



House of Commons
CANADA

Standing Committee on Transport, Infrastructure and Communities

TRAN • NUMBER 010 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, June 15, 2006

Chair

Mr. Merv Tweed

Also available on the Parliament of Canada Web Site at the following address:

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• (1105)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, ladies and gentlemen. Welcome to the Standing Committee on Transport, Infrastructure and Communities.

Today we'll be studying safety solutions on modes of transport. We have witnesses—I always struggle with that word, I would say suppliers of information—from the Department of Transport.

I would assume that you have a presentation to give. Perhaps what I'll ask you to do is to introduce yourself and who's with you, and then we can proceed.

Go ahead, please.

Mr. Marc Grégoire (Assistant Deputy Minister, Safety and Security Group, Department of Transport): Thank you very much, Mr. Chairman.

My name is Marc Grégoire, and I am the ADM of safety and security at Transport Canada.

I'm accompanied today by my directors general: Merlin Preuss from civil aviation; Luc Bourdon from rail safety; Bill Nash, acting DG for marine safety; and in case you would like touch on TDG matters, I also have John Read with us, who is the DG of transportation of dangerous goods.

I'm here today as a follow-up to your discussion a few weeks ago with the Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities. Our minister has a broad mandate with one common thread: a commitment to safety, security, effectiveness, and the sustainability of our transportation system.

We know that the global environment continues to change and evolve. While we cannot ensure 100% safety, we can manage risks at acceptable levels to enhance the transportation system on a continuous basis—an essential element towards protecting the health and well-being of Canadians.

[Translation]

Canada has always had one of the safest and most secure transportation systems in the world, but the dramatic growth of new markets is putting tremendous pressure on that system. Bottlenecks are beginning to develop at key ports and there are concerns about the ability of our rail and marine systems to meet current demands, let alone future growth.

The transportation system is becoming more integrated and multimodal with increased expectations that cargo and passengers

move smoothly between modes and across borders. The BC cruise ship industry that sees passengers moving between the airport and port facility is a good example of this trend.

[English]

Accident statistics in recent years show an overall downward trend in all modes. The problem we're facing today is that the rate curves are almost flat. You may also be surprised to hear that even the rail statistics for accidents have been improving since the beginning of 2006.

Going back to the curves, with the traffic growth predicted, the number of accidents could increase, unless the department starts looking at different ways to improve safety and therefore reduce the rate of accidents. In other words, if we can't find ways to reduce the rates themselves, the absolute number of accidents could increase as the traffic picks up in the future.

[Translation]

We have studied this issue in recent years, and we have determined that one of the solutions was safety management systems. We need to build upon our existing regulatory frameworks and focus on risk management practices. The safety management systems, or SMS are part of the solution.

SMS is very much based on a partnership between the operator and the regulator, and this partnership is essential in further strengthening our program over the coming years. SMS takes a systems approach to managing risk in an organization by integrating safety into the daily operations of a transportation company. A greater share of responsibility for safety is placed on the transportation service, facility and equipment providers. This means changing the way we all do business—from safety at an operations level to a systems-wide level.

• (1110)

[English]

Companies will be accountable for day-to-day operations. This is more about integrating the processes that already exist in most organizations and less about creating new ones.

We all know that quality risk management is based on quality information. Information must be free-flowing within an enterprise and between the enterprise and its safety partners. The reporting system must encourage and accommodate both the proactive reporting of hazards and the reactive reporting of incidents and accidents.

SMS is not about eliminating our regulatory framework. On the contrary, it's an added layer, where Transport Canada will intervene at the system level, given that the consequences of system failure are more dramatic.

This cultural change must begin at the top of an organization, at the level of power, leadership, and ultimate accountability in the various operators.

In aviation, the new safety policy makes the person with the power to impose a new policy lead its implementation, fund and sustain it, and be accountable for the safety performance of the civil aviation organization. The accountable executive is likely the owner or chief executive officer of the enterprise. For all intents and purposes, it's the person ultimately responsible for the profitability of the enterprise. From a Transport Canada perspective, it puts a face on the certificate.

[Translation]

Canadian aviation organizations that have embraced SMS have found they have not only enhanced safety, they have also enjoyed the benefits of SMS for business, because risks are identified before they become an incident. Small problems are fixed before they turn into big ones. Reduced risks also mean reduced insurance rates and higher confidence, not only in the public sector, but within the industry as well.

[English]

Safety performance and economic performance can be linked, and that link can help drive a new era of aviation safety and security around the world. Accidents cost money—big money—and there are also the indirect costs of loss of business and time lost by injured persons. The bottom line is that better safety means better business for all our stakeholders.

In marine safety, the adoption of SMS in all modes of transport is a priority for us, so I want to touch on marine and rail as well.

I'll start with marine.

[Translation]

Safety management systems were mandated for Canadian international shipping through the 1998 Canada Shipping Act Safety Management Regulations. These regulations were developed to ensure that Canada met its international obligations. In 2002, they were expanded to cover most vessels over 500 gross tons making international voyages.

Canada has, on average, 60 ships and more than 20 companies engaged in international shipping that have obtained full statutory certification for their safety management systems. While Transport Canada does not have mandatory application of these SMS regulations for Canadian domestic shipping, we have successfully promoted voluntary adoption.

●(1115)

[English]

Today, there are approximately 15 Canadian companies and 155 ships operating domestically that have voluntarily adopted and obtained certification for their safety management systems.

The marine safety directorate continues to support the adoption of the International Safety Management Code and is examining ways to increase the code's implementation within the Canadian marine industry. This code provides an international standard for the safe management and operation of ships and for pollution prevention. It does this by addressing the need for a commitment to a safety culture at all levels of the company or organization, including management, masters, and crews.

[Translation]

Similarly, the Railway Safety Management System Regulations came into force on March 31, 2001, requiring all federally regulated railway companies to implement a safety management system.

Safety management systems provide the railways with a formal framework to integrate safety into day-to-day operations. Safety management systems also provide Transport Canada with a consistent basis to monitor safety performance and compliance with regulations through auditing and analysis of performance indicators and other safety data.

Furthermore, Transport Canada has a regular inspection program in place as well as a mechanism to audit railway infrastructure, equipment and methods of operation to determine the level of compliance with established regulations and standards as set out in the Railway Safety Act.

[English]

Transport Canada investigates all rail concerns raised by stakeholders and the general public to determine whether or not the concern constitutes a threat to railway safety or non-compliance with the Railway Safety Act and associated regulations.

[Translation]

Following the increase in Canadian National Railway mainline track derailments in 2005, the department took immediate action to address this upward trend. This resulted in a number of initiatives by the railway including increased track inspections that has brought about a significant reduction of track-related derailments in the past few months.

[English]

In closing, Transport Canada is working closely and diligently with the Transportation Safety Board, whom you met on Tuesday, as well as stakeholders and labour to continue improving the safety of Canada's transportation system.

[Translation]

Transport Canada is, first and foremost, a safety organization, and Canada continues to be internationally recognized as a leader in transportation safety, and we want to maintain this reputation.

[English]

In practical terms, that means a safe transportation system where everyone involved works together on the regulations that impose rules focused on safety results and are designed, where appropriate, to give industry the flexibility to be innovative in meeting those safety outcomes.

[Translation]

We would now be pleased to answer any questions you may have.

[English]

The Chair: Thank you, Mr. Grégoire.

Just to advise the committee, Mr. Julian had to step out, but when he comes back in we'll work him back into the schedule—just so everyone knows what I'm doing.

Mr. McGuinty.

[Translation]

Mr. David McGuinty (Ottawa South, Lib.): Good day, Mr. Grégoire.

[English]

Good morning, Monsieur Bourdon, Monsieur Preuss, and Mr. Nash.

I just wanted to go through your presentation and ask a couple of questions. I wanted to focus a little bit on aviation safety at the outset.

