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Chair

Mr. Merv Tweed

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• (0915)

[English]

The Vice-Chair (Hon. Joseph Volpe (Eglinton—Lawrence, Lib.)): Thank you.

Colleagues, it's my pleasure to sit in for the chairman of the committee and to welcome the witnesses.

Pursuant to Standing Order 108(2), we are studying aviation safety and security.

We are pleased to have with us this morning witnesses who have come from the Air Transport Association of Canada: Mr. John McKenna, Mr. Michael Skrobica, whom we've met before, and Mr. Bill Boucher, vice-president, operations. At the same time, members, from the Helicopter Association of Canada we have Mr. Fred Jones; from the Quebec Air Transportation Association we have Marco Prud'Homme; and from the Northern Air Transport Association we have Mr. Stephen Nourse.

Gentlemen, thank you very much, and welcome. I think you've already been given an indication of how much time you have. I'm sorry we had to delay you for as long as we did.

Who shall be first?

Monsieur McKenna.

Mr. John McKenna (President and Chief Executive Officer, Air Transport Association of Canada): Good morning, ladies and gentlemen, members of the committee.

My name is John McKenna, and I am the president and chief executive officer of the Air Transport Association of Canada. I am accompanied today by Michael Skrobica, vice-president, industry monetary affairs, and Bill Boucher, vice-president, operations.

The Air Transport Association of Canada has represented Canada's commercial air transport industry for over 75 years. We have approximately 185 members engaged in commercial aviation operating in every region of Canada and offering services to the vast majority of the more than 700 airports in the country.

Aviation safety and security are at the very core of ATAC's reason for being. The purpose of your study touches many critical aspects of both safety and security. ATAC is a strong supporter of safety management systems. We firmly believe that SMS represents both a financial and a safety gain for air operators. The major carriers have now all implemented SMS and are seeing the benefits of proactive safety management.

For SMS to work effectively, though, both industry and Transport Canada need to have a shared understanding and show the same devotion to safety. Unfortunately, Transport Canada now lacks some of the essential tools required to allow SMS to fully come into play. These tools were to be provided by the proposed amendments to the Aeronautics Act, tabled in 2006. The enactment of this bill would have dealt with integrated management systems and would have authorized the establishment of voluntary reporting programs under which information relating to aviation safety and security could have been reported. This covered the protection of operators' confidential safety information from easy access by the general public, by competitors, or terrorists.

The amendments also provided for a non-punitive reporting system for aviation personnel, thus allowing employees the protection needed when revealing safety-related information. The bill also provided Transport Canada with the resources needed to adjust to its new role as designed by SMS. Without these tools, proper SMS can never be implemented to its optimal level. Ideally, the Aeronautics Act should have been amended before the new safety regulations came into effect.

We are very concerned that Bill C-7 seems to have been abandoned by the Minister of Transport. The monetary and social cost of the current security measures is significant. In fact, Transport Canada conducted a study on this very subject some 18 months ago. We have not been privy to the findings of this study, but we recommend that the members of this Standing Committee ask to see its results.

The social cost is also very significant. No-fly lists, passenger name records, advanced passenger information all have access to passengers' confidential information and intrude into the private life of Canadians and foreigners. The measures add much inconvenience for passengers. They have to arrive hours ahead of their flights, submit to more searches, restrict their carry-on luggage, and they heighten stress level when travelling.

The monetary costs are in the billions of dollars. There are direct costs to both the travelling public and to airlines. Canada's air travellers security charge is a case in point. In 2008, ATAC conducted a survey to rank the 175 security fees charged by either governments or airports worldwide. At that time, Canada's security charge was the second highest in the world, second only to the Netherlands. After the February 26, 2010, announcement of increases by Minister Baird, we believe the Canadian security charge to be the highest in the world, the international fee alone having gone from \$17 to \$25.91, a 52% increase. Why are Canada's security charges so high as compared to other countries?

There are also many other direct costs to airlines. For example, security measures required airlines to make significant and costly changes to their reservation systems to provide added passenger information, such as where they will live when abroad.

The problem with the existing security measures is that they rely on a cross-section of technology, most of which dates back some 50 years. Passengers are required to go through very old technology metal detectors while their carry-on luggage goes through x-ray detection. They are then wanded should the metal detectors light up. Once that process is over, transborder flight passengers are either patted down or put through body scanners. All this requires time and personnel. We hoped the body scanners were going to replace the old technology, not add another stage to the process. Why can't we use a modern detection technology, which will reduce the number of stages and the time and personnel required to process passengers?

The full-body scanners are an improvement over the 1960s metal detection technology but are not entirely efficient either. They would not have prevented Umar Abdul Mutallab, the Christmas Day underwear bomber, from getting on the plane.

• (0920)

People can refuse to go through the scanners for medical reasons. People under the age of 18 can't go through it either, for legal reasons. In short, we don't have a problem with full-body scanners, which in our opinion are less intrusive than a pat-down. However, they are but an improvement. They are not foolproof, any more than any other measure, and they don't speed up the screening process.

The queueing of passengers is another problem. Why can't they design lines and use equipment that would shorten the delays, use better judgment when deciding who merits closer scrutiny, and not make these clusters of assembled passengers such obvious targets for terrorists? A terrorist act at a major airport terminal would cause as much devastation and as many victims as a downed airliner.

Pre-approved levels of security clearances would expedite significantly the screening process. Why not grant heightened security clearances to officers of the law, frequent flyers, and military personnel? NEXUS or CANPASS-type pre-clearance cards would also be a way to accelerate the process.

The same can be said for non-passenger screening. The screening of aviation personnel is not a good use of CATSA resources. The U.S. and Israel don't screen aviation personnel; why do we do it here?

ATAC stands against profiling for ethical and practical reasons. Clearly, profiling would not have stopped Timothy McVeigh in Oklahoma City in 1995. Profiling would increase national racism and would heighten the stress level of passengers who would adopt the same prejudicial attitude toward people of a different race and creed.

Also, we are against main-terminal type security at FBOs and for charter flights. Sending sports teams, celebrities, and VIPs through main terminals only increases motivation for terminal terrorist attempts. We do not know of any incidents that could have been prevented had these flights gone through the main terminals.

In closing, we want to insist on the fact that the end should not justify the means. Security, yes, but not at all costs. We advocate proactive measures rather than precipitated responses to incidents.

Thank you.

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. McKenna. Bang on, in terms of time.

Perhaps we can go to Mr. Jones, from the Helicopter Association of Canada.

Mr. Fred Jones (President and Chief Executive Officer, Helicopter Association of Canada): Thank you.

Ladies and gentlemen of the committee, let me say first what a pleasure it is to speak with you.

The Helicopter Association of Canada has been in existence since 1995 and has grown from a handful of operators to over 150 operator members and over 100 associates who provide goods and services to our operator members. Roughly 80% of the civil helicopters in Canada today are operated by HAC members, and we're the only national association in Canada dedicated exclusively to the interests of the Canadian helicopter community.

I intend to keep my presentation to you short and under the requested seven minutes, but I would be pleased to answer any questions that you may have with respect to your investigations during or following my presentation. Please don't hesitate to interrupt me.

I come to the committee with a background at the Transportation Safety Board, Transport Canada, the Air Transport Association of Canada, the Canadian Airports Council, and 23 years as a current helicopter pilot in the Canadian industry. I've been with the Helicopter Association of Canada, or HAC, as it is commonly referred to, as its president and CEO for the last 18 months. I've appeared with pleasure before this committee on a number of occasions in previous association alliances, but this is my first appearance before the committee representing HAC.

Our operator members have fleets that range in size from one to 250 helicopters. Canada boasts the second-largest civil helicopter fleet in the world. Since 2006 our accident rate has declined steadily, from 8.8 accidents per 100,000 hours to 5.7 accidents per 100,000 hours in 2008. Now, admittedly, that's still 40 accidents too many, but we're working on that, and our Canadian accident rate is still lower than virtually any other region in the world.

A number of the security-related items that form part of this committee's mandate are largely transparent to the Canadian helicopter community since most of our members are not based at airports, and even those who are do not operate from the terminal or between designated airports. Naturally, those who are based at airports or operate from them are still subject to airport security procedures and requirements, but mostly they operate smaller aircraft in the absence of screening—quite happily, I should add.

