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Chair

Mr. Pierre-Luc Dusseault

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● (0845)

[*Translation*]

The Chair (Mr. Pierre-Luc Dusseault): Order please.

Good morning everyone and welcome to the 29th meeting of the Standing Committee on Government Operations and Estimates. This morning we will be continuing our consideration of the programs and activities of the Canadian General Standards Board.

Joining us today are several witnesses who accepted our invitation to appear before the committee on this subject. They will each have 10 minutes to make their opening remarks. The committee members will then have an opportunity to ask questions.

I will now give the floor to Mr. Boag and Mr. Morel who are here on behalf of the Canadian Fuel Association.

Thank you for coming to appear before the committee. You have the floor.

[*English*]

Mr. Peter Boag (President and Chief Executive Officer, Canadian Fuels Association): Good morning, Mr. Chairman. Thank you very much.

Members of the committee as well, good morning. We certainly appreciate the opportunity to appear before you today to participate in your study on the programs and activities of the Canadian General Standards Board.

I am the president of the Canadian Fuels Association. Gilles Morel, my colleague here, is our director of fuels. He is really the lead interface with our organization and members and the Canadian General Standards Board.

By way of background, our association represents the petroleum refining sector in Canada. Those are the businesses and companies that refine, distribute, and market petroleum products across the country. In essence, they are the manufacturing component of Canada's oil and gas value chain, the companies that convert crude oil into transportation fuels, amounting to about 75% of industry output, but also a broad range of other products, including home heating oil, asphalt for roads, and petrochemical feedstocks that are essential components to hundreds of consumer goods that Canadians use and rely on every day, from plastics to textiles to pharmaceutical products.

Canada has 18 refineries located in eight provinces, with an overall capacity to refine two million barrels of crude oil per day. They contribute collectively $5.6 billion in direct GDP, and employ 17,500 Canadians in communities across the country from Come By Chance, Newfoundland, to Burnaby, British Columbia.

Getting the fuel from the refinery to wholesale and retail customers is accomplished through a complex network comprising transportation assets, including pipelines, trucks, trains, and ships; 21 primary distribution terminals; 50 regional terminals; and some 12,000 retail sites.

The transportation fuels in particular that our members produce are a vital component of Canada's energy system: 30% of the energy that Canadians consume is for transportation. That is close to 90 billion litres a year of such fuels as gasoline, diesel, and aviation fuel. These are the fuels that keep our economy moving and enable our high standard of living. With our vast geography and dispersed population, it should come as no surprise that Canadians are among the highest per capita users of transportation fuels in the world.

To complete the value chain to our ultimate consumers and the more than 22 million vehicles that are on the road today, it requires a robust product quality system supported by relevant and appropriate standards. For many decades the Canadian fuels industry has worked in close collaboration with the Canadian General Standards Board to develop and maintain petroleum standards that define the performance requirements of petroleum products that meet consumers' expectations. Standards also play an important role in government procurement activities and product trading within Canada and internationally.

The CGSB process, while fostering harmonization with international or North American standards, ensures that Canada's unique circumstances, including climate and geography, are reflected in the standards. For example, properties of fuel that are directly affected by climate condition, such as winter operability, are determined from 40 years of daily weather data obtained from the vast network of hundreds of meteorological stations managed by Environment Canada.

There are currently five active petroleum committees within the CGSB that manage a total of 32 standards in the areas of test methods, aviation fuels, middle distillates, gasoline, and alternative fuels. Just last week the test methods committee conducted its 120th meeting, representing over 60 years of continuous activity and partnership between the industry and government towards the development and adaptation of test methods.

Each year approximately 50 experts from industry, government, and the users community participate directly in the semi-annual petroleum committee meetings and working group sessions. In recent years, industry contributed over $1 million in various testing programs aimed at addressing the specific concerns and approving and developing new test methods that are now broadly used and recognized internationally.

The CGSB standards continue to evolve and are becoming an integrated part of the regulatory systems in Canada and most provinces. The Canadian fuels regulations under the Canadian Environmental Protection Act, petroleum products regulations, and alternative fuel legislation enacted by many provinces in Canada have adopted or referenced the most recent CGSB standards.

● (0850)

So what's next?

There is no doubt in my mind that CGSB has an important role to play today and in coming years. As Canada's economic prosperity is closely linked to its trading activity, reliance on the appropriate set of standards adapted to its specific circumstances will continue to be necessary. The CGSB process offers a unique window that facilitates the development of standards via processes that recognize the diversity of interest, ensure a balanced stakeholders' participation, and deliver standards that are harmonized with ISO systems and procedures.

In closing, we're convinced that the standards are a critical success factor in a strong economy, and our industry's continued support via the work of volunteers, as well as its financial contribution to CGSB, is a demonstration of our commitment well into the future.

With that, I'll close, and I'd be happy to answer any questions you have.

The Chair: Thank you very much for your presentation.

[*Translation*]

We are now going to hear from Mr. Michel Comtois, who is here on behalf of Laboratoires Micom inc.

You have the floor for a maximum of 10 minutes.

Mr. Michel Comtois (President, Micom Laboratories Inc.): Thank you, Mr. Chairman. Good morning.

My name is Michel Comtois and I am the president of Laboratoires Micom inc., in Dorval. Our company was founded 15 years ago. Prior to that, I worked for 12 years in another laboratory. I have therefore been working with the CGSB for 25 years. As in a marriage, I have seen the best and I have seen the worst.

I work with the CGSB in three capacities.

First, I am a CGSB client. Since the establishment of my current company, as well as during my previous career, the board has been my laboratory certification services provider. The services have been necessary in order to guarantee that the laboratory's quality control procedures are up to standard.

I also provide services for the CGSB. The CGSB has a list of approved products that is used for advanced product assessments so that potential buyers can then purchase these products without worrying about their reliability or their compliance. It is somewhat like buying a hair dryer at the store. You are not going to be concerned about whether or not the hair dryer is dangerous if you can see that it has been certified by the CSA Group. Laboratories and organizations have made sure that the product is safe for the user.

We provide laboratory services to the CGSB, who is therefore our client.

Furthermore, over the past 25 years, I have sat as an expert member on a number of technical committees that set CGSB standards. These committees deal, for all intents and purposes, with all CGSB standards, whether they apply to office furniture or to other products such as latex gloves and ink or recycled cartridges.

I was a member of the ISO/TC 136 committee. I was the head of the Canadian delegation that dealt with ISO standards for office furniture. We represented the Canadian position.

I have divided my remarks into three main parts. The CGSB also provides inspection services but I have never been involved in that. I therefore do not feel that I am in a position to speak to that aspect of the CGSB's work.

Let's turn now to laboratory certification programs. It is easier for a new laboratory to acquire certification under the CGSB's program than the corresponding Standards Council of Canada Program. It is easier from a technical perspective and from a cost perspective, especially because—I feel—the Standards Council of Canada sets exorbitant prices for its services.

There is some overlap between the certification programs of the CGSB and the Standards Council of Canada but for new SMEs it makes for an easier start.

We have received CGSB auditors over several years. I have always felt that they were competent. I think it is important to state that. However, the CGSB can only provide certification for laboratories under programs for which they provide certification services to government or to an industry. Over the years, my company has expanded and has had to change registrars simply because it could no longer certify us for all the services we were offering.

Another aspect of the CGSB is its list of approved products. That is the list I was referring to earlier. This is a list of products that have already been certified, which gives buyers an opportunity to obtain these products without having to wonder whether they are compliant or not. For example, the CGSB has a list of latex gloves, surgical gloves, and gloves that doctors use in hospitals. These are gloves that are used by dentists, physicians, etc.

One of the problems with the CGSB is that it cannot promote its programs because of its internal operation rules. These programs are good for potential clients, whether they be hospitals, for example in the case of latex gloves, or users who may be purchasing them in a pharmacy. However, it does not have the right to advertise itself to the public or to users.

● (0855)

A few years ago my wife was sick and we had to go to the hospital. There was a box of latex gloves on the wall. Given that I work in the area, I checked to see if the gloves were certified. Usually there is a logo on the box that states that they have been certified. There was no logo.

Obviously hospitals work under budgetary constraints. They often tend to choose the lowest bidder. In any case, the government often works that way. If there is no requirement to buy certified products to ensure quality, then obviously it can be tempting to save money and choose a brand that is not certified and for which a minimum level of quality has not been guaranteed. Hospitals choose the product because it costs 10¢ less. I think it is important to raise awareness about the value and advantages of services offered under this program. If people are not aware of this, then they will not ask for it.

Another program that should be used extensively but that is actually used infrequently is the program for office equipment purchases. The federal government alone purchases 100 million dollars' worth of office equipment annually. Some governments require that a part of this program be used, including the Quebec government; it requires compliance with the standards of the Canadian General Standards Board. There was a time when they also required compliance with the QPL program. The cities of Halifax and Winnipeg, as well as some colleges and universities, also require compliance with the CGSB standards for office furniture.