You talk about safety management systems, SMSs, not eliminating the regulatory framework. You talk about the potential costs—big money—indirect costs of loss of business, and time lost by injured persons, and so on.

Can you tell us a little bit about brand? I used to act for oil and gas companies, and one of the things we learned by watching a Canadian company called Talisman Energy Inc. operate in Sudan at a time when Talisman was operating with the regime running the country of Sudan was.... There's a well-documented case in business circles they call the Talisman discount, or Sudan discount—the incredible brand impact on Talisman's worldwide operations—just as Texaco has faced. And I'm sure Air France is facing similar challenges right now post its Toronto accident.

If there is a major accident, what is the impact on a major airline's brand in terms of costs and potential downturn in customers, in terms of revenues, and so on?

• (1120)

Mr. Marc Grégoire: My colleagues in the economic portion of the department would be better placed to quantify this, but the impacts are quite devastating.

If an airline crashes a big aircraft, or if a small airline crashes a small aircraft, the impacts are quite important to that company,

especially if they are recognized as guilty of not having not followed the rules.

It all depends on the circumstances. Accidents cannot be eliminated totally. We have had some companies in the past that had crashes and lost lives, but that were able to demonstrate publicly, with our support, that they were operating in a very safe manner but had had an accident. In other cases accidents have led to closures of companies.

Accidents can have an impact on brand, and they can have an impact on insurance. If a company has one or more accidents, normally their insurance, like your car insurance, will go up. If a company has a number of accidents, the insurance may drive the company out of business faster than we could, if that company has followed the rules.

Mr. David McGuinty: Can I ask a related question with respect to aviation safety?

You talk about the person ultimately responsible for the profitability of the enterprise putting a face on the certificate, which would, I assume, help ratchet up the implementation of SMSs in the aviation sector. Does your SMS compel lenders?

A large number of aircraft in this industry are leased—financed, not owned—by the companies in play. The Irish, I think, still dominate the leasing market world-wide. Are there any provisions in the SMS, or is there a reach-back for liability purposes to the lenders?

Mr. Marc Grégoire: No, it's strictly to the CEO, the main shareholder, or the owner of the company. If he rents aircraft, he must maintain them to our standard. If he has a problem, he is accountable.

Mr. David McGuinty: Is the SMS a condition precedent of receiving financing or of being able to lease airplanes?

Mr. Marc Grégoire: No, the SMS is an overlay. It's an umbrella regulation that sits above all of the regulatory structure we have now. It's not replacing anything; it's added above the regulations.

Mr. David McGuinty: If a Canadian airline company is leasing planes, then, it must warrant that it's in full compliance with Canadian standards and Transport Canada regulations, which would include an SMS. Is that correct?

Mr. Marc Grégoire: Yes...well, an SMS for some companies; an SMS has not been imposed on all companies yet.

Mr. David McGuinty: Thank you.

You mention on page 4 that there are on average 60 ships and more than 20 companies engaged in international shipping that have obtained full statutory certification for their safety management systems. We do not have mandatory application of these SMS regulations for Canadian domestic shipping, but you're promoting voluntary adoption.

Why would we not have mandatory application of these SMS regulations for domestic shipping?

Mr. Marc Grégoire: It's because we're not there yet. We may get there. We're talking with industry at this point in time. We have them for big ships because those big ships have to be certified under SOLAS class, "Safety Of Life at Sea", under the International Maritime Organization. It varies between approximately 60 and 66 ships. We would encourage people to "go SMS", as we did in aviation, for instance. Then we will regulate when we feel the industry is ready.

• (1125)

Mr. David McGuinty: Fifteen Canadian companies and 155 ships operating domestically have voluntarily adopted. How many have not?

Mr. Marc Grégoire: We would have to do a subtraction here. It may be half. It's probably the smaller ships, because most of the big ships would have adhered. There are roughly 200 big ships, including the 66—or 60, now—SOLAS-class vessels. It would be the smaller ships that wouldn't have adhered, and there are tens of thousands of those, if you include the fishing fleet and the small commercial fleet. There are a lot of those.

We are now looking at what other countries are doing in the maritime environment to see how we can tailor the SMS approach to smaller operators. We can't require the same complex framework as for a big company from a small company or an operator of just one ship or one boat.

Mr. David McGuinty: I'm not sure if my colleagues want to jump in here on any questions, but lastly, there is no reference in your text or in your presentation to...except for in the very beginning, where you talk about the sustainability of our transportation system. I'm never sure if that means the economic sustainability or sustainability in the sense of sustainable development.

Mr. Marc Grégoire: The way I like to explain this is that in Transport Canada we have three main pillars: the economy, safety and security, and the environment. If you have those three pillars in balance, *en équilibre*, then you have sustainable transportation. If I want to push this for safety, for instance, if you want to have absolute safety, stop everything from moving, then you will have absolute safety. The safest day we had in the last 60 years in aviation was September 12, 2001. No aircraft moved. There wasn't a single accident or incident, but that's not good for the economy. It's good for the environment, though. Those three have to be in balance in order to have sustainable transportation.

To answer your question, it's for both: economically speaking and environmentally speaking.

The Chair: Mr. Laframboise.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): I am all for you trying to achieve this balance, but I think that you have focused all your efforts on a management system that, ultimately, requires the industry to use voluntary compliance with regard to safety. You have given some examples, and I want to try to proceed sector by sector.

There has been a railway safety management system in place since 2001, but the number of accidents increased in 2005 and the department took immediate action. However, you have a regular inspection program.

How is it that there were more rail accidents in 2004 and in 2005 if you had an inspection system in place and if, since 2001, the industry was using voluntary compliance? In my opinion, it is because the inspection system was not working. What other explanation could there be?

Mr. Marc Grégoire: A safety management system requires a profound change in culture that does not happen overnight. It takes a great deal of time before the companies and the operators, both in the rail, air and marine sectors, fully embrace the SMS philosophy. We estimate that this will take between eight and ten years. We are currently taking our first steps toward changing this culture.

We have a very good record. There was a drop in the number of accidents in nearly all modes of transport, except in 2004 and 2005 in rail transportation. We admit that and we are addressing the situation, but we have not managed to generate a significant drop in the rates. Only minor changes have been made. We are trying to see what we could do to generate a significant change and lower these accident rates. After numerous discussions with international risk management experts over the past ten years, we asked ourselves the following question: would our transportation system in Canada be safer if a Transport Canada inspector were placed on each plane, boat and train? Would it be safer than it is today? Would we succeed in lowering the accident rate?

I want to make an analogy with road transportation. If there were a police officer in every car, would the roads be safer? All the experts have said no. In order for road transportation to be safer, the operator must integrate the philosophy that security takes precedence over all else.

• (1130)

Mr. Mario Laframboise: Mr. Grégoire, you are saying that it will take between eight and ten years to integrate the system into the industry. What do you intend to do in the meantime? Instead of you saying that the industry will take eight to ten years to embrace voluntary compliance, we should have had more track inspectors. But you didn't do that and the problem has gotten worse.

On another note, the Quebec City Bridge is rusting, and no one can agree on what to do. So the problem continues. It is really something. We are talking here about the Quebec City Bridge, which is not hidden in the backwoods. No one can agree on who should paint it. Based on what you are saying today, I think we can expect that it will fall down and then we will hear, "What a pity that there was a problem with the Quebec City Bridge."

You must understand that we represent the public. People are having trouble following you, because no decisions have been made. Furthermore you have opted to let the industry discipline itself. This leads me to the marine industry where the problem is even more apparent. Those people are operating on a voluntary compliance basis. You have even made it optional whether they get a certificate or not.

As you know, a boat hit a bridge in Quebec two days ago. We are being told that there may have been a mechanical problem with the rudder. Can the public be content with the way that Transport Canada is monitoring ships on the river? The legislation regulating the marine sector was implemented in 1998. Since you are talking about a 10-year period, we can expect that, by 2008, these measures will be implemented, unless you expect people in this industry to be able to voluntarily.

