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## **Standing Committee on Transport, Infrastructure and Communities**

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**EVIDENCE**

**Wednesday, February 21, 2007**

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**Chair**

**Mr. Merv Tweed**

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# Standing Committee on Transport, Infrastructure and Communities

Wednesday, February 21, 2007

• (1535)

[English]

**The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)):** Good afternoon, everyone. Welcome to the Standing Committee on Transport, Infrastructure and Communities. This is meeting 37.

Pursuant to the order of reference of Tuesday, November 7, 2006, our subject of discussion is Bill C-6, an act to amend the Aeronautics Act and to make consequential amendments to other acts.

Joining us today are Brian Jenner, Greg Holbrook, Brian Boucher, Robert Mather, and Peter Boag.

If you haven't been here before—I'm sure that you have been—we give you each a chance to present for seven minutes, and then we'll do a series of questions around the table.

Whoever would like to start, I would just ask them to please begin.

**Mr. Brian Jenner (President and Chief Executive Officer, Helicopter Association of Canada):** Thank you, Mr. Chairman.

As you mentioned, my name is Brian Jenner. I am the president and chief executive officer of the Helicopter Association of Canada, and I'll start with just a few words about the association.

HAC was incorporated in 1994, with the mission of bringing the Canadian helicopter industry together. The association's principal goals are ensuring the viability of the Canadian helicopter industry; educating government and the public about the industry; promoting flight safety; developing expanded utilization of helicopters; and exchanging industry best practices. HAC's roles include identifying problems; searching for solutions; advocating for industry, representing individual operators with regard to those problems and those solutions; and organizing an annual convention and trade show to facilitate communications with and within the industry. That show is now Canada's biggest commercial aviation event.

[Translation]

The Association's membership now includes 70% of Canada's commercial helicopter operators, an astounding achievement for a voluntary membership organization. As a result of its success in attracting operator membership, the Association has also enrolled 90 helicopter industry suppliers as associate members.

The fifteen corporate sponsors providing considerable financial support are: ACROHELIPRO, Westland Helicopter, Bell Helicopter, Textron Canada, Benfield Corporate Risk, Eurocopter Canada, *Helicopter's Magazine*, Honeywell, Pratt and Whitney Canada,

Marsh Canada, NAV Canada, Rolls-Royce, Standard Aero, Turbomeca and Willis Global Aviation Canada.

[English]

In addition to being by far Canada's most representative commercial aviation association, HAC nominates one of the members of the Nav Canada advisory committee; is a member of the International Federation of Helicopter Associations; and is on the International Helicopter Safety Team, whose goal is to eliminate helicopter accidents worldwide.

Within the context of IHST, the International Helicopter Safety Team, the association, in conjunction with Transport Canada Civil Aviation, the Canadian Transportation Safety Board, helicopter manufacturers, and the association membership, has taken on a leadership role in establishing the Canadian Joint Helicopter Safety Analysis Team—the JHSAT-CAN—and the Canadian Joint Helicopter Safety Implementation Team—the JHSIT-CAN.

The JHSAT-CAN is mandated to conduct in-depth causal analysis of Canadian helicopter accidents, evaluate potential interventions, develop recommendations for each accident category, propose intervention strategies, and establish evaluation matrices.

The JHSIT-CAN is mandated to develop implementation strategies and action plans for JHSAT recommendations, coordinate implementation strategies with responsible organizations, create performance measures, and much more.

HAC is, as you can see, is at the forefront of modern safety management and accident prevention.

• (1540)

[Translation]

We share the concerns of several other organizations regarding the proposed amendments to the Aerospace Act. However, as representatives of several small and medium-sized aviation companies, we are particularly concerned with what is not in the Act. Therefore, we will limit our comments to the missing link of C-6, which leaves SMEs at the mercy of the public service and with no effective recourse against the threat of destitution by suspension or cancellation of an operating certificate.

[English]

The Aeronautics Act provides for several reasons to cancel or suspend a civil aviation document, and the document that concerns air carriers most is their air carrier operations certificate.

Section 6.9 allows Transport Canada Civil Aviation to suspend or cancel that document as punishment for having contravened a regulation or some part of the act. Section 7 of the act allows Transport Canada to cancel or suspend forthwith in cases where there is an immediate threat to safety.

Section 7.1 is the one that is of interest to us. Section 7.1 allows Transport Canada Civil Aviation to cancel or suspend an air operator's certificate because the air operator no longer complies with the conditions of issuance; because the air operator no longer complies with the conditions of maintenance; or because, for some other reason, it is in the public interest to do so.

We're quite happy with that provision. We're quite happy with having people made to toe the line with regard to respecting the rules for getting an operating certificate and maintaining an operating certificate. The problem is that Transport Canada sometimes makes a mistake. As a matter of fact, in our experience, they make a mistake 25% of the time.

In those cases, the air operator finds himself without any practical recourse. In theory, he can go before the Civil Aviation Tribunal and can contest the decision of Transport Canada to cancel or suspend his air operator certificate.

And by the way, cancelling and suspending has lately become one of the primary tools for encouraging compliance with the law. Once again, we don't have a problem with that. We want to see our competitors toeing the line.

But when Transport Canada starts by telling us of the problem they have discovered and handing us a notice of suspension that is to take effect in thirty days, it's a problem if we do not have recourse, and we don't. Within those thirty days, we can apply for a review before the Civil Aviation Tribunal, but the Civil Aviation Tribunal typically takes up to six months to give you a hearing and up to a year to give a decision. So while we're waiting for the Civil Aviation Tribunal to tell us that Transport Canada was wrong and we were right, we're out of business. That should be corrected.

The correction is simple. In subsection 7.1(4), the tribunal is already empowered to stay the decision of the minister after they've heard the case. What we suggest is that the power of the tribunal to stay the decision of the minister be moved forward to the beginning of the process. Based on representation by the minister and the document holder, the tribunal should be allowed to stay the decision while the hearing process goes forward.

• (1545)

**The Chair:** Thank you very much.

Mr. Holbrook.

**Mr. Greg Holbrook (National Chair, Canadian Federal Pilots Association):** Good afternoon. Thank you for the opportunity to speak to you this afternoon.

My name is Greg Holbrook. I am the national chair of the Canadian Federal Pilots Association.

The CFPA represents approximately 375 licensed pilots employed by Transport Canada as civil aviation inspectors. CFPA members are

professionals who inspect, test, license, monitor, audit, and enforce Canada's aviation safety regulations.

We have serious reservations about Bill C-6 and the safety management systems it authorizes. For years, Transport Canada has achieved acceptable levels of aviation safety with a system of checks and balances and regulatory oversight carried out by inspectors to produce the enviable safety record Canadian travellers now enjoy.

Bill C-6 and SMS set out to switch to affordable levels of safety. That's right, from acceptable to affordable. Driven by forecasted funding cuts and an aviation inspectorate that will shrink by half in the next few years, Bill C-6 will transfer determination of appropriate risk levels to the airlines. With Transport Canada's implementation of SMS, the airlines will decide the safety levels for the travelling public. The airlines' bottom line will now be factored into deciding acceptable risk levels for the public.

The bill will also let airlines monitor their own safety standards and regulatory compliance. Transport Canada has already transferred oversight of the corporate business aviation sector to the Canadian Business Aviation Association. Bill C-6 will give airlines immunity from enforcement for self-reporting of safety violations, a "get out of jail free" card.

Unable to afford its safety responsibilities, Transport Canada is off-loading them. With a number of recent decisions, Transport Canada is already giving up its safety oversight role and is dismantling the system of checks and balances that brought us to the relatively low accident rate we have today.

In spite of some testimony you've heard from Transport Canada officials, SMS is replacing key safety programs that have already been cancelled. Here are a few examples.

In December 2005, Transport Canada issued civil aviation directive number 39, which handed over enforcement and investigation to the airlines themselves. When Transport Canada now receives a report of an occurrence that may require looking into, regardless of the source, the information is to be passed to the airline management, who are requested to handle the situation in accordance with their safety management system. Transport Canada inspectors have been directed not to investigate.

In March 2006, Transport Canada killed the national audit program, which covers the eight largest airlines, the five largest airports, and the three largest aircraft manufacturers in this country. The reason? To allow for regulatory oversight resources and funds to be redirected to the administration of SMS programs. Regional audit programs are being shut down as well.

In October 2006, Transport Canada managers abruptly closed all enforcement investigations into safety violations committed by airlines so long as they had an SMS or were working on one. It was declared no further action was to be taken on all these files.

Pilot proficiency check validity periods have been extended to two years and PPCs will no longer be conducted by Transport Canada inspectors as of December 2007. Airlines have been advised to check their pilots themselves or contract this service, a clear conflict of interest.

Insights from the cockpit provided by PPCs will no longer inform the work of Transport Canada inspectors. I should note that this decision places Canada in violation of international standards. For years, Transport Canada has lacked the resources necessary to adequately inspect and audit Canada's airlines. Rather than increase resources, Transport Canada simply directed staff to comply "with the frequencies to the extent that resources allow".

• (1550)

To help you understand the different role that inspectors play under SMS, I'd like to give you a then-and-now metaphor.

In the system that has delivered Canada's current high safety rate, inspectors were under the hood of companies they audited and inspected. We flew with the pilots. We were in the maintenance shops. We were in the flight operations centres.

With SMS, we will no longer do regular audits and inspections. We will review SMS documents, SMS reports, and system structures only. Our focus is shifting from actual operations to paper and policy. I invite you to review the publication, which I have included, to see the documents that substantiate my testimony.

Against this backdrop, and with Transport Canada's emphasis on farming out safety oversight, it's no wonder that aviation inspectors are gravely concerned about SMS.