Public Works and Government Services Canada requires compliance with national standards. In the past, the department required that providers be certified under the CGSB standards and also be on the QPL list in order to be able to sell products to the government. There has been a lack of competent resources within the CGSB, a lack of internal policies within Public Works Canada and pressure on the part of the industry, including from American companies. Public Works Canada had been very patient with the CGSB but it finally withdrew the requirement for manufacturers to be on the QPL list for the purposes of selling their products to the federal government.

In terms of furniture, the QPL was working and continues to work slowly. For its part, Public Works and Government Services Canada is constantly changing its procurement policies and is reducing its monitoring of technical compliance for furniture, because it does not have enough internal technical resources, and it feels that the process of insuring that providers are compliant with the CGSB's national standards is too onerous.

If we look at the numbers, we can see that the federal government purchases $100 million of office equipment every year. According to my quick calculations, the cost of certifying products in order to ensure a minimum level of quality, that is compliance with CGSB standards and listing with the QPL, make up approximately .5% of the government's total annual procurement.

Furthermore, the tests required under CGSB standards for listing with the QPL use North American standards. Like all Canadian industries, the furniture industry exports approximately 80% of its office furniture to the United States. In order to sell to major institutions and companies, as well as to the American government, that is probably the biggest buyer of office furniture in the world, companies must meet certain performance standards. Those standards are perfectly compatible with the CGSB standards. A considerable amount of work has been done to harmonize CGSB standards and those of the BIFMA, which represents the American industry. If you include the 80% of exported furniture, the .5% of annual procurement goes down to .1%. In my humble opinion, it is not a lot to pay if what you get is a robust and efficient procedure that guarantees an appropriate level of performance and quality.

● (0900)

On April 7, PWGSC held consultations on its draft procurement policy for office furniture. I attended those consultations and I recommended that the use of the CGSB QPL should be mandatory. This new procurement policy is not yet in effect, but from what I have heard, the use of the new QPL will not be mandatory.

In a procurement policy where contracts are awarded to the lowest compliant bidder, why would Crown suppliers choose to voluntarily adhere to a verification program intended to maintain a certain level of quality? The question almost answers itself. In my humble opinion, I am not sure it is necessarily in PWGSC's advantage not to require that.

● (0905)

[*English*]

We have to look a bit at the CGSB as a gear in a gear box. It's one thing to question if it's the right gear or if there are the right number of teeth on that gear, but then if that gear doesn't engage with the rest of the gear box because the stakeholder is within the government—for instance, my two examples for DataTech Labs, or for the furniture—well, then, we have to wonder why that gear is there, or we have to wonder how we get that gear to work properly with the rest of the gear box.

[*Translation*]

In that regard, the government has several options. It can opt for the status quo, in other words continue on in the same way, even if that is not as effective as it should be, at least as far as the programs I have seen are concerned.

To make the CGSB more effective, PWGSC and the other departments and agencies would have to be required to use QPL certified products as much as possible.

Recently, I studied another case where seats reserved for the public had been sold to the government. There was no requirement to meet CGSB or BIFMA standards. One of the chairs was broken and someone was injured when they sat on it. A complaint was filed with the supplier and the supplier had to change his furniture.

Government representatives rightly wondered how they could ensure that these chairs would be safe. Our client called us and we told him that we would test the chairs according to national standards. And in fact that is what should have been done from the beginning, at the bidding stage. We conducted tests, and we showed that by modifying the chairs, they could be adequate.

If things had been done in the correct order, there would have been a requirement that these products meet the standards before they were offered to the government. Then that person would not have been injured. They went through all the steps, but not in the right order, so there was a waste of time and energy. Everyone was dissatisfied with this purchasing process.

The Chair: Mr. Comtois, I will ask you to conclude your presentation.

Mr. Michel Comtois: Here are three suggestions I would like to make.

Public Works and Government Services Canada and the other departments should be forced to use the QPL as much as possible. We need to allow CGSB to be known to Canadians, at the institutional or individual level. We need to give the CGSB the resources it needs in order to carry out its mandate properly. This should not be too expensive for the Crown because it works on a cost recovery basis.

If there is no willingness to use the CGSB effectively, we need to consider its relevance, or at least the relevance of the services its offers.

The Chair: Thank you for your presentation.

I now give the floor to Mr. Dauphin, who is the Director General of CanmetMATERIALS, Minerals and Metals Sector, from Natural Resources Canada.

You have the floor.

[*English*]

Mr. Philippe Dauphin (Director General, CanmetMATERIALS, Minerals and Metals Sector, Department of Natural Resources): Merci.

Honourable Chair, distinguished members, it's a pleasure for me to have the opportunity to speak to you about NRCan's experience with the national standards program provided by the CGSB.

[*Translation*]

I am the General Director of the CanmetMATERIALS Laboratory for Natural Resources Canada.

Natural Resources Canada is involved in the management of a certification program consistent with a CGSB standard, specifically, non-destructive testing. Non-destructive testing is used to detect flaws and cracks in the structural components used in industries such infrastructures for energy production and transmission, civil engineering structures, manufacturing and transportation, and general quality control of materials and components.

Natural Resources Canada certifies conformity with the CGSB-48.9712 standard for technology which uses different testing methods, such as industrial radiography—for example X rays—and ultrasonic testing. Generally, non-destructive testing is a set of highly valuable technologies and tools, because it does not permanently destroy or alter the article being inspected.

[*English*]

CanmetMATERIALS is a technology centre of Natural Resources Canada, and our mandate for materials technology includes value-added use of materials for sustainable development in Canada and globally; industry competitiveness and productivity; energy efficiency; efficient use of natural resources; and security, reliability, and environmental impact of major infrastructures, for instance nuclear power plants, and oil and gas pipelines.

The NRCan national non-destructive testing, or NDT, certification body is a national program within CanmetMATERIALS that has been carrying out its national certification program since 1960. For our program, there is a critical context dependency on the CGSB standard, since our main program activity involves NRCan's certifying individual inspectors according to the CAN/CGSB 48.9712 standard.

Currently, this standard dates from 2006 and it will be updated in 2014 for upcoming implementation by NRCan. Historically, CGSB has been publishing and managing this NDT standard since 1960. Of note, it's also a Canadian adoption of International Standard ISO 9712, and it keeps our national scheme in pace with what industry is using internationally.

● (0910)

[*Translation*]

In the industry, there are more than 5,000 inspectors in Canada who are certified in non-destructive testing by Natural Resources Canada. Certification from a federal department in accordance with national standards published by the CGSB is well-regarded and accepted nationally and internationally. It provides an independent and highly credible assessment of an inspector's qualifications.

In order to maintain and develop a national program, it is essential to consult with stakeholders and the industry, so that our programs and activities are continually supported by the contributions of industry and experts in the field.

According to the current list of members on the CGSB 48/2—non-destructive testing committee, the number of representatives are as follows: 55 members from the general public, the private sector and industry, and 13 from departments.

[*English*]

The committee discussion and participation by a well-balanced group of stakeholders have been essential to the ongoing development and maintenance of an appropriate standard for NRCan to rely on for our implementation of the program.

In summary, the CGSB non-destructive testing certification standard is essential in being a fundamental pillar for NRCan to carry out its mandate to ensure the health and safety of Canadians by providing a strong NDT quality focus for the industry. We're very proud to be managing and providing this program of a CGSB standard-based NDT personnel certification with 50-plus years of history and success. With CGSB stewardship and support, we look forward to continuing to work with our industry to deliver value through our national programs, such as implementing and using new technology for engagement and communication, and to continually improve the implementation of the standards and the service delivery to address current and future needs.

[*Translation*]

Thank you for giving me the opportunity to speak to you.

The Chair: Thank you for your presentation.

Without further delay, I will give the floor to Mr. Jenkins, Director of Ecosystems and Fisheries Management at the Department of Fisheries and Oceans.

Thank you for being here today.

[*English*]

Mr. Randy Jenkins (Director, Ecosystems and Fisheries Management, Department of Fisheries and Oceans): Thank you very much. And good morning to everyone. It's a pleasure to be here today.

DFO's involvement with the Canadian General Standards Board in the conservation, protection, and the enforcement branch goes back to 1997. There are three general areas that we currently use the CGSB for, and those haven't changed in a number of years. The first is in standards development. Our first engagement with the Canadian General Standards Board was back in 1997 when we were looking for independent oversight of our at-sea observer program training module.

The observers operate in different regions across Canada and we wanted to try to have some consistency and rigour and standards around how the training is carried out, so that we were fairly confident that the training of an observer in the Quebec region, for example, was similar to one in the Newfoundland region, and that there would be some consistency to the data we get back from those observers.

So in 1997 the CGSB developed a national standard that was known as the CAN/CGSB-190.1-97 training and certification for at-sea fisheries observers. This provided the standards, and those standards are still in use today. We've used it since 1997 as a guide for our at-sea observer programs.

It's been more relevant perhaps in recent years once the standards document was developed and we used it, but our biggest use of the CGSB program is the qualification program asset. It provides for us a qualification system for two types of observer programs. One is known as the dock-side monitoring program, which administers the weigh offs of fish landings at port, and the other one is the at-sea observer program, which provides independent observers on board vessels at sea to verify catches.