Mr. Marc Grégoire: Mr. Laframboise, this does not mean we are going to cease our activities. It is not about our withdrawal, as I've already explained. The SMS is an addition to regulations already in force. This is the case in aviation. We think that this will allow us to take a step forward and reduce the accident rate. Nonetheless until the SMS are in place, there will be accidents, and Transport Canada will take measures, as it has done in rail transportation. In fact, a large number of inspectors audited CN. This company then implemented the necessary measures.

Mr. Mario Laframboise: I will stop you there, otherwise I will run out of time. You have opened the door for me and I will take advantage of this opportunity to talk about civil aviation.

With regard to civil aviation inspections you are restricting your inspectors' training budget, meaning your own employees. As least this is true for inspectors in Quebec. You are telling me today that you are not going to withdraw. I would recommend that you go and talk to your inspectors. According to them, they are not getting enough training, and it's because you have cut the budget. They also say that you are telling them that a management system is being implemented and that companies will take more initiatives.

It appears that you are cutting civil aviation budgets. In fact, in all sectors, you are limiting your own capacity to conduct follow-ups. I am far from convinced that this is in the public interest.

Rail accidents, shipping accidents and the air transportation situation lead me to believe what the people working on the ground are saying, meaning that you are cutting your inspectors' training budgets.

You think that the industry is able to implement voluntary compliance. For my part, I believe that we must maintain oversight and that the government must play a role in inspection. If you think leaving the industry to its own devices is a success, I can tell you that, to date, this is not true. At the very least, you have not managed to prove to me that things have improved.

Mr. Marc Grégoire: I see that I still have some work to do to convince you, but we have all the time we need. I do not know where you are getting your information that we reduced training budgets. To the best of my knowledge, civil aviation inspectors are on the contrary those who, throughout the department, have the largest training budgets. Unfortunately, I do not have the figures at my fingertips. Quite often, their colleagues from the rail and maritime sectors envy them.

• (1135)

Mr. Steven Blaney (Lévis—Bellechasse, CPC): I would like to start with a personal anecdote, Mr. Chairman. Since the House is adjourning soon, we can take some liberties.

In the winter of 1987, I was an engineering trainee at the Dorval airport. I was part of the marine navigation group, and I conducted a study on the acoustic environment. I can tell you that the commitment of the people there towards transportation safety is not new, since Mr. Grégoire was my supervisor at the time. He took me to Sept-Îles twice by plane. Our assistant deputy minister is also a pilot. So he must know what he is talking about when he talks about aviation safety.

I am pleased to be here with you today, Mr. Grégoire. I became a politician, but I am still interested in transportation and infrastructure.

My riding has the largest Canadian shipyard, the Lévis shipyard. On page 4 of your presentation, you say:

Canada has on average 60 ships and more than 20 companies engaged in international shipping that have obtained full statutory certification for their safety management systems. While we do not have mandatory application of these SMS regulations for Canadian domestic shipping, Transport Canada Marine Safety has successfully promoted voluntary adoption.

Are there any operators who have not yet signed on to the system? Would it be desirable to go from a voluntary approach to a mandatory one by way of legislation?

Mr. Marc Grégoire: We do not need legislation. We are currently rewriting the entire regulatory framework, which will permit the enactment or coming into force of the Canada Shipping Act of 2001.

We still do not have draft regulations to make SMS mandatory, but the SMS are part of our priorities for 2010 or prior to that, for all modes of transportation. We are currently examining the issue.

The priority until 2007 is to rewrite all of the regulations on marine safety, as we are still subject to the Canada Shipping Act, which is very old.

In 2001, Parliament introduced the Canada Shipping Act of 2001, but we still need to rewrite some regulations before the act comes into force. We are focusing our efforts on that task.

[English]

Bill, are there more discussions on SMS for other ships?

Mr. William J. Nash (A/Director General, Marine Safety, Department of Transport): With respect to making it mandatory in the domestic area, there aren't. We have found, though, as mentioned, that a great number of the larger vessels across Canada—pretty well all the Great Lakes fleet—are voluntarily complying with SMS. There is an interest among certain operators of tugs on the west coast in bringing in safety management systems that will possibly enable us to reduce some inspections and work with them on a pilot project.

So we are working at various ways and means to encourage and promote.

Mr. Steven Blaney: You don't feel, then, the need to make it mandatory to increase maritime security?

Mr. Marc Grégoire: We're still looking at it, and looking at this question throughout. We're having the same kinds of discussions with the smaller aircraft that are not subject yet to the regulations.

[Translation]

Mr. Steven Blaney: We have spoken at great length about rail transportation. If I understood correctly, the additional inspections are conducted by the railway companies. Can Transport Canada do its own inspections of the rail system and does it have inspectors to do that?

Mr. Marc Grégoire: My remarks were undoubtedly unclear. Both the railway company and Transport Canada can do inspections. We have 105 inspectors throughout the country for the rail sector.

Last summer, following some accidents, we notified CN that we would be much more active in its area of activity. We inspected a large number of tracks, rail yards, and trains. We subsequently imposed on CN a series of measures ranging from speed reductions in certain places, to changes in its operations. For its part, CN implemented a number of measures to enhance safety. The impact was positive right from the start of the year.

Luc Bourdon can provide additional details.

● (1140)

Mr. Steven Blaney: Can you ask CN to invest to improve its rail infrastructure, or are we talking more about measures like speed reduction?

Mr. Marc Grégoire: Since CN is a private company, we cannot force it to invest. However, after we mentioned that the tracks should be improved in several places, CN willingly accepted to invest approximately \$1.5 billion this year in infrastructure. A dialogue is in place between the two parties.

However, safety rules must be respected. If we feel that a segment of track is not safe for a train travelling at 60 miles an hour, we can impose a speed reduction. CN must subsequently, as any company would do, invest capital to make the necessary improvements.

Mr. Steven Blaney: Will the safety management system reduce the number of accidents? Will Transport Canada withdraw once the security systems are all in place? Once the operator has understood the safety management system, do you expect to withdraw or use a different approach at Transport Canada?

Mr. Marc Grégoire: That is more or less it. It is not a withdrawal, but a different approach. If an operator can convince us that its operations are very safe and comply with all Transport Canada acts and regulations, we will not need to be involved as often.

We are currently training our inspectors to evaluate and verify the safety management systems. If an inspector is convinced that the safety management system works well, that the problems are reported by the employees, and that these problems are dealt with on a priority basis by taking remedial measures, we do not need to be involved as often. However, if we find that the safety management system is not working, we will take strict action, in all cases.

[English]

The Chair: Thank you, Mr. Blaney.

Mr. Bell.

Mr. Don Bell (North Vancouver, Lib.): Thank you.

I have a question. First of all, how much is your Department of Transport budget annually?

Mr. Marc Grégoire: I'm sorry, I didn't bring the Transport Canada budget. I don't have the overall departmental budget. I have my own budget, but not the whole—

Mr. Don Bell: What is the budget for SMS?

Mr. Marc Grégoire: I don't have an SMS budget; I have a safety and security budget. If we start by talking about people, in Transport Canada we have about 5,000 people, roughly speaking, and 3,400 of them are working in safety and security. Of those 3,400, about half are in Ottawa and the other half are separated into five regions in roughly 65 offices across the country.

I can go deeper into details—

Mr. Don Bell: Let's go back to the 5,000 employees you have. They're in what—in Transport in total, of whom 3,400 are in safety and security?

Mr. Marc Grégoire: The others are in programs operating the ports we still own, or in airports, and we have employees in corporate services, in finance, in HR, in communication, in informatics, and in policy, developing the economic policy of the department. There's a group in programs for the environment...

Mr. Don Bell: What is your budget, then, for safety and security?

Mr. Marc Grégoire: For safety and security for 2006-07, our overall budget is \$421 million for all of safety and security across the country. I can break it down by mode, if you're interested, but I have to know—

● (1145)

Mr. Don Bell: I just wanted to get an order of magnitude.

