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—
Chair

The Honourable Shawn Murphy

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•(1530)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call the meeting to order.

I want to welcome everyone here today.

This meeting is in connection with chapter 5, "Passports Services—Passport Canada", of the February 2007 report of the Auditor General of Canada.

The committee is very pleased, of course, to have, representing the Office of the Auditor General, the Auditor General, Sheila Fraser; Richard Flageole, Assistant Auditor General; and Paul Morse, principal.

From the Department of Foreign Affairs and International Trade we have the accounting officer and deputy minister, Mr. Len Edwards.

And from Passport Canada we have Gérald Cossette, the chief executive officer; Jody Thomas, chief operating officer; and Gary McDonald, director general of policy and planning.

On behalf of all committee members, I want to extend to each and every one of you a very warm welcome.

What I propose to do, members, is start now and we'll go to 5:15. Then we'll just adjourn to discuss committee business, and in particular the meeting scheduled for tomorrow.

Before calling on opening statements, there are three issues I want to bring to the committee's attention. First of all, I was in Ghana for the last nine days on a seminar dealing with public accounts and the public affairs committee of Ghana. I want to thank my co-chair, Brian Fitzpatrick, for chairing the meetings during my absence. I trust the members all behaved themselves.

Mr. Brian Fitzpatrick (Prince Albert, CPC): It was okay for four of them, but I have to admit that I took on quite a bit of water at the fifth meeting.

The Chair: There are a couple of other items I want to bring to the attention not so much of colleagues, but to other members of government.

It's come to my attention in regard to the tenth report of the committee on chapter 4, the Canadian firearms program, of the May 2006 report of the Auditor General of Canada, which was adopted by the committee on November 30 and tabled in the House on December 7, and to which the committee requested a response in the usual time of 120 days, that Minister Day presented a response but

he only responded to one recommendation. There were eight recommendations in the report, and of course a lot of it dealt with the RCMP. It's my view that the last thing the RCMP or Minister Day need is an application to be held in contempt of Parliament. I have asked that someone bring that to the attention of the department and the Royal Canadian Mounted Police so that that can be corrected immediately.

The second item—

Mr. John Williams (Edmonton—St. Albert, CPC): Pardon? What did you say there, Mr. Chairman?

The Chair: I would ask that someone bring it to his attention.

Mr. John Williams: Who bring what to whose attention?

The Chair: Minister Day.

Mr. John Williams: Who is going to do that?

The Chair: Anyone watching this show. I am just bringing it to the public's attention, Mr. Williams.

Mr. John Williams: Are you asking the clerk to do this?

The Chair: The clerk has brought it to their attention.

Mr. John Williams: Okay. The clerk has brought it to the attention of the minister that we are still waiting for some responses. Is that correct?

The Chair: Yes, you're correct.

Mr. John Williams: Okay. Now what's this about the RCMP?

The Chair: They're involved. Seven of the eight recommendations had to do with the RCMP.

Mr. John Williams: Yes, but it's not the RCMP who respond. It's the minister; it's the Government of Canada that responds.

The Chair: The Government of Canada responds.

Mr. John Williams: That's right. So I presume you have asked the clerk to write to the minister to complete the report. Is that what you're saying?

The Chair: That's correct, yes.

•(1535)

Mr. John Williams: Okay. Thank you.

The Chair: And last, on the hearing that was held about three weeks ago involving Mr. Pelletier and Mr. Guité, Mr. Pelletier did indicate to the committee that he would respond with certain additional information in 10 days. He hasn't done so. The clerk is corresponding with him, but I've asked him to follow up with a letter. So I will keep the committee members apprised of those developments.

Let's go to opening statements.

Ms. Fraser, do you have an opening statement?

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Yes, thank you, Mr. Chair.

We thank you for this opportunity to present the results of our follow-up audit of Passport Canada. As you mentioned, I'm accompanied today by Richard Flageole, Assistant Auditor General, and Paul Morse, the principal responsible for this audit.

In the audit we followed up the progress Passport Canada made in addressing the recommendations of our April 2005 report. In that report we noted that Passport Canada was struggling to meet the increasing security expectations and demands for responsive service and that significant improvements in the processes for determining passport entitlement were necessary. We conducted a follow-up audit at the request of this committee.

In our February 2007 report we found that in the relatively short interval between the original audit and the follow-up audit, Passport Canada has made satisfactory progress towards addressing many of our recommendations. The areas in which satisfactory progress has been made are set out in our report. However, we also found that a number of weaknesses remained in the critical areas of identity verification and security. Confirming that the applicants are Canadian citizens, are who they say they are, and are entitled to a Canadian passport is critical to the integrity of this travel document.

Passport Canada must rely on provincial and territorial registries and on Citizenship and Immigration Canada for data to verify birth and citizenship information. While Passport Canada accesses some of this data instantaneously through electronic links as part of a pilot project with two provinces, those being Alberta and British Columbia, it had not established the electronic links it needed with the other provinces and with Citizenship and Immigration Canada to ensure the integrity of basic identification data. This is a complex undertaking that requires cooperation of other government organizations at the federal, provincial, and territorial levels. In the meantime, examiners will continue to have difficulty confirming vital statistics.

To further strengthen its ability to assess entitlement, Passport Canada successfully integrated Correctional Service Canada information regarding persons on parole or incarcerated persons. However, it faced problems in effectively utilizing information provided by the Canadian Police Information Centre, also known as CPIC, to check for those individuals charged with serious crimes.

[*Translation*]

Security is another critical element affecting the integrity of the Canadian passport. Our follow-up audit found that Transport Canada had not conducted a detailed security risk assessment as we recommended in 2005. As part of our security concerns in 2005, we reported that the access granted to employees who operate the automated system that issues passports was poorly controlled. Although we expected that Passport Canada would have resolved these problems by the time of our follow-up audit, we found that this was not the case. Some individuals who are not examiners still have the critical access rights or the profile that allowed them to trigger production of a passport without authorization and independent verification.

Concerning service to clients, I would like to point out that our audit was completed in August 2006 well before the implementation of new requirements under the US Western Hemisphere Travel Initiative. However, we looked at how Passport Canada was preparing for this initiative and expressed concern as to whether it was prepared to successfully deal with the potential increasing demand.

Finally, it is important to note that our office has not performed any audit work on this entity since we published our follow-up report. In its response to our report, Passport Canada committed to regularly update its action plan to address the outstanding items pertaining to our original recommendations and to publish the update in its annual report. This committee may want to monitor progress and ensure that outstanding issues are being satisfactorily addressed—in particular issues surrounding security.

Mr. Chairman, that concludes my opening statement. We would be pleased to answer your committee's questions.

• (1540)

[*English*]

The Chair: Thank you, Mrs. Fraser. *Merci beaucoup.*

I understand, Mr. Edwards, you have an opening statement on behalf of the department and Passport Canada.

Mr. Leonard Edwards (Deputy Minister, Department of Foreign Affairs and International Trade): Yes, I do.

Mr. Chairman, let me thank you and members of the committee for inviting me, as accounting officer for the Department of Foreign Affairs and International Trade, to update you on Passport Canada's response to the Auditor General's status report.

Joining me are officials from Passport Canada. You are probably familiar with Gérald Cossette, who is the chief executive officer of Passport Canada. He will be assisting me primarily in answering questions. Also with him are Ms. Jody Thomas, chief operating officer, and Mr. Gary McDonald, director general of the policy and planning bureau.

More than ever before, Mr. Chairman, the rapid delivery of passports must be balanced with the increased security needs that characterize this new century. In this context, it's quite telling that the Auditor General reported, in 2005, that Passport Canada was struggling to meet higher expectations for security and growing demands for service. Indeed, all fronts are busy.

[*Translation*]

Further to the Auditor General's report of 2005, Passport Canada swiftly adopted an action plan to address all identified deficiencies. This plan included specific initiatives, deliverables and target implementation dates. As requested by this committee, Passport Canada's 2006-07 annual report will include an updated action plan with revised deliverables and target dates where warranted.

Passport Canada's action plan drove the agency's efforts and has allowed it to make steady yet very diligent progress. Last February the Auditor General complimented Passport Canada for addressing 16 out of the 20 original audit recommendations within a very short period of time.

[*English*]

The four areas the Auditor General still found problematic at the time of the follow-up audit—and I'm repeating what she has just said—were: the absence of a thorough security risk assessment; the lack of a quality control program for entitlement decisions; lax practices in the area of access to the automated passport issuance system; and fourth, lack of an integrated human resources strategy at Passport Canada. I'm pleased to provide members of the committee with an update on these four areas today.

First and foremost, Passport Canada has made good progress in completing a comprehensive security risk assessment of its operations. This task is of such magnitude that it had to be divided into smaller deliverables in order to be properly addressed. A series of draft papers have been, or will be, completed in the very near future, and a final package will be shared in its entirety with the office of the Auditor General following a complete internal review. Passport Canada will also develop a strategy to address any deficiencies identified by this comprehensive security assessment.

Secondly, further to a detailed review of how entitlement decisions are made for all available service channels, both domestically and abroad, Passport Canada is now putting the finishing touches on a quality control program for its entitlement decisions. The full implementation of this program is planned for this current fiscal year.