Most of our operations are conducted in remote areas where other means of transportation are difficult or impossible. Having said that, when I was invited to speak with you I could not pass up the opportunity to comment on the future of safety in an SMS context. But first, just a little more about HAC and the involvement of its members in safety.

Safety is at the top of our priority list. HAC is participating on the International Helicopter Safety Team, or IHST, an international effort aimed at reducing the accident rate for helicopters worldwide by 80% by 2016. Our association and its members have been focused in recent history on the development of industry best practices. We were developing best practices for the operation of helicopters in utility flight operations—that's hydro line maintenance, construction, and repair; in oil and gas operations; heli-ski and helicopter wildfire operations; the use of night vision glasses cooperatively with Transport Canada; class D external loads, where people are suspended below the helicopter, for mountain rescue operations, for example; the development of helicopter emergency medical services standards; and in recommended practices in a working group at the International Civil Aviation Organization.

These initiatives have been developed from inside the association's committees and most notably in the absence of any obligation to do so from Transport Canada, or anywhere else, for that matter. The best practices largely exceed the regulatory standard, or fill a void in the regulations where only the specialists in the industry are capable of developing and applying the latest and safest techniques for operating helicopters.

A number of our committees work closely with American and international groups who are focusing on similar issues in an effort to capitalize on evolving best practices being developed elsewhere. We are working closely with Transport Canada when there is an appetite from the regulator to develop standards based on what prudent and reasonable operators are doing in the field.

You should all understand that these initiatives flow very naturally from safety management system principles and are being driven by a move by Canadian certificate holders of all types—that means air navigation system providers, airports, air operators, etc.—to embrace safety management systems and the opportunities it presents.

Part of the promise of SMS has always been enhanced safety, but also the opportunity to have more influence over the evolution of our regulatory environment that historically has formed such a costly, cumbersome, and prescriptive part of our day-to-day lives in the helicopter industry. We welcome SMS if the minister is still prepared to walk the talk.

● (0925)

It also needs to be said that HAC and its members were floored by the minister's recent announcement to repatriate the oversight of administration of business aviation aircraft by the Canadian Business Aviation Association. The CBAA program was the only program of its kind in the world and was considered by many of us in the aviation community to represent a promising opportunity for other industry segments that are prepared to consider accepting the responsibility to assume more influence over their regulatory environment.

The minister's announcement landed like a hand grenade, and for many of us signalled a retreat by Transport Canada from the founding principles of SMS, and from the principle that industry, acting responsibly, would be given other opportunities to exercise oversight and administration.

The aviation community in Canada is filled with examples where industry is trusted to carry out part of the minister's mandate, including testing and checking pilots for commercial operations, administering exams, certifying major airframes and modifications, to name only a very few.

There is a long history of successful delegations of authority, and this is not, as some have characterized it, the fox minding the chicken coop.

These processes are all about controls, governance, and oversight for the industry body. There isn't anything we cannot accomplish with the right mix of these elements. What's more, SMS and the principles that underlie it form the most promising mechanisms to advance safety in Canada and the world.

For more detailed information relating to HAC and its members, I encourage you to contact me directly or to visit our website at www.h-a-c.ca.

Thank you for the opportunity to speak with you today. I'd be pleased to field any questions you may have.

● (0930)

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. Jones. You were just under seven minutes, about 29 seconds. That allows me to allow everybody to catch their breath.

We'll go to Monsieur Marco Prud'Homme.

[Translation]

Mr. Marco Prud'Homme (President and General Manager, Quebec Air Transportation Association): Good morning.

We thank the committee for giving us the opportunity today to express our concerns about aviation security. The AQTA is a non-profit organization which works to further the development of the air transport industry in Quebec. We represent the following sectors of the industry: carriers—airplanes and helicopters—airports, maintenance and certification companies, piloting schools and service enterprises.

The purpose of Security Management Systems is to increase the level of security by putting in place a corporate culture based on security within the industry, which is already a very safe industry. The concept of Security Management Systems, SMS, has never been presented to carriers as a self-regulation mechanism. It was, rather, presented in the very beginning as an alternate solution to operational verification activities. I remember well the first presentation on the topic in Montreal in the offices of Transport Canada. The carriers were surprised by the news. Later, the approach changed and currently the SMS is no longer an alternative concept but an complementary one for the operators.

The AQTA is now in favour of SMS in the industry. However, we believe there are major problems to be overcome in the implementation of this concept with small operators and piloting schools.

The delegation of responsibility regarding security to the senior manager does not confer instant competence in the area of SMS. That is why we need training tools to implant this system.

As for resources, we have some serious concerns. On the one hand, although airlines have limited resources, they have a superior capacity to that of small organizations to put in place such a system.

Since the SMS was put in place by the large carriers, we noted a substantial increase in the workload of Transport Canada inspectors. They have run out of time to carry out their inspection activities and this fact was recognized before the committee. The workload for the next phase is, we feel, even greater. The 705-type carriers are proportionally speaking not very numerous in the country as compared to other types of operators.

Recently, in March 2010, an organization known as the CAMAQ did a survey and found that there were 158 businesses specialized in air transport and the maintenance of aircraft. Of that number, 105 had fewer than 10 employees, that is to say that to date, Transport Canada has not even grappled with two-thirds of the problem represented by the implementation of this system.

With regard to training, inspectors have already received training and more is projected. As for the carriers, only the documentation is offered on the Internet. Strangely, during program validation inspections, Transport Canada does not recognize the value of self-training on important topics. Since Transport Canada feels that the SMS is crucial to our security objectives, would it not be normal to at least have some training materials in order to be able to provide training in-house?

We indicated before the committee that Transport Canada was working in cooperation with the associations. That is what we do with Transport Canada. However, we deplore the lack of financial resources. We asked for financial assistance from Transport Canada to hold workshops and our request was denied.

Is it possible to apply the SMS concept to businesses of all sizes and is it really relevant to do so? We feel that the bigger the company, the greater the need to have a system that allows for contact and feedback from the frontlines. When a business only has 15 employees or less and when the owners are a part of that, is it really useful to put in place an SMS system? How can we use statistics on security when operations are seasonal or when the volume of activity is so low that trends can only be charted over several years? For instance, where airlines are concerned, an SMS report is generally generated for every 1,000 flight hours, whereas certain Quebec operators have fewer than 700 flight hours per year.

We are facing a considerable challenge. Transport Canada does not in our opinion have the resources allowing it to supervise the implementation of SMS by all of the small carriers and those operators do not have the capacity nor the necessary competence to put in place such a system.

In conclusion, before allowing Transport Canada to prepare training tools and conduct orderly supervision over medium-sized carriers, we suggest that SMS regulations apply to businesses that have more than 15 employees. When this phase is over, it will be possible then to move on to the smaller businesses. These businesses only represent a small percentage of activity in Canada.

Transport Canada authorities told you that they would not accept any compromise insofar as security is concerned. Our proposal to restrict the application is not one that will compromise security but rather a pragmatic measure to ensure that the next implementation phase of the SMS will not once again interfere with inspection activities.

● (0935)

In this way, we will safeguard our reputation in the area of security.

Thank you.

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. Prud'Homme.

[English]

Now we have Mr. Stephen Nourse, who is the executive director of Northern Air Transport Association.

Mr. Stephen Nourse (Executive Director, Northern Air Transport Association): Good morning. I'm Stephen Nourse, executive director of the Northern Air Transport Association, or NATA. I'd like to thank all of you on behalf of our members for the opportunity to address this committee.

For those of you not familiar with NATA, the association was formed 33 years ago to represent northern air carriers in the decision-making process affecting transportation in northern Canada. We have about 88 members, including 29 commercial air carriers, all of which operate in the northern and remote areas of Canada. The carriers we represent run the gamut from large jet operators to a small mom-and-pop operation.

In the Arctic and remote regions of Canada aviation plays a very important role in the lives of everyday people. In numerous locations, it is the only year-round access possible, and in many others the only access, period. Aircraft are the local bus, ambulance, and grocery truck. Air service in these areas is not discretionary or solely the purview of the well-heeled. It is simply a necessity.

I don't think anyone seriously considers the north a significant aviation security risk. It is simply too remote, too small, and would not make the headlines. However, the north continues to incur security costs as new requirements keep coming, security requirements that are deemed necessary due to the continued threat against the state. I choose the word "state" very specifically, as the threat has always been against the state, not the actual air carriers. Yet unlike other modes of transportation, aviation is expected to pay all the cost of legislated security measures. This is especially aggravating in the north, where the threat is minimal and the expense is added to the daily cost of living.