How long have you been using this SMS program? How long has it been going? It's relatively new, isn't it?

Mr. Marc Grégoire: It is very new. We started the reflection on the need to make the shift about 10 years ago, in the mid-1990s, when we were seeking ways to improve safety. We started to implement it through various regulatory measures about five or six years ago: in 2001 in rail; in aviation it's more recent. The conversation or dialogue with the stakeholders and all the parties affected has been going on for many years, but the first regulation in aviation came a little over a year ago.

Mr. Don Bell: I'm jumping around because some of the questions I was going to ask have been answered.

Going back to the issue of marine safety, you talked about the number of ships. My colleague asked the question about the number of Canadian companies and you indicated there were thousands, which takes into account even fishing vessels, etc.

On the international shipping, where we have 60 ships and more than 20 companies, what would that represent as a percentage of the international market for us?

Mr. Marc Grégoire: That is a very, very small portion of the international traffic. Canada is a small maritime country.

Mr. Don Bell: Okay, let me put it the other way. Of the Canadian companies involved in international shipping, what percentage do these 20 companies and 60 ships represent?

Mr. Marc Grégoire: You mean, how many ships are flagged as Canada by the Canadian owners?

Mr. Don Bell: That's what I'm presuming. You're saying the 60 ships are flagged Canadian.

Mr. Marc Grégoire: They are flagged in Canada, yes.

Mr. Don Bell: And is that 100%?

Mr. Marc Grégoire: Oh, no, it's not 100%.

Do we have those figures?

We can't answer that at this point in time. We could research it.

Mr. Don Bell: We would appreciate that information, to get an idea of how far-reaching the program is in terms of penetrating the potential...particularly on the international side, which has the larger companies you mentioned, which I presume are perhaps more easy to regulate.

Mr. Marc Grégoire: But actually, those companies that are Canadian and that would have flagged their vessels in other countries, such as in the Bahamas, for instance, would meet the same requirement for safety management systems, because this is a requirement of IMO. Over 150 countries are members of IMO and they are all subject to the same IMO standards and obligations.

So if a Canadian company has a ship weighing over 500 gross tonnes, which is a big, big ship, and they decide to register it in the Bahamas' register—they have a big register there—they have to comply with the same regulation. Our Canadian regulatory framework for those ships is copied, if you want, on the IMO standards.

Mr. Don Bell: With regard to rail, you talked about the problems that CN had in 2005 and you said that has improved in 2006. What was the commonality—if there was a commonality—in the problems that existed? Was it length of train? Was it condition of track?

Mr. Marc Grégoire: I'll let Luc answer that.

Mr. Luc Bourdon (Director General, Rail Safety, Department of Transport): We had a total of 53 inspectors on CN for a month. We looked at over 3,000 boxcars, 230 locomotives, over 900 crossings, 156 warning systems, and 2,000 miles of track. We made 386 observations for operating practices. There were several deficiencies, at different levels, that were addressed by CN.

For instance, we found a rate of about 21% for defects on cars. Those cars may not have led to a derailment; they were at several levels. We found a rate of defect of about 53% on locomotives, which also would range from something very minor.... We didn't find anything during those inspections that could cause a derailment, but we felt enough concern to ask CN to address all those problems. It was the same thing with track; there were some deficiencies that were fixed. Between us and CN, there were 36 slow orders that were imposed throughout the system.

• (1150)

Mr. Don Bell: I guess in British Columbia—I'm thinking of the Cheakamus and the others—one of the problems was the length of the trains and perhaps some of the crews who were not familiar with the geographic terrain.

The Chair: Mr. Carrier

[Translation]

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

Good morning, Mr. Grégoire.

I would like to talk about aviation safety. In your presentation, you say that accidents are very costly. Nowhere do you mention the human aspect of accidents. We represent the people, and their feelings about aviation safety are not necessarily linked to the loss of an aircraft or to material damage, but more so to the loss of their loved ones who were on board.

It is astonishing that that was not mentioned in your presentation, where you say:

In aviation, the new safety policy makes the person who has the power to impose a new policy, lead its implementation, fund it and sustain it, accountable for the safety performance of the civil aviation organization.

Focusing on the profitability of airlines is not a bad thing in itself, but the human dimension must be dealt with. Does the fact that there seems to be little concern about this dimension have any influence on the study that you are currently conducting on the ratio of flight attendants, which is currently being discussed in your organization and on which we have still not yet received a report? Do you take into account the human dimension in your assessment of corporate profitability, like during the accident in Toronto last year, where it was acknowledged that, thanks to the flight attendants, the evacuation took place safely and without any personal injury to the passengers?

Mr. Marc Grégoire: That is a very good question and I'm sorry if I gave the impression that the human aspect was not important. Our work is to save lives and improve safety. That is why we are proposing safety management systems.

The human aspect is a different one. We identified key elements that enabled us to improve air transportation safety over the last 60 or 70 years. Several technical improvements were made. In the early 1960s, we improved the reliability of plane engines by introducing jet powered airplanes. This was followed by some very significant improvements in electronics and air navigation. We did almost everything possible in terms of technical improvements in order to further reduce the number of accidents.

Safety management systems focus primarily on people. What can people, who intervene at various levels within an airline, do to improve safety? How can we improve communications between airline employees, who are all safety and aviation professionals? What can we do to enable them to report on what is not working within the company, without running the risk of being punished by that company? These are people, professionals, who are raising shortcomings and encouraging the business to examine them and do something to resolve them.

The whole philosophy of the SMS is based on people. I'm very pleased that you raised that question.

Allow me to respond to your question about flight attendants. Transport Canada would not make any recommendations that would decrease aviation safety. We demonstrated that in 2001 when we rejected a proposal concerning flight attendants because we were convinced that that would lead to a decrease in safety.

The proposal we have before us today is not the same as the one we had in 2001. We are sure that the level of safety under a 1 to 50 ratio would be equivalent to that under current regulations that provides for a 1 to 40 ratio.

I could provide you with more details but I don't want to take time away from questioning.

• (1155)

[English]

The Chair: Very briefly.

[Translation]

Mr. Robert Carrier: We will discuss this in greater depth at another time.

Bill C-11, which has received first reading, deals partly with rail safety. How will it improve safety?

An hon. member: Bill C-11? That will most certainly not affect safety.

Mr. Robert Carrier: This is a bill that amends, among others, the Railway Safety Act. It was tabled by the government on May 4, 2006 and we will be undertaking its consideration in the very near future. I simply wanted to hear your opinion.

An hon. member: You have it.

Mr. Robert Carrier: Will it lead to improvements? Is it merely a title?

An hon. member: Yes, its merely a title, because in the end, safety will not be improved.

Mr. Marc Grégoire: You won't find safety proposals in it.

Mr. Robert Carrier: So it involves technical amendments?

Mr. Marc Grégoire: Yes, that is right.

Mr. Robert Carrier: Thank you. That is what I wanted to know.
[English]

The Chair: Right.

Mr. Fast.

Mr. Ed Fast (Abbotsford, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for appearing before us today.

Mr. Marc Grégoire: It's a pleasure.

Mr. Ed Fast: As you know, last week, or actually at our last meeting, we had the Transportation Safety Board appear before us. I asked them a question regarding the relationship between the work they do, which is primarily investigative, and the enforcement functions, which they, of course, don't perform.

Am I correct in assuming that enforcement is your role?

Mr. Marc Grégoire: Yes, you are correct.

Mr. Ed Fast: All right. So it's within your mandate to lay charges, where that's appropriate, and take such other enforcement proceedings as required to keep our various modes of transport safe?

Mr. Marc Grégoire: You are correct. That's why we have been given the resources to do so by the government. We have 1,381 inspectors in the various modes doing just that.

Mr. Ed Fast: How many charges would you have laid in the last year?

Mr. Marc Grégoire: Oh my God, a lot. But it depends on the mode.