In the case of the dock-side monitoring program, that was our first engagement of CGSB to provide a qualification program. Essentially, if you want to become involved in the delivery of dock-side monitoring services in Canada, your first step is that you must become qualified with CGSB. From there you move on to a DFO designation. Essentially the CGSB arranges for a quality system manual to be compiled by the companies interested in becoming qualified to carry out these services. It's essentially just detailed operating procedures that cover everything that the dock-side monitoring program is going to deliver and how they're going to carry it out. The CGSB then will make sure that it matches what DFO's expectations are and they actually do carry out their processes through annual audits in accordance with the methods they've explained.

The year 1999 was the first one we entered into an agreement with CGSB to develop the qualification program for dock-side monitoring, and we've used CGSB ever since that time to carry out the annual audits and to certify or qualify new companies that wish to get into the program. The general requirements for dock-side monitoring services are inscribed in legislation. The fisheries general regulations outline the requirements to deliver observer programs in a general sense, and then of course the policy framework around the nuts and bolts of what makes the program tick is described in various policy documents within the department and incorporated as well into the CGSB manuals.

As for cost and funding of these programs—a common question we get from the industry and others—the DFO covers most of the costs. A company interested in becoming certified or qualified through the process has to pay the initial qualification cost. But as for the ongoing audits and maintenance of the program, DFO covers those types of costs.

In the case of an individual company, it will vary depending on the complexity and how complete their work is to begin with. But it costs a company roughly $5,000 to $10,000 to go through the process. That's what they would have to pay the CGSB. Of course, that is addition to any internal costs they would cover if they had to bring in new systems, or do anything else.

● (0915)

DFO covers the annual surveillance and the regular monitoring of these companies to ensure that they're compliant with the quality standards manual. In recent years we've managed to get the costs down to about $60,000 a year. Prior to that we were spending about $92,000 a year—keeping in mind that roughly 17 companies are qualified. We carry out audits on a three-year cycle. If no problems are detected through desk audits, you can expect an on-site auditor every third year, and paper audits or desk audits will be carried out in the alternate years.

Recently we've expanded our program. As you may be aware, the Department of Fisheries and Oceans restructured their at-sea observer program and moved from a contracted process to a service supplier process that would be similar to a dockside monitoring process, whereby any company can deliver services as long as they're qualified and then designated by DFO.

In the old model there was one contract per region, and if you bid and got the contract you were the service supplier. In theory you could have 50 companies. We wanted a system to make sure everyone delivered a quality program, that they had the management and operational processes in place to ensure the integrity of the data, that DFO got what it was looking for, that the individual industry companies that utilize this service were confident that the data collected was accurate, and that DFO was accepting the reports of the independent observers as being accurate in describing their fishing activities.

In 2012 we entered into another agreement with the Canadian General Standards Board to develop a qualification program for the At-Sea Fisheries Observer Corporations. This followed a very similar path as the dockside monitoring program. We have since moved to streamlining our operations a bit more, so when we developed the at-sea observer program qualification, we improved upon the dockside after 10 or so years of experience. We tightened up some of the language and the rules, and we are currently harmonizing a lot of the background policy, so when we go out to various companies or to the coast, it's more efficient for the Canadian General Standards Board to do both types of observer programs at the same time. If you travel to the Pacific region or the Newfoundland region, while you're there you can mix and match. You can do the dockside monitoring program and the at-sea observer program. This is certainly most cost-effective. In some cases, companies are interested in delivering service to both programs. So instead of having your company management tied up in two different audits, if you're involved in both programs we can do the audit at the same time, so it makes it a bit more efficient.

Again, the costs to the companies are very similar. There's a $5,000 to $10,000 cost to set up with the Canadian General Standards Board, depending on the complexity of your program and the number of times they have to go back. But once you're set up, DFO generally funds the maintenance costs. So as long as you keep your program up and running as you described it to us when you were approved, we will cover the costs of doing the spot checks. If there is a problem, and it requires a revisit by the auditors for corrective action, the company would have to cover the cost of the CGSB going back.

In closing, we don't foresee any major changes in our use of CGSB in the future. It's served us quite well. It provides an arm's length from DFO and certainly a bit of independence, so every company will know that regardless of what region they're from or where they're applying from, they're all evaluated in the same way. They're all expected to provide the same type of information.

The qualification process is clearly articulated on the website. It's available to the public. Anybody can check it out, and see if this is the type of program they'd like to be engaged in. Without the CGSB pre-qualification, the onus would revert to DFO to try to do all this type of audit and follow-up and process-type work ourselves, and it would be overbearing for us to do that right now. We don't have a lot of professional auditors on staff in our section, so it would mean hiring staff, whereas we believe this to be a cost-effective mechanism to carry out the quality assurance program on these companies.

● (0920)

DFO will focus its activities on ensuring that other aspects of the program are met, such as fraud and collusion, and ensuring that the company is operated at arm's length from industry.

We expect that we will have continuing and ongoing relations with the Canadian General Standards Board. There may be applications to other types of programs in the future, if they come up, that require a certain type of pre-qualification.

Thank you.

[*Translation*]

The Chair: Thank you for your presentation.

I would like to thank all of the witnesses who presented this morning.

We will now proceed to the question and answer session on your presentations.

Ms. Day, you have the floor for five minutes.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Thank you, Mr. Chair.

Thank you to all the witnesses for being with us today. It's always a pleasure to listen to you given that you are experts in your field.

My first question will be for the representatives from the Canadian Fuels Association.

I'm sure you know that the advisory committee that develops the standards is composed of representatives from industry, consumers, experts and representatives of general interest groups, such as departments.

Apart from the departments, which other interest groups are part of that committee? Is the committee obliged to have all of those stakeholders or would it be preferable that they be represented on the committee?

Mr. Gilles Morel (Director, Fuels, Canadian Fuels Association): I will answer on behalf of the association.

There are three main parts to your question. I will start by describing the makeup of the committees.

Members of the committees represent producers and refiners, who must develop and respect the standards. They also represent producers of additives. Additives are elements that are an integral part of the final standard. For example, they facilitate getting the products on the market so that the products can meet environmental performance criteria. While these are very specialized products that are manufactured in very small quantities, these producers of additives have a great interest in ensuring that the finished products respect a certain standard and that they meet performance expectations, when it comes to vehicles for example. In short, manufacturers and vendors of additives are also present.

There are also the people who are involved in the production of biofuels. This is now a requirement in many committees. These people want to be part of the committee and they also represent producers.

Governments also have a seat on the committee. The various governments do not always have the status of a voting member, but in most committees, Natural Resources Canada, Agriculture and Agri-Food Canada, and Environment Canada participate. They now use the regulation in several standards, according to the CEPA. There are also several provincial governments such as the government of B.C., Alberta, Ontario, Quebec, Nunavut, and the Northwest Territories. They regularly have to refer to their regulation standards. They also participate in the committees' deliberations.

Finally, representatives from the automotive sector also help develop the standards. For example, the standard concerning ethanol E85 was developed by a representative of General Motors on the committees.

So, we have very balanced representation. One of the strengths of the committees that deals with oil products is the fact that no individual group has more than 50% representation. This ensures that the group is diverse enough to represent producers, vendors of additives, governments, and other user groups.

● (0925)

Mrs. Anne-Marie Day: I have a complementary question.

We know that when a standard such as an ISO standard is developed, a minimum standard for quality is created. Small and medium enterprises often end up being excluded because they cannot meet that particular standard. Sometimes the consequence of this is an inflation of prices. When there are only a few players, prices increase artificially.

One of our objectives in this study is to find ways of making the board more effective. Do you have any suggestions in that regard?

Mr. Gilles Morel: For 40 or 50 years, we have sat on the various committees, for example on the committee on testing methods which I mentioned earlier. My colleague mentioned 60 years of participation in that committee.

There have been a lot of changes over the years and the committees are much more effective. Recently we have tried to combine several meetings because when the committees get together, the meetings can take up to an entire week. We try to have all of the experts from the industry there at three same time so that they can help establish or revise standards in various committees, whether it be the committee on verification methods or the committee on oil, gas and alternative fuels. Usually it is the same experts who participate in all of those committees. We need to have a series of meetings. However, in recent years, we have managed to reduce the number of formal meetings to two per year. The rest of the work is done by conference call, depending on what is required with respect to the particular standards.

Last week our spring series of meetings were held for 2014. To make things more effective, we suggested reducing the lengths of the meetings from five days to four days. We try to condense the working groups and the main committees as much as possible.

Mrs. Anne-Marie Day: All right, thank you.

The Chair: Thank you, Ms. Day. Your time is up for this round of questions.

Mr. Trottier, you have the floor. You have five minutes.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair.

Thank you all for being here today.

Mr. Comtois, you had some interesting things to say. You are both a client and a supplier. You have previously been a member of the technical committees of the Canadian General Standards Board. Did you have discussions with other standards organizations?

