the other place just down the tarmac in Thompson literally flies over the other airport; it actually flies over the runways and lands about 100 or 200 yards away. I'm probably a little bit low on that distance.

So I'm caught up understanding how this is secure.

**Mr. Mark Duncan:** That's a very difficult one, a very valid issue. The question is, where do you draw the line? We have 89 designated airports. For example, there are probably over a thousand airports in

Canada. At some point in time you draw the line in terms of aircraft size and frequency. And with the regulations, as developed by Transport Canada, we worked with the 89 designated by regulation. The flights are for between the terminal points of those 89 airports. On that issue of flying from what we call a fixed-base operator, an FBO, if they fly from an FBO to an FBO, in the regulations it was determined that this would generally be a business aircraft. But there are a number of airports where they are flying unit toll from FBOs. That has been raised—

**Mrs. Bev Desjarlais:** Totally commercial?

**Mr. Mark Duncan:** Yes. You're absolutely correct. That's been raised with Transport Canada. It's been raised with us. Transport Canada had several meetings on that subject, and it's an area that will need to be dealt with through regulation to sort that particular issue out.

**Mrs. Bev Desjarlais:** I would tend to think that the same type of situation may happen elsewhere in Canada, and what it does is create an absolutely laughable security situation, as far as I'm concerned. It makes no sense. I fly from both of them.

• (1600)

**Mr. Mark Duncan:** No, and that particular issue is correct, but to draw the line at some point in time you need to allow a passenger to go from an airport that we've deemed secure to an airport that's non-secure. So that flight occurs, but if that flight comes back into an airport, like for example from somewhere other than Thompson into the airport, it comes in what we call dirty. So they have to stay on the non-secure side and then be screened before they get into the system of 89.

**The Chair:** Thanks, Mr. Duncan. Thanks, Ms. Desjarlais.

I would hate to think you're travelling on a dirty aircraft.

Mr. Karygiannis.

**Hon. Jim Karygiannis:** Thank you.

Welcome to the committee.

I'm curious, you say that we're going to be moving into fast tracking and Mr. Gouk says a member of Parliament should get preference, and a business type, over—

**Mr. Jim Gouk:** I used that as an example.

**Hon. Jim Karygiannis:** As an example for all of us, you said.

Somewhere down the line you're going to have to be looking at lists of people and say whether this person is secure or not. Are you currently privileged to take a look at any no-fly lists, DHP lists? Do you have any such lists?

**A witness:**No, we don't.

**Mr. Jim Karygiannis:** So as far as you're concerned right now, somebody shows up and they get on a flight and you give 100%.

**Mr. Jacques Duchesneau:** The way the regulation stands now, Mr. Chairman, we screen 100% of the people presented to us. Airline companies have to bring every passenger to our screening point, and we screen 100% of the passengers the same way.

**Hon. Jim Karygiannis:** How do you envision this new idea working, be it for a business individual, an executive, a member of Parliament, or the Prime Minister? How do you envision this working?

**Mr. Jacques Duchesneau:** Mr. Chairman, I have to give you this story. I was in London on Sunday. I went to the fast track, and it took me longer to go through screening at the fast track than it would have as a normal passenger. That's exactly what we're dealing with.

I remember Mr. Gouk asking questions last year about the registered traveller. We're all in favour of that, but we need to make sure the system we're going to put in place will add value to the passenger who is travelling. In order to do that, yes, we will need to run security checks on people and make sure that the people who go through the process are people who do not represent a threat to aviation security.

**Hon. Jim Karygiannis:** Mr. Duchesneau, I'd go through a security check...I'd show up at the airport and I'd go right through, no check?

**Mr. Jacques Duchesneau:** No. You're going to go through a screening point, and there will be a check. There might not be a second check, in that case, and that's the thing we're trying to—

**Hon. Jim Karygiannis:** I still would have to go through the metal detectors?

**Mr. Jacques Duchesneau:** You would have to go through the same process.

So the question is—because we're trying to work this through a cost-recovery system, because it involves dollars and cents to put a system like this in place—what is the value added for a person paying...whatever number...to have a trusted traveller or registered traveller card to go through the system? That's the answer we need to find in order to put the system in place.

**Hon. Jim Karygiannis:** Have you done any polling to see if there's a desire for that, and explained to the individuals who are...? You know, CANPASS costs \$40 per year. Have you done any polling? Do you have any figures, any raw estimate as to the added value an individual will have and how many people will want to buy in? Have you done any of that research?

**Mr. Jacques Duchesneau:** Not yet, but we're working with the CBSA. They already have a system. We're trying to piggyback on the system they have in place to make sure people don't pay twice to have a fast-track system to leave the country and a fast-track system to come into the country. We could merge both, and that's the discussion we're trying to have with the CBSA.

**Hon. Jim Karygiannis:** Mr. Duchesneau, for the record, this is not something whereby you get a free pass and away you go. You still have to go through some sort of metal detector and a security check at the airport.

**Mr. Jacques Duchesneau:** Absolutely.

**The Chair:** Are you finished?

**Hon. Jim Karygiannis:** Yes. If any one of my colleagues needs more time....

**The Chair:** There are three minutes left.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Sure, thank you.

I'll save my longer question for later, hopefully.

On the biometric system, could you just tell us where that stands right now? I get a sense it's being deployed in pilot projects in different airports. Where does it stand now, and where are we going with it? In the end, when it's fully operational, what will airports look like, basically?

• (1605)

**Mr. Mark Duncan:** I guess we need to determine which biometric. We have what we call—

**Mr. Francis Scarpaleggia:** This is actually why I'm asking the question, because it gets very complicated and I don't understand all the differences.

**Mr. Mark Duncan:** Okay. This might get confused with the registered traveller.

First of all, think of CANPASS and NEXUS, which is for customs. They primarily are using the iris biometric.

We also are doing a program on what we call a restricted area identification card, or RAIC for short. The reason we're doing a RAIC is to put a biometric into the security pass the airport workers have.

There was an issue raised in Vancouver about the new photocopiers being able to copy a pass that could possibly be used to gain access to the air side. With this biometric, to enter a door you would have to show your fingerprint or your iris.