We commissioned Pollara to survey our members about SMS. More than 65% completed the online survey, which was conducted between January 26 and February 2. The most shocking result is that three-quarters of our inspectors believe that a major accident is likely or very likely to occur in the near future, and 60% believe Transport Canada's SMS will actually increase this likelihood.

The survey also found that 80% believe SMS will prevent them from addressing and correcting safety problems before they happen; 67% believe Transport Canada's SMS will result in a higher level of risk in Canada's aviation system because industry cost pressures will result in safety corners being cut; 77% believe that the public confidence in the aviation system would decline with the awareness of SMS; and 80% believe SMS is simply a response to dwindling resources on the part of Transport Canada.

These sobering insights bring me to the recommendations I would table for your consideration:

One, urge the minister to provide Transport Canada Civil Aviation with the resources needed to oversee the industry properly.

Secondly, amend Bill C-6 to require that SMS achieve the highest practical levels of safety and not leave the determination of appropriate risk levels in the hands of the airlines.

Third, rescind subsection 5.31, or at the very least prevent the delegation of regulatory oversight activities to the industry for commercial airlines that operate for profit.

Four, add whistle-blower protection for employees who report safety problems and concerns to the regulator.

On this last recommendation, I am personally aware of the need for whistle-blower protection to achieve the non-punitive reporting environment that Bill C-6 seeks to establish. Last week a senior

Transport Canada official called my office after learning that the CFPA was to testify and stated, "It will be a problem" if any TC inspectors appear before your committee to talk about safety concerns.

I don't know if Transport Canada is trying to limit what you hear, but I can't think of a better example of why we need employee protections. What if I succumbed to this pressure and decided not to give you the whole picture as you consider Bill C-6?

The travelling public will take the risk on this gamble by Transport Canada. It is up to you to decide if that is acceptable.

Thank you very much.

**The Chair:** Thank you.

Mr. Boucher.

**Capt Brian Boucher (Senior Director, Flight Safety, Air Canada Pilots Association):** Thank you, Mr. Chair and honourable members.

Good afternoon. My name is Captain Brian Boucher. I am the senior director of flight safety for the Air Canada Pilots Association and also have been an airline pilot with the company for over 29 years, and over 30 years as a pilot in Canada. We appreciate this opportunity to comment formally on Bill C-6, an act to amend the Aeronautics Act.

ACPA represents the 3,000 pilots who fly Air Canada's mainline fleet of 200 narrow-body and wide-body aircraft, domestically and around the world. We deal daily with the operational implications of air regulations. It's not an exaggeration to say that flight safety is our world, and it's been my personal world for over 25 years, as a member of the Dryden inquiry and working with Justice Moshansky for over two years implementing recommendations.

The Minister of Transport is responsible for regulating and supervising aviation in Canada. We understand that the rationale for the bill is to enhance the safety of Canada's aviation system, and we believe that SMS is an important advance in this area.

In the era of SMS, more responsibility is placed on the individual carrier and its management to maintain an adequate safety standard. The regulations also call for an effective means of involving employees, the front-line employees, and their representatives in the implementation and ongoing development of SMS. Those representatives are all the associations within the company, or the corporation that I work for, Air Canada. This participation is necessary in order that SMS can succeed in delivering greater safety. I like to look at that as the three-legged stool. It's not doing away with Transport Canada regulatory body; it's all of us working together as a three-legged stool—the regulatory, the airline, the corporation and those associations.

A key element of SMS is the promotion of a healthy culture of safety, and that's where we have to focus, on culture. In order to succeed, employees must feel free to report errors, safety deficiencies, and inadvertent regulatory violations without the fear—and that's what we've dealt with in the years past—of legal or disciplinary action or damage to reputation. Full reporting provides the data that is one of the fundamentals of SMS. This will only be forthcoming where the confidentiality of reporting is protected to the greatest degree possible. At Air Canada we've been collecting this data now for over five years, way before SMS came to be.

I'll give you an example. Our pilots have been reporting air safety reports. Five years ago we were collecting on average 300 a year among 3,000 pilots. Today we're collecting almost 5,000. So you can see how the culture among our pilots is changing because they know that they don't have to worry about discipline at the end of the road.

In addition, the regulator must have both the ability to oversee the implementation of SMS on an ongoing basis and the determination to hold an airline and its responsible executives accountable for providing and maintaining such a system. We need to have that accountable executive. The role of the regulator changes under SMS; you've heard that. It does not disappear, and I hope we never see it disappear. The regulator must ensure through oversight and observation that companies are able to maintain the integrity of SMS and all those business climates.

ACPA has some specific concerns about the bill that we would like to flag. We are concerned about the power to delegate its rule-making functions, particularly in the airline environment. The act should not permit the designation of airlines or airline business groups to make their own regulations. In a highly competitive business environment, and we're faced with that, and we've been faced with it for the last ten years, airline management lacks the necessary independence from purely commercial goals.

ACPA would support the delegation of personal licensing authority to self-governing professional bodies of airline pilots, along the lines of the medical and the legal professions that are out there today. This would provide an independent verification of airline flight training programs and operating procedures.

• (1555)

We also have serious concerns about how safety information such as air safety reports and flight data from flight data analysis safety programs is treated under this bill. This data monitors and records every action, even every cockpit control movement. Up to 1,800 flight and system parameters are continuously monitored, all in order to promote flight safety. Such data collection under SMS is highly personal and invasive.

You can imagine this, in the job you do today. Up to 1,800 parameters are being recorded, and it's not only the cockpit voice recorder that you're used to, plus the flight data recorders. This is over and above that. There are 1,800 parameters.

We've managed to convince our pilot group that in the interests of safety we can monitor trends and analysis to enhance the safety we have in this country right now. Our pilots bought into that program.

It was a tough sell. It was us, the flight safety people within our organization, who made this program work.

At present such flight data is subject to a detailed agreement between our association and Air Canada. This agreement works very well in promoting flight safety goals. Under the agreement, ACPA safety representatives, not Air Canada management, are the gatekeepers of this data. This protection has fostered a relationship of trust where vital safety analysis is shared without the risk of violating the privacy and security of the pilot.

These protections are removed under the proposed subclause 5.394(1), which states:

The Minister, for the purpose of promoting aviation safety, may enter into an agreement with an operator of aircraft respecting the collection, analysis, use and disclosure of information derived from a flight data recorder.

As well, the public interest clauses of this bill provide wide discretion in the courts on behalf of the minister to access any and all flight safety data being collected under SMS. Such unregulated access will have a highly damaging effect on the SMS safety culture now being encouraged under SMS at my airline and at other airlines across Canada. We strongly object to the absence of protections for safety data in this bill.

ACPA also strongly objects to the exclusion of the association as a party to any such agreement. It is a needless omission that ignores the vital privacy interests of the individual without enhancing flight safety. In Germany, for example, a pilot's flight data is protected under law, and it is also protected under law in Australia.

ACPA appreciates the opportunity to present its perspective on these issues. Our membership has particular insights to offer, and in going forward we are committed to participating in the formulation in an active and positive way. ACPA representatives are always available to meet with you and your officials to provide whatever further information and assistance is required.

Thank you for your time and your attention.

• (1600)

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

Mr. Boag, please.

**Mr. Peter Boag (President and Chief Executive Officer, Aerospace Industries Association of Canada):** Thank you, Mr. Chairman.

Mr. Chairman, honourable members, ladies and gentlemen, good afternoon. It's a pleasure to be here.

With me today I have Robert Mather, our vice-president of civil aviation of the association. I think Robert brings a unique perspective to this issue, having served for twenty years within Transport Canada in the aircraft certification branch, and more recently having spent almost ten years at one of our member companies, Pratt & Whitney Canada, as the chief airworthiness engineer.

Thank you for the opportunity to appear today on behalf of our more than 400 member companies located from coast to coast. Aerospace is a critical component of Canada's advanced technology economy. It employs more than 75,000 people across the country who are engaged in the design, development, and manufacture of aircraft, aircraft systems and components, and aviation infrastructure sold to customers around the world. More than 85% of our industry's output is exported, and that's certainly a testament to the high quality and levels of safety and reliability of Canadian aerospace products and services.

We welcome the opportunity to share with you the aerospace sector's view on how Bill C-6 will help strengthen Canada's long and well-established record of achievement as a world leader in aerospace safety. We believe the proposed changes outlined in the bill before you will translate into better outcomes for everyone, outcomes that will contribute to safer skies, safer aircraft, and ultimately, safer travellers, not just here at home but around the world.

The provisions outlined in Bill C-6, in particular those that relate to designated organizations and safety management systems, will help pave the way toward the aerospace industry's assuming greater responsibility for regulating its own behaviour in areas of the law that are widely seen and accepted as low-risk. We see this development as welcome news.

We believe it does nothing more than assert the patently obvious, that Canada's aerospace industry has arrived. We are a mature, safety-driven industry whose mandate is perennially refuelled by a desire to protect and promote safe air and space travel first and foremost. We believe this bill is recognition of that maturity. It builds on proven delegation authorities and systems and is a proud example of Canada's unwavering commitment to the highest standards of civil aviation in the world. We also believe that effective regulatory oversight is critical to maintaining the confidence of the travelling public, not to mention that of our trading partners around the globe.

AIAC member companies have collaborated with Transport Canada officials in developing safety management systems defined in the bill before you, measures which we think will strengthen aviation safety by building a culture of safety, which Captain Boucher has referred to, while achieving a higher level of efficiency and effectiveness for the industry.

The information provided by Transport Canada has equipped these companies with the tools they will require once Bill C-6 is enacted and the ensuing regulations appended to the bill are introduced.