An example of where this becomes an issue is cargo security. The concept of having any cargo on a passenger aircraft screened to the same level as the baggage is laudable; however, it brings a cost. In the case of the Arctic, it ends up adding to the already high cost of groceries and other basic supplies. The reality is that the economics of the long thin routes in the Arctic and remote regions drives you to fly combination cargo-passenger aircraft, or "combis".

Typically, the larger the aircraft the better the operating economics are. You pick the largest aircraft that will carry the passengers and cargo for any given route typically such that you can provide daily service with minimal overcapacity. If screening the cargo to go on a combi becomes prohibitive, either on a cost or logistic basis, you end up going with dedicated passenger or cargo aircraft instead. This forces a choice: keep service levels up by using smaller aircraft for each role; or you only get freight two days a week and passenger service the other three. Either way, the community loses big time, and in all likelihood, costs still get driven up.

One of the major problems facing the northern aviation system is that there simply is not enough of a population base right now to properly support and fund the necessary airport infrastructure. Not only relative to the south is the population minuscule, but the costs of construction are at least an order of magnitude higher.

At the end of this year, many air carriers are facing what will be a no-win decision. To harmonize with the United States, a performance rule was brought in ten years ago that essentially will prohibit many commuter-class aircraft from operating in scheduled service unless longer runways can be provided. It was assumed that, by the end of 2010, either these aircraft would be phased out of service or the runways would be extended. The reality is that neither has happened.

Many of these aircraft still provide the best operating economics for these smaller markets, and the replacement options all need longer runways as well. So at the end of this year, many communities are facing having scheduled service eliminated or will end up being serviced not by twin-engine pressurized aircraft, but rather by single-engine unpressurized ones—hardly an increase in either comfort or overall safety, but we will be harmonized with the U.S.

How did we get to this state? Not through lack of discussion and awareness, but primarily a lack of funds, compounded by the fact that current runway standards impose huge costs once you go beyond 1,200 metres in length.

What's needed? More appropriate runway standards for Arctic and remote airstrips that allow for longer runways without necessarily designing them for large commercial jet transport aircraft would help. An extension to the 2010 rule until things can get sorted out is likely necessary, and most importantly, a better source of funding for these remote airports. The current airport capital assistance program, or ACAP, is both inadequate and too restrictive in scope to properly address the problem. What is needed is some sort of NCAP or northern ACAP to provide the funds necessary to properly develop and maintain these vital pieces of northern infrastructure that are so important, not only to the communities but to economic development of the area and Arctic sovereignty.

• (0940)

Perhaps no topic has had so much attention recently as safety management systems, or SMS. In the beginning the concept was not popular among the air carriers, being seen as an unnecessary cost to them and simply a way for Transport Canada to reduce costs. That perception has changed. The seven okayed carriers with a fully implemented SMS program are recognizing benefits to their organization. The implementation of non-punitive reporting safety cultures, risk evaluation and management processes, and risk-based decision-making are changing and improving their organizations for the better, providing incremental safety gains by addressing human factor areas.

With regard to SMS implementation to the smaller 703-704 operators, NATA feels that Transport Canada needs to be sure that the requirements imposed on them are appropriate to the size and complexity of the operator.

Carriers with fully developed SMS systems now have the internal systems in place to properly deal with performance-based regulation, the move to which NATA is in full support of. Too many times the north has been hamstrung by well-meaning prescriptive regulations that worked fine in the south, but not in the northern reality, thereby forcing us to go to Transport Canada to encourage them to modify proposed or existing regulations or to provide exemptions for northern operators.

We also believe that the systems that SMS brings will enable operators to properly evaluate and justify safe and effective means of alternate compliance applicable to the northern operating regime. The problem here, though, is that although Transport Canada has required all the systems and processes, they have been slow to actually recognize their merit when something is carrier-originated.

My time is up. I would like to thank the committee.

The Vice-Chair (Hon. Joseph Volpe): Wonderful. You used up Mr. Jones' 29 seconds. It's quid pro quo, in business as in government.

I will go directly to Ms. Crombie.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you, Mr. Chairman.

Mr. McKenna, let's start with you, sir.

We all agree, I think, that the tools for effective SMS implementation are the voluntary reporting and protection for confidentiality and non-punitive reporting. Is it your impression that the government has moved away from these principles? Why is the government withdrawing inspectors required for effective implementation?

Mr. John McKenna: Many of these things were covered by Bill C-7. It was actually Bill C-6, tabled in 2006, and eventually became Bill C-7. We have been asking ever since for it to go through, and it hasn't. Yes, we feel that this is a required bill for SMS to go through, to fully implement.

Mrs. Bonnie Crombie: Why do you think the government hasn't re-introduced Bill C-7? Is there a lack of commitment there?

Mr. John McKenna: I couldn't begin to speculate on that. I think it's perhaps a lack of priority in the minister's agenda. I don't think it's a lack of... I wouldn't care to answer that.

We've asked over and over what was happening to that, and we haven't had a clear answer.

Mrs. Bonnie Crombie: Can you reflect on the number of inspectors you think are required for effective implementation and inspection?

Mr. Bill Boucher (Vice-President, Operations, Air Transport Association of Canada): My name is Bill Boucher, John's vice-president.

My view in that area is that it is not a question of numbers but a question of competences that have to be adapted to the type of work that's required in the performance-based SMS environment.

It's obvious that at Transport Canada, from a regulatory oversight and from a level of service perspective, every certificate or approval that's required requires resources behind that. In my 44 years of aviation experience, including five years at Transport Canada myself, resources have always been thin. It's a question of numbers versus competencies and training that comes into play in this area.

● (0945)

Mrs. Bonnie Crombie: Have you consulted with the minister as to whether or when this will be back on the government agenda and be made a priority once again?

Mr. John McKenna: Yes, we have a number of times, with the minister and the department, and we have no clear answer on that.

Mrs. Bonnie Crombie: Maybe we can ask the government members afterwards to comment on it.

To Mr. Jones now, the minister took away CBAA's authority to exercise oversight and certification under the SMS. What reasons would have caused this decision?

Mr. Fred Jones: It is difficult to say. In the minister's press release the minister did not articulate a rationale for it, but only that it was being repatriated to Transport Canada.

It came as a complete surprise to many of us in the aviation community. It is our view, largely without any justification that we are aware of... Insofar as their safety record is concerned and insofar as the management of the program is concerned, I think, in fairness, if anyone thought that the only program of its kind in the world was going to proceed in the absence of a learning process, they were dreaming in technicolor.

So there were bound to be some warts, and the CBAA was in the process of fixing their problems up, but it wasn't a reason to throw the baby out with the bathwater, and that is why we think it signalled a retreat from SMS principles, which are to provide a responsible industry segment with more authority to influence their regulatory environment.

Mrs. Bonnie Crombie: But were there any specific incidents?

Mr. Fred Jones: There were incidents. There were accidents, but the reality of all this, with respect, is that there were accidents and incidents while Transport Canada oversighted the business aviation community prior to CBAA's private operator certificate program, and there will continue to be some accidents and incidents after April 2011, when the minister will have completely repatriated the program. So asking if there are incidents or accidents that occur is really a red herring.

If the question is how did the accidents compare and how many of them, we could live with an analysis like that. It didn't happen.

Mrs. Bonnie Crombie: What role do you think Transport Canada should have in oversight certification and overall governance of the industry?

Mr. Fred Jones: Broadly written, my own view and the view of the Helicopter Association is that there have to be certain controls and processes in place, and this is related to good governance and oversight by Transport Canada, audits by Transport Canada of the program, whoever is administering it. But where industry is capable of exercising that additional responsibility in a prudent way, then I think there should be a maximum of delegation to industry. I'm not saying under any circumstances and I'm not saying in the absence of oversight. I'm just saying that there are already dozens of examples in the aviation community where industry is responsibly exercising authority that has historically been provided by Transport Canada.

Mrs. Bonnie Crombie: Perhaps I can ask Mr. McKenna the same question. What do you think Transport Canada's role is in governance, oversight, and certification, from ATAC's perspective?

Mr. John McKenna: I share exactly what Fred said as far as that whole question is concerned. We feel that Transport Canada's role is one of oversight, and I think they were in the process of adapting to that role quite well. That is why we were all surprised by that decision, also.