[*Translation*]

Thirdly, tighter controls and better access practices have been implemented to safeguard the automated passport issuance system. For instance, a new web-based account creation process will ensure tight controls over the privileges and rights given to staff working on this system. For example, it will ensure strict control over the privileges accorded to staff who take on temporary work assignments in other positions or other offices. Moreover, all access requests to the system must now be approved by the Security Bureau of Passport Canada. Furthermore, the Operations Bureau reviews accounts and profiles on a random basis every three months to ensure that the system is secure and effective.

It should also be noted that Passport Canada is developing a new generation of applications that will improve account controls. These applications will look at account expiry dates, lock-outs for failed login attempts and so on. The development of these applications is well under way and will be completed this fiscal year.

● (1545)

[*English*]

Fourth, and finally, Passport Canada is also developing an integrated human resource planning process. This process has been designed as an integral part of Passport Canada's strategic framework, and it is to be closely integrated into the corporate planning process. It will be implemented this fall.

Although our main purpose here is to discuss the 2007 status report from the Auditor General, I'd also like to share with this committee three other security-related initiatives undertaken by Passport Canada, as I believe it will benefit our discussion.

First, from Canada's missions abroad, Passport Canada successfully repatriated printing capacity for regular blue passports, thereby ensuring that all regular passports, no matter where an individual applies, are subject to the same high security standards.

Second, Passport Canada is working closely with Correctional Services Canada and the Royal Canadian Mounted Police in the area of information sharing and security. At present, Passport Canada has access to offender information from Correctional Services Canada. The operational impact of building a Canadian Police Information Centre query into the entitlement process is being assessed.

Finally, Passport Canada has staffed six of the eight regional security advisor positions, thus launching a new initiative aimed at strengthening the security of the organization and the integrity of the passport issuance process. The six security advisors, working in regional directorates across the country, liaise with headquarters and provide expert advice to regional operations on all security matters.

Mr. Chairman, Canadians are expecting quality service at a reasonable price. To meet these expectations, Passport Canada is working on a four-pronged approach that should position the organization well going into the future.

The introduction on August 15, 2007, of a new renewal process for passport holders is the first step in the simplification of Passport Canada's policies and procedures. Combined with the future use of technology, such as the passport online form, such improvements will allow Canadians to renew or apply for their passports more easily, hence reducing the need for Canadians to go to Passport Canada counters. In announcing this in May, Minister MacKay also indicated that we would be moving to a simplified guarantor policy on October 1.

Second, Passport Canada will expand its reach closer to applicants without investing in new infrastructure. This is also part of our vision for the future. This expansion would be done through partnerships with other agencies, such as Service Canada or Canada Post.

Third, Passport Canada will need to automate most of its clerical functions and transfer the freed resources toward its core mandate: the authentication of identity, the protection of passport documents, and the integrity of the issuance process—key elements in the Auditor General's report.

Fourth, as Passport Canada accrues savings through the first three components of the strategy, it needs to invest significantly in new electronic systems and security features that would reinforce the quality of the passport.

Mr. Chairman, my colleagues and I would be pleased to answer any of your questions.

Thank you.

The Chair: Thank you, Mr. Edwards.

We're now going to the first round of seven minutes.

Mr. Rota, for seven minutes.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

I have a quick question for the Auditor General. I notice that most of the ratings on this one indicate satisfactory progress. Can you define what satisfactory progress means?

• (1550)

Ms. Sheila Fraser: Thank you.

We rate progress based upon the complexity of the issue and the actions that are required to address a recommendation. It's all in relation to recommendations made in previous audits. It's the complexity of the issue and the time elapsed.

I would point out that in this particular case, the follow-up was done very quickly after the original audit—about a year and a half before we had to make that assessment.

While many of the issues will require a much longer period of time, particularly data access from the provinces and territories, we saw good indication that Passport Canada addressed many of the issues that we felt could be addressed rapidly. That's why we do that assessment based on complexity and time elapsed.

Mr. Anthony Rota: My next question is for Mr. Edwards.

Just to give you a little bit of a heads up about where I'm from, I'm from northern Ontario. To get to a passport office is quite far.

I want to compliment your staff. They've been very cooperative. They've been very helpful. But they've also been overwhelmed and overworked. I think through no fault of their own the service has been lacking in the last, probably, nine months or so, ever since everything started picking up. It was like watching a train wreck happen in slow motion. Everything was just kind of happening. You knew it was coming; you just couldn't do anything about it. I couldn't, in any case. I was hoping someone at Passport Canada would have.

This is a quote I wrote down while you were speaking. You said that Canadians are expecting quality service at a reasonable price. You also mentioned expanding your reach to different regions. Again, I'm from northern Ontario. We don't have any passport

offices. The nearest one is in Toronto, which is about three and a half or four hours away. Ottawa is about the same. To the west is Thunder Bay, which is about a 19-hour drive from where I am.

You talk about a reasonable price. Now, it costs money—in travel, in time taken off, in lost wages—when people have to get a passport done in a hurry or when they want to go to a passport office. Can you tell me what you're doing to improve that or what I can expect to see in my riding over the next little while? It's Nipissing—Timiskaming. It's in North Bay, Ontario, and in Haileybury, on the Timiskaming shores.

Mr. Leonard Edwards: Thank you for your question.

I can't answer the question with respect to your riding in particular. Maybe one of my colleagues can.

Mr. Anthony Rota: It's on outreach in general, because I know my riding is like many other ridings that are not serviced.

Mr. Leonard Edwards: Yes.

Well, part of the plan the passport office has is to increase the use of service providers, such as Service Canada and the post office.

In the case of your constituents, for example, rather than going to a passport office, they could go to a post office or to a Service Canada outlet for over-the-counter service at the front end of the process. Service Canada would take the application, and after a document check and so forth, they would pass it on to the central offices, where it would be processed. So there would be no requirement to go to a passport office.

Mr. Cossette can comment in a little more detail. He's already taken some extensive steps to increase the number of those service points across the country. I'm not sure if any of those are in your constituency. As I said, we're prepared to check.

Mr. Anthony Rota: There is one that's.... You can have it done at the post office. There's a \$15 charge, however, which is not something that anybody else or any other constituent would have to pay in another riding. You talked about quality of service and reasonable price. All of a sudden, there's a surcharge. What ends up happening is that they come to my office, which is a constituency office, and we do it there instead.

Service Canada doesn't really do them, but Service Ontario, just outside my riding, in Sturgeon Falls, does do them. What happens is that all of a sudden, Service Ontario says they're doing this as a favour to Passport Canada and Service Canada, and they're going to limit it to those people from that riding only. As far as I'm concerned, Canadians or Ontarians should have the same service wherever they go. And that has been starting to show its head as well. It's not equal service. Some places are better served than others.

Is there any way of getting passports processed locally or of at least having it so we know when they're going to be issued?

• (1555)

Mr. Leonard Edwards: Maybe Mr. Cossette has more detailed information.

Mr. Anthony Rota: I'd like to know what the plan is to round that up and make it...

Mr. Gérald Cossette (Chief Executive Officer, Passport Canada): What we're doing right now is negotiating with Service Canada to expand the network itself. We're looking at 17 new locations where Service Canada would provide passport services. It's not only new locations; it's also more services.

Right now, Service Canada doesn't even do a pre-screening. They verify that the application is complete and that all the documents are included, and then they basically forward the whole application to Passport Canada.

In the future, what we would like them to do is a little bit more than that. They would not do the work that our entitlement officers do, for instance, which is approve applications, but they would at least look at more complex cases and be able to manage urgent demands, and so on.

When we talk about being closer to the applicants, we mean using partnerships with organizations that are already in the field to get closer to Canadians. And it's going to go in phases. The first thing was having 30 Passport Canada offices. We're up to 33. The second thing was to work with receiving agents. The first one was Canada Post. Now we have 100 Service Canada networks, and we're expanding the networks.

Mr. Anthony Rota: Obviously I'm not as confident in the Service Canada networks as you are. I have some concerns about them.

It was announced by Minister MacKay that there were going to be upwards of 500 new passport employees. What month did he announce this?

Mr. Gérald Cossette: He announced that last winter in response to the surge at that moment.

Mr. Anthony Rota: My understanding is that come May, the 500 weren't all working. Is that a false statement?

Mr. Gérald Cossette: No.

Mr. Anthony Rota: How many of the 500 were in place?

Mr. Gérald Cossette: About 480 employees were recruited last winter and are working. We're going through a second hiring process.

The Chair: Thank you, Mr. Rota.

Monsieur Laforest, pour sept minutes.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

Good afternoon.

Ms. Fraser, in your February report, you state that in 2005-06, over three million passports were issued. In your preamble, you also mentioned that Passport Canada had to deal with security, increased demand, and of course the budgetary aspect. In addition, the number of passports issued has increased significantly.

Do you have the impression that security standards were set aside or somehow compromised given that they absolutely had to respond to the demand?

Ms. Sheila Fraser: Our impression when we did the initial audit in 2005 was that Passport Canada had given priority to service issues

rather than security issues. We noted several deficiencies concerning security issues and we made several recommendations so that improvements could be made in that area.