Canada's aerospace industry boasts a good many small and medium-sized companies, some of which expressed the concern that these safety management systems may be difficult or too costly for smaller corporate players to implement. We are reassured by senior officials within Transport Canada that these concerns are in fact being addressed. The government has demonstrated a willingness to make these safety management systems scalable, and is now committed to working with these firms to ensure that safety management systems are put into effect cost-effectively, with safety effectiveness, and without delay.

Promoting a regulatory regime in aviation safety that promotes the responsible use of voluntary reporting, when and where it makes sense to do so, is an important step in the aerospace industry's evolution as a responsible corporate citizen. We fully expect the government, for its part, to assume the full weight of responsibility for handling and protecting in the strictest confidence, all safety-related data gathered in this way. Meanwhile, we look forward to working with you, the members of this committee, along with Transport Canada officials, as the provisions of the bill are implemented.

The proposed use of designated organizations is a particularly good reflection of the goals outlined in Transport Canada's Flight 2010. We look forward to more examples of this sort of government-industry partnership, which we believe typifies Canada's long-term commitment to aviation safety. We fully expect Bill C-6 will launch us on the path towards many of the objectives Transport Canada has set out in Flight 2010, goals the aerospace industry fully embraces in the interests of putting safety first.

Thank you, and I look forward to your questions.

•(1605)

**The Chair:** Thank you very much.

Monsieur Bélanger.

**Hon. Mauril Bélanger (Ottawa—Vanier, Lib.):** Thank you, Mr. Chairman.

[Translation]

Thank you, gentlemen, for joining us today.

[English]

What we have heard here today is quite alarming, actually. Of course, Mr. Holbrook, everyone will want me to ask you this as a first question: Who? But before I get to that, I need to understand what relationship, if any, exists between the association you represent and the Air Canada Pilots Association. Is there any overlap in membership?

**Mr. Greg Holbrook:** None whatsoever, sir. We're completely independent.

**Hon. Mauril Bélanger:** All right. I just needed to know that.

It is quite striking, the different messages we're receiving from the inspectors—your association, Mr. Holbrook—and from the pilots, from Mr. Boucher's association. I've always thought that there are three sides to every story: yours, mine, and the facts. But I must admit here that there may be more sides than we realize.

Anyhow, you said, and I'm quoting you here, and I think it's very important that we have this cleared up, that last week a senior Transport Canada official called your office and stated—and then you quoted that official—“that it will be a problem” if any TC—I presume that's Transport Canada—inspectors appear before this committee to testify about safety concerns.

Who, sir, called you? I remind you that everything you say here, of course, is part of the public record, as it should be.

**Mr. Greg Holbrook:** Well, sir, I will be completely honest with you and say that it was Mr. Preuss.

**Hon. Mauril Bélanger:** He is the director general of—

**Mr. Greg Holbrook:** He is the director general of civil aviation.

**Hon. Mauril Bélanger:** Civil aviation. Can you elaborate on that? Did you have a discussion with that gentleman?

**Mr. Greg Holbrook:** No, I didn't. I was on the road at the time. I got the message from my assistant that this call had been placed to my office. I replied immediately to her and told her to please phone back and indicate that I would be appearing by myself and that there would be no TC inspectors appearing before this committee.

• (1610)

**Hon. Mauril Bélanger:** So you're appearing here as a representative of inspectors.

**Mr. Greg Holbrook:** Yes.

**Hon. Mauril Bélanger:** Have you talked to any inspectors about this conversation, or this admonition, about inspectors not appearing?

**Mr. Greg Holbrook:** No, I haven't had time to distribute that information throughout our membership.

**Hon. Mauril Bélanger:** Had any inspectors wanted to appear?

**Mr. Greg Holbrook:** They weren't asked to appear. If they were asked, I think they would be quite reluctant to do so for fear of what might happen to them in their employment situations.

**Hon. Mauril Bélanger:** This is something the committee might want to take up on its own with respect to what you've just said.

Mr. Boag, you said—and I only have your submission here in French, and you were speaking in English—that you are reassured that safety management systems costs that might have been a concern for smaller enterprises are being addressed.

I would like to know, again, with whom you were having that conversation. Which Transport Canada official was telling you that any concerns about the cost of SMS for smaller corporations and companies were being addressed? First, who were you having these conversations with?

**Mr. Peter Boag:** I can't tell you, because I don't know who, specifically, said that, but it's in the context of broad general discussions we've been having with Transport Canada through our committee system, which engages our member companies.

There were discussions on the implementation of SMS and concerns were raised by the smaller companies that the infrastructure that is required to put up an SMS system may be too significant and too difficult for a smaller company. The issues were then looked at. This is a system that ultimately is scalable. It doesn't mean that a smaller firm needs to put in a safety management system and an infrastructure of a size that might be more appropriate to Air Canada or a very large manufacturer. It's a scalable system.

**Hon. Mauril Bélanger:** What evidence were you or your association given that this matter is being addressed? And you're now satisfied. On the basis of what information are you satisfied?

**Mr. Peter Boag:** Bob, can you maybe address this? You participated more directly in some of these discussions.

**Mr. Robert Mather (Vice-President, Civil Aviation, Aerospace Industries Association of Canada):** Yes, thank you.

What Mr. Boag said comes from the discussions our member companies have had with the various working groups the civil aviation administration has set up to implement SMS. There have been a number of information sessions across the country run by Transport Canada officials in which our members and others have participated, and these questions have been put directly to the Transport Canada managers who are implementing SMS. We are assured by these people—

**Hon. Mauril Bélanger:** I understand that, but on the basis of what information are you reassured—just the fact that they are saying they're addressing these matters, or on the evidence that they have indeed been addressed?

**Mr. Robert Mather:** We're engaged with them in developing the standards and regulations that will be necessary to implement SMS in practice. So in fact—

**Hon. Mauril Bélanger:** So there's no evidence that... No, I'm not going to conclude for you. Have you been presented with any evidence that concerns about cost vis-à-vis SMSs for smaller companies are addressed, or have you just been given reassurances or assurances by officials?

**Mr. Robert Mather:** It is that partnership between us and Transport Canada working with them to develop the regulations—

**Hon. Mauril Bélanger:** So no evidence, but assurances?

**Mr. Robert Mather:** I don't think we have any written assurances.

**Hon. Mauril Bélanger:** Okay.

**Mr. Brian Jenner:** Mr. Chairman, I could answer that question.

About two or almost three years ago now, I recommended to Transport Canada, within the context of one of the meetings that Bob was mentioning, that there be a pilot project to test SMS with small and medium-sized enterprises in the same way that SMS had been tested before implementation, for example, with Air Transat and with Air Canada.

Transport Canada accepted that recommendation and they put together a pilot project, in cooperation with HAC among others. I believe about 20 companies participated in that.

The feedback I got from the helicopter side and also the maintenance of helicopters was that it was a very productive process. The feedback I got from Transport Canada.... I couldn't tell you today who's told me anything specific, but I know the process is going forward and that we are checking to see how we'd adapt SMS to small and medium-sized companies, so it is a useful tool and not just another paperwork exercise.

I'm certainly confident that SMS is going to be scalable to small companies, and it is going to be productive for small companies also.

• (1615)

**The Chair:** Merci, Monsieur Bélanger.

Mr. Carrier.

[Translation]

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



Good afternoon, gentlemen. I was also surprised by the comments of Mr. Holbrook of the Canadian Federal Pilots Association. They confirm the concerns we have had from the beginning regarding this bill as a whole.

Your report raises many questions. You talk about forecast budget cuts and a 50% reduction in the number of personnel in a few years. What is the basis for your statements? Are you referring to specific documents?

[English]

**Mr. Greg Holbrook:** The documents talking about the reduction in inspectors refer to demographic studies done both in the public service and by the department itself that expect up to 40% to 50% of the inspectorate will be eligible for retirement over the next few years, so that creates a potential liability for a reduction because of attrition and retirements and aging.

[Translation]

**Mr. Robert Carrier:** Is this reduction in personnel due to the bill currently being studied, which would allow for a reduction of Department of Transport personnel?

[English]

**Mr. Greg Holbrook:** Those reductions in personnel will not be directly as a result of this bill. I think the initiatives contained in this bill are part of the plan by Transport Canada to deal with lack of personnel and no program to recruit and replace those individuals.

[Translation]

**Mr. Robert Carrier:** You recommend that section 5.31, which deals with designated organizations to monitor small companies, be rescinded.

Do you expect that primarily small companies will be regulated by a designated organization?

[English]

**Mr. Greg Holbrook:** We see section 5.31 as enabling complete delegation to establish safety standards and the monitoring of compliance with those safety standards to all sectors of the industry, not just small or large operators. The way we understand it, that provision will provide for that capability to be applied without restriction to any sector of the industry the minister decides.

[Translation]

**Mr. Robert Carrier:** In your opinion, are major air carriers already well positioned with regard to safety management. Let us take Mr. Boucher's company as an example.

[English]

**Mr. Greg Holbrook:** As reflected in our survey, 92% of our membership believes that SMS is a good concept. Our message here today is that it's the application and changeover to a different program of oversight that is the issue.

A lot of the initiatives Mr. Boucher referred to as promoting safety communication within the company are good ideas, but they're not the reason to stop doing the regulatory oversight activities that have brought us to the level of safety we have today.

• (1620)

[Translation]

**Mr. Robert Carrier:** Thank you.

[English]

**The Chair:** Mr. Julian.

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Thank you, Mr. Chair.

Thank you to all the witnesses for being here today.

Mr. Holbrook, you've presented us with a very impressive and detailed presentation. We've just received this, so we obviously won't have time to really go through the breadth and depth of all the information you're bringing forward.

I formally request, Mr. Chair, that we ask Mr. Holbrook to come back. There is no way we can get through all the information he's provided today.