For the RAIC, we chose the fingerprint with a secondary aspect of the biometric of the iris, because primarily your security check is done with your fingerprint to RCMP, CSIS, etc. The card we are deploying, which we're in an operational test with right now—it's pretty well fully deployed at Kelowna—has the capability of holding other biometrics. It can hold a fingerprint biometric, an iris biometric, or a facial biometric. We're using two biometrics because there are actually some people who are unable to use their fingerprints.

We have Kelowna, Montreal, Charlottetown, and Vancouver where we're doing trials right now with the biometric. Once they've been completed and we're positive it works, we'll be deploying it right across the country.



**Mr. Francis Scarpaleggia:** So one is for the iris system, which is deployed by customs officials, and the other is the RAIC, which is for employees who are moving around airports.

**Mr. Mark Duncan:** That's correct.

**Mr. Francis Scarpaleggia:** Thank you.

**The Chair:** Mr. Nicholson.

**Hon. Rob Nicholson (Niagara Falls, CPC):** Thank you very much, Mr. Chairman.

Welcome to the committee.

A lot of the discussion has centred around how we could expedite people coming and going through security, people who are low-level security risks. I'd like to talk a little bit about the people at the other end, those high-risk people who show up at the airport.

How is that no-fly list that we've heard about coming along?

**Mr. Jacques Duchesneau:** Right now, we're not part of the system. I repeat what I said before: right now everybody is checked 100%.

There are two ways of doing the business we're doing. If you take the European way, their system is based on a risk management approach, whereas the U.S. system is based on a risk minimization approach. They're two different ways of thinking.

We were created about two and a half years ago, and I think there was a need for us to implement the system the way it is now. But we need to go one step further, and I think the minister was quite clear on that. He doesn't see why everybody should be screened the same way. In order to do that, we will need to change the regulations and work on more of a risk management approach: who represents a threat to the security system?

**Hon. Rob Nicholson:** That's something different from the American system, which is risk minimization. Is that what you're saying?

**Mr. Jacques Duchesneau:** Yes.

**Hon. Rob Nicholson:** So in your analysis of the American system, what is it about that you don't think works or would not be appropriate for Canada?

**Mr. Jacques Duchesneau:** The main complaint we have is that everybody is treated the same way.

**Hon. Rob Nicholson:** In the United States?

**Mr. Jacques Duchesneau:** Yes, in the United States. Why is it we need to screen elderly people who would not represent a threat the same way we would screen a person who could represent a threat?

**Hon. Rob Nicholson:** On that end of it, you'd have no problem with something like the NEXUS program, which is at our border security, where people go through a security process on both the Canadian and American sides? I assume it must be thorough, because I think it takes about four months to get it back.

You'd have no problem with something like that at Canada's airports?

**Mr. Jacques Duchesneau:** Not at all.

We have to find a way.... We're the ones who went to see the CBSA in order to, as I said, work with their system. Why create a

new system when there's one already in place that is quite good? What would be the value added of having CATSA work with the same system? It works at the ground level, so why wouldn't it work for the aviation world?

• (1610)

**Hon. Rob Nicholson:** The Americans have a system, among other things.... I want to get back to this no-fly list of people who are just not allowed to get on the plane. Do you see something like that having some advantages? The regulations would permit something like that. I know the minister had some problems with respect to the charter, but he didn't rule it out, I don't believe.

Do you have any problem with having a no-fly list in this country?

**Mr. Jacques Duchesneau:** The assessment of threat or risk is done by either CSIS or the RCMP. As far as we're concerned, everybody who comes to the pre-board screening area is screened exactly the same way, no matter who that person is.

**Hon. Rob Nicholson:** So you don't see any value to adding an extra layer of security for individuals who are just, right off the bat, not allowed to get on a plane in Canada?

**Mr. Jacques Duchesneau:** I think there's value in trying to adapt to a situation that evolves on a regular basis, on a daily basis. The threat as we see it today is quite different from what it was three years ago, but it might be different two years from now, or two months from now.

**Hon. Rob Nicholson:** So we're not going to see a no-fly list in Canada, as far as you're concerned?

**Mr. Jacques Duchesneau:** That's not what I'm saying, because it goes beyond my responsibility. What I'm saying to you now is that we're screening everybody who comes to a screening point the same way we screen all passengers. It's actually 99.2% of people boarding planes in Canada.

**Hon. Rob Nicholson:** Thank you.

Those are my questions, Mr. Chairman.

[Translation]

**The Chair:** Mr. Carrier.

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Thank you, Mr. Chair.

Good afternoon, Mr. Duchesneau. I'd like to welcome you to our committee.

Earlier you mentioned the designated airports. I believe there are 89 of them. I wanted you to confirm for me whether the security policy that has been established is applied at all 89 designated airports. Is it mission accomplished for those airports?

I would also like to know how the list of designated airports was established. Are you partly concerned with those that aren't on that list, or not at all? What's the status of security at the other airports?

For example, I saw that Gatineau airport is not one of the designated airports. It's nevertheless an access route for Ottawa. I'd like to hear what you have to say about that. What happens at the other airports?

**Mr. Jacques Duchesneau:** The list of 89 airports was determined by Transport Canada pursuant to its regulatory power. As I said a moment ago, security has been established in a similar manner at the 89 airports. Some of those are no longer operating today; by that I mean that they are on the list of 89, but don't have regular flights. Even if they are on the list of 89 airports, they aren't currently providing service. Equipment may have been installed there, but there are no search operations as are currently being carried out.

In response to requests made to Transport Canada, two airports have been added to the list of 89, and two others have been deleted. The two airports added are Mont-Tremblant, in Quebec, and Red Deer, Newfoundland, while two airports in northern Quebec have been deleted from the list.

Who determines what airports should be on the list or not? That has nothing to do with CATSA. The Minister of Transport makes that decision.

**Mr. Robert Carrier:** I wanted some information on the security at other airports, those that aren't on the list. Can you tell us more about that?

**Mr. Jacques Duchesneau:** Without going into details, CATSA's mandate is in fact to carry out the six mandates given to us by the Minister of Transport at the 89 designated airports. The other airports aren't subject to our administration's security rules.