I think that our follow-up audit shows that Passport Canada did deal tentatively with these issues, implemented a very serious action plan and started to tackle these problems even though solving some of them will take some time. The question of electronic links with the provinces and territories, for example, cannot be solved in a few months. All risk analyses will also take some time. The same is true for the quality framework for decision management, namely who has the right to access and who shouldn't. That also takes some time and requires training.

Nevertheless, I think that with a few exceptions—for example, one would have thought that the problem of system access would have been solved—a very serious effort has been made in dealing with security.

Mr. Jean-Yves Laforest: The fact remains that I detect from your response that security is not absolute.

Ms. Sheila Fraser: Indeed, security is not absolute. The problem with system access should have been solved in a year and a half, in our opinion. Yet, we noted that certain people still had complete access to the system whereas that should not have been the case.

● (1600)

Mr. Jean-Yves Laforest: As a matter of fact, Mr. Edwards mentioned in his third point that there was an action plan seeking to correct that. I don't mean to lump Passport Canada together with all the other departments, but we do know that quite often, when you conduct an audit and action plans are proposed, years can pass before they're really achieved. In some cases, it's never done. Often, there were good intentions expressed. In a case like this one, I presume that the people from Passport Canada will act quickly, or at least I hope so.

You raised the issue of links with the provinces. I think you were referring to British Columbia and Alberta. In terms of security, does the fact that other provinces, notably Quebec, are not yet in line with Passport Canada increase security problems?

Ms. Sheila Fraser: Of course, that makes the task of the examiners more difficult when they have to ensure that the applicant is really the person he claims to be, verify all the documents, ensure that the birth certificate among other things is valid. If there's an electronic link, it is easier. For instance, one can verify whether the person is deceased. I wouldn't say this necessarily decreases security but however, it can increase controls and system effectiveness.

Mr. Jean-Yves Laforest: My next question is for Mr. Cossette.

In 2005, Passport Canada conducted a study to determine what repercussions should be anticipated if passport validity were to increase to 10 years. Recently, we received new documents indicating that passport renewal would be simplified. However, these documents did not specify whether the five-year renewal would be applied.

Have you examined the pros and cons of this issue? Are there advantages to having a 10-year passport? If not, is it preferable that it be five years?

Mr. Gérald Cossette: We have not changed our minds about the validity of the passport. In our opinion, it should be valid for five years, for reasons related to security. It is much easier to integrate new technology as soon as it becomes available. It is also easier to update the document itself by changing its security components. And it makes it easier for border service officers to recognize the document. If a passport were good for 10 years, an officer would have to memorize all of the various iterations that have occurred during the past 10-year period.

Mr. Jean-Yves Laforest: In the case of someone who is serving a long-term sentence, for example, you may not be able to correct a passport if it is valid for 10 years. I imagine that a five-year term would allow you to react more quickly. That is something that may not have occurred to you.

Mr. Gérald Cossette: Yes, we did consider it. The information is verified every five years, but, as you say, if we had a ten-year validity period, Passport Canada would have no way of knowing if the situation were to change during that timeframe.

Mr. Jean-Yves Laforest: Thank you.

[English]

The Chair: *Merci beaucoup.*

Go ahead, Mr. Fitzpatrick, for seven minutes—oh, I'm sorry, there are 30 seconds left, Mr. Roy.

[Translation]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): I would like to come back to the distribution of Passport Canada offices. I am in the same situation as Mr. Rota. Some people had to travel 1,000 kilometres to pick up their passport because of the problems experienced at Passport Canada. I am referring to people from Sainte-Anne-des-Monts and from Gaspé, who had to travel to Quebec City. That took two days, not just one. They had to spend the night in Quebec City and go to the office the following morning to pick up their passport. Passport Canada did not compensate these people, even though they had sent in their application up to six months earlier. This type of thing has really occurred. There are people in my riding whose vacation plans have been ruined, who have lost their money because, of course, travel agencies have not provided refunds.

My question relates to the number of Passport Canada offices, particularly in Quebec. There is no office in my riding. The closest one is in Quebec City. One would have to travel at least 500 kilometres from the edge of my riding to the Quebec City office. Enough is enough. You say that all citizens are provided with the same level of service, but that is not the case.

•(1605)

Mr. Gérald Cossette: This year, the problems were caused by the fact that the service standards were much longer for people who applied by mail. If the standard was 20 days, which should have been the case, then the best course of action would have been to apply by mail.

In the long term, we would like to provide passport renewals without the need to submit documents. Then, people would not have to go to a Passport Canada office: they could use our Passport on-line service to apply. At this time, we only have an on-line

application form. Having fewer documents to submit will mean having to make fewer trips to the Passport Canada office.

As to the distribution of the Passport Canada offices, it has always been a function of the demand. However, we are aware that the demand might be changing.

The Chair: Thank you very much, Mr. Roy.

[English]

Just before we go to Mr. Fitzpatrick, I want to clarify something, Mr. Cossette, that you just said before this committee.

Are you saying that last winter the norm for processing a passport through Ottawa was 20 days? Is that what you're saying?

Mr. Gérald Cossette: The norm should be—

The Chair: “Should be”. I know your website said 20 days, but our experience all winter, from November to the end of May, was that it was probably closer to 60 days. Are you saying you were meeting the norm of 20 days? Is that what you're telling me?

Mr. Gérald Cossette: No, no. I'm saying that if we did meet the norm of 20 days, it would be more acceptable—

The Chair: You're saying you agree with me that your website said the norm was 20 days—that's what you said you would do it in—but in actual fact it was 60 days.

Ms. Jody Thomas (Acting Director General, Security Bureau, Passport Canada): What our website said was that our service standard—our expected service standard—was 20 days, and it's something we publish. We started updating it with the actual number in December.

The Chair: But you realized it was not anywhere close to 20 days.

Ms. Jody Thomas: Oh, absolutely, we knew that.

The Chair: It was around 60 days.

Mrs. Jody Thomas: Yes.

The Chair: Go ahead, Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: I'm given to understand that over the past year there's been an extraordinary surge in passport applications, something that maybe should have been expected two or three years ago, but we're into that surge situation. I think I'm going to compliment the department, because I read a study not long ago saying that the U.S. Congress is identifying that they're way behind Canada in passport processing right now, and they have to re-evaluate their whole law or they're going to have major bottlenecks on their side, not on our side. This is the backdrop we're dealing with here.

Perhaps you could explain what sorts of improvements and steps were taken by Passport Canada to deal with this big onslaught of passport applications, and the ones that are going to be coming between now and the new year and into the next year. Maybe you could give us some indication of how you're doing on this matter and whether you have some standards or benchmarks you can compare yourself to.

Please go ahead.

Mr. Gérald Cossette: The forecast we had last year, which is provided to us by the Conference Board of Canada through a sophisticated model, was 6.6%. That was the forecast, so we prepared ourselves for a 6.6% increase. What happened was that the real increase was 22%. The difference between the 6.6% and the 22% is due mainly to the confusion surrounding the implementation of WHTI.

We know through surveys that 25% of people thought the land and sea ruling of WHTI was supposed to come into effect in January 2007 instead of January 2008, so the demand for 25% of the 3.6 million passports was basically caused by that confusion. We also know that 10% of all the applicants just applied without necessarily having travel plans; they never expressed a specific date as to when they would need their passport, and so on.

We reacted last year basically by hiring more people. Our process is still very much manual-driven, so we hired more people. What we're doing right now to face the situation in the fall is, first, we have simplified some of our policies—for example, the renewal policy, which allows people to apply without submitting their documents. It's the same thing with regard to the guarantor—

Mr. Brian Fitzpatrick: The renewal, did you say?

Mr. Gérald Cossette: In the renewal process people will be able to apply without having to send their birth certificates or certificates of citizenship. Of course, that means less processing time for us; the process is simplified on our side as well, so we're saving time there.

• (1610)

Mr. Brian Fitzpatrick: Are you lengthening how long a passport lasts? That seems to be something many people are suggesting to deal with the backlog. Is that part of the simplifying?

Mr. Gérald Cossette: We have looked at the validity period—five years versus ten years—and our position is that we should keep the five-year validity period, mainly for security reasons. It's easier to update your passport as technology evolves. It's easier to do your security check every five years instead of every ten years, and, with the exception of the service side—having a passport for 10 years—it's easier for the applicant. From a security standpoint, we gain nothing at Passport Canada by extending the validity.

Mr. Brian Fitzpatrick: It's just curiosity on this matter. If there's somebody out there who has a passport, whether it's for five years or ten years, and they become a security risk—they do something that puts them in that category—does something happen to trigger something that comes to your office to let you know that the person is now a security risk and it trigger a review of the passport situation?

Ms. Jody Thomas: If we receive information from an agency such as the RCMP that tells us an individual is travelling and is a security risk—

Mr. Brian Fitzpatrick: Is it automatic?

Ms. Jody Thomas: No.

Mr. Brian Fitzpatrick: Why isn't it?

Ms. Jody Thomas: Because it's an extremely complex process. We're investigating it. We've done a study that we submitted to the Auditor General when she did her second review in terms of how we would get that information.

Mr. Brian Fitzpatrick: I don't want to get too critical because I know you've been under a lot of stress and so on.