Mrs. Bonnie Crombie: We talked a little bit about the increase in airport security taxes going up. You make a comment that it's increasing by 52%. Where do you think these taxes should be invested to best benefit aviation security?

• (0950)

Mr. John McKenna: I think a global approach needs to be made as far as all security measures are concerned, how they're financed, how they're applied, who does what, and not just knee-jerk reactions when things happen.

The air travellers security charge is collected by government, goes to the general fund, and then it funds CATSA. We don't know how much is collected and we don't really know how CATSA spends its money or if it spends it wisely. We have no idea.

Mrs. Bonnie Crombie: We understand that this new tax will collect in the range of \$3.2 billion.

You made some comments on body scanners and behavioural screening. I wonder if you might elaborate on the usefulness of body scanners and on your opinion on behavioural screening versus the trusted traveller approach that they take in Israel.

Mr. Michael Skrobica (Vice-President, Industry Monetary Affairs, Air Transport Association of Canada): My name is Mike Skrobica, and I am with the Air Transport Association of Canada. I'm responsible for the security file at ATAC and consequently I am hoping to answer on behalf of John.

With regard to the full-body scanners, we believe they are more appropriate for the Canadian situation than behavioural analysis. The behavioural analysis that has been suggested and trialled at CATSA is really Israel-lite, and even under the best of circumstances the sheer volume and number of flights far eclipses what you see in the very limited aviation market that is Israel. As a result, we believe a technological fix is appropriate. However, people electing not to go through the body scanner, or limiting it to people over 18 years of age, are definite loopholes and they need to be closed.

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. Skrobica.

I've got to go to Mr. Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you, Mr. Chairman. Gentlemen, thank you for appearing before the committee.

My first question is for Mr. Prud'Homme. In the beginning of your presentation, you said something enlightening when you stated that it seemed clear during the first meeting between your association and Transport Canada that this would replace the traditional inspection system. That was in fact Transport Canada's objective, although we always challenged this. However, there was a change of heart and the intent is now to protect the traditional inspection system, to which would be added the security management system. I have always been against replacing the traditional system. The International Civil Aviation Organization has stated that we need a balance between security management systems and inspection systems. I think that Transport Canada has understood that now.

I believe the government has decided to postpone the implementation of the system. If I understood correctly, before the security management system is put in place by your members, we would

have to take the size of the businesses concerned into account. Is that correct?

Mr. Marco Prud'Homme: In fact, we saw that during the first phase of the implementation of the SMS in carriers of the 705 type and in airports, inspectors were overwhelmed by an increased workload from one day to the next. However, we are not talking about a large number of businesses.

In Quebec, two-thirds of these businesses have at least 10 employees. We heard that Transport Canada was going to submit a new structure in the fall. We will be seeing a new work and organization structure, and then approximately two-thirds of Quebec businesses will be undertaking to put an SMS in place. Given such a workload, it is normal that people set priorities. If you want to pursue this implementation while continuing to carry out inspections, we will need a much more gradual approach, staggered over a period of time.

Mr. Mario Laframboise: Transport Canada will have to adjust. We want to increase the number of inspectors but it is proving difficult to fill the positions. Federal pilots have told us that the will is there, but that in practice, it is proving to be more difficult than expected. Of course, this is a fact which may catch up with us rather quickly given your clientele.

Mr. Marco Prud'Homme: We must take that fact into account and also the fact that many inspectors are going to be retiring soon and will have to be replaced. Because of the current demographic picture in Canada, a lot of people are retiring and we have to replace them. We will be experiencing a potential crisis as early as over the next three years. In addition, we are adding to the workload. Those are the magic ingredients to make up a complicated situation.

We suggest a much more gradual approach. There is no need to involve all of the 703-type companies and all of the piloting schools. If we are dealing with small organizations where the owners are already on the cutting edge, adding this system can turn out to be a value-added undertaking. We have to ask ourselves however if this is really the right time to do this and if we have the capacity to do it.

• (0955)

Mr. Mario Laframboise: My next question will be addressed both to Mr. Jones and to Mr. Prud'Homme.

My feeling is that if this were to be implemented, the associations you represent would probably like to be the managers of this, somewhat like the Canadian Business Aviation Association used to be. I wonder why you want to do that. I was looking at the accident reports of the Transportation Safety Board of Canada, which was blaming the Canadian Business Aviation Association.

First of all, you have a number of members and they are tied to the ups and downs of the economy, that is to say that some businesses are doing well and others less well. Why would an association want to manage this? Why not simply let Transport Canada do its work? Why are you trying to become an accreditation entity when one instance of fault-finding by the Transportation Safety Board could ruin your association in five minutes?

Mr. Marco Prud'Homme: The associations have different interests. The document you are alluding to was tabled in January 23, 2009, precisely to set up partnership programs within the industry. In our case at the AQTA, we looked at this and we rejected the idea of doing precisely what you were describing.

Mr. Mario Laframboise: Very well, perfect.

Mr. Jones?

[English]

Mr. Fred Jones: I should say, first of all, that I have no mandate from our board or our members to advocate for a CBAA type of program. My concern is that repatriating the CBAA program sent a terrible message to the aviation community in an SMS context. It signaled a retreat from SMS principles.

First of all, the fact that the Fox Harbour accident report blamed the CBAA, or at least identified shortcomings in the CBAA program, meant that there were issues the CBAA had to fix. It didn't mean that the entire concept was bad. That's one point.

What our association is advocating for the helicopter industry is that the minister not extend the message that we believe he sent by repatriating the CBAA program to include other opportunities that may exist for delegation—individual delegation. The CBAA program was a sweeping program that included certification and oversight of business aviation operators. Delegations of authority are much smaller areas where the minister says to industry that it will exercise this authority on behalf of the minister. There are many, many examples of that having been successful in our industry.

That does a few things for industry. It has the potential to provide more flexibility to operators. It could free us up, to some extent, from prescriptive regulations. And it could give us more influence over the regulatory environment we have to live in on a day-to-day basis. It's our position that without compromising safety, it provides operators with more flexibility and frees them up from the very restrictive, very prescriptive rules that are in place today.

[Translation]

Mr. Mario Laframboise: However, Mr. Jones, the Transportation Safety Board of Canada report on the accident was devastating for the association. The association expressed its disagreement with the conclusions of the Transportation Safety Board but the fact remains that that office is the organization that the population has to trust. I think that the government's decision was the right one.

My next question is addressed to Mr. McKenna—

The Vice-Chair (Hon. Joseph Volpe): Mr. Laframboise I am sorry but your seven minutes are up. Perhaps you will have another opportunity to speak.

Mr. Bevington, you have the floor.

• (1000)

[English]

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair.

Thanks to the witnesses here today. I appreciate all your points of view. I think, quite clearly, what you're saying about the small carriers is that there's a need for a more detailed look at how to

implement SMS for them. Quite clearly, the testimony of Mr. Nourse and Mr. Prud'Homme suggests that we are not there yet.

I note, Mr. McKenna, in some of your comments in *Wings* magazine that you say that you're in the process of drafting an SMS guide through ATAC. The delay in implementation for the small carriers... I think we'd probably all agree that this is something that is required. That gets the nod, I think, from everyone.

I'm really glad to see you present that, because the unanimity about that is really important to us as a committee. It backs up the direction, as well. I guess the question is how long this is going to take. And will we have the flexibility within SMS programs to identify the northern issues and to identify the issues of very small carriers, which are completely different? You can't set up a culture of safety with very small carriers unless you have unanimity among the small carriers that this is the culture. Is that not correct?

The same applies in the north. You're going to have regulations that outline SMS to a greater extent than they do for the larger carriers. I'd like to have Mr. Nourse and Mr. Prud'Homme comment on that.

The Vice-Chair (Hon. Joseph Volpe): Mr. Nourse.

Mr. Stephen Nourse: Certainly it's more of a challenge in the smaller operators, simply because you don't have the quantities of data to work with that you have in the large ones. Certainly, though, the experience in the large carriers has been very positive, as I've mentioned. We just feel that taking this breather, shall we say, is quite appropriate to take a look at the lessons learned with the large carriers and make sure that when it is rolled out to the smaller ones it is appropriate to their size and complexity.

However, the small carriers are just as interested in safety. It's interesting to see them interact with larger carriers at places, like at our recent annual general meeting. They see it coming. They're apprehensive. But they're also getting, shall we say, good feelings from the fact that the 705 carriers are no longer viewing it as a significant negative.