[English]

**The Chair:** Yes, go ahead.

[Translation]

**Ms. Caroline St-Hilaire:** You don't have any power to make recommendations to the Minister?

**Mr. Jacques Duchesneau:** We do in fact have recommending power. In the case of Mont-Tremblant, for example, CATSA made that recommendation. However, that's still just a recommendation. Real decision-making power is in the Transport Minister's hands.

• (1615)

**Ms. Caroline St-Hilaire:** May I ask two brief supplementary questions?

[English]

**The Chair:** You get to ask the last question, and then we will move on to Ms. Desjarlais.

[Translation]

**Ms. Caroline St-Hilaire:** I read your magnificent report on official languages. It states that CATSA has made giant steps in official languages. Is that still going well?

**Mr. Jacques Duchesneau:** Yes, it's going well. Honestly, at certain locations, it's hard to find staff to greet in both official languages. We're working on that. I can tell you that the service suppliers who work for us are under significant pressure. We really believe that service must be offered in both languages at the class 1 airports, the eight largest airports in Canada.

**Ms. Caroline St-Hilaire:** What measures are there for ensuring...?

[English]

**The Chair:** Ms. Desjarlais.

**Mrs. Bev Desjarlais:** Are you aware of what criteria Transport Canada used to designate the 89 airports?

**Mr. Mark Duncan:** At the time of 9/11, I actually—

**Mrs. Bev Desjarlais:** At the time of CATSA coming into place, because...

**Mr. Mark Duncan:** When CATSA came into place, post-9/11, a decision was made within Transport Canada to designate all of the 89 airports that were receiving screening at that point in time.

We're working with Transport Canada now on defining criteria for entry and exit of airports—and again, on solving issues that you mentioned, such as the FBO, and the access, and the criteria for the size of aircraft, and a number of other factors.

**Mrs. Bev Desjarlais:** So the criterion used was the airports that already had screening?

**Mr. Mark Duncan:** Airports that had screening. At that time, there were 56 airports that were required to have screening at the time of 9/11; that was expanded to 89 when CATSA was formed.

**Mrs. Bev Desjarlais:** Okay.

What criteria were used to include those other airports in CATSA?

**Mr. Mark Duncan:** They were basically risk-based criteria, based on unit toll passengers travelling to those airports.

**Mrs. Bev Desjarlais:** It was based on numbers of passengers travelling to airports?

**Mr. Mark Duncan:** No, it was based on the actual flights flying to that airport, into main airports. I don't have.... You'd have to get Transport Canada to get the precise criteria.

**Mrs. Bev Desjarlais:** So as far as you know, that was the only criterion they were using.

You're saying risk assessment. Who would have done the risk assessment of the airport?

**Mr. Mark Duncan:** Transport Canada, within the security—

**Mrs. Bev Desjarlais:** So Transport Canada. I'm just trying to—

**Mr. Mark Duncan:** You have to recognize that CATSA was formed after the fact.

**Mrs. Bev Desjarlais:** Would it have been in conjunction with say the RCMP in the local area?

**Mr. Mark Duncan:** I can't answer on behalf of Transport Canada in that regard.

**Mrs. Bev Desjarlais:** Okay, so it was purely “We think this one should be there”.

**Mr. Mark Duncan:** You have to recognize that after 9/11 there were a number of decisions made very, very quickly.

**Mrs. Bev Desjarlais:** I do, but I just want to know if there was a criterion they were going by; then you can find some rhyme or reason to why things happen. But I'm not convinced there was an absolute criterion, just by the number of things that keep coming up.

You did mention, though, there's a process for possibly coming off?

**Mr. Mark Duncan:** I mentioned that what is being discussed right now are what criteria should govern—

**The Chair:** Could we allow Mr. Duncan to answer the question?

**Hon. Jim Karygiannis:** Before he does, sir, can I just have 30 seconds?

**The Chair:** Okay, go ahead.

**Hon. Jim Karygiannis:** I'm sure that Mr. Duncan is finding some difficulty in answering some of the questions.

**Mrs. Bev Desjarlais:** I don't know, but I thought he was doing just fine until you interrupted.

**The Chair:** Wait a minute, Ms. Desjarlais.

All right, go ahead and make your point, Mr. Karygiannis.

**Hon. Jim Karygiannis:** I think there are some sensitive issues that maybe we need not to put on Hansard and on record.

**The Chair:** Wait a minute. That is for the witnesses to determine; it's not for you, Mr. Karygiannis. If it's a sensitive matter and they want to claim that it should be answered in camera, let us allow them to do that. They have their legal counsel with them, in any event.

Please proceed, Ms. Desjarlais.

**Mrs. Bev Desjarlais:** My question was, am I to understand there is a way, if it is deemed this is no longer required? I would be curious as to why Mont Tremblant, say, was taken off the list.

• (1620)

**Mr. Mark Duncan:** There are a number of airports that have asked to be on the list and there are a number of airports that have asked to be off the list. Again, I can't speak for Transport Canada, but it will be working on those decisions and criteria. We will obviously provide input to that decision-making.

**Mrs. Bev Desjarlais:** Okay, thank you.

**The Chair:** Thank you.

Mr. Bonin.

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Thank you, Mr. Chair.  
[Translation]

In your work, you're successful when you manage to intercept an individual who tries to enter carrying firearms or dangerous objects. A failure occurs when such an individual manages to slip through unnoticed.

Perhaps you would prefer to answer my question in camera, but I see no reason for you not to tell us the number of individuals you catch. As for the number of individuals who manage to slip through unidentified, it might perhaps be preferable for you to tell us in camera in order to preserve the program's integrity.

**Mr. Jacques Duchesneau:** Mr. Chair, I would definitely prefer to give you that information in camera, but, as I said earlier, we are prepared to answer those questions.

[English]

**Mr. Raymond Bonin:** Could we come back in camera?

**The Chair:** If I might suggest, because we have a number of people here in the room who want to see these proceedings, could we hold those questions? If the witnesses wish to answer certain questions in camera, I have no general problem with that. So if you want to put that in abeyance for the time being, then towards the end of the meeting we will go in camera. Perhaps at five o'clock we might go in camera.

**Mr. Raymond Bonin:** Absolutely. I'm not suggesting that we go in camera now.

**The Chair:** Okay, fine.

Do you have other questions?