I remember the study in the U.S. on the post-September 11 situation, which involved the outcomes of poor risk assessment and security measures. They said one of the big problems was a lack of cooperation among different agencies and departments. It seems to me if passports are very important, then security is a big issue on that. If somebody becomes a security risk, I, for the life of me, have trouble understanding why that isn't automatically passed to your department and you check on it.

Ms. Jody Thomas: It is automatically passed to us. It's just not electronically passed. It's not a systematic process whereby they send us something via an electronic system. But they do inform us, and we have excellent cooperation with partner agencies in the security and intelligence field in Canada.

Mr. Brian Fitzpatrick: How long does it take to train an examiner?

Ms. Jody Thomas: Four weeks of classroom training and ten weeks of on-the-job training.

Mr. Brian Fitzpatrick: How many examiners have we hired in the last year to deal with this surge problem?

Ms. Jody Thomas: We've hired 388 to 500 different employees of various classifications. Hiring passport officers is our most difficult challenge. Instead of hiring passport officers, we've changed our process so that passport officers can deal with more work during the day as we continue to hire them.

Mr. Brian Fitzpatrick: You've made changes to the guarantor program.

I've practised law for 25 years in a small rural area. I used to hate that. I'm going to get it off my chest too. It used to tick me off. They'd take an hour to deal with language problems and everything else and then they'd put at the bottom that you were not allowed to accept a fee, after you'd spent an hour doing that. Only the government could do something like that, impose that on somebody in the private sector. I found it insulting. They usually paid you back with favours some other way in those small communities.

I always wondered why you had the list you had. It almost sounded like a list of the elite in the community, and lots of other people would have been just as qualified to guarantee some of the people you had on there.

I understand you have a new guarantee program, which really looks into trying to determine whether the guarantors are good screens or not. Maybe you could explain what you've done on that front.

Mr. Gary McDonald (Director General, Policy and Planning, Passport Canada): We've been looking at the guarantor program for some time, and you're quite right. Mr. MacKay recently announced changes to the guarantor program whereby any Canadian passport holder will be able to act as a guarantor for another Canadian who is applying for a passport. Certainly, we feel it expands the availability of guarantors. Nearly half the population now has a valid passport. Certainly, we feel we know far more about passport holders than we do about members of professional associations.

• (1615)

Mr. Brian Fitzpatrick: You could get into a lot of trouble assuming all those people are reputable people.

Mr. Gary McDonald: Certainly, we feel it's going to allow us to make it simpler for Canadians. It improves and expands the checks we can make on the entire application process. That will be effective October 1.

The Chair: Thank you, Mr. Fitzpatrick. Thank you, Mr. McDonald.

Mr. Christopherson, seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Mr. Chair.

Once again, thank you all very much.

To our guests from Foreign Affairs, welcome.

First of all, congratulations to Passport Canada on receiving a satisfactory response, for the most part. This is good. Kudos to you and congrats.

There are a couple of areas, of course, that will need a little bit of attention. Before I go to the report, flowing from Mr. Fitzpatrick's questions and the answers given, if I understand correctly, he asked about whether you cross over to check with the security people to see if they have anything on people in terms of risks, and if they are a security risk, they could be denied.

Does that mean if someone's on the no-fly list there's a chance they're not going to get a passport? Are there certain security reasons when somebody wouldn't, when are they, and how does that work? How does it tie into the no-fly list? If you can get a passport when you're on the no-fly list, but there are other reasons why you can't, why aren't those people on the list? Do you see what I'm getting at? Help me get it clear in my mind.

Mr. Gary McDonald: Certainly. The authorities for refusing a passport are outlined in the passport order. There are two instances. One is someone for whom there is an arrest warrant. Second is anyone who is on some type of controlled release program like parole or has any type of court order that limits their mobility. On the security side, the minister does have authority to refuse on security grounds. We have had cases, and some of those cases are before the courts.

There is no direct connection between the no-fly list and the current grounds on which a passport could be refused.

Mr. David Christopherson: Thank you very much for that fulsome answer.

I have to say it still leaves me with a little concern. I think that adds to the concern around this no-fly list: what is it, what is it not, and what's it going to do? Again, you can't get on a plane, but you can get a passport. Yet there are other crimes for which you can't get a passport, but you can get on a plane. It's very confusing. I'm not sure they got this right on the no-fly list.

Anyway, I want to move on. In the original report of 2005, there was exhibit 5.15 from the Auditor General:

Passport Canada should review, complete, and implement integrated human resource plans without delay.

This is the one I want to focus on. It wasn't just any recommendation. The Auditor General is very careful about words. She says "without delay". Yet the review shows that at the end of the follow-up study, Passport Canada had just started developing an integrated human resource plan.

Why did you not take the advice of "without delay" and make this one of the top priorities, rather than seemingly leaving it to the bottom?

Mr. Gérald Cossette: There are two main reasons for that. The first one is capacity. When it came to HR management, Passport Canada was to a certain extent struggling with recruitment, training, etc. Part of the HR strategy is to get a good picture of the situation at Passport Canada. So far a full assessment of the health of the organization has been completed: how many people we have, rate of absenteeism, equity, etc. Under management practices as well as whether we hire people full-time or on term, the use of overtime, and so on, in order to decide the best way to manage our staff.

• (1620)

Mr. David Christopherson: I understand. The issue isn't what you're doing, but why didn't you do it quicker. It said "without delay". Obviously you delayed. Why did you ignore the recommendation of the Auditor General?

Mr. Gérald Cossette: I don't think we ignored it. I think the issue was a capacity issue.

Mr. David Christopherson: Madam Fraser, can I have your thoughts on what we've heard?

Ms. Sheila Fraser: With respect to the 2005 report, we thought the whole human resource planning was critical to go forward as there wasn't sufficient planning there. We believed it was an important issue. We noted that at the end of this follow-up audit they had started to do so. I guess we would have liked to have seen it earlier, and that's why we gave them an "unsatisfactory progress" on that.

Mr. David Christopherson: I want to underscore that. When recommendations are given a priority, unless somebody comes in to ask for an exception, we would expect you would treat it as a priority. That was disappointing. I would hope that in the future when it says "do it now", you would begin to do it now.

With respect to another item:

Passport Canada should introduce quality assurance and control measures for its key entitlement operations to ensure that the Agency conducts proper internal checks on initial decisions and properly controls access....

We've had this issue earlier about access. That came up as unsatisfactory. I know you've touched on it once, but I'd like to hear a broader answer on the issue of access and why it remains unsatisfactory.

Ms. Jody Thomas: Our issuing system is antiquated. The kinds of controls the Auditor General was looking for don't exist in the system. We had to put in a number of manual controls, which were a band-aid. That was admitted to the Auditor General and her team when they came.

In the interim, our IT team has been designing automated controls for monthly reviews and deleting old access accounts to ensure that people don't have multiple accounts. It's all done automatically now, or it will be shortly. I believe that's being introduced in the fall.

It has been a process of getting it done. It wasn't quite as simple a task as we thought it would be because of the age of the issuing system.

Mr. David Christopherson: I'm sure I'm getting close to time. I'm going to push on.

I have one more question to Mr. Edwards. In your opening comments, five paragraphs in, in the last sentence, you said that:

As requested by this Committee, Passport Canada's...Annual Report will include an updated Action Plan with revised deliverables and target dates where warranted.

I'd just like some assurances that you're not building that in and that the intent is clearly that you're going to move these dates afterwards and you're covering yourself by doing that. Give me the assurance that that's not what you're doing, and that if there are any revised deliverables and revised target dates, they're going to be in favour of getting this done sooner, not later.

Either one of you can respond. I don't care.

Thank you, Chair.

Mr. Gérald Cossette: When we say "where warranted", it's basically because the plan is implemented as we speak. So for the issues that are completed, we will not report on those. We'll report on those that are completed, but we'll talk about what the next step is because we will do that on an annual basis in our annual report.

Mr. David Christopherson: But nothing is going to move as a result of you putting this in here, a date. You're not looking for an okay to move dates around as you please, is what I'm asking you, sir.

Mr. Gérald Cossette: No, we're not.

Mr. David Christopherson: Oh, good. Thank you very much.

And thank you, Chair.

The Chair: Thank you, Mr. Christopherson.

Mr. McGuinty, seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

Good afternoon, folks.

Like Monsieur Roy, who a moment ago expressed some concern about what's happening in his riding, I want to come to that in a moment.

But I just wanted to ask first, Mr. Edwards, what is the status of your organization? Are you a special operating agency?

Mr. Leonard Edwards: The agency of which Mr. Cossette is the head is a special operating agency.

Mr. David McGuinty: Right. And it's a cost-recovery agency?

Mr. Leonard Edwards: Yes, it is.

Mr. David McGuinty: Thank you.

Does that mean it's 100% cost recoverable?

Mr. Leonard Edwards: Yes.

Mr. David McGuinty: Thank you.

I did some calculations before coming to the meeting today. Between January and April of this year, in my constituency office, which is a typical urban constituency office with 110 countries of origin in the riding and 82 languages spoken, we've received roughly 10 to 12 times as many requests for assistance with passports as we normally would during that period.

