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Chair

Mr. Larry Miller

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• (0855)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): We're ready to start our meeting.

To our witnesses from the department, thank you very much for being here: Ms. Girard, Ms. Kinney, Mr. Bourdon, and Mr. Eley.

I understand you have some remarks, so I'll turn it over to Ms. Kinney.

Ms. Laureen Kinney (Assistant Deputy Minister, Safety and Security, Department of Transport): Good morning, and thank you, Mr. Chair, for the opportunity to address the committee today.

My name is Laureen Kinney. I am the assistant deputy minister for safety and security at Transport Canada. With me today is Luc Bourdon, our director general of rail safety; Nicole Girard, the acting director general of transportation of dangerous goods; and Martin Eley, the director general of civil aviation.

In the context of your study of Canada's transportation system, we are pleased to appear before the committee to discuss measures taken by Transport Canada to improve rail safety and transportation of dangerous goods following the tragic events last July in Lac-Mégantic. In the 11 months since then, rail and transportation of dangerous goods safety has been our top priority. We have received valuable input on this matter from the Office of the Auditor General and the Transportation Safety Board of Canada. We also look forward to the first report from this committee's study.

I will focus my remarks today on three areas. The first is the actions that Transport Canada has taken to improve rail safety and transportation of dangerous goods following, as I said, the tragic events last July. The second area is the regulatory and oversight regimes that we continue to develop and strengthen in rail safety and in all modes of transportation. Finally, I will focus on measures that we are considering to ensure that rail companies strengthen their shipping and safety practices through enhanced safety management systems. Taken together, these measures demonstrate Transport Canada's commitment to improve rail safety and the transportation of dangerous goods by strengthening regulation and oversight of this sector.

First, with regard to the measures taken since Lac-Mégantic, following that accident Transport Canada issued a series of directives for railway companies and shippers and importers of dangerous goods to follow regarding the safety and security of their operations in the transport of dangerous goods. The first directive, on July 23, outlined a number of requirements related to the operation of trains

carrying dangerous goods, train securement, directional controls, and braking procedures.

In subsequent measures, companies importing or transporting crude oil were directed to conduct classification testing of that oil, to make the results available to Transport Canada, and to provide any updated data to the department's Canadian transport emergency centre, or CANUTEC.

The department also directed railway operators to share data about the dangerous goods they shipped with municipalities so they could properly plan for emergencies and be properly trained to respond in the event of a spill.

On April 23 the minister announced measures to address interim recommendations from the TSB. These include removing up to 5,000 older DOT-111 tank cars immediately from dangerous goods service and announcing the phase-out or refitting of certain cars not meeting these most recent standards. Transport Canada continues to work with industry and with U.S. regulators to develop even further enhancements to DOT-111 tank cars. Canada is committed to meeting or exceeding all new U.S. requirements for those tank cars.

We also required rail shippers to develop emergency response assistance plans to address shipping of higher-risk flammable liquids, and issued an emergency directive requiring railway companies to immediately slow trains transporting dangerous goods and implement other key operating practices.

The minister also announced the creation of an emergency assistance response plan task force, which will look into issues such as roles and responsibilities of all players in the use of incident command systems, and reviewing other flammable liquids to determine if any others require an emergency response assistance plan.

The second area is strengthening the regulatory and oversight regimes. Transport Canada is currently accelerating the development of several regulations to strengthen the rail safety and transportation of dangerous goods federal regulatory regime, in part in response to recommendations from the Transportation Safety Board and the Auditor General, as well as those arising from the Rail Safety Act review and recommendations from this committee.

We have already pre-published four proposed regulations this year in the *Canada Gazette*, part I.

Those regulations include the proposed new tank car standard requiring DOT-111 tank cars to be built with thicker steel, head-shield protection, and top-fitting protection. Industry is already building tank cars to this new enhanced standard. As well, the grade crossing regulations are to improve safety by helping to reduce the frequency and severity of accidents at federally regulated grade crossings. The railway operating certificate regulations are to ensure that railway companies maintain the highest level of safety. The railway safety administrative monetary penalties regulations, which will introduce fines of up to \$250,000, are to strengthen our ability to enforce safety requirements for railway companies that violate the Railway Safety Act.