**Mr. Raymond Bonin:** No.

**The Chair:** Mr. Karygiannis, I think you indicated.... There are about two minutes left.

**Hon. Jim Karygiannis:** Thank you.

This is very, very short. A lot of us have travelled through the airports and we've seen that our airports cater to and look after a variety of individuals, be they people flying from abroad or Canadians from different backgrounds, different ethnicities, or the diasporas we represent.

Is there any way you can enlighten us or let us know if you have a figure of how many different languages are spoken by your diverse staff at the airports? When you go to the airports, there's such a diversity of people who work there. I have to congratulate you, coming from a riding that is probably the first or second most ethnically diverse riding. When my constituents fly abroad, particularly elderly people or people who don't speak the language, the first thing they say is that they find that one of the stakeholders at the airports facilitating them in more than one language is CATSA. Certainly you are to be congratulated. Do you have a figure or a rough estimate of how many languages are spoken by your staff?

**Mr. Jacques Duchesneau:** That's a very good question. As a matter of fact, I think that question was triggered by Mr. Karygiannis in February, and we checked. Screeners at CATSA speak over fifty different languages.

Following the discussions we had in February when we met with my counterparts from around the world, where Mr. Karygiannis came as a speaker, we have implemented a security communications centre. We're trying to develop a way that passengers who cannot speak French or English but need some instructions can call in, and we will have a list of people across the country who speak different languages who we can link them with to make sure they get proper instructions.

**Hon. Jim Karygiannis:** On that, if other departments in our government want to share your best practices, I'm sure you'll make that available to them, and the way you've set it up.

**Mr. Jacques Duchesneau:** It's already been done. We've already received visits from the RCMP, CSIS, and House of Commons security, looking at the system we have put in place.

**Hon. Jim Karygiannis:** I'm sure everybody here joins me in commending them for taking that initiative.

**The Chair:** Mr. Scheer.

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Thank you.

I'll pass my extra time to Mr. Gouk. I just have a couple of very simple questions.

First, if someone's name is on a no-fly list in the U.S., can that person fly in Canada?

**Mr. Jacques Duchesneau:** Once again, this would be a police matter, not a CATSA matter. If someone who comes to our screening point is not followed by a police officer, we screen the person the same way. For us, security comes first. So we're not in the no-fly list yet.

**Mr. Andrew Scheer:** So somebody who's not facing arrest in the U.S. but is on a no-fly list can come to Canada and get on a plane.

• (1625)

**Mr. Jacques Duchesneau:** I think the airline companies have something to do with this.

**Mr. Mark Duncan:** The one exception to that is if it's an American carrier flying to the United States that is respecting the no-fly list through the TSA regulations.

**Mr. Andrew Scheer:** On the supplementary estimates, in addition to the increase to \$466 million, you're requesting an additional increase of approximately \$37 million. Am I reading that correctly in my notes here?

**Mr. Michael McLaughlin:** That's correct. Again, this is money we had planned to use in a prior period. So to maintain us within the federal budget allocation, which was \$1.942 billion, a certain amount was allocated toward operating expenses, and another amount was allocated toward capital expenses. As we do the projects and there are delays, airports may not be ready to receive certain types of equipment. We are then pushing the costs into the future but staying to the ultimate goal of meeting international standards.

So that's why you see a \$37 million supplementary estimate. It's moving money that wasn't spent in a prior period to this period.

**Mr. Andrew Scheer:** So in a previous period it was money not spent.

**Mr. Michael McLaughlin:** It was money not spent, and it's all capital expenditure. There is no operating expenditure that's being carried forward.

**Mr. Andrew Scheer:** Thank you.

With that I'll pass to Mr. Gouk.

**Mr. Jim Gouk:** Thank you.

From the previous answers it's obvious that the Canadian system doesn't have to be directly and fully harmonized with the American system. So I gather the only thing that prevents us from operating a registered traveller program is regulations inside Canada. If we had the right regulations put in place, we would be able to start some such program.

**Mr. Jacques Duchesneau:** Correct.

On cost recovery, I think it was clear in our last corporate plan that we will not start new projects unless we have the funding that goes with them.

**Mr. Jim Gouk:** Presumably the costs would be built into the permit.

I asked this same question a year ago, so what's been done since then to date to get this program moving? What has changed in that year? What have you done to get this program under way?

**Mr. Mark Duncan:** We haven't done as much as you would like. One of the issues we have had is we didn't feel it was appropriate to leave the TSA. They started talking about their pilots in March last year. They deployed them in the summer. We tracked those.

I saw the set-up in Houston. Again, we want to achieve the advantage, and we have a regulatory issue. So we now have one person who has been working for the last two months on the project. We have all the data from the TSA. The TSA has been very cooperative with us. We went to our board of directors two months ago because some elements of the board were concerned because they thought we should be concentrating on security.

As I said earlier, we're going to our board of directors again December 7 with a proposal for a pilot to actually test the program. As we've indicated, there are a number around actually implementing that, including privacy, the regulations, cost recovery, and a number of those items.

That's basically the status of where we're at. I think it's clear today that we now have pre-9/11 traffic. It's back. It is fairly stressful to receive calls from the senior VP of Air Canada, etc. So we're certainly not opposed to the idea.

**Mr. Jim Gouk:** One of the things that partly triggered this last year was the huge lines. We had the Ottawa Airport Authority come before us. They were concerned that there were times when passenger volume was heavy, and CATSA had a minimal number of people on staff because they'd sent people off on training. There was no coordination between CATSA, the airport authority, and the airlines with regard to passenger volume. The lines were long. Planes were leaving with empty seats.

Do you now have a program to coordinate between the airport authorities and the airlines on passenger flow needs, to meet those peak demands?

• (1630)

**Mr. Mark Duncan:** Sunday was Grey Cup. Every load was overloaded Monday morning. I received an e-mail at 7:15 Monday morning from Paul Benoit. He was actually embarrassed, but he said, "Congratulations." I can enter the e-mail into evidence if you wish. I did forward it to my boss.

So we are working very closely with all airports on scheduling. I will say that at some airports.... We had one last Sunday in Montreal. The forecast was for 5,000 passengers, and I think there were close to 8,500 passengers. So even airlines have difficulty sometimes giving the right loads.