That is something I would put to you, Madam Fraser, in your subsequent audit of the passport office's performance. I know yours stopped in August 2006.

The delays in processing requests for new passports and these renewals have led to unbelievable frustration among constituents. I've even gone as far as to negotiate on behalf of constituents to see if their travel cancellation insurance will cover delays in passport issuance, which it will not.

There are thousands of dollars at stake for average working families who book holidays, who are looking at summer travel, who looked at March break travel.

That is not to say, as others have said, that your staff haven't done terrific jobs, given the difficult circumstances. But the backlog itself is creating even more work because now we have the temporary measures—these limited validity passports—which are also confusing constituents who need travel documents. And they're putting in, for example, their birth certificates to obtain, if I understand correctly, the limited validity passports, only then to turn around to the provincial governments, having to claim, in some cases, that they have lost their birth certificates in order to get new ones issued so they can make their applications for the longer-term passports.

So the distributive effects of these delays are actually really serious on the ground for people who are trying to travel.

But I want to come to the new rules in particular. I know the Minister of Foreign Affairs announced new rules on June 8, and he is quoted as saying at the time, "The volume (of applications) has been substantially increased, and we had to respond to that". I take that as substantiation for the need for these new rules.

On this question of any passport-holding Canadian to act as a guarantor and the ending of the requirement to submit original proof of citizenship with the application, were these negotiated or discussed with the United States government before they were brought in?

• (1625)

Mr. Gérald Cossette: No, they were not.

Mr. David McGuinty: Has there been a reaction from the United States government?

Mr. Gary McDonald: I would point out to you that this is exactly the process in the United States, as I understand it. You apply once with full documentation and from then on you are allowed to apply without having to appear before an official or submit original proof of citizenship.

Essentially, the renewal process that we are implementing is in fact used by many countries, and it is the norm in many countries to have citizens submit the documentation only once.

Mr. David McGuinty: So the fact that we have a system now that's symmetrical with the United States, was that an inspiration for our choices?

Mr. Leonard Edwards: Let me answer that.

No, it wasn't, and there was no check done with the United States before we implemented those changes.

Mr. David McGuinty: On the question of ten-year and five-year lengths of passports, the rationale given twice so far was that it was a security question. Is it security or is it pecuniary?

Mr. Gérald Cossette: It is security.

Mr. David McGuinty: Are there significant financial implications for the office if we were to move to a ten-year passport length, for example, as opposed to a five-year passport?

Mr. Gérald Cossette: If we were to move to a ten-year passport, we would have to rethink the way we do business, because the volume would have to be managed differently.

Mr. David McGuinty: And resources....

Mr. Gérald Cossette: And resources would have to be managed accordingly.

Mr. David McGuinty: Okay.

Madam Fraser, did you look at that at all in your analysis?

Ms. Sheila Fraser: No, we didn't, Chair, and that would be strictly a policy decision as well.

Mr. David McGuinty: Okay.

After the introduction of the WHTI in January—this is a question I get all the time—shouldn't a large spike in applications have been predictable?

Mr. Gérald Cossette: Sorry, I missed the question.

Mr. David McGuinty: Shouldn't a large spike in applications have been predictable in advance of the WHTI announcement in January 2007?

Mr. Gérald Cossette: As I said at the beginning, our forecast was showing an increase of 6.6%. Out of that 6.6%, 4.4% could have been attributed to WHTI. That was the forecast. We ended up with

22%, and out of that 22%, 25% of the increase is related to the confusion surrounding the implementation date of the sea and land ruling. So that's half a million applications.

Mr. David McGuinty: Can you help the committee understand some other confusion around personnel? In February the minister announced that 500 new passport officers had been hired to deal with the backlog. Then, two months later, the minister admitted that not one of them was on the job. Can you help us understand where this is? How many of the 500 personnel have been hired? Where are they located? What are we to believe here?

• (1630)

Ms. Jody Thomas: The minister announced that 500 employees were being hired, and we did a massive hiring to try to get the applications that were sitting in backlog in envelopes into the issuing system, opened, screened, so that if people at least hadn't filled out an application correctly, they could get the information back. Of those 500 people, 338 are in operations now. When you have an increase in volume and an increase in staff to the extent that we had, you also have to increase your number of people doing the hiring—your number of pay clerks, your number of financial clerks. So some of that hiring went to other parts of the organization to support operations. A number of people went into security, as an example.

There were 338 people hired. It's a revolving door. People come in, people leave. We hire 10 today, 8 leave tomorrow; we hire 12 tomorrow, 16 leave the next day. So it's a continual hiring cycle, and we're getting enormous support from the Public Service Commission to try to expedite that for us, but there will never be a static number.

The Chair: Thank you, Mr. McGuinty. Thank you, Ms. Thomas.

Mr. Sweet, for seven minutes.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chairman.

One of the questions I have—because we've had some concern in this committee about some logic models that are built to determine future outcomes—is if in the past you've relied on the Conference Board of Canada and they gave you this 6.6% figure, what model have you developed to assess projections for next year?

Mr. Gérald Cossette: The Conference Board model is composed of three things. There are historical trends, numbers that come from our own statistical database. Then a macroeconomic factor is GDP. People are more affluent; they travel more and so on. Then there's a third component, which is basically a series of surveys they conduct on an ongoing basis to assess how many people intend to travel.

We took that model last year, and we missed the target, obviously. This year we took the same model and we invited a group of experts to review the model—actuaries from different departments, math professors from Ottawa U and other places. The model is being refined as we speak, according to some of the recommendations they have made.

Another thing we're doing is we're conducting a survey in June to basically measure Canadians' intentions to travel, not only to the United States but elsewhere in the world. One component we're also adding to the model, which was not there before, is asking people whether or not they want to acquire a passport only to travel or as an identity document. The passport is used more and more to get your health card and so on. So we may have people who will not apply for a passport because they're flying south or whatever but basically because it's a good ID document. That should give us a better measure of what we should expect next fall.

Mr. David Sweet: Is your fallback position going to be a minimum 22% increase?

Mr. Gérald Cossette: We basically have a model that has two things: the bottom line and then the risk component. The risk component is fairly significant. Basically, if the confusion surrounding WHTI remains, we should expect a fairly significant increase in the demand, which is a factor we did not consider to the appropriate extent in the past.

Mr. David Sweet: The five-year, ten-year conversation comes up a lot. Certainly one of the things we're concerned about is convenience, but the double-edged sword that you deal with is this service standard along with security. Although I like to have things convenient myself—we go through the same process—I also have grave concerns about security.

There are two things that I can readily observe if we went to a ten-year validity. First would be the person's physical features; certainly when they're young, they change substantially over ten years. Second—and on this I'm asking if I'm right or wrong—there'd also be an increased risk in a valid passport being out there that maybe was taken and someone wasn't even aware of it, because many people store them away. Now you've got a valid passport out there for this ten-year period, a passport someone could actually be using fraudulently, and you wouldn't have any way of knowing it. Is that true? Are there other security reasons that you don't go with a ten-year passport?

Ms. Jody Thomas: It's absolutely true. Certainly when you issue a passport and change the design and it's a ten-year passport, you have ten years before that particular style of document is off the market. As we introduce new security features, they're replicated by people we wouldn't want doing that.

The other issue is that should there be a breach of the document, in a five-year cycle you can make changes and flood your market with the new style of document much more quickly. It's a much more responsive program for us. We want to keep the Canadian passport's integrity high and its profile as high. Therefore, being able to renew it very frequently is extremely important.

• (1635)

Mr. David Sweet: One of the concerns I had in reading this report was on page 13. It was about the fact that when the Auditor General

did her first audit, people had access to the computer system who did not have a high enough security clearance.

By the way, congratulations on one of the best reports of improvement I've seen since I've been on this committee. But this was one of the places in which there was little to no improvement, and this is a highly sensitive issue. Can you tell me if you have made substantial progress since the Auditor General's report in making sure these people don't have these passwords and access to security levels that they haven't been cleared for?

Ms. Jody Thomas: There are two distinct issues. First, people with access to the issuing system or with access to blank passports—our secure assets—have all been cleared to secret. There is 100% verification on that element of it.

The second element—the passwords within the system and user access accounts within the system—is the issue I addressed previously in saying that we're putting in an automatic system. Right now we have a manual verification monthly to ensure that old expired accounts are no longer in the system and that therefore it can't be accessed by somebody who shouldn't be using it.

Mr. David Sweet: I was pleased to know that you signed memorandums of understanding with the police services. Also, on page 14 in section 5.45, in 2005 Passport Canada had 73,000 entries on its watch list, and then, wow, one year later, 147,000 entries. Are we making some headway? Do you expect that to double again? Are we making some headway in making sure we're starting to get a handle on who all the security risks in this country are, and we're starting to have a good record of it?

Ms. Jody Thomas: I don't see our watch list growing to the same extent, because any information we get would be in a different format. What we received was a download of information on people who are currently incarcerated and should not be able to apply for a passport. That changes every day. We have a data exchange with Correctional Service Canada.

Should we be getting other information—for example, through the CPIC system—it would be a data-matching system as opposed to a download into our system, but it would effectively address your concern, and we are working on that. We are a partner in an intergovernmental project to address that problem.