Transport Canada is—

Mr. Dennis Bevington: Very good.

Mr. Marco Prud'Homme: *Pour ma part...* I'll try my English. I was working for a 705 operator when they first started SMS. We were actually one of the first companies to put SMS into phase one, phase two, and phase three. Basically, it required a lot of time. And we didn't have any tools. We had to hire a consultant in order to learn what SMS was about.

These resources were possible because this enterprise had a hundred employees. But when you're working in a company that has five, seven, or eight employees, you don't really have the resources to hire a consultant. So you're looking to your association to provide perhaps a service or training.

Basically, the tools don't exist. We have to hire people to build them, and this costs money. So it all comes down to having time and having resources to do this thing. We're not against it. We're just saying there's a capability issue that we have to address.

Mr. Dennis Bevington: So in a sense, safety management systems for small carriers may imply that you'd have a best practices guide that would lay out, perhaps even in regulation to some degree, what small carriers would be required to live up to in terms of safety. It wouldn't be as much self-directed as directed within the small aviation industry.

Mr. Marco Prud'Homme: One thing that's very interesting about SMS is that when you apply it to a big company, it's about silo busting, having information flowing throughout all the departments. But when you're a small company, there are no silos. You are the silo.

Let's say that you have an issue with safety on the ramp and you find a tool or a procedure to increase safety. That action you take will not be shared with all the other companies. So basically everybody is set on their own table in trying to improve safety. And all that information is not shared.

So maybe for a small enterprise we could look at something different, a different approach to SMS, from just saying we'll have this phase one, two, three, and four and at the end of the day we'll have a system. But when you have eight employees...

• (1005)

Mr. Dennis Bevington: Yes, okay. Very good.

I want to move on to some of the security issues. I've got a couple of minutes.

You talked about the full-body scanners, and you admit they wouldn't have gotten the bomber.

We've heard evidence in the last while that with the hardened cockpit doors, the no-access, we've taken away some of the requirements in terms of knives and guns, in terms of weaponizing a plane or causing a plane to be taken over. So the threat assessment really lies now with exploding a plane. If you've got a full-body scanner that can't identify explosives, what good is that? Why wouldn't we want to look at a system where we sniff more than strip, where rather than stripping, we sniff? That system would more likely identify explosives than would the full-body scanner. So where is the risk here that we're after?

Mr. Michael Skrobica: I'll answer on behalf of Mr. McKenna.

First of all, we think the full-body scanners fulfill an important role. Is it a 100% solution? No.

As you've noted, there is electronic explosive vapour detection and there is also electronic explosive trace detection. The trace detection right now is being utilized in Canada. It's the swabs that are taken on your luggage. So if you even have a bomb, the chemicals are usually so volatile that you would probably pass those chemicals on to other articles you carry or wear. So we're utilizing that, and we're not saying we should get rid of it.

The United States, after many years of denying the usefulness of vapour detection, is now trialling it at a number of their larger airports.

Mr. Dennis Bevington: Isn't that what the Israelis use?

Mr. Michael Skrobica: It's one of the tools they use.

Mr. Dennis Bevington: Yes—

The Vice-Chair (Hon. Joseph Volpe): Mr. Bevington, I'm sorry, but it will have to be in the next round.

Mr. Dennis Bevington: Thank you, Mr. Chair.

The Vice-Chair (Hon. Joseph Volpe): I think we're going to Mr. Watson.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Vice-Chair.

Thank you to the witnesses for appearing as we undertake a study of aviation safety and security.

I just want to start by correcting a misperception first, if I could. While Ms. Crombie may be new to the scene here, Mr. McKenna, you've been around long enough to be able to follow what happened with the Aeronautics Act originally in some amount of detail. If you'll recall, not only was it filibustered at committee by the New Democrats, but when it ultimately went back to the House we faced a hoist motion to get it off the agenda. So the decision was made at the time by the government to move forward with changes through the regulatory process rather than through the legislative process. So I would suggest there's no lack of priority for the government in addressing SMS, and we are proceeding.

But more to the point of Mr. Jones on the decision with respect to CBAA, Mr. Grégoire, who testified on behalf of Transport Canada at our committee, was very clear that the commitment is to getting it right, and that is in terms of developing capacity both for those who will do the certification as well as for the regulators themselves. So there's more work to be done in that area before we can proceed with other sectors.

I just wanted to make sure that was on the record.

I want to focus my questions, however, around aviation security. Mr. McKenna, maybe we'll start with you on this one. In your experience, when you're looking at the chain of security, from the first time I walk into an airport to the time I'm on a plane, where is the weakest link in that chain of security?

Others who may want to jump in can certainly do so.

• (1010)

The Vice-Chair (Hon. Joseph Volpe): Go ahead.

Mr. Michael Skrobica: A key threshold of security always has been the pre-board screening, and that's the opportunity to screen the passengers and their carry-on baggage. We have installed a very expensive and we believe a very effective electronic system to detect checked baggage screening. It ran in at over a billion dollars Canada-wide.

The threat has changed over the years. The fear was a hijacking scenario, and now we're particularly concerned about a use of explosives to bring down a plane. The threat changed when terrorists wanted to make political statements but still live, and flew the planes to Cuba; now they're quite willing to give their lives in order to make a political statement.

As a consequence, where we didn't spend a lot of time was on the search of the passenger himself. We did the walk-through to detect any kinds of metals. Most bombs require a metal, but there have been some bombs—I'm supposed to use the words "improvised explosive device"—that now don't need to rely on metal, as in wire or a battery or anything along those lines. They can be detonated by other means.

So we're fighting a technological battle. We close up one hole, but the ingenuity of mankind is focused on the other side, and they will find additional loopholes or problems that we're going to have to continue to deal with for decades to come.

Mr. Jeff Watson: Does anybody else want to tackle that question? No.

You've noted in your submission, and it has been noted recently, that long queueing lines pose a safety risk as well. I believe you talked about ways of reducing the size of lines through pre-clearances of some sort—"heightened security clearance". I'm not sure what kind of a clearance you had in mind. I'm also interested in how you would do that for frequent flyers. You chose some interesting classes: officers of the law, frequent flyers, military personnel. We haven't had a Fort Hood experience, but I thought that was an interesting choice.

How do you envision pre-clearance happening? Is it like a NEXUS-style program being applied to domestic air travellers, in which they would pay a fee and they would have to go through a certain amount of questioning, or would it be some other system on that? Anybody can jump in on that, but we'll start with your suggestions.

Mr. Michael Skrobica: Any day now, if it's not already in place, a trial is being conducted by CATSA at Pearson airport with the use of NEXUS cards. As you know, NEXUS is a form of screening, because it involves a background check, a review, whether there was any criminal activity, etc. It tends to reduce the size of the haystack so that you can find the needle.

Now, those people who do have NEXUS don't go off scot-free. They are subject to a certain amount of screening, but they aren't necessarily subject to pat-downs, etc., and they are able to move through a queue faster.

Mr. Jeff Watson: The question that raises, if I can step in for just a moment, is that while that may reduce the queueing, does that not allow for an opportunity for somebody to slip through who could be a potential threat?

I had a look at NEXUS when I used to drive import and export across the Canada-U.S. border for three years, and I chose not to go through it because I thought it was a rather invasive process. I wasn't sure where my information was going to go. But it doesn't necessarily—

•(1015)

The Vice-Chair (Hon. Joseph Volpe): Mr. Watson, the time is up, but I'll let Mr. Skrobica answer your question.

Mr. Jeff Watson: Okay. Thank you, Mr. Chair.

Mr. Michael Skrobica: No system is going to be 100% foolproof. Transport Canada and other security professionals like to describe security as the layers of arming your security—

Mr. Jeff Watson: That's where it's going.

Mr. Michael Skrobica: —and no one thing is going to work. But we believe this is a smart way of trying to identify those people who can pose a problem.

You talk about a Fort Hood situation. Well, I would suspect that if you do your screening properly you're going to try to identify people along those lines.

And you talk about frequent flyers. Maybe the NEXUS card is provided free of charge by the airline in order to expedite their frequent flyers.

The Vice-Chair (Hon. Joseph Volpe): Thank you very much.

We're going on to round two. That will be five minutes of question and answer through all of this.

Mr. Martin.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Thank you, Mr. Chair.

Thank you very much to all of you for being here today. I know your expertise is very valued by all of our constituents. Most people fly, and we probably fly more than most.