We are also working to prepublish other related regulations in the *Canada Gazette* in the near future.

● (0900)

Along with this committee, the Transportation Safety Board, and the Office of the Auditor General's advice, the department continues to work with key stakeholders such as the Advisory Council on Railway Safety, the Transportation of Dangerous Goods General Policy Advisory Council, and the Federation of Canadian Municipalities, among others, to gain valuable input that informs the measures we're taking. For example, we fully accepted all of the recommendations on rail safety from the 2013 Auditor General's report, and are implementing a detailed action plan to respond to the issues that were raised.

I would also like to take this opportunity to mention the important progress that we have made in implementing the recommendations of the Auditor General in the area of civil aviation, stemming from both their 2008 and 2012 audits. Through our aggressive management action plans, we have been able to address 18 of the 19 recommendations made from these audits, and are on track to finalize the last step on one of those recommendations.

Highlights from our action plans related to these audits include putting in place a process to address complex safety issues faster, standardizing the tools, documentation, and management oversight used to support inspections, and developing a robust human resources strategy.

Finally, moving forward with SMS, safety management systems, ultimately rail and TDG, transportation of dangerous goods, safety will depend on the various rail companies that transport these goods and the people who work for those companies. The best tool we have to help build a culture of safety in these companies is the safety management system, or SMS.

A safety management system is a formal framework to help a company integrate safety into its day-to-day operations. Simply put, it's a series of rules, responsibilities, and procedures that aim to achieve certain goals and performance targets, and which can be monitored and evaluated.

Safety management systems are not deregulation or self-regulation. Companies using them must identify how they will comply with specific regulations and how they would meet these standards. As SMS will play an important role in the future of rail and the transportation of dangerous goods, Transport Canada expects this year to update and clarify how SMS can help accomplish this in

railway company operations. Given that the rail industry, the Auditor General, and the Transportation Safety Board have all endorsed or commented favourably on SMS regulations, we also expect to implement more rigorous enforcement provisions, along with the regulations to strengthen the use of SMS in rail safety.

In conclusion, Mr. Chair, Transport Canada recognizes that we must continue to improve our safety programs for rail and dangerous goods. Just as Minister Raitt has announced measures to address the TSB's interim recommendations regarding the Lac-Mégantic incident, we will also look forward to the related input from this committee. I'm confident that such information will assist Transport Canada's ongoing risk-based rail safety program, and our efforts to maintain the Canadian railway system as one of the safest in the world.

Thank you, Mr. Chair, and members of the committee. We would be pleased to take your questions.

The Chair: That is it for the presentation; very good.

Mr. Sullivan, for seven minutes.

Mr. Mike Sullivan (York South—Weston, NDP): We've been discussing aviation safety for the past couple of weeks, so I'm a little surprised that you're focusing entirely on rail. I'll start with one question about rail.

There's one recommendation from the TSB that has still not been implemented, as far as I know, and that was route management. I understand that Transport Canada's directive to the railroads is they themselves should undertake a risk analysis to determine the risk of running dangerous goods through highly populated areas, and that they themselves should determine what speed would be safe based on their own analysis of the risk. I'm surprised that Transport Canada isn't doing that themselves.

Can you explain where we are on that? Are we going to find DOT-111 cars breaking up in heavily populated areas again, or is Transport Canada taking definitive action with the railroads to have that risk analysis done within the next few weeks?

● (0905)

Ms. Lauren Kinney: Transport Canada is taking quick action on all of the recommendations of the Auditor General in relation to rail safety. We have a management action plan that's put forward dates that are designed to be as aggressive as possible, recognizing that some of these areas need technical work. Those are well under way and we are meeting all commitments. We have put in place a strong oversight system to address those.

In terms of risk assessments, the Auditor General recommended that we incorporate risk assessments from railways, which cover a broad variety of issues, into Transport Canada's risk assessment of the entire sector. That will require some further data information regulations, and it will require some systems integration, but those are well under way.