Mr. David Sweet: I have a final question for you. The Auditor General notes a concern on page 19 in section 5.64, that although you are ready for WHTI at the national level, at the local level there seemed to be little to no strategic preparation for it. Has that changed? I already gave you the question about your logic model in terms of an upcoming surge. Has that changed as well at the local service level?

Mr. Gérald Cossette: For people applying at a Passport Canada office at the local level, the service standards are back to normal. If you go to a Passport Canada counter, you should get your passport within ten days. We're back to standards.

With regard to preparation at the local level, we have asked for a work plan from each of our local offices. The problem is that it's very difficult to forecast the increase in demand in Mississauga, Brampton, or in Edmonton. We're looking at the national level and then trying to segregate the level of passport activity by province. Is it a province where the demographic is changing, and so on? It's not refined enough to provide us with very specific forecasts for each of our offices.

The Chair: Thank you, Mr. Sweet.

Before we go to the second round, I have one question I want to pursue with Mr. Cossette.

First of all, I want to congratulate the agency for the progress being made. I'm certain the office had a very difficult winter. You've worked under very difficult circumstances.

But I can't underestimate the stress this has caused every member of Parliament and their staff. It has been a very difficult issue in their regions. I come from a province that doesn't have a passport office. The people have to go to another province at considerable expense, which is similar to Monsieur Roy's situation.

The typical example we deal with is a couple or a family. They go to the website and read "20 days". They book their flight and apply for a passport two and a half months beforehand. And then they wait, and they wait, and they wait. About a week or ten days before their trip, they get nervous. There's no way you can get through on the toll-free line. There's no way to communicate with your department.

Who do they scream at? They go to the only avenue available to them: their local MP. They line up at the office. They're there at 8 a. m. They're there all the time. They're calling and asking where their passport is. They've paid their money. They've booked their vacation. They've paid their deposits. It's extremely stressful in that situation. This went on all winter.

It seems to me that if your website posted the 20 days and people relied on those assurances, there's a legal liability there if those people lost their trips.

But that's the past. It was very, very stressful.

The larger issue here, and Mr. Sweet touched on it, is dealing with the western hemisphere travel initiative. It was land and sea that we dealt with last winter. According to the best information we have, we're going to a land-based initiative sometime in 2008.

Every border town right across Canada, for example, Windsor, St. Catharines, and St. Stephen, has people who cross the border every day for cigarettes, entertainment, and to go to ball games. Your Conference Board model predicted a 6.3% increase.... It's horrendous what I predict this next round to be.

I would like to receive assurances from you to the Canadian people. Does Passport Canada have any idea what's going to happen when the land-based WHTI provisions come into effect? Are you

prepared to meet that? It's going to be a very, very serious issue when it hits us.

• (1640)

Mr. Gérald Cossette: In terms of getting ready for the next season, the first thing we're doing is refining the model so we have something to work with. We are being very conservative in the sense that we're basing our model on the high risk when it comes to the volume that may come in.

Right now we're going through a major hiring process to double our capacity to process the mail-in applications. During the winter there were long lineups at passport offices, but the service standard was much better than for people who were mailing their application. We are putting a very significant effort into increasing our capacity to process mail-in applications. In fact, we have rented two facilities in order to double our capacity to process the mail.

We're also increasing the capacity at the local level by hiring people and adding evening shifts so that people can basically receive applicants during the day and process the applications at night. We are trying to significantly increase the capacity of the organization.

As I was saying before, if we could get the passport to people who are mailing in their application within an acceptable standard, we hope that would solve much of the pressure on MPs' offices.

In the long term, we really think that increasing our mailing capacity and diminishing the requirement of Canadians to meet passport officials face to face should lead to a much better situation than what occurred last year.

The Chair: So I take it you are assuring Canadians that what happened last winter will not happen in 2008?

Mr. Gérald Cossette: We're monitoring the demand as well as we can. The demand is not receding right now, but we're building toward being able to deliver a significant increase in demand next fall.

The Chair: Okay.

We're going to go to the next round, colleagues, for three minutes each. I'm going to have to be firm on the time.

Ms. Sgro, three minutes.

Hon. Judy Sgro (York West, Lib.): Thank you very much, and thank you all for being here. I'm glad we started on time, Ms. Fraser, and didn't hold you up again as we did on Monday.

To our passport officials, I can compliment you from a Toronto perspective. I had someone come in and see me on Friday who realized their son was leaving on Monday. They got into the office on the Friday, and Monday afternoon at four o'clock they managed to get a passport. So I have to tell you, I compliment the services that can deal with these kinds of emergencies.

I'm always worried about security of documents and I'm concerned about where we are with the biometrics and that whole idea of making sure our passports are as secure as possible. Where do you see the future going—I say “the future”, meaning the next two to three years, or possibly the next five years—as far as making that document even more secure?

Some of the work I've done on the Canada-U.S. committee shows continued concern from the U.S. perspective on how secure our documents are. There have been discussions about doing a blended document. Where do you see the future taking us from a security perspective on those documents?

• (1645)

Mr. Gérald Cossette: Right now we're looking at three main things. The first one is a change in the design of the document itself. The last time we reviewed our design I think was 2001, so the time has come for us to change the features of the document itself.

The second thing we're looking at, and we're proceeding with a pilot project, is the issuance of an electronic passport, which is a passport with a chip. The same information you would find on the page of the passport would be on the chip.

And the third security for the future we will proceed with over the next couple of months is facial recognition, which is a software that allows the force to recognize whether or not the person in the photograph is the same person who is applying, and so on.

Those are the three main features we're looking at in terms of interim security over the next two to three years.

Hon. Judy Sgro: Are you in discussions with Foreign Affairs in the U.S. on ways of improving the security of those documents?

Mr. Gérald Cossette: We are a member of what we call the “five nations group”. We meet on an ongoing basis with the New Zealanders, the Australians, the Americans, and the British, comparing notes, looking at the best lessons learned, sharing experiences, and so on. In the medium term, our security features and processes and ways of doing business are very much in line with one another.

Hon. Judy Sgro: On the current changes that were announced by the minister as far as the guarantor of the passport, to the person who would be guaranteeing, that individual has to have a current passport or simply a passport?

Mr. Gérald Cossette: It would be a current passport. It would be a valid passport. It would have to have been issued in Canada. The person would have had to apply in Canada. The applicant needs to meet a certain number of criteria before the renewal process can be used.

Hon. Judy Sgro: And are they going to be held up to that same kind of scrutiny regardless of the fact that the guarantor who signs it is their father or their mother or their brother or sister?

Mr. Gérald Cossette: When it comes to guarantors, are families excluded? I would have to look at the details of the proposal, but the guarantor would be a passport holder, which means that we would already have the information in our own database with regard to the guarantor. This is much more secure than going through the professional associations list, for instance.

Hon. Judy Sgro: Thank you very much.

The Chair: Mr. Lake, three minutes.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):

In the Auditor General's opening statement and in her report she talked a little bit about the pilot project under way with Alberta and B.C., involving the data being transferred instantaneously through electronic links. It seems to me this would be important to do with each of the provinces. Maybe you can elaborate a little bit on why we're not there yet. I know it was a pilot project, so I imagine it takes some time, but where are we going with that, and what's the plan?

Mr. Gérald Cossette: Right now the project has not broadened its scope, but it has broadened the number of players. It's being managed by the chief information officer at the Treasury Board Secretariat, and it is trying basically to define the requirements of most departments at the federal level so that we can develop a single point of contact for all federal institutions to access provincial vital statistics. In the past, we may have been in the process of developing a system under which different departments would ask for the same information, and pay twice, basically, for the same information, so we're looking at how we can manage that at the federal level and then enter into a series of partnerships with provinces.

One of the problems we had in the past was to design what this thing would be from a technological standpoint. Would we hit their database? Would it be just some kind of network through which information could be shared? There was a significant technological component that had to be solved, and of course finance is a significant element of the problem.

The second thing was the governance. Once you have a means to exchange information from province to province, from provinces to the federal government, who would be responsible for the governance of such a process?

The third element that has to be taken into account is the legal authority that provinces may have to transfer the information directly to us, and so on. Some provinces may be in a better position to do that, given their own legal framework.

This project is proceeding. It has now been taken over by the Treasury Board Secretariat, so that it applies to a series of federal departments, and not only to Passport Canada or to Service Canada, for instance.

• (1650)

Mr. Mike Lake: We know there's going to be another wave coming. We've alluded to that a few times today. It seems to me that awareness of the issue right now is still very high. It also seems to me that rather than just simply planning for the other wave and building capacity to handle it when it comes, there might be some strategic advantage to transferring some of the height of that wave to now, when it's settled down a little bit. I know you're probably just catching your breath, so it probably makes you a little nervous hearing that, but wouldn't it be wise to enact some form of PR campaign or marketing campaign to try to make people get their passports now or within the next six months, when things might settle down a little bit, if they are going to be travelling, say, in the summer of 2008?

Mr. Gérald Cossette: In fact, what we have started to do—not what we're planning but what we have started to do—is hold a series of seminars inviting Canadians to come and apply on the spot for their passports. The first one was in Sarnia last week, if I'm right. We look at the documents and go over the application, and so on. We're looking at the best locations to do that; potentially they would be centres away from where we have passport offices and where services may not be as available as they should be.