**The Chair:** Thank you, Mr. Gouk.

I would suggest to you, Mr. Duncan, that most of the passengers leaving on Monday morning were probably rather passive and in some sort of induced stupor.

Mr. Scarpaleggia.

[Translation]

**Mr. Francis Scarpaleggia:** Thank you, Mr. Chair. I'm not in the habit of travelling as much by plane as some of my colleagues. Since my riding is barely two hours away, I travel by car. Pardon me if my questions seem a little simplistic.

When you enter an airport as a passenger, you have to deal with your officers, obviously, but also with the officers of the Canada Customs and Revenue Agency. You are independent organizations, but you have to work together to a certain degree. How do you work together? Are there overlaps or potential overlaps? For example, do you each have your own data bases, or do you have access to common police data bases?

The reason I'm asking this question is that we know that, just before the events of September 11, there was a bureaucratic situation in which the CIA and the FBI were competing with each other. I wondered whether you had concerns with regard to that.

**Mr. Jacques Duchesneau:** First, Mr. Chair, in the first part of my answer, I simply want to tell Mr. Scarpaleggia that I'm happy he can get home in two hours, which means he's more or less respecting the speed limit.

**Some hon. members:** Oh, oh.

**Mr. Jacques Duchesneau:** Yes, the report of the September 11 Commission clearly showed there was a lack of cooperation. These days we're working a great deal with our colleagues around the world. But this is still an enormous problem. As the saying goes:

[English]

We need to connect the dots, but in order to connect the dots we need to collect the dots; and to collect the dots we need to work together.

[Translation]

We're not there yet. Yes, we're working on it because these are initiatives that CATSA's senior management believes in. Yes, we want to work with our colleagues, but, no, we don't have a single data base. Each organization has its own data base, and we're trying to put that all together. I preach a little to everyone wherever I go in the world, on the occasion, for example, of a talk I gave to the Interpol people not long ago, that, if we don't work together, they'll inherit a problem that will go beyond anything they can imagine. If I do a poor job of searching people in Canada, the scene of the crime, because the aircraft is taking off to another country, we'll be that other country. And it will be the people of that country that inherit an uncontrollable situation.

I have a recommendation to make, and I encourage the members of this committee to support us in our efforts. We have to work toward better collaboration between agencies. The September 11 Commission said that security services are dealing with

• (1635)

[English]

a lack of imagination, but we need to keep in mind that the only limit to terrorists is their imagination. So if we don't work together, there's no sense putting in whatever equipment or doing whatever screening.

**The Chair:** Madame St-Hilaire is next, for five minutes.

[Translation]

**Ms. Caroline St-Hilaire:** I'm going to leave some time for my Conservative colleague, but, since you kindly interrupted me earlier, I'll come back to my question on official languages.

You said that giant steps had been made. That means that a great deal of ground probably had to be covered. I remember some trips when I went through Toronto or Winnipeg, where, as you can understand, the services offered in French by security officers were quite lamentable. I'd like you to explain to me what the measures are? I understand that you want to achieve a fairer official languages policy, but what are the actual means at your disposal? What are you doing in concrete terms? Are there hiring policies? I'd like to hear what you have to say on that.

**Mr. Jacques Duchesneau:** Mr. Chair, since April 1 of this year, we've signed three-year contracts with five main service suppliers in Canada.

In awarding those contracts, we allowed for the possibility of performance bonuses. One of the factors identified for earning those performance bonuses is respect for official languages. Even in places that are not recognized as having a large Francophone community, we require our service suppliers to find people who can provide those services. I can tell you that every CATSA employee who takes the plane to any place in Canada must complete a form to ensure that he or she was greeted in both official languages: "Bonjour. Good day." We're conducting an evaluation because the last thing we would want is for it to be stated in a report of the Commissioner of Official Languages that we're not doing our job in this area. I can tell you we're working on this.

Are there any improvements that should be made? Yes, but I can tell you, particularly because I'm a Francophone, that senior management meetings at CATSA's Ottawa headquarters are conducted alternately in French and in English. CATSA senior managers who were unilingual have taken second-language courses. We believe in this, but there are still 4,000 employees across the country who have to be trained. Our vice-president in charge of quality—he's not here today—who is our official languages champion, is uncompromising on this point.

**Ms. Caroline St-Hilaire:** You could go visit Air Canada.

You've requested an increase in your budgets, if I understand correctly. You had \$459 million, and you're asking for \$466 million. Essentially what's that attributed to?

**Mr. Michael McLaughlin:** The budget increase is a carry-over from past years to this year. It's because there's a certain delay in our project to install equipment at the airports as a result of unforeseen factors. That money has to be spent because this project has to move forward. As a result of the way the federal budget system works, if you don't use the money in the year, it lapses. So we have to carry that money over in order to have access to it. That's what we've done. We've never made a request to Parliament for operational resources, that is to say for day-to-day operations. But that's necessary for capital expenditures.

[English]

**The Chair:** Mr. Batters.

**Mr. Dave Batters (Palliser, CPC):** Thank you very much, Mr. Chair.

Thank you to members of CATSA for coming before this committee today.

I have three questions.

I'll start with the first one. What amount from your budget is dedicated to air marshals?

**Mr. Jacques Duchesneau:** Mr. Chair, we don't mind answering that question, but could we do it in the in camera session, please?

**The Chair:** No problem. We'll ask that question again.

**Mr. Dave Batters:** Perfect. I suspected that would be the case.

With respect to a frequent traveller security pass, you've mentioned that you are cooperating with the Canadian Border Services Agency. How far has that work gone, and when did it start?

• (1640)

**Mr. Mark Duncan:** I think we had our first meeting last February or March. One of the interests of the Canadian Border Services Agency is that if they're able to partner with us, the card they're selling for NEXUS or for CANPASS will obviously be more attractive if it also gives a benefit on the outbound. They're very keen on working with us.

**Mr. Jacques Duchesneau:** Mr. Chair, the major difference between CBSA and CATSA is that CATSA takes care of people when they leave the airport and CBSA takes care of people when they come into the country. The major difference is if CBSA misses someone they're on the lookout for, we have 70,000 police officers across the country and they have agents who can find the person. In the case of CATSA, if we miss someone, the person who comes through our screening point, walks about 300 feet and boards a plane might become a danger for the security of this organization.