To start off, Mr. Holbrook, I want to come back to the point Mr. Bélanger made around the message you received from Mr. Preuss. Do you believe it was an attempt to intimidate?

**Mr. Greg Holbrook:** I can't speak to what Mr. Preuss's intentions were.

**Mr. Peter Julian:** But certainly there was an indication that it would not be seen favourably.

**Mr. Greg Holbrook:** My understanding of the comment was that it would not have been seen favourably by Transport Canada if any active inspectors appeared before this committee.

**Mr. Peter Julian:** And implicitly, perhaps there would be consequences for that.

**Mr. Greg Holbrook:** As a result, I looked at it from the perspective that I am the only individual who can share this message with you gentlemen, so that you can have it available to—

**Mr. Brian Jean (Fort McMurray—Athabasca, CPC):** On a point of order, Mr. Chair, we've let this witness go on, but the reality is he was not privy to the conversation. He's giving it third-hand. My understanding from the evidence so far is that it was a conversation he didn't have.

**Mr. Greg Holbrook:** I didn't speak directly with the individual, no. It was a message from my—

**Mr. Brian Jean:** How could he read into it when he couldn't hear the tone of the voice? He didn't even get the words properly. I think the evidence in relation to this should certainly not be before the committee. If we want to have the person who actually had the conversation, that would be something different.

**The Chair:** Mr. Laframboise.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Chair, the witness has the right to report conversations he has had. It is not up to us to interpret them. He is not saying just anything. It is contained in a document that was submitted. I think he can speak about it. A report does exist, and it has practically been signed.

[English]

**The Chair:** Mr. Zed.

**Mr. Paul Zed (Saint John, Lib.):** Mr. Chairman, I agree with my colleague from the Bloc. Clearly this isn't a courtroom. The witness hasn't described it in any other way than what he has described.

This is of a very deep concern to a number of members. I'm sure it's a deep concern to you, Mr. Jean.

We know the caution he put out, which is that he didn't directly deal with it. I don't see what's inappropriate about him continuing. We understand the nature of what he said. This gentleman is no dummy. He knows exactly what he thought the message was that was being sent to him and he knows the tone it was given.

**Mr. Brian Jean:** Mr. Chair, to be fair, he was not present. He did not hear the tone. He doesn't even know what words were expressed and he's interpreting a conversation he was not even involved with.

We're totally off topic. It's just not appropriate, Mr. Chair. If the committee wants to bring forward the witness who actually heard the telephone conversation, I think that would be appropriate. I have no difficulty with that. Certainly I'd be appreciative of that. We would like to get to the bottom of it. But to ask this witness for interpretation of a phone call that he wasn't party to seems ridiculous.

**Mr. Ed Fast (Abbotsford, CPC):** Yes, spend a whole meeting based on those assumptions.

**The Chair:** Mr. Julian, please continue.

**Mr. Peter Julian:** Thank you, Mr. Chair.

I would hope that members on both sides of this committee table will take the seriousness of this issue to heart, and I would certainly hope that they want to get to the bottom of it.

I certainly agree with the comments of Mr. Bélanger and Mr. Laframboise, and I think this committee will have to come back to that issue. I will move on, though, because time is limited today, and there is no way we can ask all the questions of Mr. Holbrook that come out of his very insightful presentation.

I want to go back to the steps you outlined in your brief. First off, in December 2005 Transport Canada issued civil aviation directive 39, which you say handed over enforcement investigation to the airline consultant. That happened in the middle of the election campaign. I'm not even sure the government of the day would have been aware of that.

Could you run through how that directive was issued—if you have the date, that would be helpful—and whether it was brought to the new Minister of Transport's attention, and whether you heard anything about whether or not the Ministry of Transport moved to withdraw that directive, and what the consequences are, of course.

•(1625)

**Mr. Greg Holbrook:** The directive is contained in tab 2 of your reference material. It's the actual copy of the directive that is in force and remains in force on Transport Canada's website. It was made effective December 16, 2005. My understanding is that it is still in force and effect. It specifically says that it will apply to all civil aviation functions responsible for oversight or certification of the

aviation industry, as well as those responsible for enforcement and investigation of regulatory contraventions.

As to the issue of who was advised internally within the department to approve this document and issue it, I have no knowledge whatsoever of that, because I don't work in the department and I can only speak to what I see, as a published document, from the department.

**Mr. Peter Julian:** Thank you for that.

My comment is that something of this importance that's issued in the middle of an election campaign is very disturbing to me.

What, then, would be the impact of that directive?

**Mr. Greg Holbrook:** If you were to go to the website and review the enforcement policy and the specific procedures to be followed by inspectors, they are instructed that if they are advised of an occurrence that relates to a company that has an SMS or is working on an SMS, then they are not to take any action in enforcement or investigation, and they are to refer to the inspector responsible for that company, who will forward that information directly to the company and request that they handle the investigation and look into the occurrence in accordance with their safety management system.

The only caveat to that is where there is direct evidence of intentional wrongdoing from the outset. However, if an investigation never occurs, it's highly unlikely that an initial report will provide that information to an inspector.

**Mr. Peter Julian:** So essentially inspectors were advised not to inspect.

**Mr. Greg Holbrook:** Not to investigate any reports of occurrences, yes, for those companies that have an SMS.

**Mr. Peter Julian:** Yes, okay. That was the first shoe.

The second, then: in March 2006, Transport Canada then moved to kill the national audit program covering the largest airlines, the largest airports, and aircraft manufacturing. What is the impact of killing the national audit program? What did the national audit program do, and what are the consequences of removing that?

**Mr. Greg Holbrook:** It now means that you do not have, on a regular basis, a multidisciplinary team of experts—pilots, maintenance engineers, dangerous goods personnel, cabin safety people—going in and conducting a complete review of an airline's operations on an ongoing basis. It will be done now strictly as focused inspections on an as-required basis where Transport Canada has information to believe that there is something they need to look at.

But given that they're not investigating reports of occurrences, and given that they are relying on the companies to report through SMS, and given that they've shut down the regular audit visits on a regular program basis, it's a question in our members' minds as to when they actually will be visiting these operators.

**Mr. Peter Julian:** So if we put these two elements together, the audit program was a regular series of inspections, which were important in the same way that you have auditors checking financial books to avoid the kind of Enron management we occasionally see, and ensuring that this doesn't happen.

Killing the national audit program killed that attempt to do this on a regular basis. As I understand it, the civil aviation directive number 39 would not allow the inspections to take place, even when issues arose.

**Mr. Greg Holbrook:** That's our belief, and what it does is takes away the regular, ongoing, independent review of aviation operations done by a third party outside of the company.

• (1630)

**The Chair:** Mr. Fast.

**Mr. Ed Fast:** Thank you, Mr. Chair.

Mr. Holbrook, you represent some 375 pilots who are inspectors, correct?

**Mr. Greg Holbrook:** Yes, they are inspectors at Transport Canada.

**Mr. Ed Fast:** In your role acting as their bargaining agent, as their advocate, it's as inspectors, not as airline pilots. Is that correct?

**Mr. Greg Holbrook:** That's correct.

**Mr. Ed Fast:** Is it safe to say that you'd be concerned about the loss of jobs for your members, quite aside from the safety concerns?

**Mr. Greg Holbrook:** This isn't a concern about the loss of jobs. There's way more work to do now than our members are capable of handling. Even by redirecting their activities from the audits and inspections, which traditionally they have done, over to SMS assessment activities, there's still going to be way more work than they can handle.

**Mr. Ed Fast:** I find that interesting. We heard testimony at our last meeting from the union that in fact they believe that the number of inspectors has already decreased and that would continue if SMS were implemented.

**Mr. Greg Holbrook:** If you turn to tab 9 of our presentation brief, you'll see what our membership numbers indicate for Transport Canada inspectors. They are on the decline, but I don't get a sense that it's about a departmental program to specifically eliminate wholesale sections of people. But the demographics are what they are; people are going to be leaving on an ongoing basis. The question is, are they going to be replaced?

**Mr. Ed Fast:** Is it safe to say that you'd be concerned about attrition from your particular organization?

**Mr. Greg Holbrook:** I'm very concerned, and I've raised this issue with the department. Our numbers indicate that we are now down to the same levels as a number of years ago, when the department had major initiatives about recruitment and retention and was very concerned about inspector shortages. I raised the concern, saying that I'm concerned because our numbers are back in that range again, and there is no discussion about shortages.

**Mr. Ed Fast:** Our time is short, so thank you for that.

Your primary role as a bargaining agent is not airline safety in the first place; it's representing your members. Is that not correct?

**Mr. Greg Holbrook:** That's correct.

**Mr. Ed Fast:** All right, so your role is not like the TSB, which focuses on safety.

**Mr. Greg Holbrook:** No.

**Mr. Ed Fast:** The reason I ask those questions is that I'm surprised because of the witnesses we've heard. We've had the Transportation Safety Board and Transport Canada here. We've had Mr. Boucher here representing Air Canada pilots. We've had the other pilots association representing some 60,000 pilots across North America. We've had Mr. Jenner and Mr. Boag here. All of them speak very positively about Bill C-6. Some of them have minor reservations, as Mr. Jenner did, but I think we can address some of those concerns.

However, the industry as a whole sees this as a huge step forward. In fact what I'd like to do is quote from Captain Dan Adamus of the Air Line Pilots Association, who really put it quite succinctly. He supported this legislation. Why? It's "the next great leap forward in advancing aviation safety". He was strongly supportive of SMS. He referred to establishing accountability for safety at the highest levels within a company, and the fact that the reporting of safety occurrences can be done without fear of retribution. He refers to an umbrella framework over the existing safety regulations.