Mr. Ed Fast: Well, let's talk about the modes.

We've talked about three already: rail, marine, and air. What's completely missing, and it surprises me, is the whole issue of transportation on our highways and roads. I believe I'm on safe ground in suggesting that by far the majority of loss of life, loss of limb, injury, and probably property damage comes on our national and provincial highways.

Mr. Marc Grégoire: Yes, by far, by thousands more. Many thousands of lives are lost on the roads every year.

Mr. Ed Fast: Am I correct in assuming that you didn't raise that as one of the three major modes of transport due to the fact that the provinces, for the most part, have jurisdiction over much of that?

Mr. Marc Grégoire: Yes.

I also have a branch of road safety. It's quite different from the aviation or marine environments; they are solely federally regulated.

In the road safety environment, it's a shared responsibility with the provinces and territories. We legislate and regulate in regard to the vehicles themselves—the new vehicles, the construction of vehicles, the bumpers, seat belts, airbags. We regulate all of those facets.

We also regulate the National Safety Code for Motor Carriers, so the trucking industry is shared regulation. For instance, we have regulation on hours of service, which was looked at in depth by this committee a few years ago. This is shared. So we have to promulgate a regulation on the federal level, and then it has to be implemented by all the other administrations throughout Canada.

We do not enforce directly. We have MOUs—memorandums of understanding—with the provinces for the enforcement of the National Safety Code. So it's done by the safety inspectors of the provinces, but with some of our money through an MOU.

● (1200)

Mr. Ed Fast: Just following up on the whole issue of enforcement, do you typically react to recommendations that come from the TSB, or do you start your own parallel investigations when there has been an accident?

Let's talk about rail, for example. Say we have a derailment. The TSB investigates. I understand from the TSB that because their mandate is limited to the investigation of accidents and the making of recommendations, they don't lay charges; they don't enforce. In fact, evidence gathered by them typically would not be used in enforcement proceedings that are commenced by your department.

Am I correct in assuming, then, that you would have a parallel investigation to that conducted by the TSB?

Mr. Marc Grégoire: You are correct, but it's not systematic. First of all, it's not all accidents that are being investigated by the TSB. It's the big accidents, and they have ratings depending on what kind of accident.

So we may have a parallel investigation at the same time as TSB is running one, or we may do it after, or we may do an investigation even though TSB wouldn't do one. All cases are possible.

Mr. Ed Fast: Do you have access to the evidence gathered by the investigation conducted by the TSB?

Mr. Marc Grégoire: We see all the evidence because we have an observer. The minister appoints an observer for all major TSB investigations. As soon as the TSB goes to the site of an accident to start an investigation, we appoint an observer to make sure whatever deficiencies found during the investigation are relayed to the minister through us, so we can act immediately to make any safety corrections needed.

For instance, if an investigator of the TSB found that some gizmo on a train was defective and could affect the whole fleet, we would need to know because we would have to contact all of the operators of that same thing. In the case of aviation, we might need to issue a directive to the whole industry. So that's why we have an observer.

I don't think we can use all of that investigation for enforcement. There's some of it we cannot use, and that's why we have a separate investigation.

Mr. Ed Fast: Thank you.

The Chair: Mr. Hubbard.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you, Mr. Chair.

We find that speed and track conditions are probably the most important factors. I brought this up just the other day at a previous committee. With the New Brunswick East Coast Railway, there have been certain sections of track where speeds have been reduced significantly over the last period of time. This is of great concern, not only to people who travel the rail but also to the economy of an area. How do you communicate those notices of safety requirements, in terms of changes or reductions in track speed?

This came to public attention at a meeting in Montreal of Transport 2000, which brought this information to the public. Are there other ways to get that message out to communities and to the stakeholders who are involved in those situations?

Mr. Marc Grégoire: Do you mean advise the population that we have taken action against a specific railway and have forced them to reduce the speed?

Hon. Charles Hubbard: Yes.

Mr. Marc Grégoire: The company is advised, but I don't recall that we do very many press releases on those actions.

Luc.

Mr. Luc Bourdon: New Brunswick East Coast is a provincially regulated railway, not a federally regulated one. We do some enforcement on them, but through a memorandum of understanding.

Hon. Charles Hubbard: You have me more worried now, because VIA Rail uses that rail line big-time. If we're not looking after the safety concerns on that line, I just wonder what kind of legislation—

Mr. Luc Bourdon: VIA Rail has an obligation to make sure the lines they're running on are safe. That's part of their mandate. They're not going to get into a contractual agreement if it's not safe.

Hon. Charles Hubbard: But did you not say to this committee that even though VIA Rail is a federal agency, they're not within your review? I thought a Mr. Landry in Moncton worked as part of your department and was involved with this.

So the line here about federally regulated railways.... Maybe some time we should have a list of those that are not federally regulated, because it means they're outside the review. I would be concerned about that.

Secondly, I want to ask you a little question here on the BC Ferries. Are they within your mandate?

● (1205)

Mr. Marc Grégoire: Yes.

Hon. Charles Hubbard: On some of the press releases about their safety people and what's happening with them, I'm not sure what degree of comfort people in British Columbia and along the coast would have, in view of the statements that are being made to the press.

You say, about the railway aspect, that stakeholders and others may complain, including the safety officer of BC Ferries. I don't want to put you on trial here on this, but it seems that he was complaining to somebody about safety regulations. Then when this accident happened he kind of disappeared. We wonder just what review you have done. Were there complaints about the safety of BC Ferries over the years prior to the accident last year, or is this a new issue that's simply coming to light in the press?

Mr. Marc Grégoire: We receive, I would say on a regular basis and in all modes, complaints about companies from the employees themselves. However, the vast majority come from competitors who complain that their competitor is doing such and such, which doesn't seem to be in line with the regulations.

We systematically, through our regional offices and through our Transport Canada centres throughout the country, investigate those. We take any safety concerns very seriously. I cannot imagine one of our professional inspectors rejecting outright such a complaint.

I don't want to go into the specifics of something that's—

Hon. Charles Hubbard: Getting back to the rail, I'm getting more concerned, the more I think about it. We're dealing with a railway company that's providing service to three provinces. Are we saying, then, that the Province of Quebec, the Province of New Brunswick, and the Province of Nova Scotia are responsible for the safety reviews of that railway line between Halifax and Montreal?

Mr. Luc Bourdon: Which line goes from Halifax to Montreal?

Hon. Charles Hubbard: Well, I don't think I should have to answer that question.

Mr. Luc Bourdon: Yes, but I don't know of any line other than CN that goes from Montreal to Halifax. I know which line goes there, but I don't know which one you're referring to.

Hon. Charles Hubbard: Is not part of that line owned by the New Brunswick East Coast Railway company?

Mr. Luc Bourdon: Maybe they own a portion of it, but not across the province.

Hon. Charles Hubbard: Could you tell me how much of that line is owned by them?

Mr. Luc Bourdon: I could look into it to give you an exact answer. But if it goes across several provinces, it's automatically a federal railway. If it's provincial, it's because it's confined to one province.

The line that links Montreal to Halifax is owned by CN.

Hon. Charles Hubbard: The line through McGivney is certainly owned by them, but the line from Moncton into Quebec, I believe, is owned by the New Brunswick East Coast Railway. Is that not correct?

Mr. Luc Bourdon: I doubt it.

Hon. Charles Hubbard: Well now, Mr. Bourdon, you should know. I mean, you're the man responsible. I would think you must know the line between Moncton and, we'll say, Matapédia in Quebec.

Mr. Luc Bourdon: Yes, we call it Chemin du Golfe et de La Matapédia. That's a provincial railway under the Province of Quebec.

Hon. Charles Hubbard: And it goes through the province of New Brunswick from the Campbellton area into Moncton.

Mr. Luc Bourdon: I don't think it does.

Hon. Charles Hubbard: Well, I travel it about every month, so I have a fair idea about it.