We can work together, but our needs are quite different. The security of passengers is the main focus of this organization, but we are going to work together.

**Mr. Dave Batters:** In following up, I'm going to add to that a little and piggyback on Mr. Scheer's comments.

It does seem a little odd that if someone is on a no-fly list in the United States and knows he cannot get on a flight in the United States—let's say it's someone who wants to fly to New York City—he simply has to come to Montreal and get on a plane. It does seem

odd, if they're on a no-fly list there, that they can get on planes in our country and have relatively quick access.

**The Chair:** The witness will answer the question.

**Mr. Jacques Duchesneau:** Mr. Duncan will give you the answer.

**Mr. Mark Duncan:** If you're flying to the U.S., the U.S. airlines have to respect that no-fly list going into the United States. It's a no-fly list for the United States.

**Mr. Dave Batters:** You could get on a plane, of course. If you're of the mind to do evil, you wouldn't care about the regular itinerary of that flight. You can certainly get on a flight from Montreal to Toronto.

I'll leave that topic. I have one more question, Mr. Chair.

To some it may seem like a trivial matter, but I don't think so, and I'm going to stick up a little for the people in my riding in my hometown of Regina. I'm not sure if you are aware, but security screening in Regina has recently become a very long and painful process for passengers at some peak times. The last time I flew to Ottawa, I was in a line that snaked through the entire upper tier of the Regina airport, and the line lasted for 45 minutes. The airport is obviously aware of the problem, because now they have a coffee cart weaving in-between the line, serving people in the morning, knowing it's going to be a long time. It's almost like Disneyland, but less fun.

Are you aware of this problem, and is it being addressed? Do you work with airlines, especially in smaller airports? I realize this would be more difficult logistically in larger airports, but in smaller airports where they have fewer screening devices, do you work with airlines to stagger flight times somewhat when such a problem is identified? Lastly, can some of CATSA's surplus perhaps be used for the airport renovations that undoubtedly will be required to alleviate these long lines?

**Hon. Jim Karygiannis:** Just for clarification, did he say "check-in", or did he say "security"?

**Mr. Dave Batters:** I said "security screening", not "check-in". This is a lineup for security.

**Mr. Mark Duncan:** First of all, we don't consider that trivial. We do recognize that, first of all, lineups could in fact pose a security threat, if they are too long.

As I indicated earlier, we do work with airports. Generally, with the smaller ones, we work with the airport.

Very often at small airports—and I'm thinking of Kelowna, which I'm more familiar with, and Regina and Saskatoon—what happens is they get charter flights to the south and they combine them in at the same time.

One of the issues we have is that when we put in our security improvements, we actually had to increase the number of lines because we had more security requirements. In fact, in Saskatoon we've added an additional line. I don't have the answer for Regina specifically, but we work very closely with the airports.

In our recent study of waiting times across Canada—and I apologize, we didn't do Regina, but maybe we'll do it next time—we have set an internal planning standard of eight minutes, 90% of the time. When we did the study in August, which was a peak time, the longest lineup we had was 35 minutes. We understand that's not an acceptable level of service, but our average was well under our eight minutes 90% of the time during the peak.

If Regina has a specific issue, we'll certainly deal with that. We're working with Regina right now, for example, on their whole baggage screening.

In terms of the airline scheduling, that's always a debate between the airlines, who want commercial times, and the airports. The airports want to spread it because they'll need less in terms of facilities. So I take your point, and we'll look at that.

• (1645)

**The Chair:** Go ahead with one last point.

**Mr. Dave Batters:** Do you have a role, though, in those conversations with the airport authority and the airlines? Does CATSA have any input on that? This is your baby, to some extent. It's security screening lines we're talking about here.

**Mr. Jacques Duchesneau:** You'll be glad to know that as of yesterday we hired a regional manager in Regina to take care of that. We're working with the airline operating committee—that's CATSA, the airlines, and airport—trying to solve problems like that, and we're glad you're underlining it.

**The Chair:** The last word goes to Mr. Duncan.

**Mr. Mark Duncan:** I'd like to make one other point.

The security communications centre, which Jacques spoke about earlier, will have a CCTV camera at every one of the top 26 airports at the PPS point, so we're then able to monitor centrally when we have a long lineup or a concern of that nature. We're just not installed yet in Regina.

**The Chair:** I have two names left on the list, unless there are others who want to come forward.

Mr. Gouk, and then Ms. Desjarlais.

**Mr. Jim Gouk:** I'd like to change to a slightly different subject—that is, the rationalization of prohibited items.

We now have, presumably, 10- or 12-inch knitting needles permitted through, but we still ban five-eighths-of-an-inch-long files that are on the nail clippers that people carry in their purses. We make the airline pilots break off those little files, and they get on board their aircraft and they have a four-foot fire axe in their cockpit, which is a no-go item on their takeoff checklist. So who reviews these things, who approves them, and what do we need to do to get some common sense attached to these items?

**Mr. Jacques Duchesneau:** Mr. Chairman, I don't want to ditch the question, but once again, we are only the operators.

It has to be done by Transport Canada. They are the regulators. We just put in force what the regulation says.

**Mr. Jim Gouk:** So we need to talk to Transport Canada.

**Mr. Jacques Duchesneau:** Transport Canada would be more than delighted to discuss that issue with you.

**Mr. Jim Gouk:** I'm sure they would.

Another issue that came up last year was stability of staffing. One of the things we were told with CATSA is that we wouldn't have this hodgepodge of different people working for different airlines across the country. It wouldn't be minimum-wage jobs; it would be people making good wages, who would stay with the job. There would be some stability in the industry. Then we found that you guys were shifting contracts. We no sooner got used to who was in doing one contract—and these are people who are low-bidders, so they're hiring people as cheaply as they can—and we no sooner got them in place in some of our airports than a new contract had been let and we're changing the operators again.

What happened to the concept of stability of staffing? Where is it now, and what is going to guarantee it in the future?