The first question is on the air traveller security charges. What percentage do you receive versus what's taken in? Do you have a sense of that at all?

Mr. Michael Skrobica: Zero. We do not receive any kind of handling fee or anything along those lines. We collect it on our tickets and remit it to the government.

Hon. Keith Martin: Okay, thank you.

You're experts in this field. Have you made a list of recommendations to improve the efficiency and effectiveness of screening through our airports?

Mr. Michael Skrobica: I don't think ATAC has produced a single report or recommendation, but we have made numerous recommendations in the past. It would only be a matter of compiling them and presenting them, and we'd be happy to do that.

Hon. Keith Martin: If you could, we'd be very grateful. You're the professionals in the field, and I think the committee would find it very valuable if you were able to do that. It would help us to do our job.

Thank you.

The Vice-Chair (Hon. Joseph Volpe): So you'd make them available to the clerk for distribution?

Mr. Michael Skrobica: Yes.

Hon. Keith Martin: We've heard disturbing testimony, particularly from south of the border, in terms of our pilots and fatigue in our pilots contributing to a number of crashes.

Do you suggest that there ought to be changes in terms of the amount of time that pilots are allowed to fly and the break periods they're obliged to have? Do we need to review that and change that?

Mr. John McKenna: It is not our opinion that the changes are required at this time.

Hon. Keith Martin: Are the current requirements on our pilots sufficient for them to work effectively in their jobs?

Mr. John McKenna: They're efficient in the vast majority of cases. In cases of pilot fatigue and so on, companies have to be responsible, but pilots also have to act professionally.

Hon. Keith Martin: We mentioned Israel before, and it's sometimes touted as an example. I know, Mr. Skrobica, that you mentioned they are much smaller, but they travel to many places in the world. Some have suggested that we ought to look at what they do in terms of their pre-flight security assessments and at what they do when passengers do go through and fly on their planes. Are they the model we ought to be looking at? If they are, what lessons can we derive from what they do, if any?

Mr. Michael Skrobica: They're held up as the gold standard because essentially they're at war with a number of groups and covertly a number of countries. Consequently, their efforts are at a peak.

I think what we really need to have is an aviation security system that is comparable to other G-8 countries that has the level of service and air transport markets that are equivalent to Canada's. So I would look more to what the United States or the U.K. have as better examples of aviation security that is appropriate to the Canadian circumstances.

•(1020)

Hon. Keith Martin: Thank you very much.

For all of us travelling through many airports, we look at the differences between the execution of standards across the country. Should we have one single standard that is applied to airports across the country, with some exceptions? Mr. Nourse, you mentioned there ought to be differences in the north for some very logical reasons.

Mr. Michael Skrobica: One of the things that perturbs passengers is a lack of consistency Canada-wide. You'll have a computer swabbed down for explosive trace in one location and not in another. There is an advantage to unpredictability, and it's certainly not with the law-abiding travelling public, but it does introduce an uncertainty factor to people who are trying to do something wrong. So there is an advantage, and it is practised both here in Canada and in other G-8 countries as well.

Hon. Keith Martin: I never thought of that.

[Translation]

The Vice-Chair (Hon. Joseph Volpe): Mr. Gaudet, you have the floor.

Mr. Roger Gaudet (Montcalm, BQ): Thank you, Mr. Vice-Chair.

My question is for Mr. McKenna. Costs in Canada are higher than in any other country. Is this justified, in your opinion?

Mr. John McKenna: We think that the costs have become the highest. We were in second place before the 50%, 52% or 53% increase, depending on the costs—there are three different ones. We have the same questions as you do: is the CATSA well managed, in an effective and efficient manner? We see that it is hiring hundreds of people because of the new measures that were announced after Christmas, and so we are wondering about that.

The minister announced that he would have a study done on the management of CATSA. We are anxious to see the results of that study.

Mr. Roger Gaudet: Does the Transportation Safety Board of Canada sometimes ask you for solutions to help solve certain problems, or does it do everything on its own?

[English]

Mr. Michael Skrobica: To date, Transport Canada has managed CATSA through a measure called a security screening order, and we have had an opportunity to be consulted on it when there are significant changes. There was a study with regard to Canada's aviation security and CATSA in particular. I believe it was entitled *Clear Skies*. It reported back to the minister, and most of the recommendations that we offered were accepted.

[Translation]

Mr. Roger Gaudet: So you are part of the solution.

Is the same true in your case, Mr. Jones? Does Transport Canada call on you?

[English]

Mr. Fred Jones: In previous association lives through the airports council, I've had views on that subject. Our members, helicopter operators, are affected really only insofar as apron security and security as it relates to the perimeter of the airport and the fixed base they're operating from that's outside the terminal. So they're not subjected to pre-board screening the way the airlines are subjected to pre-board screening when their customers pass through the terminal. In previous lives I have had some involvement with that, but it's not an issue that the helicopter community has been engaged in, for those reasons.

[Translation]

Mr. Roger Gaudet: And what about you, Mr. Prud'Homme?

Mr. Marco Prud'Homme: Insofar as feedback is concerned there is always a dialogue between Transport Canada and the carriers. However, it is sometimes difficult to provide feedback to Transport Canada without having it be automatically returned in the form of a reply or an explanation. We sincerely hope that under the direction of Mr. Eley, the culture of SMS, that is to say to pay close attention to what is happening on the frontlines, will provoke change and put them on the right track. However there are improvements to be made in this regard.

•(1025)

Mr. Roger Gaudet: And what about you, Mr. Nourse?

[English]

Mr. Stephen Nourse: I think Transport Canada has a lot of consultation at times. We're not quite sure how much they listen. I would say that's the way to characterize it. Sometimes they seem to be good meetings and you think you have a good direction and a feel, and then the next week something completely different happens.

[Translation]

Mr. Roger Gaudet: Thank you.

My next question is for Mr. McKenna. You said earlier that the use of scanners was more or less a good idea. You added with regard to the Transportation Security Clearance Program that flight attendants and peace officers should have certificates. I am not entirely sure that I am in favour of this based on what happened in the United States in 2001 when the planes flew into the towers in New York. These were American airplane pilots who got on those planes. You will say that they were probably terrorists, and I agree with you, but had they been subjected to certain clearance checks, they might have been stopped.

Correct me if I am mistaken. I want to understand what happened in 2001.

Mr. John McKenna: None of the pilots or terrorists involved was a commercial pilot. These were people who had taken an elementary piloting course and took over the cabin. They did not have proper training and they were not employees of airline companies.

[English]

Mr. Michael Skrobica: They were flying as passengers.

[Translation]

Mr. John McKenna: Indeed, they were passengers on the plane before they took control of it.

Mr. Roger Gaudet: Thank you.

The Vice-Chair (Hon. Joseph Volpe): Mr. Jean, you have the floor.

[English]

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): I would like to give the first minute, if I may, to Mr. Storseth, and then he's going to pass it over to me.

The Vice-Chair (Hon. Joseph Volpe): Welcome back.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Volpe. It's nice of Mr. Jean to let me speak on his behalf for a change.

The Vice-Chair (Hon. Joseph Volpe): It's a first.

Mr. Brian Storseth: Mr. Skrobica, I would like to follow up on a couple of questions at the end of my colleague's round. He was talking about the Fort Hood incident. You had suggested that pre-screening would have identified these people.

Mr. Michael Skrobica: In the case of the Fort Hood incident, there were clear indications that the individual was having some difficulties.

Mr. Brian Storseth: What kind of pre-screening would you have done that would have identified this individual?

Mr. Michael Skrobica: The pre-screening would have to have a feedback system built into it, but if the person had applied for a NEXUS card, there may have been information on file that would have indicated that there were possible security problems, and he would have been denied it in those circumstances.

Mr. Brian Storseth: Okay, but in your answer my colleague, you said you were pretty certain that pre-screening would have identified this individual as being a potential threat. What are the triggers that would have set that off?

Mr. Michael Skrobica: It would depend. For example, he was under review by the U.S. Army. If a person had had contact, as it would appear that they had, with individuals who were suspected al-Qaeda members, that would probably come up through a CSIS background check. As I understand it, there's a terrorist quotient check that is part of the NEXUS card background. As a result, those were warning signals and red flags that this individual should not get that card.

The Vice-Chair (Hon. Joseph Volpe): Mr. Storseth, I don't know whether Mr. Jean's indulgence extends this far, but we're into minute three.