Given the fact that we will have to advertise our change to the renewal policy and the guarantor policy again, we will have the opportunity to remind Canadians that they should apply for a passport. When it comes to the demand, to a certain extent there should be a decrease in the demand as we speak, but it hasn't occurred yet. The demand remains extremely high. It's something like 36% to 37% higher than last year at the same period.

The Chair: Thank you, Mr. Lake.

Mr. Roy is next, for three minutes.

[*Translation*]

Mr. Jean-Yves Roy: Thank you, Mr. Chairman.

I would like to come back to Mr. Lake's question, because it is something that I was also wondering about. I am referring to the auditor general's current or future report on your performance.

Did the increase in passport applications have any effect on the completion of your other projects? That is my first question. You would like to redeploy the Passport Canada offices through Service Canada. I have news for you, because Service Canada close down a number of offices in my region. And that is not the end of it. For example, Service Canada centralized its offices in Rimouski. But New Richmond is 400 kilometres away, and Gaspé is another 300 kilometres past New Richmond. So closing some offices and centralizing Service Canada in various locations will cause another problem.

You mentioned Canada Post. There is, of course, a post office located in every city. I understand that. However, how will the level of service compare to what is provided by Service Canada and the post office? That is another matter. I don't think the level of service will be the same, because there will not be a passport office and a passport officer in every post office. I don't see how that can be done.

Was your redeployment delayed? What are your current plans? Do you intend to take one year or two years to accomplish it? How long do you think it will take to redeploy Passport Canada offices through Service Canada and Canada Post? And are you taking a close look at the areas that you must serve in order to determine the locations?

Mr. Gérald Cossette: We are currently analyzing the changing demand. Historically, we had a certain number of centres. However, demographics have shifted, which means that the demand has changed. So, along with Service Canada, we are identifying the location of the demand in order to ensure that Service Canada will be able to serve that need. For example, the 17 new offices slated to open by the end of September will likely be located near the border and in areas that are further away from the current Passport Canada offices.

We realize that, over the next two or three years, the demand will remain very high due to the WHTI, or the Western Atmosphere Travel Initiative. The current Passport Canada structure was designed to process between 2.5 and 2.8 million applications per year—

• (1655)

Mr. Jean-Yves Roy: You are not referring to the number of passports in circulation, but to the numbers of applications per year.

Mr. Gérald Cossette: That is correct; I am referring to the number of passports that are issued annually. Between 2005 and 2006, we received 3.1 million applications; last year, there were 3.6 million. Because of our WHTI obligations, we are expecting the demand to remain quite high.

Mr. Jean-Yves Roy: How many passports does that represent? Sorry, I didn't do the math. If you process 2.8 million per year... How many passports are currently in circulation, if we count the numbers that have been issued over a five-year period?

Mr. Gary McDonald: The number is about 14 million, or perhaps slightly higher than that. As I said earlier, we are approaching the 50% mark.

[*English*]

The Chair: Mr. Poilievre, for three minutes.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): One of the tools that some members of Parliament have been using to expedite the passport application process is these clinics. Are these helpful?

Ms. Jody Thomas: It depends on what the clinic does, quite frankly. To be honest with you, if you're signing masses as guarantor, that's somewhat difficult for us. If you conduct a clinic in conjunction with us, where we can vet and verify that the documents are correct and it's just a matter of getting that information into our issuing system, having the security alerts run, and a passport printed, then that's very useful, but if you show up on our doorstep with 1,000 applications and we haven't been able to prepare for it, not particularly.

Mr. Pierre Poilievre: In the second instance, the MP would contact your office—

Ms. Jody Thomas: Yes.

Mr. Pierre Poilievre: —and invite your officials to come to the clinic, and at that clinic you would verify that the application was completed correctly.

Ms. Jody Thomas: Yes.

Mr. Pierre Poilievre: Would the response time be quicker as a result of that clinic having been held?

Ms. Jody Thomas: It would be quicker in that there is less chance of the application being rejected, and the benefit to the applicants is that they would be able to retain their birth certificate or their citizenship certificate.

Mr. Pierre Poilievre: Right. They wouldn't have to send it away.

How big a problem is the rejection?

Ms. Jody Thomas: It's an enormous problem. In mail-in applications from the United States right now, about 40% of the applications are being rejected because of problems with the documentation, the form, or the photos. Domestically, it's slightly less, but not much; 25% to 30% of mail-in applications are currently rejected.

Mr. Pierre Poilievre: When do you expect the big peak to arise again? You mentioned it earlier.

Mr. Gérald Cossette: We are now in June—

Mr. Pierre Poilievre: You're not listening to the Conference Board—

Mr. Gérald Cossette: We are more or less at the same level as in January, so it's really difficult to foresee, but the peak season normally would be from the end of November to March.

Mr. Pierre Poilievre: If one were to hold one of these clinics, that might be a good time, or in the lead-up to that period.

Ms. Jody Thomas: Right. We're putting together a plan now for clinics across the country with agencies that have requested that we do that—for example, the duty free shop in Sarnia, or with various members of Parliament who have asked that we conduct them. You can contact us for our availability to do that.

Mr. Pierre Poilievre: Okay. That's great.

Can you give us some security breach scenarios that you hear the most in your work? Give us some very practical examples that trouble you the most and that we must shield ourselves against.

Ms. Jody Thomas: A worldwide problem is that as the documents themselves become more secure and are more difficult to replicate or tamper with, internal fraud becomes the biggest problem. We have significant controls in our organization to prevent and catch internal fraud—

Mr. Pierre Poilievre: Internal fraud being...?

Ms. Jody Thomas: Employees.

The Chair: Thank you, Mr. Poilievre.

Mr. Christopherson, for three minutes.

Mr. David Christopherson: Thank you very much, Mr. Chair.

I want to pick up on a comment of Mr. Roy about Service Canada. I want to support his point. I wasn't overly impressed to hear that they are the backstop for no passport offices. I'm having tremendous problems with Service Canada in my riding. They've centralized, they've generalized, and for the most part, unless you go in with an absolutely perfect whatever, they aren't in a position to give you the details you need. I'm certain that would apply to passports too.

I've got to tell you that from a Hamilton perspective, telling me that Service Canada is going to be there.... Although we have a passport office, nonetheless I've got to get that in there about Service Canada. The government should stop thinking they can keep pointing to Service Canada and saying that's where everything's going to be, because it's not working, and it's going to be a problem if you don't fix it.

Also, there was a question from Mr. McGuinty about, if I understood correctly, cost recovery. He asked if there is 100% cost

recovery, and I believe the answer from Mr. Cossette or Mr. Edwards was yes. The Auditor General's report says on page 4, section 5.8:

Passport Canada and Foreign Affairs and International Trade Canada did not apply the regulations for ongoing consultation on service standards and how they relate to passport and consular fees. Passport Canada was not ready to carry out the new legislation on user fees because it lacked reliable information on the true cost of services.

I would assume from the “yes” answer that this has been overcome, that you've got that breakdown, and that's why you answered in the affirmative. Is that correct?

• (1700)

Mr. Leonard Edwards: Yes, it is correct.

Mr. David Christopherson: Okay. Cool.

My last question would be on the western hemisphere travel initiative. I just want you to comment on this. Just today—this morning, a little while ago—the Auditor General said in her opening remarks:

However, we looked at how Passport Canada was preparing for this initiative and expressed concern as to whether it was prepared to successfully deal with the potential increase in demand.

I've heard a lot of things, but I still haven't heard you come right out and say you don't have that concern or that there's no need for a concern or that everything's fine. So tell me again why we shouldn't put so much emphasis on paragraph 8 of the Auditor General's opening remarks, because what I read there is worrisome.

Mr. Gérald Cossette: What we are doing now is working toward increasing our capacity so that we can meet the demand as the demand arises.

Part of the problem with the demand is the confusion surrounding the final implementation date of the WHTI. Will people come in November instead of May? Will people come in September instead of December? It's very difficult to judge, but we're building our capacity so that in November we should be in a much better position to answer the demand, and I'm talking about a surge in demand; I'm not talking about basically the same level we had last year, but an increase over the record year we had last year.

Mr. David Christopherson: Madam Fraser, you heard the answer to the point you made an hour ago. Does that satisfy you?

Ms. Sheila Fraser: The issue we raised in this report, Mr. Chair, was that the local offices didn't have contingency plans in place as to how they would cope. We would expect that plans should be there, and I don't know if they are or not.

Ms. Jody Thomas: The local offices all now have business continuity plans. As an example, the Harry Hays Building in Calgary was recently shut down. We were able to divert services to Calgary and Edmonton because we had a particular problem there. When we have localized increases in volume, yes, we have plans in place.

We are acquiring additional space wherever we can so that people will not be waiting outside in the elements. We have put specific practices in place. Dealing with the lineups in Vancouver is different from dealing with lineups in Toronto, because you can't wait inside the building in Vancouver. Wherever we can, we have very specific plans for each office. The office managers have been fully engaged in doing this and are sharing those practices, and we are staffing as much as we can by extending hours and putting night shifts in place.