This is not as you have suggested: removing regulation, leaving a vacuum, and then replacing it with SMS. It's a blending of the two, and almost all of the other witnesses—

**A voice:** All of them.

**Mr. Ed Fast:** —focused very much on the fact that this is an overall improvement in airline safety.

So I would suggest that you've raised some concerns, but they don't focus on the net result. The focus here is not whether there's going to be a reduction in the number of inspectors in your particular bargaining unit. The concern is—

**Mr. Peter Julian:** On a point of order, Mr. Chair, this is a committee hearing where we're supposed to be asking questions. If Mr. Fast wants to make a speech, he can do it in the House of Commons. We're here to ask questions of the witnesses, and I hope, Mr. Chair, you'd direct him to do that.

**Mr. Ed Fast:** With all due respect, Mr. Chair, we've heard Mr. Julian wax eloquent many times and monopolize hours of our time giving speeches. I'm not giving a speech; I'm clarifying questions that I asked and answers that were given. I've asked numerous questions of Mr. Holbrook, and I believe we've gotten to the point where I understand his perspective.

I don't blame you for that. You're representing your members.

• (1635)

**The Chair:** Mr. Fast, I'll just say that it is not a point of order. Please, continue, and perhaps move to your questions.

**Mr. Ed Fast:** Thank you.

I'll just wind up by saying this. Ultimately the role of this committee is to ensure that we enhance and improve airline safety—air safety as a whole—in Canada. Most of the evidence we've seen at this table makes it very clear that Bill C-6 actually achieves that. With the greatest of respect for your members, I want make sure that we don't look at things such as the actual number of inspectors who will retain their jobs but that we focus on the net effect on public safety.

Those are my comments, Mr. Chair.

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

Mr. Zed.

**Mr. Paul Zed:** Thank you, Mr. Chairman.

I'm trying to understand the nuances here, and I appreciate that Mr. Fast comes to the table with a lot more experience, having been on this committee. I'm a new member to this committee, so if I ask a stupid question, you can help me.

You used an interesting split. You used the words “acceptable” and “affordable”, Mr. Holbrook.

**Mr. Greg Holbrook:** Right.

**Mr. Paul Zed:** I want to ask some of the other witnesses how they reacted to the information that was presented.

Mr. Boucher, Mr. Boag, or Mr. Jenner, when you heard Mr. Holbrook say that, did that concern you at all?

**Mr. Peter Boag:** I will certainly be pleased to answer that question.

Yes, it did, because certainly from our perspective, safety is safety. Our industry is a highly competitive industry, and a key component of that competitiveness is safety and reliability of aviation products. It's not in the industry's interest whatsoever to go on the cheap and put out products that are less safe, because ultimately, that's just not in their business interests. So safety and reliability are a key component of the product quality that industry members must produce if they're to remain in business.

**Mr. Paul Zed:** Okay, thank you.

Mr. Jenner.

**Mr. Brian Jenner:** We view safety in three dimensions and colour, rather than two dimensions and black. We see safety first. In this whole movement towards SMS and this whole movement towards making people responsible and accountable, its first and foremost objective is safety. If at the same time we can be more efficient and if at the same time we can do a better job of managing the resources the taxpayers give us, well, then, all the better, but our first objective is safety.

The reason that our first objective is safety is because we're in a competitive market. We're in a very, very competitive market in the helicopter industry, and if our aircraft are not safe, they're not reliable. Safety and reliability are inextricably linked, and if an aircraft is unsafe, it's because it's poorly maintained. If it's unsafe, it's because the people who are operating it are poorly trained. If it's poorly maintained and the people are poorly trained, it will be unreliable and our customers will go somewhere else.

**Mr. Paul Zed:** Thanks.

I'm going to act as a little bit of a chairman of my own questions, because I have a couple more.

Mr. Boucher.

**Capt Brian Boucher:** Thank you.

Well, I can tell you from first-hand experience, because I've been involved in SMS now for the last couple of years, I'm not looking at the affordability here and what is and what isn't. I can just tell you that in my airline, in Air Canada, we've spent over \$10 million that I know of on just the flight data analysis. It has cost our company a lot of money to do a flight data analysis program to enhance safety. We didn't have to. We moved on that program back in 1998. It cost a lot of money.

I can also tell you that we complete flight safety investigations. I think it's up to 22 now, last year. In the past, we allowed the Transportation Safety Board to do those flight safety investigations. They don't have the resources to do them all. It has cost our pilots and our airline a lot of time to do flight safety investigations. We're spending a lot of money in SMS, but we're getting benefits as a result of it.

• (1640)

**Mr. Paul Zed:** Okay. I have a couple of other points that I want to add and get some reaction to.

All of you talk about safety, but there's also Canada's international reputation. When I hear about the absence of safety protection and the fact that, for example, Germany and Australia are legislating certain provisions, doesn't our international reputation count for quite a bit?

I'm asking the panel or anybody who wants to jump into this to answer.

**Capt Brian Boucher:** It does count, and we have legislated SMS in this country too.

I'm saying that we need to ensure there's legislation in Bill C-6 that protects the safety of the data. If you don't protect the data, I can tell you right now that our pilots will not report. Our pilots will kill the \$10-million-plus flight data analysis program. Believe me, there are a lot of people out there in the industry who would love to get hold of that information.

We're not holding the information here. We want it de-identified. We want to take the information and work with the other countries around the world to enhance flight safety.

We are leaders. We, the Air Canada pilots, want to be part of the program, but we want to do it with protection. Bill C-6 does not give us that protection.

**Mr. Paul Zed:** What I generally get from this panel is not only on the safety standard and the international reputation, but there's a general concern that we need to be very cautious about preventing too much delegation to the collective commercial airline industry. Is that overstating it? Is the position I've just stated overstating the consensus this panel is agreeing with?

**Capt Brian Boucher:** From my point of view, it is correct. We still need the regulatory people in place to do the job.

This is going to take time. SMS isn't going to happen overnight. It's going to take five or ten years. It's going to take time for the culture to change. It's not quite there yet, and who knows how long it's going to take.

**Mr. Paul Zed:** Could everyone else answer that, Mr. Chairman?

**Mr. Brian Jenner:** I'll try to answer.

SMS isn't an exchange of power, and it isn't moving Transport Canada out. It's entering into a partnership with Transport Canada where we marry the forces and the tools Transport Canada has, we use them better, and we marry them with the tools that aviation has.

Transport Canada inspectors can't be everywhere. But aviators, pilots, engineers, and managers can be, and we are everywhere. If we can be empowered to do a better job at managing safety, the whole system will be much safer.

**Mr. Peter Boag:** I would wholeheartedly agree with that. I think the key word is "empowerment".

This is an area of aviation safety where a partnership can be far more effective than an us-versus-them situation. Bill C-6, the designated organizations, the delegation authorities, and SMS are all part of creating a much stronger partnership between elements of industry and Transport Canada and are not displacing Transport Canada.

But as our industry continues to grow and mature, the regulatory regime needs to evolve to ensure we provide the highest levels of safety possible here in Canada and internationally, because that international reputation is very important.

**Mr. Paul Zed:** Thank you very much.

**Mr. Greg Holbrook:** If I could have the opportunity to respond as well, I think somebody might have misinterpreted our approach here. We're not against SMS. SMS is a good idea. I agree with the vast majority of comments that have been expressed about SMS.

What we're talking about here today is that the system of regulatory checks and balances has to be maintained while we're bringing SMS on line. SMS is a good idea, and hopefully it will deliver all the things we anticipate it will do, but we need to have a balanced approach to make the transition.

I'm providing information to you here today to let you know that I am concerned. I would like you to be aware that as you make your deliberations, there are a lot of things that have already been shut down.

Thank you.

**The Chair:** Monsieur Laframboise.

[Translation]

**Mr. Mario Laframboise:** Thank you. It is all there. I am one of those who want the safety management system, or SMS, to work. However, from the very beginning, I have questioned whether we are disengaging from the inspection system at the same time. We were told that discussions began in 1998. However, we cannot forget the events of September 2001. The public's threshold with regard to safety issues has changed.

The Transportation Safety Board was unable to tell us whether or not the SMS had led to a decrease in rail accidents. That means that there are questions. I agree with all of you that, until SMS becomes fully operational, Transport Canada will have to maintain an inspection system.

The Transport Canada decision of December 2005 is problematic for me. Civil Aviation Directive No. 39 was issued in the midst of the election campaign. We, the members of Parliament, have noted that the Transport Canada focus is not the safety of citizens but rather cost reduction.

I am sorry, Mr. Fast, but the unions told us that, as of August 2005, there were cuts to staff, as shown in the table I submitted. We must ensure that there is an adequate inspection system. I have a problem when the ACPA tells us that inspectors will not have the same role once SMS is implemented. As you stated, Mr. Boucher, in five to ten years they will not have the same duties but, in the meantime, the inspection system must be maintained in order to guarantee the safety of citizens.

My question is for Mr. Holbrook. In the end, what you are saying is that the inspection system is no longer what it was a few years ago.

• (1645)

[English]

**Mr. Greg Holbrook:** That's exactly what I'm saying, that the system is being scaled back and shut down systematically over the last couple of years, and the plan is to continue to do so, because they simply do not have enough resources to bring SMS on line and continue with the traditional checks and balances.

In the *Toronto Star* earlier this year it was reported that the SMS is driven by Transport Canada's need to reduce costs. The budget for aviation safety regulation is actually expected to drop from \$265 million in 2003-04 to \$243 million in 2007-08. Transport Canada management is in a very tough situation and they're looking for these initiatives to help solve their problem.

I hope we have a system coming out of this exercise that has a balanced approach, that ensures that we maintain things in an appropriate manner until such time as we have the new system up to speed, and we have the evidence and confidence that it is actually delivering on what we anticipate it will deliver.