Mr. Brian Storseth: That's all right. Mr. Jean doesn't mind.

I have one other quick question for you. You talked about "security, yes, but not at all costs". Anybody who has been to Israel knows that security is the only factor that is taken into account. In our airport security, "At what cost?" would be my question to you.

Mr. John McKenna: I dare to say that Canada and Israel are vastly different countries, and we have vastly different cultures. I don't think we're ready to be walking through airports and seeing armed military personnel all over the airport.

• (1030)

Mr. Brian Storseth: I didn't say that. You said "security, yes, but not at all costs". My question to you is, at what cost?

Mr. John McKenna: That needs to be determined, but right now we don't know what is being done with the cost of it. That's our preoccupation.

Mr. Brian Storseth: I'd like to give the rest of my time to Mr. Jean.

The Vice-Chair (Hon. Joseph Volpe): Mr. Jean.

Mr. Brian Jean: He wonders why he was moved to a different committee.

Thank you, gentlemen. There are two things I want to deal with.

Mr. Jones, I want to say first of all that I've been good friends with Paul Spring from Phoenix Heli-Flight for many years, over 20 years. I can't believe you call yourselves hacks, because the reality is that I've never seen people spend so much time on maintenance, cleanliness, and being careful with their maintenance as helicopter pilots. I understand that a significant number of hours are spent on maintenance for every hour in the air. I think it's something like seven, or I've heard other rumours, but it's amazing how much maintenance you put into your aircraft.

What I'm interested in today, though, is productivity. I liked what you said about reducing the haystack to find the needle. I think that's something we should look at. We heard testimony that Israel puts approximately 50% of its travelling citizens onto a system, similar to the one we have, called "trusted traveller". Do you see other ways in which we could increase the productivity of the country by reducing the lineups, the queuing lanes, etc.? That's something we're interested in, certainly, but do you see other ways in which we could increase the productivity besides these? Do you see this as the only low-hanging fruit we can identify, or how can we do this?

Mr. Michael Skrobica: One area that is questionable in which we could redeploy resources, both funding and personnel, is the non-passenger screening that we have at Canadian airports. As the testimony of John McKenna indicated, Israel and the United States don't have it. That doesn't stop the Americans from giving us advice that we don't screen a large enough sample of our non-passengers. Those non-passengers include pilots and other personnel who could be in a unique circumstance to cause a terrorist incident, but the experience is that they have not.

One of the things we need, as in any system, is to review the results of our experience. Are they finding threat items? Are they stopping terrorist incidents? If the answer after five, six, or seven years for non-passenger screening is no, then perhaps we should ask some questions. Is this the right way to deploy our capital and human resources?

The Vice-Chair (Hon. Joseph Volpe): Thank you.

Ms. Crombie.

Mrs. Bonnie Crombie: Why don't I pick up from there as well, then?

In addition to the non-passenger screening—geez, I wonder whether you'd include frequent flyers, such as members of Parliament, in that—Mr. Skrobica, you talked a little about the need to look at tools used in Europe and the U.S. that are more appropriate for our security risks. I find that we don't seem to be leaders, but followers. You don't seem to be advocating for behavioural screening, so what are those tools for risk assessment that we should be adopting, based on U.S. standards and examples and best practices in the U.S. and Europe?

Mr. Michael Skrobica: Let me talk about the behavioural analysis, to begin with. I know that the standing committee heard from a witness a short time ago who obviously was advocating an entirely different course for Canada. I would caution the standing committee that the gentleman is a salesman and that he wants to sell a product. As a consequence, he is probably going to make statements that run counter to what other countries have done.

The Israeli experience, circumstances, situation is the most extreme that you will face, probably, in the world. Our threat levels are probably even lower than those of the United States and the U.K., but what we would recommend is that we follow along in whatever developments these countries have done. One of the reasons we use the "follow" term is that they have very large resources and research budgets with respect to aviation security, and both of those countries are strict adherents to the International Civil Aviation Organization's Annex 17. That's the international treaty that governs international air travel.

●(1035)

Mrs. Bonnie Crombie: Do you want to elaborate on what specific tools those are?

Mr. Michael Skrobica: Annex 17 sets out a number of parameters you have to qualify for. On top of that, ICAO does an audit from time to time to determine whether countries comply with it. Canada was audited. The results have been kept secret, but I am told that there we're in substantial compliance with Annex 17.

Mrs. Bonnie Crombie: Okay, I'm going to move on, but thank you for those responses. I just want to mention that the producers of body scanners are salesmen too.

Mr. McKenna, you seem in your presentation to be advocating for preferential treatment for sports teams and celebrities, who should get hustled through not in the main terminal, because of the security risk that might pose. I wonder what the public outcry might be, if that were the case.

Mr. John McKenna: I'm saying that right now they largely don't use the main terminal, because they go on chartered flights through the FBOs, and so on. There's talk about requiring them to go through the terminals rather than through the system of the FBOs, and that's what we stand against, because you don't need to attract more attention and more reasons for a threat. I'm sure that in Washington you'd see a lot of people who would have liked to blow up the Canadiens' plane, and that would have been a lot easier had they gone through the main terminal.

Mrs. Bonnie Crombie: Okay.

Mr. Jones, my son was recently airlifted to Sick Children's Hospital, and I put my faith and guidance into those wonderful people at the orange helicopter emergency unit. You guys are our flying angels, for sure.

It seems that the risks of flying helicopters are much higher and the crashes much more sensational, so I wonder if you could elaborate on this guideline, these best practices, and say how far this has been developed.

Mr. Fred Jones: The initiative of developing best practices inside the helicopter association has been going on for about two and a half years. We have two or three best practices that are final now and available to our members, and there are about four or five that are under development. Our members have developed the best practices by consensus, so they reflect what a prudent and reasonable operator is doing out there today. They fill a regulatory void or exceed the regulatory standards, largely. They at least meet the regulatory standard, but they're also designed to fill the void and to exceed the standard.

The acid test for how successful those best practices will be is the willingness of Transport Canada to collaborate with the industry when they're developing and considering new regulatory initiatives. As we move to a different type of inspector and as we move to SMS, under which industry accepts more responsibility, we also expect to have more influence over the standards that govern our conduct. If we act responsibly and are developing new rules that reflect what a reasonable operator is doing out there, doesn't it make perfect sense for those standards to find their way into regulation that will govern our conduct?

Mrs. Bonnie Crombie: It does. And what's the record of Transport Canada?

The Vice-Chair (Hon. Joseph Volpe): Mr. Jones, Madame Crombie, I have to go back to the government side.

I believe the next five minutes are being shared by Mr. Mayes and Ms. Brown.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Our focus at our airports seems to be on objects that can be of safety concern, and we try to screen those things out. But do you see that passenger identification and behavioural analysis at airports would be a way to streamline the system so that we can move people through more quickly at airports?

There is a resistance, of course, to passenger identification because of some of the concerns regarding privacy and also some of the challenges with discrimination. Could I just ask you to give your opinion on whether that might be a better route to follow than just trying to identify the objects that could cause safety concerns?

Mr. Michael Skrobica: I appreciate what the background of your question is. We don't think that behavioural analysis will play a significant role. There is potentially a place for identification of clear signs to note, and there is a trial program under way today in Canada. We believe more strongly, though, in the technological solutions. Given our passenger volumes, we think that's the better route, the more efficient route to follow.

The testimony that John McKenna indicated was that what we should do is move away from using very old technology and move to the newer, more efficient model.

• (1040)

Ms. Lois Brown (Newmarket—Aurora, CPC): I'm just going to pick up from that, if I may. I raised this the other day with some of our other witnesses. We are always in this destructive situation wherein old technologies are bygone very quickly because of the destructive minds that are out there.

Mr. McKenna, in your report you asked why we can't use a modern detection technology that will reduce the number of stages and the time and personnel required to process passengers. So you're not thinking that the behavioural identification is going to be part of this. In your comment on the full-body scanners you say they're an improvement, but they're not the most efficient.

Where are we going to go among these modern technologies? What else are you looking at?

Mr. Michael Skrobica: There are a number of screening models that combine various systems. One of them utilizes a full-body scan but also does a trace. A passenger pushes a bar, and it detects that,

and there's a vapour down at shoe level to determine whether there are any explosives carried in their shoes, as in the case of the shoe bomber Richard Reid.

We believe that type of technology, with some improvements, is probably what we're looking at, going into the future.