Mr. David Christopherson: You know that if we get into a shemozzle, you're coming back?

Some hon. members: Oh, oh!

Ms. Jody Thomas: We know that.

The Chair: Thank you very much.

Does anyone know if that's a 15-minute bell or a 30-minute bell?

A voice: [*Inaudible—Editor*]

The Chair: Okay. First of all, we have another item of business, and I'm not certain how much time we have left, so what I'd like to do is suspend questioning.

I want to thank all the witnesses who appeared here today. Does anyone have any brief closing comments?

Go ahead, Ms. Fraser.

Ms. Sheila Fraser: Mr. Chair, I'd just like to thank the committee for their interest in the report. I would like to say that we were pleased with the attention and the seriousness with which Passport Canada dealt with the recommendations from the 2005 report.

The Chair: Thank you, Ms. Fraser.

Mr. Edwards, do you have any brief closing remarks?

Mr. Leonard Edwards: Just to repeat that we're very pleased to be here today, and we'd be pleased to come back any time to continue to discuss the work we're trying to do.

• (1705)

The Chair: I want to reiterate our thanks to you, Mr. Edwards, members from Passport Canada, and members from the Office of the Auditor General.

Members, there are a couple of items I want to deal with, and I'm not exactly sure how much time I have left. The first item is tomorrow's meeting. As everyone is aware, on Monday a motion was passed to have a meeting tomorrow, and there were a number of witnesses in the motion: Stockwell Day, David Brown, Beverley A. Busson, Giuliano Zaccardelli, Hon. Anne McLellan, and John Spice. I guess it was passed late Monday. The clerk made attempts to contact these people. He ended up contacting most of them, and none of them could attend, all for legitimate and varied reasons. They have other commitments, they're travelling, they're on vacation—I'm not suggesting for a minute that anyone is trying to avoid coming before the committee, and I hope nobody takes that intention. So we don't have anyone tomorrow. We could meet and discuss the RCMP or other issues or we could cancel the meeting. That is a decision entirely up to the committee.

Hon. Judy Sgro: Just for the record, Ms. McLellan was available tomorrow. I think that should be noted.

The Chair: She was and she wasn't. She did contact the office and said if it was absolutely necessary she could make it here, but she had other commitments and it would be quite an effort, but technically, she could be here. I doubt she'd get a flight here now anyway.

Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): As opposed to cancelling, rescheduling the meeting at a convenient time...and we leave that in your good hands.

An hon. member: [*Inaudible—Editor*]

Mr. Borys Wrzesnewskyj: During the summer.

The Chair: What is the appetite of the committee for a summer meeting? Again, I'm in the hands of the committee. It does create a lot of scheduling problems to try to get 12 members, with their schedules, and six very busy individuals.

Mr. Borys Wrzesnewskyj: Mr. Chair, I'd like to move that we schedule a meeting during the summer. It's a simple motion. It doesn't require any explanation. So if there's a seconder...?

The Chair: You're saying, Mr. Wrzesnewskyj, you want to schedule this meeting some time in the summer?

Mr. Borys Wrzesnewskyj: That's correct.

The Chair: That's easy. I can just set a date and give you the date.

Mr. Borys Wrzesnewskyj: I think you need to make a few phone calls to witnesses and committee members and the whips to see what kind of availability there is, but I think a summer meeting could be scheduled.

But once again, we leave that in your hands. I believe there is a seconder.

The Chair: Any discussion?

It's already been seconded.

Mr. John Williams: I can understand, Mr. Chairman, Mr. Wrzesnewskyj's desire to have this meeting, but does he think the taxpayer really likes 12 members of Parliament coming in here for a two-hour meeting? For me to come in it's the airfare from Edmonton to Ottawa and return. It's the same for Mr. Lake. It's tens of thousands of dollars to have a special meeting of the committee in the summertime. Of course, perhaps some people have other things to do and you may call the meeting and have no quorum, and then you've spent the money and nothing has been achieved. Don't forget, Mr. Chairman, to add the cost of the witnesses too.

So we really need to think about what we're doing here. Just because one or two people think it's a great idea to keep this agenda going—I'm totally supportive of getting to the bottom and dealing with this issue, but I'd like to see some rational process at the same time. To spend \$10,000, \$20,000, \$30,000, or \$40,000, I don't think any taxpayer would vote for that.

The Chair: Thank you, Mr. Williams.

Are there any other brief interventions?

Mr. Pierre Poilievre: Yes. I just want to add that I'm sure Mr. Wrzesnewskij would have added as a friendly amendment to include Mr. Alcock, who of course was the President of the Treasury Board. Of course, the Treasury Board didn't approve these large increases to the pension outsourcing costs, so I imagine he'll accept that as a friendly amendment.

• (1710)

The Chair: Well, no, that's not even an amendment. The motion was passed the other day. This is just to reschedule the meeting. We're not going to get into that.

The motion is that the meeting scheduled for tomorrow at nine o'clock be rescheduled to sometime this summer, at the call of the chair.

All in favour of that—

Mr. Brian Fitzpatrick: Can I make a comment on this thing too?

Along the line of Mr. Williams—and I'm more objective on this because I didn't vote on the motion the other day—when we as a committee decide that we want a meeting on short notice and we're going to tell all these people to show up, as if we're the centre of the universe and it's going to all happen, then I don't think that's a rational or reasonable position. Part of the difficulty we've gotten ourselves into with this scheduled meeting tomorrow is that there wasn't much rational reason behind this whole thing. You cannot organize meetings on short notice and expect everybody to drop everything they're doing to be here. It's like we think we are so important and their work is so absolutely not important that they should drop everything just because we think they should be here.

Let's use some reason. You wouldn't like it if the shoe were on the other foot. Next time around, think about these things before you jump ahead like this.

An hon. member: On a point of order, Chair—

The Chair: Order, order.

Mr. Laforest, please.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, the members of this committee—including the steering committee—have been waiting for some time now to hear these witnesses. We have had a number of meetings, and on more than one occasion we have discussed how we will go about wrapping up our work on the RCMP. We had planned to meet with Mr. Brown so that the committee could complete its work.

In view of Mr. Williams' concerns, I would suggest that, instead of meeting in July or August, we wait until after Labour Day, before the House reconvenes. And if we are going to take the trouble to meet, then instead of having only one two-hour session, we could have two meetings during the same day, and hear witnesses at one of them. We had planned for two meetings, in order to avoid having Ms. McLellan appear at the same time as Mr. Stockwell Day.

[English]

The Chair: Mr. Laforest, you've raised a point here, but the scheduling is an issue. I've raised that before.

I'm going to entertain a 30-second intervention from Mr. Wrzesnewskij and a 30-second intervention from Mr. Christopherson. Then I'll put the question.

Mr. Wrzesnewskij.

Mr. Borys Wrzesnewskij: Thank you.

I just want to clarify for Mr. Fitzpatrick that the motion that passed on Monday was a motion that I had first tried to table at steering committee the week prior, on the Monday. However, we were given information at that time that it would not be possible. It was out of order because the report would not be tabled until the 22nd.

I don't want to assume that anyone—Mr. Brown—would have misinformed the committee, but it was in fact tabled on the 15th. The motion would have been in order and would have provided plenty of time, adequate time. Unfortunately, those were the circumstances.

That's just a reminder for Mr. Fitzpatrick of that sequence of events.

The Chair: Thank you, Mr. Wrzesnewskij.

Mr. Christopherson, please.

Mr. David Christopherson: Thank you very much.

Again, to underscore that, that's exactly what happened in terms of why we didn't schedule it sooner. We were ready to, and we were given information that the report wasn't going to be here in a timely fashion. We acted on that in a responsible way. Then one of the government members tries to turn around and drop it on our heads. The fact of the matter is that I think we dealt with this adequately and properly.

Further to Mr. Laforest's comments, if we go with a date in the summer, if we pass that, I'm assuming that we would plan the rest of the day, perhaps do some report writing and start to get caught up. We're so darn far behind now. Maybe we could even stretch it into two days and start the fall session actually close to being caught up.

The Chair: I agree with that.

I'm going to put the question on the motion that the meeting be rescheduled to sometime during the summer. I will be consulting, of course, with the steering committee, but you have to appreciate that the scheduling is going to be difficult. But I will be consulting with the steering committee.

(Motion agreed to)

• (1715)

The Chair: I'm not exactly sure how much time we have left, so we're down to—

Mr. Pierre Poilievre: I have a motion.

The Chair: I hope you have unanimous consent for your motion.

Mr. Pierre Poilievre: Oh, I'm sure it won't be a problem.

As part of this summer meeting, I'm looking to call Mr. Reg Alcock, former President of the Treasury Board.

So if there is unanimous consent—

Some hon. members: No.

The Chair: There is no unanimous consent.

Mr. Pierre Poilievre: All right. Note the Liberals present oppose that.

An hon. member: No.

Mr. Pierre Poilievre: If you want to cover up for them, that's your choice. If you don't want him to answer questions, that's fine.

The Chair: Okay. I think the debate is degenerating quickly here.

Having no further business to come before the meeting, I am going to adjourn the meeting.

The meeting is adjourned.

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