In the testimony we have heard so far, we have seen that standards development is a very specialized skill. It is better that it be done centrally, for example at PWGSC, which can collaborate with other departments, instead of having a standards office within each department.

It is a fairly specialized skill. There are also private businesses that do this work. Do you have discussions with the Canadian Standards Association, with Underwriters Laboratories, or with other similar organizations?

● (0930)

Mr. Michel Comtois: For many years our organization has worked with standards from the BIFMA, the Business Institutional Furniture Manufacturers Association of the United States.

[*English*]

Actually when you look at the CGSB standards, there is a section that deals with the resistance of the finishes and the general requirements for edge radius and measurements, but then when you get to the mechanical testing portion, they will say test to the applicable BIFMA standards.

I've been heavily involved with that group as well for the past 20 years or so. I've also been involved with ISO. I've been involved with Bureau de normalisation du Québec as well. So I've been involved not so much with the Underwriters Laboratory but with similar organizations.

[*Translation*]

Mr. Bernard Trottier: Our committee is wondering if the Canadian General Standards Board should be doing this work, or if it would be better managed by a private organization. Could we subcontract this work to private organizations for cost or client services reasons? Also, we do not know if these organizations could do this kind of work.

Mr. Michel Comtois: It could be done in whole or in part by organizations like the Canadian Standards Association or the UL. However, these two organizations are unfortunately very conservative when it comes to opening up their processes. For example, if you wish to obtain certification under a UL standard, they have to do the testing. They will not allow you to use an independent laboratory like ours, and consequently all of the tests are centralized in one place. Even if it is officially a not-for-profit organization, most of the time their services cost much more than ours. This despite the fact that we are a for-profit organization. This is largely because they have a monopoly.

[*English*]

Mr. Bernard Trottier: I have a question for Mr. Boag and Mr. Morel from the Canadian Fuels Association.

It's a question of structure. The CGSB exists within Public Works and provides standards development work on behalf of Transport Canada.

Do you see an advantage in having this agency, the standards board, outside of Transport Canada? Is there an advantage in having it at arm's-length?

Mr. Peter Boag: I'm not sure it's definitely doing the work for Transport Canada. It's doing the work, broadly, for consumers of fuels. Of course, it's doing it for government, which is also a consumer of fuels. So in many ways it's doing it for PWGSC as a procurement organization. To say that it's doing it for Transport Canada, in part, yes it is, but probably from a narrow perspective.

Could it be done outside of government? Probably. I think the issue for us would be, how is the organization governed, how is it funded, does it work efficiently, and does it ultimately deliver the kind of quality standards that have passed the test of time with continued relevance and the ability to continue to develop new standards as they're required?

Could it be done elsewhere? Yes. Could it be done as efficiently and effectively? It's something that could be examined.

Our presentation today was very supportive of the role and the work that CGSB has done in doing this in an effective and an efficient way with full transparency. Mr. Morel talked about the broad range of stakeholders who are at the table. It is very much a consensus-driven organization.

The answer is yes. Would it actually be better? I don't know.

● (0935)

[*Translation*]

The Chair: Thank you, Mr. Trottier.

We will return to Ms. Day, who has five minutes.

Mrs. Anne-Marie Day: Thank you, Mr. Chair.

My next question is for Mr. Jenkins, from Fisheries and Oceans Canada.

According to the Canadian General Standards Board website, in 2008 the Canadian Organic Aquatic Producers Association asked Fisheries and Oceans Canada to create a national standard for organic aquaculture. The proposed standard was meant to serve as a guide for using the "organic" label for aquatic practices, no matter the origin. The department offered to finance the participation of a specialized consultant in September 2009. The board signed an agreement with the department to create this standard. The advisory committee was supposed to develop a draft standard to be submitted for public consultation between June 30 and August 30, 2010.

In August 2010, a letter was sent to the board by environmentalists and producers who criticized the draft standard project because it allowed the use of pesticides, among other reasons.

Can you tell me if the standard has become a national standard in Canada approved by the Standards Council of Canada?

[*English*]

Mr. Randy Jenkins: I regret that I'm not able to confirm that this standard has been brought in for pesticides. I'm not aware of there being a qualification standard for dockside monitoring for pesticides.

[*Translation*]

Mrs. Anne-Marie Day: Could you provide this information to the committee?

[*English*]

Mr. Randy Jenkins: Yes, certainly. I will research it and see what I can come up with and dig further into it. You caught me off-guard with that question, to be quite honest. I'm not aware of it being there, but I will check into it.

[*Translation*]

Mrs. Anne-Marie Day: The oceans are vast. Several of them surround Canada. How are you able to manage monitoring activities at docks and at sea? Maybe it is easier at docks because we know where they are, but when boats are at sea, what do you do?

[*English*]

Mr. Randy Jenkins: Thank you.

In both cases there are challenges. The CGSB's role is largely about process management, that they have the proper systems in place, that they have the proper repositories, the proper protection of data and information sharing, and so on and so forth.

Anomalies creep in, so even if you have a proper system, it is possible that the data that comes in is inaccurate, and that would be very challenging for the CGSB to determine. That's more a role for the department, and we use a variety of methods and investigations and oversight. It's largely data comparison among the fleet in an area, data comparison among different methods. You can appreciate when it comes to fish there are a number of different documents. The master files a report and sometimes they have to hail him at sea. They have to fill in a log. There are surveillance overflights to verify the area of fishing and the type of gear being used. There are independent inspections by fishery officers on board. So it is challenging.

We have had cases in the past where individual observers, not the companies themselves, but individual observers have either colluded with the fisher involved and submitted false data, or they were wilfully neglectful in carrying out their duties and utilized the master's data without independent verification.

I think about three years ago we did an in-depth analysis of the crab fishery, and it was determined that the data that three or four individuals had submitted was inaccurate for the area they were fishing. We dealt with them through the normal course of an investigation, and they were charged and taken to court. In that particular case, though, to bring it back to the CGSB, it wasn't a failure of the company per se in terms of process. The data came in, the data was handled properly, and the data was submitted through the system. That's why—and I think I alluded to it in my presentation—we have two sets of checks and balances. CGSB is focused mostly on whether the data systems are operating as they are supposed to when it comes to storage transmission oversight, because we expect the companies to have some oversight as well. But when you have wilful fraud and collusion, it's very challenging to root that out. It usually becomes apparent when you start doing the comparative analysis that something seems to be amiss, that there's an inconsistency every time a certain individual or a certain port is landed.

● (0940)

[*Translation*]

Mrs. Anne-Marie Day: Could you recommend ways to make the board more efficient and effective?

[*English*]

Mr. Randy Jenkins: We've already undertaken some changes, as I mentioned earlier, when we did our at-sea observer program. We tightened up the qualification process significantly from what it was for the dockside, and we've now gone back and we're starting to amend the dockside policy as well to make it more arm's length and less likely to be subject to any kind of intervention.

Along with that, as part of my current role, we're just implementing a national intelligence service within DFO, and a subsection of that group will be tasked with doing audit verification specifically for catch monitoring programs. So they'll systematically and randomly check, and this will be on top of what the CGSB auditors do, and it'll be on top of our regular program. Their sole purpose will be to look for inaccuracies or data that doesn't seem to make sense and drill into it. If there are irregularities found, it'll be turned over to investigators to start active investigations. So we're setting up a separate program just to deal with those types of issues and try to prevent that from creeping into the program.

Data systems are important, but the quality of the data is important as well, because scientists and stock managers are basing their decisions, in part, on the information that comes in through those programs, on the fact that the dockside monitoring program and the at-sea observer program are, by their very nature, supposed to be independent verification of catch. They themselves are supposed to be the spot-checkers of the industry records. If we have problems with that program, it's very serious. So we take allegations of misreporting or inaccurate reporting very seriously, and we have launched investigations in the past and we'll continue to do so in the future, if required.

[*Translation*]

The Chair: Thank you.

I will now give the floor to Mr. O'Connor for five minutes.

[*English*]

Hon. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Good morning, gentlemen.

There are all kinds of standards. There are standards for individual consumers, for governments, for products. There are standards for services.

I guess my question is for all of you. Is there anything unique that the CGSB does that other people don't do? I'll start with that one first.

Mr. Gilles Morel: Thanks for the question.

On things that are unique to Canada, I think it's probably geography. With regard to the about 32 different set of standards that we work closely with CGSB in partnership on, they are essentially fuel standards. They are the standards that assure the safety of the fuel, that assure that the fuel is fit for purposes across Canada.

Because Canada is such a large country, with such a varied climate, it's very specific. It's one of the coldest places to live in the world in the winter. Essentially the standard identifies those attributes that are specific to Canadian conditions, whether it is the fuel we use in our aviation, for example, the fuel that we need to heat our northern communities, to provide diesel in our coal mines, or to provide gasoline for our vehicles as they travel huge distances in climates that vary from day to day and week to week.