Ms. Lois Brown: There was an article in *Maclean's* some time ago that said that they didn't think that particular machine was particularly effective. They said:

"We're always looking at new procedures to ensure security".... Last spring, the agency ran a six-week pilot test of bomb-sniffing machines at Pearson similar to the ones used in other high-profile buildings. They puff air as a person walks through the archway and then analyze the particles for explosive matter. The machines were rejected, says Larocque, because "the maintenance and reliability of the units were not good."

Is this a debate that's going on in airport security? Are we using the body screener right now because it's the most reliable?

Mr. Michael Skrobica: The full-body scanner, do you mean?

Yes, it's generally a more reliable machine. But as with any kind of technology, you're going to have the bleeding edge of technology at which new developments are going to have their problems, and we need to work through them.

I would point out only that the type of machine that was given trials in Kelowna is indicative of where we're probably going to head in the future. It essentially combines three systems to screen passengers. The big letdown there is throughput. You'd have to buy a lot more machines and open up more lines.

[Translation]

The Vice-Chair (Hon. Joseph Volpe): Thank you. I will now give the floor to Mr. Dufour and Mr. Gaudet who will be sharing the five minutes. It is up to you.

Mr. Gaudet, you have the floor.

Mr. Roger Gaudet: Thank you.

Mr. Nourse, earlier you talked about safety and security in the transportation of materiel and passengers. What would be the best solution, according to you, to have perfect security? You said that when you went to the Far North you had to transport both at the same time. So what would be the best way of going about things in your opinion?

[English]

Mr. Stephen Nourse: I don't think the northern situation is transferable to the south. We have a very good record, shall we say, in the Arctic, but it's primarily because the market is so small. A lot of it is due to everybody knowing everybody. I refer to the aircraft up there quite often as the local bus. A flight attendant who sees a stranger on the plane will strike up a conversation to find out who they are and what they're doing. It takes the security to a quite different level in that regard. It's a very closed.... It's like the non-passenger screening that was being referred to.

The silly situation is that in the smaller airports such as Yellowknife you get the same people screening the same non-passengers 18 times a day. What's the point of doing this? To me, that is a waste of resources, and I think you'll find it in most small airports across the country. Once you move away from the tier ones, people are just being cycled through time and time again, and then they go and have coffee together and it's, "Oh, now I have to screen you again."

• (1045)

[Translation]

Mr. Roger Gaudet: I hope that Transport Canada will listen carefully.

Mr. Prud'Homme, earlier you talked about the SMS and you mentioned that you had asked the government for subsidies. Could you explain this again?

Mr. Marco Prud'Homme: In fact we did not ask for subsidies but for a financial partnership in order to set up some training. We had selected a consulting company in the Quebec region to create a training course. Unfortunately, this is very costly. And so we turned to the Montreal office to see if there were resources for that. I must say that in the beginning, people were enthusiastic about supporting us but ultimately our request was turned down. Unfortunately, there were no resources.

Mr. Roger Gaudet: Thank you Mr. Chairman that is all.

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. Gaudet.

Mr. Bevington now has the floor.

[English]

Mr. Dennis Bevington: Thanks, Mr. Chair.

I just want to take a minute to talk about Bill C-7, since it was brought up by a number of people here. Certainly the results of the last two years I think speak highly of the work we did on Bill C-7.

We've seen that the CBAA has been taken back by the government. That was one of the concerns we had with Bill C-7. As well, we now have an agreement that we should postpone the implementation of SMS for the small carriers. That was another big concern we had with it.

Our other concerns were tied to things like you say in here about operators' confidential safety information. We didn't like that, because incident reports under Bill C-7 would have been confidential, so that information on things that happened, say, with the diversion of an Air Canada flight down to Grand Forks, would have been confidential to many people.

As well, the liability of the chief executives of the companies was another issue that certainly was one of the reasons there was opposition to Bill C-7.

I just wanted to get those points on the record.

But as I say, the government should be quite happy with what we've done on Bill C-7, because of course now they've changed their policies in some respects in terms of some of the things that might have happened differently, had we not stood up on those issues.

The Vice-Chair (Hon. Joseph Volpe): So, Mr. Bevington, and all the witnesses, I guess because you heard Mr. Watson give his rendition—

Mr. Dennis Bevington: Are you cutting into my time, or—

The Vice-Chair (Hon. Joseph Volpe): No, but he gave a particular rendition, and now we have another member giving theirs. But I know all of you are taking from this that Parliament actually works. So when any members around here use the word "we", they really mean "we", as in members of Parliament expressing the collective will of the House in making such decisions.

Please carry on, Mr. Bevington.

Mr. Dennis Bevington: Well, I certainly want to ensure as well that the standing committee sees the results of this Transport Canada study.

Mr. McKenna, you brought up the security charges. You did a study on security charges, yet when we asked Transport Canada that question a couple of meetings ago, they said they had no information on the relative costs of security between the countries. Did you share that study with Transport Canada?

Mr. Michael Skrobica: Yes, we shared it with Transport Canada and it went into the minister's hands.

• (1050)

Mr. Dennis Bevington: Well, that's certainly different from the evidence presented by Transport Canada at one of our meetings.

Mr. Chair, we'll have to have them back here to explain what happened to that information in the department.

I want to touch base on SMS a little more. When we consider the small carriers again, what kind of timeframe will be appropriate for you to come up with a direction for your companies? How close are you to developing this guide, and when would it go forward to Transport Canada for their input?

Mr. John McKenna: First of all, we will make the 2008 study on the security charges available to all members of the committee, for your information. We'll send it to Ms. Charron, of course.

One of the big challenges we have in putting together this guidebook for small operators—because we do believe that an adapted SMS is beneficial to all types of operators—is that we have to convince Transport Canada in our dialogue with them that one size doesn't fit all. That's our biggest challenge. In putting together this guide, the biggest challenge we have is to get Transport Canada's seal of approval on it and to get them to understand what SMS means for a smaller operator.

As Marco said earlier, in small operations, some guy will have two or three hats in the company, rather than two or three employees. So it has to be adapted to fit that type of operation. We do believe that it is beneficial for all types of operators, but the big challenge is getting Transport Canada to understand this.

The Vice-Chair (Hon. Joseph Volpe): Mr. Bevington, you have about half a minute.

Mr. Dennis Bevington: Mr. Jones, we had a very serious incident about helicopters off the coast of Newfoundland. Do you really think that the voluntary enforcement action that Transport Canada now does with recognized safety issues is appropriate, in light of what happened with that incident off the coast of Newfoundland?

Mr. Fred Jones: The devil is in the detail in Transport Canada's voluntary enforcement program. The companies apply a similar program, where they say "We will not take disciplinary action against an employee because they come forward and say they have done something wrong".

There are exceptions to those rules, and Transport Canada applies the same principles. They are things that make perfect sense to us: if it was intentional, if there is any sort of criminal intent, if it's repeated misconduct, what were the consequences... So there are a number of exceptions to voluntary compliance. Transport Canada's policy is if the operator comes forward to Transport Canada and identifies a problem or a safety issue inside the company and says "Here's what we're doing about it". Let's say it hasn't resulted in an incident or an accident, but they say they've identified the safety problem, and incidentally it may be a violation of the regulations as well, and here's what they're doing to correct it.

It makes perfect sense to us that Transport Canada would not take enforcement action against that company because everybody makes

mistakes—unintentionally, obviously; you wouldn't do it under intentional circumstances. And if they're doing the right thing to correct the problem, it's probably an issue that would have never come to the attention of Transport Canada.

SMS is based on openness with the regulator. It's based on openness inside the company so that employees come forward without fear of reprisal to say "We messed up, but we're fixing it".

The Vice-Chair (Hon. Joseph Volpe): Thank you, Mr. Jones.

On that positive note, I think I'm going to have to bring the meeting to a close.

I want to thank all of the representatives, Monsieur Boucher, Monsieur Skrobica, Monsieur McKenna, Monsieur Jones, Monsieur Prud'Homme, and Monsieur Nourse. Thank you for sharing with us your perceptions and your experience. I can assure you that they will be part of the reflections we're going to go through as we write our report both on SMS and on the security side. Thank you once again.

Colleagues, please be prepared to receive a phone call from Ms. Charron regarding the starting time of the meeting on Tuesday. It may change, but not necessarily so. Thank you for your cooperation.

The meeting is adjourned.

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