Sorry, Mr. Chair, sometimes—

The Chair: Maybe we could give you a chance to get back to Mr. Hubbard with that answer.

Mr. Luc Bourdon: Yes.

Mr. Marc Grégoire: I think we should provide, through the clerk, a full description of the federally regulated railway. That's not a problem.

We regulate 34, I believe....

Mr. Luc Bourdon: It's 36 in total right now.

Mr. Marc Grégoire: It's 36. We'll give you their names and where they go through. We'll give you a map.

The Chair: Thank you.

Mr. Storseth, go ahead, please.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you, Mr. Chair.

Thank you very much for coming today.

We had the Transportation Safety Board here at the last meeting. At several of our meetings, the topic of flight attendants has come up. I want to confirm what I think I heard here today.

Is there any scientific evidence that decreasing the trained cabin staff would significantly impact the aviation safety levels—like in the Air France incident?

• (1210)

Mr. Marc Grégoire: Well, let's talk about Air France. In the Air France accident in Toronto last summer there were 10 flight attendants, seven of which were qualified specifically for that aircraft, two of which were qualified flight attendants but not specifically for that aircraft, and one of which was a student.

Mr. Brian Storseth: Which would actually be an increase from what our current—

Mr. Marc Grégoire: Yes.

Flight attendants play a fundamental role for safety on the aircraft, especially in case of an accident, and they play their role very well. There's no evidence, to my knowledge, that having 10, 20, or 30 flight attendants will help to evacuate the aircraft. In that case it was an Airbus A340, and to evacuate the aircraft, *le pays, la France* had determined that for this aircraft you needed six flight attendants, but there were more.

In Canada today for an Airbus A340 carrying the same number of passengers, you would need eight flight attendants under the 1 in 40 rule. If we were to move ahead with the 1 in 50 rule, and if the airline was to choose that, because they would have to choose between one or the other, not by aircraft, not by flight, but for the whole fleet, if they chose to go there, you would still have eight. Our proposed 1 in 50 rule is not only the number of seats divided by 50, but it's also accompanied by a number of mitigating factors. For big airliners like the Airbus A340, one is to have a flight attendant for each emergency exit door. On this aircraft there were 297 passengers. So if you just take the pure ratio of 1 in 50, you would get six, which is the rule in France, by the way, and in a large number of countries. All European countries, the U.S., most Asian countries, to my knowledge as well, Japan, Singapore, China, and Korea are all under the 1 in 50 today. You would have had six. With our proposal, you would have eight flight attendants.

So this rule, depending on which way the company chooses to go, may in fact on some occasions bring more flight attendants into their fleet than what they have today. On some other occasions you may see a very slight reduction, but the slight reduction does not meet the reduction in safety at all.

Mr. Brian Storseth: Excellent. Thank you.

The other thing I want to talk about is safety management systems. Do we see the potential for better results in the safety management systems throughout the different sectors of transport?

Mr. Marc Grégoire: Absolutely. We're convinced of that. We are a leader in the world on this subject. We have been talking to international forums about this. On aviation, for instance, we spent a lot of time at ICAO, the International Civil Aviation Organization.

We are convinced that we have to go this route, and I will go back to Mr. Carrier's question. Why? Because it's going into the human element, and the goal is to bring safety to the centre of the preoccupations of a company. So what we want the CEO to do is to care about safety as much as about the bottom line.

You don't have to believe us. I would suggest you ask Air Transat; ask CHC Helicopter Corporation to come here and explain what the perspective was. How much did they gain? How much money are they saving today—Air Transat, for example, after having implemented SMS? How much has it improved the relationship between the employees and the employer, the atmosphere, the communications? Their testimony is probably more valid than ours as the regulator, and they have improved their safety record. They have fewer incidents.

• (1215)

The Chair: Thank you, Mr. Storseth.

Mr. Julian.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you, Mr. Chair. You got to me a little earlier than I expected, but I appreciate you rescheduling the intervenors.

Thank you for coming here today. Although I missed your presentation, I did read it. I'll start with the issue that you raised actually in your presentation. You said that we all know that quality risk management is based on quality information. You said that information must be free flowing and the reporting system must

encourage and accommodate both the proactive reporting of hazards and the negative reporting of incidents and accidents.

Now, we have Bill C-6 coming forward that actually would subscribe...from the Access to Information Act a lot of the reporting that currently one might be able to access. We've also had the issue around the civil aviation data reporting system and the fact that this is not accessible to people who used to be able to access that information.

My first question is, how does that jive with...? We're having more restrictions on the free flow of information, particularly around accidents or near accidents, and very clearly, you've made a statement that I agree with, that we have to have the proactive reporting of hazards. We must have quality information, and the public absolutely has a right to know when there are safety issues.

Mr. Merlin Preuss (Director General, Civil Aviation, Department of Transport): Mr. Julian, I think it's a very good question, and it comes up repeatedly. If you're to make a safety management system work, if you're to be able to find out what's going on in a particular operation, you need, as Marc has said and you've repeated, to have a free flow of information.

Frankly, one of the reasons why we need to provide some protection is that the first pass of this information has a lot to do with the associations that represent pilots and flight attendants, and they would very much like some protection from retribution. If there's any hint there's going to be retribution as a result of some report, then, fundamentally, the report will dry up. You won't get that information. Neither the government nor the company, nor for that matter the associations, will get that information. So we are asking for protections to be put in place for that purpose, to actually promote that free flow of information.

Now to the question of the public's right to know. I believe they do have the right to know and they will have access to that information, but only after it's met the privacy concerns. In other words, if I were to make a report and for some reason I'm culpable for something, and the company is going to take care of business, and the government knows how the company is going to take care of business, then the information that's about me should stay to the side, so that I will be encouraged to provide that information on an ongoing basis, and so will my confrères and my co-workers.

Once all that process is done, with the name removed, if you wish, all this information is available, and we'll be there to demand it on site with the people involved. But as far as the public goes, those things are reportable after the fact.

Mr. Peter Julian: I'll give you a specific example. I'm sure you're familiar with the *Toronto Star*, *Hamilton Spectator*, *Kitchener-Waterloo Record* series on air safety issues. One of the things they pointed out only a few days ago in an interview with four mechanics from Air Canada Jazz...according to those mechanics, there are repeated safety violations on a regular basis with Air Canada Jazz. They tried to use the internal company mechanism and got nowhere. Now those mechanics are suspended, as a result of actively reporting what was in the public interest.

So I come back to the issue of information. Here we have a system that allegedly has broken down internally. How does Transport Canada then intervene to protect the public safety, if we don't have access to that information to understand what is going on? I should note, the series took four years to produce—the *Star*, the *Spectator*, and the *Record*—going through freedom of information requests; that's four years to produce something that is in the public's interest to know almost immediately.

● (1220)

Mr. Merlin Preuss: In the particular incident you're referring to, we're in the process of determining exactly what was said to whom and when. We're in the process of determining if in fact there are any safety issues, and we'll be more than pleased to report back on that once we have the information.

With respect to the reporting systems that these gentlemen indicated they used, as of this point we have no indication that they used that system. The other aspect of this reporting requirement is that it's still not law, so what we're talking about in terms of what's going into the act, what we're talking about in terms of crucial elements of SMS...they're simply not in place yet. In fact, they're not enforceable, from our perspective.

I don't want to prejudice the case, because these people are put aside for now, but they are getting paid while the investigation goes through with Jazz and with our oversight.

Mr. Peter Julian: Thank you.

How much time is left? One minute, okay. I'll put my final two questions out then.

We've had SMS with rails, and we've seen, certainly in the last year, a record number of accidents, including in my area. So we have it in place and it doesn't seem to have worked. I'm wondering to what you attribute the high accident rates from last year, which is 2005.

Secondly, the issue of flight attendants is something that has been an issue, as you know, and the real concern is about the lowering of safety standards there. In countries like Australia, they actually have better safety standards with the number of flight attendants to evacuate passengers in the event of an emergency. New Zealand actually has a similar system to the one in the United States. What is the differential?