That's why CGSB is good. It essentially helps in adapting the standards, which are probably 90% to 95% standardized between Canada and the U.S. But it's that 5% or 10% that's specific to the particular climatic conditions of Canada that CGSB helps us to address.

Having been in fuel quality for over 35 years, I can assure you that those standards have addressed the performance expectations of the customers extremely well in Canada, despite all of the different conditions. Our consumers can be comforted that when they go to the station to buy a product, or when DND buys product for the Department of National Defence, or when Public Works buys product for the Arctic, for example, it meets those standards and the product quality is fit for all Canadians.

● (0945)

Mr. Peter Boag: I would just add one more point. I think Gilles has covered the unique requirement within Canada very well.

There are organizations in the United States, like ASTM or SAE, but there is no other organization in Canada that is doing this kind of work, other than CGSB.

Mr. Michel Comtois: Well, there are different ways in which they are unique. It could be done somewhere else, but, first of all, they drive a third-party standards writing process. They will make sure that the committees are balanced, including users, those with general interest—and we fall in the general interest category—and industry. As I said before, for instance, I sit on the BIFMA standards association in the U.S., which truly provides an industry standard.

Because they're all manufacturers, you can see that they all face the same problems. They will make technical decisions based on their industry bias, if you will. It's not that they do that with malice. However, because they face the same general problems on a day-to-day basis, they will agree among them what makes sense for the industry. However, what makes sense for the industry doesn't necessarily make sense for the users, or for a lab like us, for instance.

They write a standard, and one of my main contributions, if I may say so, to their standards, is that I need to decide when I'm done with my test whether it passes or it fails. The way they're writing the standard right now, it leaves me in a grey zone. I'm caught between the end user and the manufacturer. I want to make sure that the end user won't have problems, and the manufacturer says, “Well, you can interpret the standard by meaning this, so you have to let me off the hook”.

It's important to have a balanced structure so that everybody looks at it from a different perspective.

Hon. Gordon O'Connor: Mr. Dauphin.

Mr. Philippe Dauphin: The unique features that I see in the work of the CGSB include the application of norms and standards to a national standard. In the U.S., certification of non-destructive technologists is left to individual companies. I'm not sure that Canadians would feel very strongly about a company doing inspections of pipeline welds and leaving the certification of those technologists to the individual company that just won a bid to carry out that inspection.

The tests we administer can be failed. In a given year, typically between 25% and 30% of individuals trying to get certified will miss something and have to be retested. To us, this is the ultimate test of a national standard that is applied by an independent organization. I believe that the CGSB is putting us in a position to do that.

Hon. Gordon O'Connor: Mr. Jenkins, go ahead.

Mr. Randy Jenkins: Thank you.

Our engagement with the CGSB is more in the qualification process. We prefer the CGSB over private companies largely because they're not profit-driven and they are an arm of the government, although independent from DFO. They provide us with a quality service at a reasonable cost, and we don't have to go through the competitive nature of private companies who may also be engaged with the industry in other dealings that may or may not be conflicting, and so it resolves that dilemma for us.

Thank you.

The Chair: Thank you, Mr. O'Connor.

Now to Mr. Byrne, for five minutes.

● (0950)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you to our witnesses for appearing.

I'm trying to get a handle on this. There seems to be a consensus that there's value to the Canadian General Standards Board. In fact, one of the arguments presented to us this morning is that there's value to it but it's inconsistently applied. I think, Michel, that would be somewhat your point of view on this.

If it is to be valued and it is to be adopted as a best practice, could I get your respective comments on whether this should be a voluntary process? If I understand this correctly, the creation of a standard is a product of a regulation at some point but the actual standard itself is not a regulation, normally. Would it be a positive for the furtherance of establishment and adherence to standards, to prescribe in regulation the actual standard prescribed by the Canadian General Standards Boards in each of the activities?

Mr. Jenkins, I'll start with you because of course DFO is a big user of regulation to manage its affairs.

We'll just go down the line if we could.

Mr. Randy Jenkins: Thank you, Mr. Byrne.

One of the drawbacks to inscribing everything in regulation is that it is a very time-consuming process. If you want to amend or modify anything later, based on new evidence or new data, it's a very laborious process to go through to effect the regulatory change. Not counting the time it takes for an act, but just a regulation, it often takes about two years.

One of the things I alluded to is that when it comes to the observer programs, the foundation for what the requirements are to be an observer company or an observer are already subscribed in a regulation. The broad, overarching piece is already there. We use the CGSB qualification process on our own DFO policies to interpret how this will be carried out to achieve the goals that were envisioned by legislation.

In short, knowing that we make changes annually—we review things, we try to improve things, we communicate it with the industry—I think inscribing all the qualification programs into regulation would be challenging and may not meet our end goal. My comments might be slightly different from the others' because of the way we use the program.

The other piece is that it's not black and white. Regulations are often black and white. If you fail to abide by a regulation, there's a punitive side to it. There's some action taken that's usually very abrupt and very succinct, and you must do what's prescribed in law. The way the qualification program works now, the goal is not to say that you're doing a good job, or you're not doing a good job and get out. The goal is that if you are not up to par, we want to work with you, and the CGSB wants to work with you, to identify what the deficiency is and get you to correct it.

Our ultimate goal is not to try to keep only certain individuals in; it's to keep whoever wants to be in the program there and allow them to participate, but to make sure that they all deliver a program of the same quality and standard, and that they're all playing in the same ballpark, I guess.

Hon. Gerry Byrne: In the interest of time, Mr. Chair, could Michel intervene? I want to get his perspective here.

Mr. Michel Comtois: Yes and no. It depends on which products or services it covers, and I'll give you two quick examples.

Transport Canada has a haz-mat regulation for transporting hazardous materials and packaging. There used to be a CGSB standard. It's still there. For some reason, Transport Canada has decided to go on its own and write its own standard. We worked closely with Transport Canada on that regulation, and we got some feedback from them recently, saying that writing a standard is a pain. They decided that next time they were going to get CGSB to do that, because writing a standard is a different mindset. It's managing a group of stakeholders and stuff like that and they've decided that it's not their core business.

On the other hand, if we go back to the furniture, for example, the government is in a very different position from the private sector. For a lot of the products the government buys, you award the contract to the lowest compliant bidder, or the least expensive compliant bidder. So I look at this as jumping a bar,*saut en hauteur*. Somebody has to fix the height of the bar; otherwise, you're just going to end up buying everything in China and you're going to have no quality. So you have to make sure the quality is at a certain level to set up a level playing field for the companies to compete. I wouldn't see that as part of regulation, because it would apply to every business in Canada. As a private enterprise, I wouldn't want the government to tell me which furniture I'm allowed to buy. So from that perspective, for furniture, for instance, it's a procurement issue that is specific to all governments, which are tied to go to the lowest bidder.

Haz-mat, for Transport Canada, is another story.

● (0955)

The Chair: Thank you.

[*Translation*]

Thank you.

I will now give the floor to Mr. Aspin for five minutes.

[*English*]

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Thank you, Mr. Chair. Welcome, gentlemen, to our committee, and thank you for your contributions.

Mr. Boag, with Canadian Fuels Association, on your website it states that "Regulated standards should focus on the environmental performance of fuels. Fuel specifications that relate to vehicle performance should be developed through the multi-stakeholder process of the Canadian General Standards Board".

I have a few questions on that. Why do you prefer fuel specifications developed by this board?

Mr. Peter Boag: I'll start, and I'm sure Monsieur Morel will add some comments.

We agree there is a role for government to regulate some aspects, principally in the area of health, safety, and the environment. For example, the federal government regulates sulphur content and benzene levels in fuel. Also, of course, many years ago it regulated lead out of gasoline. So there are good examples and appropriate examples for where there is a role for government to regulate, and when the health and safety of Canadians and the environment are specifically involved. For other areas, you start to get into the areas around vehicle performance in particular, and what we would see more as performance quality as opposed to environmental quality.

For some of the same reasons that Michel just spoke of, we think a regulated approach is perhaps not the most effective and efficient. There's an opportunity for a broader range of stakeholders to look at what can be a very complex set of variables that need to be considered.

Our view is that the CGSB standards process works very well. It has withstood the test of time for more than 60 years now, and we think that process offers a higher degree of flexibility and response, because as you will know in government, developing, preparing, and then ultimately implementing regulations is a very slow process. It's very difficult to get a new regulation in place. It's very time-consuming to amend a regulation, so I think for us that's another reason why this CGSB process is a more responsive process. Quite frankly when we look at those 32 standards areas, I don't think government would want to continue to grow its regulatory burden with another 32 standards it would need to enforce with a broad range of stakeholders.

Gilles, I don't know whether you have any additional comments.

Mr. Gilles Morel: Yes.

I would add that some of those standards could be quite complex. These are standards that could directly impact health and safety and the environment. Those are the ones that Peter mentioned, but there are a lot of other elements, for example, that deal with the performance, that deal with the point of view, or that deal with the customer's expectation.