**Mr. Jacques Duchesneau:** I can assure you, Mr. Chairman, that the turnaround rate is much lower than in other countries. We have stabilized that. Even though we have changed contractors or service providers, they kept the same employees. There was a reason for that. It was because most of the people we had were well trained and it would have been cost-prohibitive to change all the employees. So in Montreal—I don't have the exact figure, but maybe Mark will give that to you—once we decided to change the service provider, we kept 97% of the people, as an average.

• (1650)

**Mr. Jim Gouk:** If you recall, when that was going on, I'm not sure how widespread it was, but in B.C. in particular the contractor that bid and won the contract had no staff. It had no CATSA-approved, trained staff and assumed that all the people working for the other company that was going to be kicked out were going to come over, but there was a real problem with that, and it was at the eleventh hour that it was finally settled. My question at that time, and I reiterate it now, is this. Where is the stability in our system when we got to the point of a changeover and a firm had bid on this and yet didn't have any qualified staff to back up its bid with?

**Mr. Jacques Duchesneau:** Mr. Chairman, I remember coming here on March 27, I think, and we were changing the contracting on April 1. I read today Mr. Gouk's comments. You're a visionary, Mr. Gouk, because yes, we had a problem, but I can assure you that we turned it around quite quickly in Vancouver. The service provider there who replaced security guards kept the same employees.

We're trying to manage this organization in order to save dollars for the Canadian public. The service provider that came in had assured us that it could manage the whole thing. There was a union issue. Thanks to the people at CATSA who were involved in the negotiations, the passenger traffic in Vancouver was not affected in any way, shape, or form. But yes, that was a lesson we learned. I can assure you today that we make mistakes, but the good thing about CATSA is that we can get back on our two feet quickly. I think we did that in Vancouver.

**Mr. Jim Gouk:** Do you now have a system that in the event of such a turnover again there would be a longer overlap period so that you would cut something off and say we have to stay with this and extend the contract of the existing one until the incoming contractor can prove it is going to have the staff available? That was pretty eleventh hour.

**Mr. Jacques Duchesneau:** It was a rough time, but as I said, we turned around quite quickly.

Maybe Mark, who was leading the RFP process, could tell you more about it.

**Mr. Mark Duncan:** When we took over the screening contractors from the airlines, we actually maintained the same contractor for a period of one year and three months. But being a public entity, we have to put it out to a request for proposals. We put a performance bonus in those requests for proposal. We have now put out a new contract, and we were really looking for the management, the service provider professionalism in this proposal. I think we did raise the bar in that.

As we said, we learned some lessons in Vancouver. Those contracts are now for three years, with a two-year option, so that will give us the stability you talk about and hopefully professional management.

**Mr. Jim Gouk:** It does give us the stability in terms of the length of the contract, but my concern remains that on a three-year contract, if you go for new bids and someone else wins, with regard to the window of confirmation of the qualification and capability of the incoming contractors, have we got something in place now so that it doesn't come down to the final day before we know if he's going to be able to fulfill his contract?

**Mr. Mark Duncan:** In most cases we would have a three-month overlap. In that particular instance in Vancouver it was a union negotiation that became untenable on all sides, which was why we didn't proceed with the—

**Mr. Jim Gouk:** It's irrelevant what the problem was. The question is, has CATSA taken steps to ensure that problem cannot potentially cripple the system again?

**Mr. Michael McLaughlin:** Perhaps if I could clarify, Mr. Chairman, we're currently in a process of an RFP in the Vancouver Pacific region. Part of that process, and part of the contracts we have with the service providers, includes a transition-in and a transition-out clause.

So when the service provider comes to us, they have to give us a plan as to how they are actually going to transition in, and we evaluate that. They also have to give us a plan on how they are going to transition out, in the event that at the end of the contract they are not the successful contractor the next time, and how they are going to work with the next contractor, who may assume all of the staff that are currently trained employees of that contractor.

So the contract provision in the RFP process has been amended to take account of that particular problem that occurred.

• (1655)

**The Chair:** If you want to ask further questions we'll come back to you.

Mrs. Desjarlais.

**Mrs. Bev Desjarlais:** I'll ask you a bunch of questions and you can just answer as many of them as you can.

How many administrative-type staff does CATSA now have? And I would include all of you and all of your regional managers in that category. How many security checkers do you have now throughout the system? What are the wages for those security checkers now? That was a major issue in this whole process a few years back.

What would be the overall wages of all that administrative staff? I don't want to know what each of you make, but what would be the combined wages of the administrative staff, and what would be the wages of all the security staff, as well as the individual wages of the security staff, a rough figure?

And how on earth did any supplier get a contract without having trained people?

**Mr. Jacques Duchesneau:** Mr. Chairman, on the first question, staff at headquarters total 185, including regional managers across the country. Screeners—there are roughly 4,000, more or less. Salary for screeners is between \$12 and \$14, plus benefits, obviously.

The average salary of people working at CATSA—

**Mrs. Bev Desjarlais:** Can you give me the combined figure?

**Mr. Jacques Duchesneau:** Combined, \$14.7 million for administration, but that includes everything. I asked for that today, so I know it's here. No, it's \$16.7 million.

**Mrs. Bev Desjarlais:** For the administrative staff—

**Mr. Jacques Duchesneau:** For the whole administration. That includes everything, office—

**Mr. Michael McLaughlin:** That's all the people in the region who are CATSA employees and all the people in CATSA headquarters. But then there are 4,000 screening officers, approximately—

**Mrs. Bev Desjarlais:** So that's for the 185 staff, or is that more than the 185 staff?

**Mr. Michael McLaughlin:** No, that's the 185 staff.

**Mrs. Bev Desjarlais:** Worked into the \$16 million.

**Mr. Michael McLaughlin:** Yes.

**Mrs. Bev Desjarlais:** All right.

How did somebody get a contract without having any trained staff?

**Mr. Michael McLaughlin:** The way it works, if I can perhaps explain, a service provider will have a number of screening officers or a number of guards. At the time of a transition to a new provider, the incoming provider is obliged to make an offer to the members who are currently trained and CATSA-trained people. And in all the cases where we've had a transition, Montreal being an example, we're getting 95% to 98% of the people who were employed by the prior contractor becoming employees of the new contractor. The gap from people missing is really quite minimal.