Mr. Marc Grégoire: If I may, I'll answer those questions, which I did answer, by the way, when you were away.

On the first question on SMS, SMS implementation is a cultural change. As I explained before, we cannot expect to see major shifts or major safety improvements from one day to the other. We're trying to implement this, and we're trying to instill cultural change

throughout the transportation industry in Canada, but it could take years before we see the benefits of that implementation. I could come back later to explain more about this.

On the proposal that we now have for flight attendants, first of all, we are convinced it does not affect the level of safety. If it did, we would not propose it. We're in the safety business, and we're there to maintain or improve safety, not to reduce it. You may hear or you may have heard different points of view on that issue, but we are pretty much convinced that we are not reducing it.

There was in fact a proposal made in 2001 to change the ratio of flight attendants, and we rejected it because we felt it wasn't safe. The proposal that's now on the table has nothing to do with that proposal. The 1 in 50 that we're now proposing is accompanied by a series of mitigation measures, which make it equivalent to the 1 in 40 rule that we have now.

You talked about Australia. We know that the ratio is different in Australia. We also know that in all European countries, in most Asian countries, and in the United States, an approximate percentage of 90% of all the travelling public in the world is using a 1 in 50 rule. We have no evidence in any of those countries that the lack of flight attendants has been the cause of death for people.

The Chair: Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

Thank you to the guests who provided time today to give us testimony.

I want to confirm this on the record, because the translation in French says one thing and the English says another. Mr. Storseth actually asked the question. I only want to note that the English translation said the opposite of what you are trying to get at, which is that it wasn't as safe. I wanted to confirm that, and you have confirmed the stewardess ratio to Mr. Julian.

Mr. Julian, I would encourage you to read the transcripts, because it was very clear.

Nevertheless, I know the previous government started this SMS procedure, or they worked on it for pretty well the past 13 years. It has been adopted in many other countries, including Australia, the U.S., and the U.K. Is that correct?

● (1225)

Mr. Marc Grégoire: You're talking about SMS.

Mr. Brian Jean: Yes.

Mr. Marc Grégoire: No, not in the U.S.

Mr. Brian Jean: Are they working on a similar system now?

Mr. Marc Grégoire: They are working on it, and we are talking to them. One of the leaders was actually New Zealand.

But I should mention that safety management systems throughout the world started after the Bhopal accident in India. That was really when people started to wonder about how to improve safety in our industry. It started in the chemical industry before anywhere else. For aviation, rail, and marine, we have been importing what was learned in the chemical industry.

Mr. Brian Jean: I was actually aware of that and I have studied this somewhat. It seems to be a lot of people are very encouraged by what's happening in other parts of the world.

I'm wondering about the organizational structure. What exactly is the organizational structure? You have such a wide mandate on system security. Do you change it by the mode of transportation? Do you have different SMS structures to prevent it for each mode of transport?

Mr. Marc Grégoire: Yes, SMS implementation differs among the modes, and I should say that it differs between safety and security. But in our vision for 2010, we have included the goal of implementing SMS throughout.

This year in aviation, for instance, we're implementing IMS, which would be SMS but inside our own organization. We're analyzing the actual differences among SMS in all the modes to make sure we learn from the experiences of all the modes. Wherever we think it should be increased, we will increase it.

We haven't talked about security today. On the security side, we would like to introduce the same concept and call it security management systems, rather than safety management systems. Both safety and security management systems would be integrated into the operation of an airline, for instance.

Mr. Brian Jean: You mentioned you have a subcategory between safety and security in each mode of transportation. Is there any other subcategory that you haven't broken down for the modes, or any other kind of category for which you would separate the SMS system?

Mr. Marc Grégoire: We have started with the big operators now, both, as I explained before, in marine, and in aviation, and in the rail. Actually, the first three companies to embark on the process were CN, VIA Rail, and CP. These are the big ships in marine, and in aviation what we call the "705 regulation", the Canadian aviation regulation number 705, which is the companies operating aircraft with 20 passengers and more. So these companies now are regulated, and we're now looking at means and ways to introduce the concept to smaller companies, eventually including airports, flight schools, and small ships. New Zealand, for instance, has introduced a concept, a simple SMS framework, for sail schools. So it's a very small operation but a simple system.

Mr. Brian Jean: Excellent.

My questions are quick because I don't have much time. Did you develop all of this yourself, or through the department? Or did you look at other jurisdictions that are utilizing it or developing it, such as the United States, and work with them on it?

Mr. Marc Grégoire: As I said in the beginning, we consulted a large number of international experts in risk management. Then we looked at what the chemical industry was doing. We did hire a consultant to see how we should establish this. We did look at what

was going on around the world. But what you see now in the various modes, in the end product, is the product of our own professionals working in the various groups.

Mr. Brian Jean: I have a very small question. I'm very interested in the safety of the environment because I think long term that's going to damage all humanity, especially Canadians. What's being done today for rail that wasn't done a year ago? We've had some accidents; we've had some mishaps. Is there anything that's changed, that the department has done, besides handing out tickets, to ensure the environmental integrity of some of these larger chemical transportation issues?

Mr. Marc Grégoire: Is that a rail question?

Mr. Brian Jean: Yes, it's more of a rail question because I think that's primarily what happens.

● (1230)

Mr. Luc Bourdon: Could you just repeat that?

Mr. Brian Jean: I'll try. I'm wondering if anything is being done differently today compared to a year ago in terms of, in essence, the rail transportation of dangerous chemicals that would have environmental integrity problems.

Mr. Luc Bourdon: Other than the measure we took by putting special emphasis on track and on some of the equipment, no, we're just more out there than we were before.

Mr. Brian Jean: I'm just going to say that being from Alberta, most of the complaints I have from these areas that have been part of this has been about speed. It was mentioned by one of the other members, and I think it's something that certainly should be looked at immediately.

Mr. Luc Bourdon: Train speed is determined by the track safety rules, and actually if they meet the parameters we have in the track safety rules, that's how we allow speed. When we inspect the track, there are six different categories. If the condition of the track meets, let's say, a class one track, then it will be a certain speed. If it meets a class six track, it will be a certain speed. It's up to the railway, actually, to maintain their track to the speed they want to use.

Mr. Brian Jean: Is there any way to get that tabled, Mr. Chair, so we can take a look at those six levels?

Mr. Luc Bourdon: We can provide that to you, yes. No problem.

The Chair: I am going to allow one more question each to the people on my left, about two or three minutes.

I do have one brief question, if I may, Mr. Grégoire. You mentioned about going after—it's not the right term, but dealing with the smaller companies, particularly in the air industry. One of the concerns I've heard from some of the small ones—and I know you emphasized economics and safety in your briefing—is that there is a big concern about the burden that may be applied to not only small airports but the small industry, the mom-and-pop industry of the airline service. I don't know if I put that out there as a caution or just to make sure it's part of the consideration and deliberations that take place.

Mr. Luc Bourdon: Merlin is anxious to answer.

The Chair: Sure.

Mr. Merlin Preuss: I'm always anxious to answer, Mr. Chairman.

Frankly, this has been the single outstanding issue from the industry's perspective: what about this burden? We are getting very close to the end in terms of analyzing the pilot projects that have been out there now for the better part of a year. The conclusion we've come to so far—and I must admit it's preliminary, and I haven't had a full briefing myself—is that the big difference we see between how we need to implement it at Air Canada, for example, or at Nav Canada, or at the Pearson airport and the smaller areas, is we're simply going to have to provide them with more tools up front, rather than their developing them themselves. But the results are the same. The complexity, of course, will be less because the operations are less. We're quite positive we're going to be all right.

The Chair: Thank you.

Mr. McGuinty is next.

Mr. David McGuinty: Thanks, Mr. Chairman.

I have three very quick questions.