Essentially, there are three reasons why they're in the standards. The first is to try to facilitate trade. As we mentioned earlier, we have a very, very large country. A product that is manufactured in one province could move across Canada, quite frankly, from east to west and from north to south. It's important that there is at least a proper reference so that the manufacturer knows what is the expected use of the product, and as well the user in Manitoba knows and is assured, whether the product was made in Edmonton or in Sarnia, that the standards are the same.

So the standard is there to facilitate trade. It also helps to level the playing field. If we do not have an appropriate set of standards that are protective, then you open either provincial borders or the international border, for example, to the dumping of a lower-quality product, or you have a product that is not fit for a particular condition. This is especially important when you look at fuels for airplanes, for example. If a car stops working on the road, generally you can park it. But there's no parking lot up there; you need to have very tight standards when it comes to airplanes.

When it comes to marine shipping, well, they travel from country to country, so it's important that we have a good standard that is anchored with the international standard but that reflects the specific conditions when those ships go to the north shore of Quebec, for example, or Lake Superior, or the coast of B.C.

So you have all those different levels of performance and levels of importance, I guess, or relevance of the various standards. As you mentioned earlier, essentially we do encourage regulation when it is relevant. We also encourage provinces to refer to those standards across their own regulations, because it helps the movement of product, it helps the trade of product, and it helps the security of supply.

Finally, when it comes to performance, cars, trucks, and equipment change continuously, so those standards change regularly. It would not be reasonable for people to expect a very cumbersome process that would not be adaptable to the ongoing changes, obviously, for the millions of cars that are on the road.

● (1000)

[*Translation*]

The Chair: Thank you.

Thank you, Mr. Aspin. Your time is up.

I will now give the floor to Mrs. Day for five minutes.

Mrs. Anne-Marie Day: Thank you, Mr. Chair.

I would like to put a question to either Mr. Dauphin or Mr. Morel. It will be about standards at the international level.

When Canada exports products to the United States or imports products from that country—and this also applies to Mexico, given that it is on the same continent—which standards take precedence over others?

I would imagine that we also probably have an underlying tendency to protect our businesses, and thus would tend to include a form of protectionism in our standards.

Finally, in terms of free trade agreements—and I imagine that they have to be taken into consideration— how are we doing?

Mr. Gilles Morel: To answer your first question, concerning which standards take precedence over others, I would note that a standard is a mechanism designed to facilitate the transfer or exchange of products. The buyers, who determine where the product will be used, are always free to request whichever standard they want. Whether it be the ISO standard in Canada, the ASTM standard in the United States, or the CEN standard in Europe, it is the buyers who know what product they need and where it will be used.

This is also true for Canadian buyers. For example, a buyer who wishes to import a product from Europe for use in northern Quebec needs to refer to an appropriate standard to ensure that the product will work during a Quebec winter. In this way it is the buyer who determines which standard has precedence.

As for your question on protectionism, this is a major factor. These standards are established by committees of the Canadian General Standards Board. It is essential that standards do not become a barrier to commercial trade. Any standard that might be perceived as being limitative or protectionist in a given industrial sector will be the subject of many discussions. Generally speaking, the members of these committees will ensure that the standards will not act as a barrier to trade.

Mrs. Anne-Marie Day: Could you please answer the third part of my question, which concerns free trade agreements?

Mr. Gilles Morel: I gave a partial answer with my first point.

At the end of the day, the buyer of a product will determine how it will be used. For example, Canada has the highest standard for diesel fuel, with a sulfur level of 15 parts per million. The standard in Mexico is 500 parts per million. That country has different environmental restrictions.

If someone wishes to do business in Canada, they need to respect the environmental standards established by Environment Canada. For example, nothing prevents a producer from selling any given product in Mexico, in South America or in any other countries. Once again, the needs of the buyer will determine the quality of the product.

Mrs. Anne-Marie Day: My next question is for Mr. Jenkins.

The board has established standards for training and certification. Are you satisfied with these standards?

● (1005)

[*English*]

Mr. Randy Jenkins: Thank you, ma'am.

We are satisfied with the standards. The content of the course is what changes annually as new things come on or new fisheries come on. But the oversight of the training—the rigour, the testing requirements, and so on—has been in place since 1997. It has served us well, and we will continue to utilize it.

Thank you.

[*Translation*]

Mrs. Anne-Marie Day: Have you been able to measure the results of the program to date?

[*English*]

Mr. Randy Jenkins: You mean the results of the training program?

[*Translation*]

Mrs. Anne-Marie Day: I am referring to the training and certification program.

[*English*]

Mr. Randy Jenkins: DFO itself participates in the development of the course instruction, although the individual companies deliver the course. We also provide remedial and follow-up training as required.

With regard to some of the weaknesses of the training program, just given the nature of the fishery, unfortunately we have a lot of intake throughout the year. If I were to say there was a weakness, it would be that sometimes, just due to the very nature, either for at-sea.... If you had an urgent requirement for staff, you might have to give them some very quick training. Normally the formal training is done in the spring prior to the new fisheries starting, so all your staff are fully trained then.

If you hire people mid-season, you probably don't have the core capacity to bring everybody in. So we leave it to individual companies to make sure these people are trained for that particular fishery, on a one-on-one basis, for sort of remedial training. Then we get them on the first available course to do the full training.

I don't know if there's much we can do to change that, simply because it's a reality of the fishery that you have a lot of people and you have a high turnover in observers. You have a high turnover dockside. Sometimes the requirements come up because DFO has opened an exploratory fishery, for example, and you suddenly need a lot more observers than you had predicted. That would, perhaps, be a bit of a weakness.

In terms of the overall training standards and the consistency, we're very pleased. Despite a fair amount of turnover in recent years in some fisheries, there are a lot of individuals out there who have made a career of being at-sea observers. Certainly a good 50% of all of our observers have been around for a number of years, and that helps in the transfer of knowledge to new observers as well.

Thank you.

[*Translation*]

The Chair: Ms. Ablonczy, you have the floor for five minutes.

[*English*]

Hon. Diane Ablonczy (Calgary—Nose Hill, CPC): Thank you, gentlemen, for being here.

I'm sorry, but I spent the first few minutes of committee waiting for a bus. However, I had a good colleague to talk to.

Your presentations have been very helpful.

I asked the board, when they were here, how standards are enforced. They don't do any enforcement, which you already know.

Standards are great. We have the Ten Commandments. But I don't know too many people who live up to them.

I'm curious as to how, in each of your areas of operation, these standards are enforced and what assurance there is that the standards are actually adhered to. If you could each address that very briefly, I think that would be helpful.

Mr. Jenkins, we'll start with you for a change.

Mr. Randy Jenkins: Thank you, Ma'am.

In the case of the standards and the training, as I alluded to, DFO provides the oversight. We also have our own audit program, in addition to what the CGSB does. We go out and audit companies with regard to the broader issues—things like fraud, collusion, and adequate training, and whether arm's-length criteria are being adhered to and so on.

As I mentioned earlier, we do some investigations. If we note a particular deficiency—and sometimes it's not deliberate fraud but just the inability of people to really pay attention to what they're supposed to be doing—then we go back to the company and ask them to do remedial training or follow-up training to allow all the staff to be aware of the deficiencies and to bring things back up to par.

● (1010)

Hon. Diane Ablonczy: Thank you.

Mr. Philippe Dauphin: The standard we manage is not enforced. It is referred to in a number of pieces of regulation.

I'll give two examples: pressure tubes for nuclear reactors and welds for pipelines. In one case the Canadian Nuclear Safety Commission, and in the other case the National Energy Board, mandates that technologists who perform non-destructive testing be certified under the CGSB standard. They have to provide proof that they are certified.

There is no enforcement per se of the standard at Natural Resources Canada. What we do is certify individuals, who then perform tests, and it is other regulations that refer to the CGSB standard as a requirement for certain activities.

Hon. Diane Ablonczy: Thank you.

Mr. Michel Comtois: I'd like to go back to my two examples, haz-mat and furniture testing.

Haz-mat is somewhat enforced by Transport Canada. You get to test your box once, and once it's tested you don't have to retest it as long as you keep the same components in the box. You could use the same box for presumably 100 years.

Just to make the parallel with what's happening in the U.S. with DOT, on an annual basis in the U.S. they need to retest their packaging. From that perspective we can say that haz-mat is less enforced here than in the U.S.

In the case of furniture, while the standard is not really enforced, as I said before—or at least the QPL is not enforced as much.....

The difference in the U.S., of course, as everybody knows, is that it is much more litigious than Canada. If you fall off your chair in the U.S., potentially you almost feel as though you have won on a lottery ticket. If you fall off your chair in Canada, if you are lucky, somebody will help you to stand up and sit in another chair.

Furniture, latex gloves, and a few other of the commodities that are in the QPL are, I would say, poorly enforced.

Hon. Diane Ablonczy: Thank you.

Mr. Gilles Morel: Finally, in the fuels area, like my three other colleagues I guess that the standard itself is not necessarily enforceable per se. But there are some elements in the standards, for example, that are incorporated by reference into existing regulations or legislation. The standard will make that reference or will include those requirements.