[Translation]

**Mr. Brian Jenner:** Mr. Chair, I would like to clarify a point regarding Directive No. 39. It is not the inspections that were cancelled, but the investigations ultimately leading to a sanction, fine or document suspension. In other words, when a safety management system is in place, we must let the company manage the safety issue without placing it in a position where it is forced to remain silent because it faces reprisals or a punitive investigation.

Directive No. 39 does not mention that inspections will no longer be carried out. On the contrary, it transfers resources to other types of inspections. Any SMS is based on that concept. Inspections will be carried out by companies and their employees. Transport Canada resources will be channelled towards activities that are more productive in terms of ensuring safety.

**Mr. Mario Laframboise:** Except, Mr. Jenner, you cannot guarantee that all companies have the financial capability to ensure...That is why a transition is required. You are aware of how an airline is born and dies; you have witnessed it in recent years. Since I am entrusted with defending the interests of the public, I must ensure that Transport Canada...we are going back a ways to the Dubin Report. The overall safety of transportation in Canada is at stake. There is a reason why our country has the best safety record. Our concern is to ensure that this continues.

• (1650)

**Mr. Brian Jenner:** That answers your question, sir, because rather than allocating resources to the inspection of a company that is known to be financially sound, we allocate resources to companies where there are doubts about its financial footing, the quality of management or companies that show signs of potential risks.

**Mr. Mario Laframboise:** No, however that leads us to assume that the company can do it. That is why you are telling us that it will take between 5 and 10 years before companies have such a system in place. That presupposes that companies could operate as they should right away, from the very beginning. It is for this reason I have a great deal of difficulty accepting that a directive was issued in the midst of an election campaign. You do not seem to have any trouble accepting that; of course, you are not a politician.

**Mr. Brian Jenner:** Not at all, it is a directive concerning investigations that lead to sanctions. An investigation will determine whether someone was going 110 km/h or 120 km/h. What we are saying is that, in our context, if a company already has a mechanism in place to deal with non-compliance with a regulation, we should let it deal with it and we should monitor its system to see whether or not it succeeds. We should monitor them closely.

**Mr. Mario Laframboise:** Mr. Holbrook, could you tell us if all companies should be allowed to operate in this way?

[English]

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

Mr. Storseth.

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

I don't have anything as in-depth as the *Toronto Star* to quote here, but I am going to talk a little bit about what Mr. Zed was talking about, and that's Canada's international representation to the world.

I'd like each one of the witnesses to have a chance to just talk a little bit about their knowledge about how SMS has been implemented in other parts of the world, particularly the United Kingdom and Australia. If I'm getting the correct feedback from the people to whom I'm talking, it has been an overwhelming success in those parts of the world. So if you're comfortable, each witness who is comfortable, I'd like to hear what you have to say about that.

**Mr. Robert Mather:** If you'd like, Mr. Chairman, I'll respond to that by saying that under the present system of certifications and delegations Transport Canada engages part of our member companies in the safety agenda. Under safety management systems, Transport Canada engages the entire company by placing the accountability with the chief executive officer. That's why we're so confident that SMS will move us forward to the next level of safety. I have a passing acquaintance with how these SMSs are being implemented in the other countries, but not in any great detail. But I believe, like you, that they are successful.

**Capt Brian Boucher:** I can only speak for our association. As you know, we work with the International Federation of Air Line Pilots' Associations and we deal with those countries that have already implemented SMS, like Australia—we deal with those airlines. We're also part of ICAO; as you know, it's an ICAO initiative, and we support it. We really do.

I listened to the discussion back and forth about enforcement practices. I can tell you from first-hand experience of over-altitude violations, of landing on the wrong runway last year in Washington National Airport, and how we carried out a flight safety investigation and we got down to the root cause. It wasn't to find blame. It wasn't to implement a fine. We went down to the root cause, and if we didn't have SMS, if we didn't have flight safety investigations in place, that would have never happened. So first-hand experience showed in the last couple of years that it works, and we're so happy as a pilot group that it works so well.

It also gives us the opportunities, and the other countries agree with what I'm saying here, to explore other initiatives like fatigue risk management to deal with pilot fatigue. We've heard about this in the news, and SMS allows us to do that. Forget about the regulations and enforcing a regulation, because quite frankly it isn't working. And SMS gives us an alternative to make changes to the regulatory framework that we deal with today.

**The Chair:** Mr. Holbrook.

**Mr. Greg Holbrook:** Yes, I think that Brian's comments are quite correct. SMS does offer the potential to exceed the regulatory standards, and that's a good thing.

ICAO was advocating a two-pronged approach to civil aviation authorities around the world: not only promote SMS, but maintain a strong and robust set of regulatory and safety oversight tools being exercised by the civil aviation authority of the state.

They advocate SMS programs, and there are lots of benefits to those, but the regulatory oversight framework should not be dismantled. We're seeing that the framework and the legislation are being left there in Canada, but the activities related to it are being curtailed. We do not see that in any other jurisdiction around the world.

• (1655)

**The Chair:** Mr. Jenner.

**Mr. Brian Jenner:** To my knowledge, and I am part of the International Federation of Helicopter Associations and many other organizations, there is no other constituency that is as far advanced in SMS as is Canada. We are leading the way.

I know that the Australian association is constantly in contact with us and constantly questioning us as to where we're at, how we're proceeding. I do also know that in the United States airline industry, the FAA initiated a non-punitive reporting system for pilots. In the first 30 days, if memory serves me, they had 300 reports, 300 incidents that had been hidden in the system before we allowed the people to speak freely. Those 300 reports allowed the FAA to identify various systemic problems at certain airports and to correct them overnight.

So this is the idea: SMS is like taking the system we have, which is very good—especially in Canada, we have a very good record—but which has been stagnant for 15 years, as we haven't been improving safety for the last 15 years, and putting a hybrid engine into the system. It will be more effective. We will get a little bit better cruising speed out of it, but we'll also get a lot of efficiencies out of it, for both government and industry.

**Mr. Brian Storseth:** Thank you very much, Mr. Jenner.

I'd like to make one more quick comment here, and I have one quick question, Mr. Holbrook.

We've heard from Mr. Boucher how we went from 300 to 5,000 reports a year. I feel like at every committee meeting I have to put it on the record for Mr. Julian that this is actually overlapping, putting a system overtop the regulations that we already have in place.

Mr. Holbrook, what I'm hearing from you is that you would endorse that if we kept the regulations we currently have and put SMS overtop of that.

Sir, I consistently hear how this is just a measure for Transport Canada to save money. Do you have any numbers on how much money, you speculate, Transport Canada is going to save off this?

**Mr. Greg Holbrook:** No. Transport Canada doesn't share their financial figures with us.

**Mr. Brian Storseth:** This is the juxtaposition of the argument I keep hearing. Is there—

**Mr. Greg Holbrook:** If you go through the documents I've tabled before you today, every single one of them justifies the movement of SMS and the switch to it as a way to redirect the resources away from the activities we're doing now to SMS. You're not going to do both.

**Mr. Brian Storseth:** Do you have any numbers for us?

**Mr. Greg Holbrook:** Do I have any numbers for you? What specific numbers are you looking for, sir?

**Mr. Brian Storseth:** Well, I'm looking for some evidence in this whole argument that this is simply a cost-saving measure for Transport Canada. It's one thing to have an argument, but I would like to see some evidence that would back it up, other than speculation or hearsay.

**Mr. Greg Holbrook:** I'm not speculating. I'm giving you the documents from the department that show you they've shut down these programs. What the specific cost of those programs is I don't specifically know, because that information is not available to me from the department. They do not share their financial records with me.

All I can point you to is that these programs were shut down, and these are the activities that relate to the regulatory framework that is going to be maintained. We're taking the activities and the people and resources involved in doing those regulatory functions and safety oversight functions, and we're now switching them and investing them in SMS activity. We are not going to continue to do both activities. You will have a legislative framework that will put SMS on top of the regulatory framework, but the activities associated with the existing regulations will no longer continue to exist.

**The Chair:** Thank you.

Mr. Volpe.

**Hon. Joseph Volpe (Eglinton—Lawrence, Lib.):** I wonder, before I begin, Mr. Chairman, if you would allow me two reflections. One is that perhaps we could have our researchers come up with the answers Mr. Holbrook was asked to provide. They should be a little easier for them to provide. I imagine that if they examine the budget documents from the last two budgets, they ought to be able to come up with something. It'll be most instructive for us.

Secondly, I apologize to the witnesses before us for being late and trying to catch up. I say that as an introduction, because I had a sense of comfort before I started to hear what you had to say, but that comfort level has diminished somewhat, so please correct me as I go through this.

First of all, my sense from your responses is that yes, you welcome SMS; no, you didn't like the safety track record before; yes, you think there should be a culture change—and that to me implies that the industry, the companies, weren't particularly forthcoming without the appropriate regulatory inducements, whether sticks or carrots—and now you're still prepared to be a part of the culture change, but you still want the regulatory oversight.

Where have I gone wrong here?

Mr. Boucher, I'm particularly thinking of you when I ask those questions.

• (1700)

**Capt Brian Boucher:** We're not saying we want to do away with the regulatory framework, by all means. The example I used earlier was our flight time duty regulations. In Canada, if we compare ourselves with the rest of the world, we don't do a very good job, in my opinion, if we want to be leaders in aviation safety. In fact, if we compare the flight duty regulations around the world, we don't do a very good job, in our opinion, with that area of the regulations.

Fatigue risk management is a program that Air Canada, the regulator, and the associations all bought into. So we're not saying to do away with the regulatory framework, but we think we can improve flight safety by addressing pilot fatigue. It's a big issue for us.