**The Chair:** Mr. Scheer, did you have a question?

**Mr. Andrew Scheer:** Yes, I have one very quick question.

I'm glad to hear that you don't view the excessive wait times at some regional airports as a trivial matter. I'm very glad to hear that.

I want to pick up on something my colleague asked—specifically, is there a mandate within CATSA to invest in helping these small regional airports renovate, to pay for infrastructure costs to expand their screening capability in order to alleviate...? Basically, CATSA policies have required these new screening things and now the small airports are looking at retrofitting their areas, which is going to put a huge burden on some of these small regional airports, especially in Regina. Given the huge surplus CATSA's collecting, is that one of the ways it could be dispensed?

**Mr. Mark Duncan:** First of all, we don't have a surplus. We have a corporate plan in which we're basically held to account.

**Mr. Andrew Scheer:** You're collecting more money than you're spending.

**Mr. Jacques Duchesneau:** Mr. Chairman, I think we have to make that very clear. We are not collecting money. I think we're managing. I think we're tight with the money that you're giving us.

• (1700)

**Mr. Andrew Scheer:** All right. Well, that's a matter for—

**Mr. Mark Duncan:** Back to the question of helping airports: when we were established, we worked with each of the airports, including Regina, in terms of the installation of explosives detection systems and all of the enhancements that were put in place for pre-board screening.

We have a case in Winnipeg, for example, coming in next week or the week after, where they're planning a major airport expansion and they're going to talk with us. When they build the building, they have to build appropriate space for screening. It's part of the building. We will provide all of the screening equipment and aspects related to the actual screening.

**Mr. Andrew Scheer:** My specific question is on Regina. In order to alleviate these long lines, they're going to have to physically change the structure of the building, not necessarily to expand for future airline capacity, but to change the location of the walls to put in another line. I'm talking about the costs associated with that.

**Mr. Mark Duncan:** I'd have to get into the precise specifics on that. As I indicated earlier, if the increase was because of our security procedures, we have actually paid for it. If the increase is because they've signed up five new airlines, for example, then we consider it to be an expansion project.

I agree. As to where you draw the line on that, sometimes there's some debate back and forth between us and the airport.

**Mr. Andrew Scheer:** Fair enough. Thank you.

**The Chair:** Okay.

Mr. Duchesneau and Mr. Duncan, I really hope that you start paying a lot more attention to the Regina airport.

**Mr. Jacques Duchesneau:** We heard the message loud and clear, Mr. Chairman. We're going to be there tomorrow.

**The Chair:** Very good.

I have a couple of questions before we go into the in camera session. I wanted to ask you about the registered traveller, or whatever. Everything needs an acronym these days, doesn't it? I'll call it an RTP, a registered travellers program.

Mr. Duchesneau, I think you referred to the fact that it was about cost recovery. Did I understand you correctly?

**Mr. Jacques Duchesneau:** Yes.

**The Chair:** Mr. Duchesneau, what does it matter to you if there's cost recovery? You've told us today that you have nothing to do with the money that's collected under the Department of Finance.

**Mr. Jacques Duchesneau:** The reason for that, Mr. Chairman, is that in our last corporate plan, it was clear that we would stick with the six mandates given to us by the government. Our board of directors supported us in this. Before we're to have any new mandate, it would have to do with cost recovery.

We took two new mandates from the government in November 2002, which is the restricted area identification card and the screening of non-passengers. We had to find money within the budget that was allocated to us. Our message was simply that we cannot take on new mandates because we're already struggling with the budget that we have.

**The Chair:** Surely, Mr. Duchesneau, you could come back at the appropriate time of the year, either in the main estimates or in supplementary estimates, and ask for more money. You're doing that this year in the supplementary estimates.

**Mr. Jacques Duchesneau:** We can do that.

**The Chair:** All right.

Mr. Duncan, would that then account for the fact that you only have one person assigned to the frequent flyer idea of a registered traveller program? At least I understood that to be what you said.

**Mr. Mark Duncan:** That's partly in terms of our project team.

**The Chair:** Yes.

**Mr. Mark Duncan:** Partly, that's quite correct. We don't have the money to do that particular program. We would obviously have to ramp that up if we went into full implementation, and we would need money to do it.

**The Chair:** It's a solo sport, then. It's a team of one, at the moment.

I believe you mentioned that you'd had discussions last February with the Canadian Border Services Agency, CBSA. I think you said there were some discussions last week, on November 17. Sitting on this side of the table, why would I really be interested in you doing that? Why are we going to reinvent the wheel?

I've heard your argument about risk management, maximization, and minimization. I've heard the argument about people crossing the border. But I fail to understand, Mr. Duchesneau, in your argument about policing particularly high-risk individuals who are still crossing and entering the United States, how the police are preventing them from committing certain acts. There are still many murders in the United States on a daily basis. Why don't the police prevent that?

Why can you do a better job than the Canadian Border Services Agency?

• (1705)

**Mr. Jacques Duchesneau:** That's a very good question.

When I was chief of police in Montreal, people accepted that we would have, on average, 40 to 50 murders a year with a population of two million people on the Island of Montreal. My leeway as head of the Canadian Air Transportation Security Authority is zero. We screen about 40 million passengers a year, and I would not come before you to say, "Would you accept that 40 people have died because we didn't do our job properly?" I know the answer would be, "No, we would not accept that."

We're trying to have a proper balance between security and the industry itself. We cannot become a hassle to passengers in the

country, and yet we need to make sure we don't bring anxiety to the Canadian population before they board a plane. So we need to find a proper balance, and I think we're walking on very thin ice. That's why we want to benefit from the experience that CBSA has in doing what they've been doing for a year or so.

**The Chair:** All right, thank you.

I think we will suspend for about three or four minutes.

I want to thank all of the people in the room for coming.

Now I'm going to ask people to leave—and that includes members' staff. Those remaining will be translation and our committee staff.

Thank you.

**Mr. Jacques Duchesneau:** Mr. Chairman, if you have very specific questions about the budget, can I ask that our director of finance and our legal counsel remain in the room?

**The Chair:** Your legal counsel and your director of finance can certainly stay, and we'll ask them to come to the table.

**Mr. Jacques Duchesneau:** Good. Thanks a lot.

*[Proceedings continue in camera]*

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