So those requirements are enforceable, but via the regulation and the legislation established by the various governments.

Hon. Diane Ablonczy: Well, it's helpful to know how you approach enforcement of standards in each of your areas, and I thank you for those answers.

I'm interested in the other bodies that set standards. When you use those or when you refer to them, how much divergence do you find among the various bodies?

Let's go in the same order.

Mr. Randy Jenkins: I'm going to pass on this one. We don't use any other body for certification.

Thank you.

Mr. Philippe Dauphin: The rest of the mandate for the lab that I manage is to perform research. What we do is contribute to the development of consensus standards among Canadian and international organizations. To go back to pipelines, we develop standards for pipeline corrosion or for coatings that are used to protect line pipe from corrosion from the environment. Many of the standards, because pipelines are installed around the world, would be developed by organizations such as NIST in the U.S. or ASTM. Some of our scientists would be members of the committees.

But in the end, it depends on the locality in which the pipeline is installed to establish the norms to which the pipeline will have to perform. They might quote or cite an ASTM standard, or they might cite a national standard, but there is no consistency.

● (1015)

Mr. Michel Comtois: I would say it varies a lot. For instance, we spoke of some of the U.S. standards this morning. Some of them are part of the building code, either the Canadian building code or the U. S. building code. Those standards of course would be highly enforced.

I'll give you another example. If you are a purchaser in Germany and buy a chair for your company for an employee but don't buy a chair that is part of a certification program, if the employee is injured from using that chair, the purchaser could be sued personally. So it goes from one extreme....

I'm not saying it's a good way to go, by the way; I'm just saying that there is a full spectrum.

Hon. Diane Ablonczy: Okay, thank you.

Mr. Gilles Morel: In the case of fuel, generally other standards, whether it's an ISO standard, an ASTM standard, or the European standard, are all taken into consideration. Many of the experts present at the technical committee also sit on either the ASTM or the ISO committee. All of this is taken into consideration.

What differs here in Canada is that those particular elements that may represent 5% or 10% of the standard that is different from other products. For example, three years ago, when Environment Canada and NRCan introduced biodiesel into the fuel mix, there was no test method to test how those fuels would behave in a cold climate. So our association and various associations spent more than $3 million in total to develop the appropriate test conditions and the test method to validate that. We ended up developing our own test method on how to measure the flowability of product when it's cold. Now that standard is becoming the norm referred to by the U.S. and in Europe.

So a standard is not something that is fixed in time. It evolves continually, and these are the aspects that I call “divergent”. They could perhaps be called an “evolution” or they could be called “improvements” over time.

We are well positioned in Canada and within CGSB to advance that aspect.

Hon. Diane Ablonczy: That's very helpful. Thank you.

[*Translation*]

The Chair: Thank you, Ms. Ablonczy.

Ms. Day, you have the floor again.

Mrs. Anne-Marie Day: Thank you, Mr. Chair.

I just have two questions. I have been over my questions so far, but I believe they are quite important.

Earlier, Mr. Trottier talked about the issue of privatizing the board. Would it be a good way to proceed?

I imagine one of the reasons it would be preferable to maintain its current status is to ensure its independence and neutrality. One of you answered that a private company involved in all this would be in the middle of it all and that would mean that the results would be different than they otherwise might have been.

However, I would like to hear a bit more about the pros and cons of the board so we can note what to improve. I would also like to hear some more specific recommendations for this.

This question is for all the witnesses. It is a general question and the last one I will be asking.

Mr. Morel, what are your thoughts?

Mr. Gilles Morel: I will answer the first part of your question.

Is it better for the board to be private or public? While we do not have a preference, having an organization under the auspices of the Standards Council of Canada — the Canadian General Standards Board, for example — does allow for a certain independence. This makes it easier to maintain a balance within the committees and ensures that the process is somewhat protected. Because it is at arm's length, there is no undue influence on the part of individual members to try to change the process.

We are very confident in the way the CGSB manages the secretariat processes and services. This confidence is also due to the fact that the CGSB's work is based on various processes, such as ISO standards. Its development and administrative standards, for example, are essentially parallel to those established by the International Standards Organization. This ensures that it has a certain degree of independence, which we believe is very valuable.

● (1020)

Mrs. Anne-Marie Day: Mr. Comtois, what are your thoughts on this?

Mr. Michel Comtois: I already provided some recommendations on this earlier so I will not repeat them. I also talked about balance among the committees, which is very important. It keeps everyone honest, if I may put it that way. It would be more difficult if it were led by a private organization.

I would like to draw a parallel with the Business Institutional Furniture Manufacturers Association, or BIFMA. Its operations are influenced by the revenues of businesses and manufacturers. I will give you the example of Steelcase Inc. In the 1990s—I do not know whether this is still the case—it owned 70% of the American market. This means that 70% of the BIFMA's operational budget was paid for by Steelcase.

Every company has a vote but, as I often say, some votes are more important than others. Obviously, If I am paying for 70% of your annual operational budget, I expect you to respond quickly when I call you.

Mrs. Anne-Marie Day: Would the departments participate as much if the organization were private? Would the roles be reversed?

Mr. Michel Comtois: Based on my experience with the committees, I would say that even if they are led by the government and the CGSB, it is difficult to have balanced committees.

For example, there are very few furniture testing experts in Canada. On the CGSB committees, a number of the experts come from American companies. Though it is not the only one, this is one of the reasons why I continue to be a member of these committees. Just this week, I was participating in a committee meeting through a conference call. I was the only Canadian who was able to participate in the technical aspect of this standard's development. The others are more from business. There are very few furniture laboratories in Canada.

The five largest American office furniture companies are also the five largest in the world. Each one of these companies has one or two experts. Canadian companies, which are 10 to 20 times smaller, do not have the means to hire a code and standards expert. It is therefore difficult to ensure that the committees are balanced. Because this takes constant effort, you would almost need a not-for-profit organization to ensure that the committee makeup is balanced.

The Chair: Any other comments?

Mr. Dauphin?

Mr. Philippe Dauphin: I agree with Mr. Morel and Mr. Comtois regarding the importance of proceeding through committees for discussions related to standards and their development. This can be expensive for small businesses. We would need to have principles and technologies that have been tailored to their needs so that people could take part in the process remotely, whether through the filing of submissions or something like that, on a platform that would be accessible to committee members. That would be a positive development.

The Chair: Mr. Adler, you now have the floor for five minutes.

[*English*]

Mr. Mark Adler (York Centre, CPC): Thank you, Mr. Chair.

Thank you all for being here this morning.

I just want to begin, and I'd ask all of you to just give a yes or no answer, starting with Mr. Morel and working our way down the line.

Would you agree, yes or no, that the Canadian General Standards Board plays a valuable role?

Mr. Gilles Morel: Yes, absolutely.

Mr. Peter Boag: Yes.

Mr. Michel Comtois: Yes.

Mr. Philippe Dauphin: Yes.

Mr. Mark Adler: Thank you.

The board is now celebrating its eightieth year of existence. In fact, it's having a celebration next week. I hope we all get invited.

Canada is now a signatory to a lot of trade agreements, particularly even some multilateral trade agreements. We're involved in the World Trade Organization, NAFTA, and that sort of thing. As a result, we've had to sign on to an agreement to diminish the technical barriers to trade. One of those technical barriers, of course, is standards.

A lot of you were talking about the unique conditions of Canada. Do we run a risk, as a result of having to conform to various technical barriers of trade, that the unique characteristics of our own standards here in Canada could be diminished at all?

Who wants to tackle that one?

● (1025)

Mr. Gilles Morel: I can answer fairly quickly on this one.

There's always a risk in everything, but I would have to say that the risk is minimized here. There are two reasons for that.

All of the people participating in the committee—and I think CGSB does a good job at ensuring that this is met and this is well up front in any of the discussions—are very aware that the standard cannot be, or be perceived to be, a barrier to trade.

Secondly, this being said, if we were just to say that we'll adopt a standard from the European Union or a standard from Korea, for example, there would be a real risk, because, at the end of the day, what works well in a Fiat car in Italy will not work in a car in Sudbury. At the end of the day, the standard is there. It's kind of a check and balance to make sure that generally the standards work well. But ultimately, what's specific to Canada has to be addressed by a standard that is Canadian, to make sure that 38 million Canadians and all the drivers have good product in their car and they can feel safe that they will be able to go from point A to point B and not stall on the road in the middle of the winter.

Mr. Peter Boag: If I could just add, I think the real key there, in terms of the differentiation between standards that are adopted and accepted in other parts of the world, is legitimacy. We work very hard in the context of the CGSB—I think Gilles talked about it—and 85% to 90% of any given standard finds its basis in either a European or a U.S. standard, with much larger markets. On that 10% to 15% difference, there's a real effort to ensure that if we're going to have a slightly different standard, it's for legitimate reasons. I think we've been very successful at that. As a result, that helps mitigate any potential risk that it will be seen as a trade barrier.

Mr. Mark Adler: Okay, excellent. I was hoping you would say that, and I suspected you would.