What we have seen is that in the old days when we violated a regulation—for example, missing an altitude coming to Ottawa, which is something that would happen, when we were supposed to level off at 17,000 feet and the aircraft would continue at 20,000 feet—it would be reported, investigated by the regulatory authority, and that was the end of it. There might have been a fine; the pilot might have been disciplined and taken off the line for three days without pay. What does that really prove? Nothing.

But under SMS, what it did was drill down to the root cause. We don't want to make errors and we want those errors reported. So we drilled down and found out that there are those latent issues that someone mentioned earlier when they looked into the FAA, when those pilots reported: "Look at what's behind the scene; look at what's latent; look what's down there that's been about to bite us in the butt and make us have an accident." Now, because our pilots are reporting, we can identify and be proactive and head those things off before we have an accident. That's what SMS does.

So I'm not saying do away with the regulations, sir. What we're doing, I guess, is saying it's another layer.

**Hon. Joseph Volpe:** No, I don't see that. That's the justification I've been given all the time. The reason I'm skeptical now, after listening to all of you, is that it would appear that the industry, including those who provide the services as well as the corporate industry, is being encouraged to comply and to provide information—to use your terms, to drill down and get to the root causes—because otherwise they wouldn't do it. That's always troubling to me, because I use the services quite a bit. I'm rather concerned that people are reluctant to come forward.

Now, if they have been reluctant to come forward with information that would make the service much more secure and much safer.... I hear Captain Holbrook telling me that perhaps this is not going to solve the problem, because people are not being given, first, the inducement, or second, the protection, to come forward.

There's a conflict, between a desire to establish a different culture and at the same time action that suggests that this culture is not going to come into being because the resources aren't going to be there.

If they're not there for Transport Canada, what would give me the confidence that the industry will put the resources in place?

• (1705)

**Mr. Robert Mather:** Thank you, Mr. Chairman.

It's true to say that the AIAC member companies have introduced what could be called continuous improvement programs for improving quality and service within their organizations. SMS simply reinforces that. The culture change goes from blaming people for making mistakes, to actually seeking out reports of errors or omissions so that they can be fixed. It's celebrating errors so that we can say we've brought them out into the open, we can thank the employees for that, and we can then going ahead and fix the errors.

From the AIAC side, many of the companies were engaged in continuous improvement programs, which SMS reinforces. I'd like you to feel confident—as my colleague, Mr. Boag said—that we are a mature industry and are looking forward to implementing SMS, so that we do not wait until things go wrong, but find the precursors that are indicating things might not be as good as they could be.

**Hon. Joseph Volpe:** I'm sure you would appreciate, Mr. Mather, that the general public—I think I'm pretty representative of the general public, and I'm not talking about my elected position—feels more comfortable when there is a competent regulatory body, a third party that ensures that all of the continuous improvements of service mechanisms are in place, that safety measures are in place, or that the procedures that need to be followed in order to ensure a safe provision of services are followed. What I think is now happening with the information that you, as a panel, are providing is that you're asking me, as a member of the public, to put more faith in a company to determine how safely it really is operating its service, but I don't have a third party giving me that assurance anymore. Is that what I should have gotten from you, Mr. Holbrook?

**Mr. Greg Holbrook:** Yes, that's our concern. The industry members will largely be monitoring themselves. Our inspectors will be redirected from the direct actual operations, from looking at that through audits, inspections, and surveillance programs. They will be redirected to reviewing SMS programs and looking at the systems and structure. If it's there, the company has it in place, and it meets requirements, that's the end of the involvement with Transport Canada. They will not be reviewing the actual operation any more.

**The Chair:** Mr. Mather, for one comment.

**Mr. Robert Mather:** I have one very quick comment.

We do not see SMS as a way of disengaging Transport Canada. We believe a vigorously involved certification agency is a vital ingredient, as you quite rightly have said, in our safety reputation and in the confidence that the public and our overseas trading partners have in our product.

Thank you.

**The Chair:** Mr. Jean.



**Mr. Brian Jean:** Thank you, Mr. Chair.

I just have a few questions for Mr. Holbrook.

How many members do you represent?

**Mr. Greg Holbrook:** Approximately 470 right now.

**Mr. Brian Jean:** When you sent out your survey, were you involved in that survey?

**Mr. Greg Holbrook:** I contracted a company to do that, and we provided a list of Transport Canada inspectors because we wanted to survey only the people who were actually civil aviation inspectors at Transport Canada.

**Mr. Brian Jean:** How many people were on that list that you provided?

**Mr. Greg Holbrook:** There were 377.

**Mr. Brian Jean:** They actually contacted all 377?

**Mr. Greg Holbrook:** An invitation was sent by e-mail to 377 individuals, and 247 individuals decided to complete the survey online.

**Mr. Brian Jean:** Aren't there currently 873 inspectors?

**Mr. Greg Holbrook:** These inspectors I'm referring to are the inspectors who are pilots. There are other inspectors in Transport Canada who have other areas of expertise—aviation maintenance engineers, cabinet safety experts, dangerous good experts—but the numbers and information that I've given to you exclusively have to do with our pilot members.

• (1710)

**Mr. Brian Jean:** So it was sent out to all your pilot members and they responded. In fact, not one said SMS would not improve aviation safety in Canada: 8% said they didn't know, and 92% said it would improve it.

**Mr. Greg Holbrook:** No, that was not what it said. If I refer to the document itself, 92% of the respondents to the question, "In theory, do you believe a safety management system could improve aviation safety in Canada?", responded by saying they do believe it would be a good idea, in theory. The other 8% said they don't know.

**Mr. Brian Jean:** But not one said no.

**Mr. Greg Holbrook:** That's correct. It's a good concept.

**Mr. Brian Jean:** Indeed, earlier you mentioned a balanced approach. I was wondering if you could tell me what you meant by "a balanced approach".

**Mr. Greg Holbrook:** What we mean by "a balanced approach" is what's advocated by ICAO in its safety management manual. At tab 8, you'll see appendix 1 to chapter 10 of the safety management manual that is put out by ICAO as the international standard and recommended procedures for safety management systems. In that appendix, ICAO refers to the responsibilities of both the civil aviation authority and the operational organizations. They're talking about making sure that there's adequate "fulfilment of regulatory functions (such as licensing, surveillance and enforcement)" and adequate "resources and organization for the magnitude and complexity of regulatory requirements". In fact, they indicate that if there is inadequate provision of those things by the civil aviation authority, it is in fact an indicator of poor safety health for that state.

**Mr. Brian Jean:** What does this new system not include in terms of what you've just said? My understanding is that it actually includes all of those things.

What I'm asking specifically is the same thing that my colleague Mr. Fast asked about earlier. We've heard from pretty much everyone except, quite frankly, bargaining agents for union members, that this is a great system and that it in fact puts another layer over and above. Your words were "regulations have been curtailed", "things have been shut down", "things have been switched", and "activities have been changed".

I'm asking—and I think all members of this committee are asking—what more you can tell us specifically about how regulations will be curtailed under this system and what has been shut down already. It has been in place in some form for two or three years, has it not?

**Mr. Greg Holbrook:** That's correct.

I've tabled documents with you to show that the audit and inspection programs are being shut down and that the investigation of reports of occurrences within companies will no longer be done, regardless of the source. I fully agree with Mr. Boucher and my colleagues here that under SMS it's essential to have confidentiality with an internal reporting system, and that flight safety departments need to be able to have that information internally within the company. That does not mean that when Transport Canada gets a report from a concerned citizen or from a police officer in some location that they have some concern about something, Transport Canada should do nothing about it or that they should simply refer it to the company and not look into the matter whatsoever. What I am telling you today, sir, is that this is no longer occurring.

**Mr. Brian Jean:** Mr. Jenner, could you speak a little bit about partnership? You talked about a partnership over and above the current regulations. Did you mean a partnership between Transport Canada and the providers of the service? What did you mean, specifically?

**Mr. Brian Jenner:** I meant a partnership between all levels of the industry and all levels of Transport Canada. We're effecting a cultural change from the "we have to find out who's guilty" culture to the "we have to find a way of preventing this from happening again" culture.

We're enlisting the partnership of the employees. They have the information that managers need. If we can get that information up to the management, the management will use it to try to prevent the accidents.

The partnership with Transport Canada goes from Transport trying to detect all the faults in the system to Transport managing the system and seeing to it that the system is looking for the faults itself and correcting them.

• (1715)

**Mr. Brian Jean:** Thanks a lot, Mr. Jenner.

Do any other witnesses here today see reasonableness in Mr. Holbrook's comments? I'm not asking for you to counter him. I am asking if you see reasonableness in what he's brought forward specifically in relation to the safety concerns of the Canadian airline industry.

Anybody? Mr. Jenner? Mr. Boucher?

**Mr. Brian Jenner:** I have one comment to make that I find very important. I have sat across the table from Merlin Preuss for 15 years, and I know him to be a hard-nosed manager who seldom gives me what I want, but I also know him to be one of the most honest and forthright public servants I have ever met.

**Mr. Brian Jean:** What about the comments Mr. Holbrook has brought forward?

I'm still on the same question, Mr. Chair, I'm sorry, but we haven't heard anything, so that must mean—

**Mr. Brian Jenner:** I don't find any merit in the negative comments of Mr. Holbrook. I think it's jumping forward. We're moving forward, and Mr. Holbrook is looking at the future without seeing the intermediary steps.

**The Chair:** Mr. Bélanger. We're going to do one more run down there, two or three minutes—we're following the rules.

Mr. Bélanger.