Monsieur Grégoire, if I had at this table the Air Transport Association of Canada and the flight attendants association and we were discussing the issue of moving to 1 in 50, would I have consensus in this room?

Mr. Marc Grégoire: Today, you mean?

Mr. David McGuinty: Right now. Would I have consensus?

Mr. Marc Grégoire: I don't think so. No.

Mr. David McGuinty: Okay. Your responsibility as a department, of course, is to consult and to bring in stakeholders and find middle ground. At some point, if this issue is debated here pursuant to a motion of yesterday, is it typical practice for Transport Canada to be assured there is consensus in Canadian society before it moves to such a shift in regulatory standards?

Mr. Marc Grégoire: As much as possible, especially in the last 10 to 15 years, we try to develop regulations by consensus, but there is a limit to the debate. At some point the Minister of Transport, Infrastructure and Communities has to draw the line, analyze all of the aspects, and make a decision.

Mr. David McGuinty: Could you provide for this committee a three-page brief that outlines in plain English the differences between the different parties right now on this issue?

Mr. Marc Grégoire: Absolutely. Yes.

Mr. David McGuinty: That would help us understand.

Mr. Marc Grégoire: We could also offer you a technical briefing. We could come back here with a technical briefing, if you prefer, with slides and comparisons of aircraft.

Mr. David McGuinty: May I get something else on the record?

Following Mr. Jean's comments, I am not at all assured, as a former environmental lawyer, of what your safety management systems are doing to reduce greenhouse gases. I don't know what your environmental policies are. I've read your sustainable development strategy. I was one of the people who called for the creation of those strategies in the government years ago. I have no idea.

We have three DGs and an ADM here today. I'm told that environmental issues are buried in the department; I'm sure they're mainstreamed, as they should be, under safety and security.

Can you give us another three-page précis, please, and tell us exactly how environmental standards are moving forward? Are greenhouse gases in particular being addressed by the organizations you regulate?

Mr. Marc Grégoire: A colleague of mine is in charge of the programs that include environmental matters, so this is done in another part of the department, except for a number of things under our responsibility—ship pollution, for instance, ballast water, and a number of those that could affect safety at the same time—but the purely environmental matters are not done by my group. They are done in another part. They are not embedded or less important; they are as important, but they are dealt with by somebody else in the department.

• (1235)

Mr. David McGuinty: The last thing is that on page 2 you say, on SMSs:

This cultural change must begin at the top of an organization—at the level of power, leadership and ultimate accountability.

Could I put to you, for your consideration, that I would disagree? I think it should begin with finance. I think it should begin with lender's liability, I think it should begin with money, and I think it should begin with insurance and risk.

If you want to get the attention of companies on safety and security, there's nothing that speaks to them more dramatically at any level—small fishermen or Air Canada—than money.

I'm not sure if your SMS is actually inculcated. New changes that deal with finance, the power of litigation, and the power of liability as it has revolutionized and rocked the American economy in different sectors—I would recommend these to you for your attention.

Mr. Marc Grégoire: I don't see a question here, so...thank you.

The Chair: Mr. Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you.

I would like to start with a comment. We have agreed on having a briefing. You are, in fact, telling us that a 1 to 50 ratio, combined with mediation measures, would be equivalent to the current 1 to 40 ratio. I think that we should discuss this again.

I would like to come back to what I was telling you earlier with respect to safety management systems for air transportation. Obviously, civil aviation is not only Air Canada, which is a small domestic company. In Quebec, there are over 100 aviation companies. There are small ones, medium-sized ones, and large ones.

I was telling you that the safety management system that you want to establish in every company will also affect the smaller companies. On the other hand, your inspection systems will ensure that they are safe.

Your previous minimum has become your maximum, for example, in terms of the number of hours of training for inspectors in Quebec. I would like to add, in passing, that they are the ones who have the least flight training in Canada. Therefore, in terms of what you are spending on training for your inspectors, the minimum has become the maximum. It is as you are telling them that from now on, they will conduct their inspections in a different manner. You said yourself that you will be checking more than anything else, but these are small companies.

The public must rest assured that these inspectors will have the same training as previously. In small companies, your inspector will have to take the plane in order to ensure that it complies with standards. That is what is currently done.

If you restrict budgets or if you make minimum training for inspectors become the new maximum, you will end up with what we have in Quebec. Look at this because that is what is currently happening in Quebec. The minimum that you require has become the maximum in terms of the number of hours of training for your inspectors, and so on. It is as if you are saying that you are going to provide your inspectors with less training because you have greater confidence in the private sector.

You are telling us today that the private sector must take more time, etc. I do not think you should do that. I think you should maintain an inspection system for all sectors so that the public can rest assured that inspection in all sectors is still effective and that there are people conducting those inspections. I know that the training for your inspectors is costly, probably even more so in aviation than in the rail sector, because flight hours are involved, but this is necessary for the purpose of reassuring the public.

Earlier you spoke about people. We are working for the people. I am telling you that I do not think the people will feel reassured by what you have done.

Mr. Marc Grégoire: Thank you.

[English]

The Chair: Mr. Julian, you may make a last comment.

[Translation]

Mr. Peter Julian: Thank you, Mr. Chairman. I would like to make a comment and ask some questions.

First, M. Grégoire, you stated that it will take years before we see the benefits of the safety management systems. That worries me. Since 2005, the number of rail accidents has been the highest in 10 years. If we have to wait for years before seeing the benefits, it is dangerous to establish systems that can lead to this type of situation. We might see the benefits in a few years, but the number of accidents will be higher in the beginning. That was my comment.

I will now ask you some questions.

● (1240)

[English]

When we talk about the flight attendants, I share the concerns of other members around this table about the implementation of a reduced ratio of flight attendants. I'm particularly concerned about the impact on seniors and on people with disabilities. It almost seems to be a self-managed evacuation system. And I don't think that is in any way a responsible way of approaching flight safety.

My question previously was whether there have been studies about other jurisdictions. My question to you really is this. What kinds of studies exist within the department that might show that the danger, the increased danger—which is undoubtable during evacuations and in taking people off aircraft, particularly people with disabilities—is somehow justified by advantages somewhere else? So if you have those studies, we would like to see them.

Finally, for the civil aviation data-reporting systems, I would like to know how the public accesses that. Mr. Preuss, you said very clearly that there are privacy issues, but that once those privacy issues are dealt with, this is accessible. How then do I, as a member of the transport committee, access that reporting system?

Mr. Merlin Preuss: Are you asking about accessing the database or about accessing the information? Those are two different things.

To give access to the database would cause, again, privacy concerns, because that database would be open. It's not scrubbed to deal with privacy issues.

In terms of getting access to a report from that, it's a matter of using ATIP, and then it's available.

We also have folks who are getting these things automatically, like the associations and companies. I'm not sure exactly what procedure is in place right now, but I can get back to you on that in terms of whether you, personally, would be on the distribution lists or the access lists.

Frankly, the industry uses this as part of its own analysis to help ferret out problems. So I'll have to get back to you on what the current situation is, because up until a couple of weeks ago, we were also in the Federal Court over this particular issue. I'm sure you're probably aware of that.

Mr. Peter Julian: You mentioned a database and the information. What I would be interested in learning is what exists here within the database and what exists within the information, and then how we can access that.

Mr. Merlin Preuss: I'll use another word instead of "information"; I'll call them reports from that database. We can draw reports out of the database; that respects the privacy requirements. As to how those are distributed and how they're available, we're in the process of developing that policy, but I can certainly get back to you on that.

The Chair: With that, I have to say we have run out of time. I would like to thank our guests for being here today and providing us with information.

There has been a request for some reports to be sent back to this committee, and I would appreciate it if you could do that as quickly as possible, as we are studying all safety aspects at this time.

Thank you very much.

For committee members, we'll meet briefly here to lay out next week's agenda and see who we can have available to us.

If the members of the subcommittee could come up to the front, we'll deal with this.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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