So can Canadians now rest assured that their specific standards are not being compromised at all by virtue of any standardization or harmonization of attempts to harmonize standards, period?

Mr. Peter Boag: That's correct. Actually, from a fundamental position, we believe in harmonized standards. In fact, when we're working with the government on regulatory issues, it's largely about ensuring that the outcomes are harmonized with those of our biggest competitors, which is largely the U.S. , in an integrated North American fuel market. We start from the premise that harmonization is the proper outcome, but recognize that there are legitimate reasons from time to time, and in the case of fuel standards, primarily around climatic conditions, where complete harmonization is not in the best interests of Canadians, and so there's a legitimate reason to have a standards differentiation.

Mr. Mark Adler: I've got it. Okay.

This coming summer, the Minister of Industry is going to be meeting with his provincial counterparts to talk about freer trade within Canada and breaking down provincial trade barriers, some of which are more onerous than some of the international trade barriers.

Are there different standards? And will these standards be addressed in these kinds of discussions? Do they vary a lot? We know about trade barriers, as such, among provinces, but what about standards among provinces? Do they exist to an extent whereby they are impediments to interprovincial trade?

Mr. Peter Boag: In our business I would not say it's so much in the standards area, from a CGSB context, but it's in the case of regulated standards. There's a significant degree of regulation on a province-to-province basis, primarily in the area of the growing renewable content requirements. We have a different regulatory requirement in B.C., we have a different regulatory requirement in Alberta, and we have a different regulatory requirement in Saskatchewan. And then we have, of course, the federal regulatory requirement for renewable content.

So that is a big issue. It has a big impact on the ability to move fuel across provincial borders, in terms of the fungibility of fuel. So, absolutely, internal barriers to trade exist. In our business it's principally around what we see in the continued and growing fragmentation of what is already, by virtue of there being only 38 million people in the country, making it a relatively small fuel market compared to the market south of the border. We continue to see the market being fragmented, which, in the end, adds inefficiencies and additional costs, and certainly makes it more difficult to move fuel on a short-term emergency basis, whether because of a flood in Manitoba, an ice storm somewhere else, from one provincial jurisdiction to another because, “Oh, that doesn't actually meet our regulatory requirement on biocontent”.

So a big issue for us, absolutely, but it's not so much on the CGSB standards side of the business; it's provincial and federal regulation differences.

● (1030)

The Chair: Thank you, Mr. Adler.

Now to Mr. Byrne for five minutes.

Hon. Gerry Byrne: I'll offer an opportunity to answer my previous question about the interplay between regulation versus policy in implementing the standard. But also, since we're about to wrap up, I'll request an opportunity, if you could, to summarize in a very succinct or pointed way how we as a committee should communicate to the House through the use of our report? We will submit a report to the House, obviously, on our findings concerning this agency or program. If you could just summarize what you would like us to recommend in terms of changes, that would be very helpful to our report generation process.

Mr. Morel, if you can start.

Mr. Gilles Morel: I think the CGSB has been a valuable instrument or tool for our industry for many years. I think the recommendation should be to continue to support it at the level it is right now and continue to support, I guess, the internal search to find efficiencies. There are still a few efficiencies, but I think industry and the participants are very supportive of the process and would like it to continue the way it is.

Mr. Peter Boag: I would add a couple of things to what Gilles has said.

I think the other important point is that not only is it a valuable organization for our industry, but it provides a considerable degree of value to Canadians more broadly as consumers of our products, to ensure they have confidence when they go to the pump or, if it's a commercial customer, to the card lock, or if it's the agricultural community. It ensures that the product they're buying is fit for purpose in all the conditions where they're going to use it. I think that's the big value. We're the deliverers and we're part of that value chain, but ultimately the real value of the work of the CGSB accrues to Canadians more broadly.

The other thing that I think would be important to communicate is that the model the CGSB has in terms of this very broad and balanced approach that involves multiple stakeholders—all the way from producers, through government regulators, through consumers—is a very important part of its success and must continue.

Mr. Michel Comtois: I'd like to bring the committee back to my gear and gearbox thing. We need to.... At least from a QPL standpoint, I would suggest that efforts should be put into engaging that gear properly.

Public Works writes their own purchasing specs for furniture. There is a national standard. Why does Public Works need to write a technical document and have some little.... You can see that 98% of it is the same thing as the national standard, but then you have to go through it with a fine-tooth comb to find out what's different from the national standard when it comes to what Public Works is doing.

Then the feedback we get from Public Works is that they're overwhelmed and they don't have the resources. The resources are there. Use them.

But then when you look at the CGSB, it's.... You're not efficient. You don't have the proper expertise. It's the egg before the chicken and the chicken before the egg. The gearbox won't use the gear because the gear is missing a few teeth. Where do you start to get that process back to where it should be? The idea is good. Again, it brings you back to the image of how they threw out the baby with the dirty water.

Hon. Gerry Byrne: Just to be clear, the national standard you were referring is produced by whom?

Mr. Michel Comtois: The CGSB.

Hon. Gerry Byrne: Understood.

Mr. Michel Comtois: Public Works, when they buy furniture, for instance, or laser printer cartridges, or gloves, don't use that standard across the board. We should allow the CGSB to make themselves known. A lot of people don't know about the CGSB. They don't know the programs and their benefits, so they will not spec out what exists. Nobody is going to spec out that gear if they don't know the gear that is there.

● (1035)

Hon. Gerry Byrne: I understand.

Philippe?

Mr. Philippe Dauphin: From the point of view of the standard that we use for the certification scheme for non-destructive testing technologists, I would not change anything structurally in the way CGSB operates.

There are a couple of tweaks that could be made, however. One is to allow industry to participate more fully in the development or updating of standards, so that's cost-effective manners for collaborative technologies and better knowledge across government departments, as Mr. Comtois said, because the technologists that are certified by our program get called upon, or there's a demand for them, based on regulations in other departments.

Mr. Randy Jenkins: In the DFO situation, I think as we move more to third-party suppliers of services, it is all the more important to have a body such as the CGSB to provide that standard oversight and a bit of independence from the program, and to allow us to develop a national qualification type of program so that each region is not off doing their own thing.

It's a global marketplace, as somebody alluded to earlier. Whether they're from the U.S. or from Canada, I think that as long as people are delivering a program that meets the standards we've established and they're qualified to deliver the program, that's good value to Canadians, and everybody's treated equally.

Thanks.

Hon. Gerry Byrne: Thanks very much.

[*Translation*]

The Chair: Thank you, Mr. Byrne.

Before adjourning the meeting, I would like to ask Mr. Dauphin a question.

You set standards for the materials used in pipeline construction, but do you do the same thing for materials used in building bridges, for example, concrete?

Mr. Philippe Dauphin: We do not develop standards but we do participate in national and international committees as technical experts in standards development. The standards developed by organizations such as the ASTM and the NIST in the U.S. are based on consensus. They are based on the consensus of a committee of technical experts who can come from Canada, the U.S., Europe and so on. Our researchers take part in these committees as technical experts.

Our activities are limited to pipeline materials, whether it is for reviewing corrosion and the performance of steels used in making pipes, materials to make vehicles lighter, or materials for the next generation of nuclear reactors, generation IV. Experts in corrosion or the mechanical properties of materials participate in various national and international committees. The CanmetMATERIALS laboratory does not develop any Canadian standards.

The Chair: But you do participate in developing standards.

In the case of concrete, would it be Transport Canada who would be more in charge of participating in developing these standards?

Mr. Philippe Dauphin: I cannot tell you who develops these standards, but I know our lab does not do that. We study ceramic materials used for their sharpness or their shock resistance, and the steel, aluminum, magnesium, titanium and zirconium used in nuclear reactors. We mostly study metals.

The Chair: Before doing business with any given company, in most cases the government requires that the company meet certain standards. Mr. Comtois seemed to give the opposite example, of government bodies who do not require some businesses meet standards in order to do business with them.

Mr. Michel Comtois: There are two things to remember. The government requires that businesses meet 98% of national standards. Instead of reviewing the information, it has decided to set up a self-declaration process according to which businesses simply have to provide a document certifying that they meet the standards. However, there is no monitoring process.

I have been working in this field for 25 years and I can tell you that we need something to be put in place here.

● (1040)

The Chair: Is it your role as a lab? In order for businesses to be certified, they have to pass lab tests and you administer this kind of test. You yourself are certified to administer these tests.

Mr. Michel Comtois: We do not provide certification. We provide test reports based on national standards. In principle, this should be the responsibility of the CGSB and its QPL program. The CGSB officer should be reviewing the documents to ensure that everything is in order.

There was a time when PWGSC took care of this. People at the department then complained that their workloads were too heavy but did not want to subcontract the information processing work to the CGSB. PWGSC is now trying to find ways to make its own life easier.

The Chair: Thank you all for your testimony.

This brings us to the end of our meeting. I will see the committee members next Thursday.

Thank you all for coming here to be with us this morning. This helps us continue our study on the Canadian General Standards Board.

(The meeting is adjourned.)