[Translation]

**Hon. Mauril Bélanger:** I had five points that I wished to discuss; I will only touch on the first two. These are questions for our staff. Two weeks ago, the Department of Transport indicated that it was sending us some documents, such as the proposed amendments, the existing legislation, the proposals, and so forth.

First of all, have we received these documents? I think that two weeks should be enough.

Second, what is the existing legal and regulatory framework for safety management systems?

[English]

Essentially, what are the current legal and regulatory underpinnings for SMSs today? I think that might be useful information to have.

For the witnesses, Mr. Boucher, during your testimony you seemed to be concerned with the power to delegate regulation-making. Are you concerned in particular with section 5.31, with the notion that the organizations that would be designated by Transport Canada could establish standards—essentially three or four times throughout this—subsections 5.31(1) and (2), in particular, “establishment of standards”, and then “a designated organization has all the powers necessary to monitor compliance with the standards and rules that it establishes”? Is that your concern?

**Capt Brian Boucher:** Our concern is having the airlines establish regulations and govern themselves. We just don't think in this competitive, commercial environment of the airline industry anywhere in the world that this is a good way to go right now. Maybe later on, when we can have that safety culture established, but right now we don't have a safety culture.

**Hon. Mauril Bélanger:** Thank you.

Referring to directive 39, Mr. Holbrook, you said the inspectors are asked to refer any event or incident to companies that have an SMS or that are in the process of setting one up?

**Mr. Greg Holbrook:** That's correct.

**Hon. Mauril Bélanger:** Are those the words?

**Mr. Greg Holbrook:** Those are the words in Transport Canada's document—

**Hon. Mauril Bélanger:** I tried to find that.

**Mr. Greg Holbrook:** It's in the procedures section, rather than load you up with—

**Hon. Mauril Bélanger:** Would you mind sending that as well? I'm curious as to how long they can be in the process of setting up, and how long, therefore, would incidents or events be referred to them if they're still in the process of setting up. That was a little quirky.

Finally, it's the other matter you raised, Mr. Holbrook: that according to one directive we're now inspecting pilots every year or two years, instead of the international standard of every six months. Correct?

**Mr. Greg Holbrook:** Correct.

**Hon. Mauril Bélanger:** I understand that if we're going to be at the top of the safety pile then perhaps we should have stricter standards, but that's another matter. The question is to you, Mr. Boucher. Would that be putting Canadian pilots at a disadvantage? The response from the department has been that we will respect standards elsewhere. If our pilots are only inspected yearly or every two years and the international standard is every six months, would that not restrict their capacity to fly abroad?

**Capt Brian Boucher:** I'm not exactly sure what that change will be as far as licensing efficiency requirements are, but I can tell you that SMS does bring in FOQA, flight operational quality assurance, and other programs that enhance the programs we're doing right now—LOSA, line operations safety audit.... The bottom line is we would be doing more safety-related programs to make sure we're doing a good job on the flight deck.

● (1720)

**The Chair:** Mr. Holbrook.

**Mr. Greg Holbrook:** I'm sure Air Canada can do those things, but not every airline in the country has those resources or that equipment on board their aircraft.

**The Chair:** Mr. Laframboise.

[Translation]

**Mr. Mario Laframboise:** Thank you.

I am trying to understand why we could not have an adequate inspection system in tandem with a safety management system.

Mr. Jenner, are the members of your association operators—those who lease helicopters for transport purposes—or are they manufacturers?

**Mr. Brian Jenner:** The members of our association are helicopter operators. They are the companies that operate the 2,000 helicopters in Canada.

**Mr. Mario Laframboise:** How many owners and how many corporations are members?

**Mr. Brian Jenner:** Of the 200 helicopter operators in Canada, 140 are members on a voluntary basis.

**Mr. Mario Laframboise:** Do you honestly believe that the 200 companies are capable of operating a safety management system without supervision?

**Mr. Brian Jenner:** First of all, it is not unsupervised. Yes, all of them, from the smallest to the largest, could have a safety management system. However, they are not left to their own devices, completely on their own. Transport Canada is shifting from the inspection of the roots to the inspection of the forest to ensure that it is healthy. Transport Canada must inspect the system to determine if it is operating properly. It must do so regularly and on the basis of risk management. In other words, it will inspect more frequently those companies that present risk factors and less frequently those that have none.

**Mr. Mario Laframboise:** But, in your words, the roots are no longer inspected, the forest is inspected.

**Mr. Brian Jenner:** The forest is inspected as long as—

**Mr. Mario Laframboise:** The forest will change colour. Your problem is that—

**Mr. Brian Jenner:** As long as it is healthy, there are certain measures in place. It may be somewhat figurative but when leaves die, when there are empty spaces in the forest, they will go and have a look at what is happening. And the more signs there are that the system is not working or is dysfunctional, the more they will look at the roots of the system.

**Mr. Mario Laframboise:** Except that in order to find the dead leaves, you have to have people on the ground.

I am astounded. That is why I am saying—

**Mr. Brian Jenner:** But they are all there. We take those we have right now, on the ground, plucking the weeds, and we put those people around the field to check the work of those individuals who are taking out the weeds.

**Mr. Mario Laframboise:** Except—

[English]

**The Chair:** Sorry, I'm just trying to give everybody a little bit of time.

Mr. Julian.

**Mr. Peter Julian:** I'm glad Mr. Holbrook will be coming back to be with us, because we have far too much content to go over.

I would like to just quickly review in the few minutes we have left. The parliamentary secretary, Mr. Jean, only addressed one page, and that was the theory of the issue....

Are you going to try to filibuster, Brian?

**The Chair:** Mr. Jean, on a point of order.

**Mr. Brian Jean:** No. I want to obey the rules, and the rules are that all the members have a chance to ask a question before any other member. Mr. Watson actually has a question right now.

**The Chair:** I have three minutes with Mr. Julian, and that will leave time for Mr. Watson.

**Mr. Peter Julian:** Thank you very much, Mr. Chair.

Mr. Holbrook, what are the average years worked in aviation of the inspectors in the survey?

**Mr. Greg Holbrook:** It's approximately 28 years, and their average time with Transport Canada is approximately 11 years.

**Mr. Peter Julian:** So the brightest and the best responded to this survey. In theory, of course, they support the SMS. In fact most people who have come forward have said they support it in theory.

What percentage of those inspectors believe that Mr. Cannon's proposed SMS would provoke a higher level of risk in Canada's aviation system?

**Mr. Greg Holbrook:** In that case it's over two-thirds of our group.

**Mr. Peter Julian:** I believe it's 67%, from page 10. So they believe it in theory, but they believe that Mr. Cannon's particular plan will actually increase the risk to aviation.

What percentage of those inspectors believe that Mr. Cannon's proposed SMS would prevent them from addressing and correcting certificate-holder safety problems in a timely fashion before they happen?

• (1725)

**Mr. Greg Holbrook:** That would be 80% of the group.

**Mr. Peter Julian:** So 80% of these inspectors, the brightest and the best, the most experienced in the country, believe it would prevent them from addressing and correcting the safety problems. That's very important to note, Mr. Chair.

What percentage of the brightest and best of Canada's aviation inspections believe that if the travelling public knew what was being planned by Mr. Cannon, their level of confidence in the safety of Canada's aviation system would decrease?

**Mr. Greg Holbrook:** That would be 77% of the group.

**Mr. Peter Julian:** That's over three-quarters then. So they certainly support it in theory, but 77% of them believe that if the travelling public knew, they would be concerned about this.

What percentage are personally worried about air operators in airports regulating themselves through Mr. Cannon's SMS safety plan?

**Mr. Greg Holbrook:** A total of 85% of the group.

**Mr. Peter Julian:** Eighty-five percent. So we've moved from 92% who support it in theory, as most of our witnesses do, to 85% who are personally worried about this particular plan. That's very important to note, Mr. Chair.

As my final question, what—

**The Chair:** I'm sorry, I've given everybody the same amount.

Mr. Watson.

**Mr. Jeff Watson (Essex, CPC):** Actually, I want to come back to Mr. Jean's line of questioning. I sense there were some panellists who wanted to jump in and comment on Mr. Holbrook's position. Mr. Boucher, you looked like you wanted to make some comment on that.

I would open that up to other panellists in terms of Mr. Holbrook's position. Would you like to offer a comment?

**Capt Brian Boucher:** What I'd like to say here is that I understand where Mr. Holbrook's coming from. We're not as a pilot group saying that we want to do away with that regulatory framework and that oversight. In fact, the oversight needs to be there; it always needs to be there.

What role, what function they will take as we move down the SMS implementation route, I don't know. All I can tell you is what has been happening during the last two years as our company has implemented SMS. We've just seen a lot of positive changes to the safety environment I work in right now. That safety culture has changed.

**Mr. Jeff Watson:** Mr. Jenner, or anyone else, do you want to open up a comment?

**Mr. Brian Jenner:** Yes.

We do not want to see the regulatory function of Transport Canada disappear, and it's not forecast to disappear. The Governor in Council

will continue to make regulations, even with regard to designated organizations. Those standards made by designated organizations must meet the regulations, but by giving it to a designated organization, they will also meet the imperatives and the realities of the industry they serve.

**Mr. Peter Boag:** I would agree. We certainly see a continued and important role for Transport Canada as we move forward with SMS. Those roles will continue to evolve over time, but the engagement between industry and Transport Canada officials will and must continue as we move forward in a shared way to continue to advance aviation safety.

I don't share the concerns that Mr. Holbrook has shared today, but certainly we see a continued and very important role of Transport Canada.

**Mr. Jeff Watson:** Okay.

Thank you, Mr. Chair. That's everything.

**The Chair:** Thank you, everyone.

We're out of time. I'd like to thank our guests for being here today and providing us with some very important information.

It now being 5:27, the committee is adjourned.

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