In the meantime, and as part of our normal program, our inspectors and our staff do look at the risk assessments provided by the railway companies. They look to see whether or not the risk assessments are fulsome, whether they've identified mitigating measures for various areas, and then follow up on how those have been addressed.

Mr. Mike Sullivan: In other words, you don't have an answer to my specific question about the recommendation by the Transportation Safety Board that there be risk assessments of the routes that the railroad companies are taking and the speed at which the trains are travelling through heavily populated areas.

Because you don't have an answer, I'll move from that to flight safety. I'm assuming there is somebody here who can talk about that.

The accident rate target per 100,000 flight hours has been going up according to Transport Canada's own report on plans and priorities. The target rate was 6.3 in 2010, and in 2014-15, the most current year, it's 6.7. That is predicted to be an increase of 40 to 50 flight accidents over the course of four years.

Why is Transport Canada allowing our airspace to become less safe?

Mr. Martin Eley (Director General, Civil Aviation, Department of Transport): The reality is the numbers are actually a lot better than that, and it's a hard thing to predict. One of the challenges we have is that as a safety rate has to be very low, it is subject to a lot of fluctuation. One accident can actually make quite difference in the number because the rate is low. It's sort of a statistical anomaly. We're focused more on the longer-term average. That continues to decline.

Mr. Mike Sullivan: Well, no, this is the long-term average, and you are predicting it will go up. It was at five. It is now at 6.7. In 2010, the actual rate was 5.9. In 2012-13, the actual rate was 6.1. It has gone up. There have been more collisions. There have been more accidents in the air or involving aircraft.

Why is Transport Canada plotting and planning to allow this to go up? That doesn't make any sense to me or to Canadians.

Mr. Martin Eley: The plan is not to have it increase. The targets are meant to be realistic, in terms of what's achievable. We've consistently done better than target. That's still what we're trying to do. When we put those estimates in there, they need to be realistic. We have to look at the rates.

Mr. Mike Sullivan: So [*Technical Difficulty—Editor*] are they realistic? What is causing the increase in accidents per 100,000 flight hours? Is it the implementation of SMS and the failure of Transport Canada to actually enforce regulations? What is causing it?

Mr. Martin Eley: The way to look at the numbers, and the way we look at them, is to take the TSB data. That is not showing a long-term increase in the numbers. There are fluctuations, as there are with any statistics, but the numbers are not actually increasing. What we put in, in terms of our targets, isn't necessarily the rate we're targeting, so there is some conservatism in there. I'll admit that. But it's really about the accident rate as the real evidence, and that continues to decline.

Mr. Mike Sullivan: Well, it didn't. It went up. Between 2010-11 and 2012-13 it went up, and your prediction is that it will continue to go up.

I'm not getting a straight answer.

On the incident reporting, the Civil Aviation Daily Occurrence Reporting System has shown a steady increase in the number of incidents between 2003-04, when SMS was implemented, and 2013, from about 8,000 to about 17,000 incidents.

The number of Transport Canada inspector referrals has gone down from 15% of those to about 5% of those. The amount of enforcement has gone down significantly. There is very little, if any, enforcement of Transport Canada regulations. Following the Ornge helicopter crash, for example, the only enforcement being done is by the Ministry of Labour. There is no enforcement being done by Transport Canada of Transport Canada's own regulations. Of the portions of the act that require that Ornge helicopters run safe aircraft, Transport Canada could be prosecuting, could be enforcing its own regulations. It is not. It has been left to Labour Canada to do that.

I want to know why Transport Canada is not bothering to enforce its own regulations.

• (0910)

Mr. Martin Eley: I'll start with a response to the comment regarding Ornge.

Labour Canada and Transport Canada have two different mandates. They're both valid. In fact, we have applied monetary penalties to Ornge. Certainly, if further evidence comes from the TSB, we will respond to that. We went in there. We did inspections. Some things were corrected. We did apply monetary penalties. ESDC is working under a different mandate, in that they deliver their program in accordance with their regulations. So we work together, but we're independent authorities.

Ms. Lauren Kinney: If would add to that, to make it very clear, that Transport Canada does take enforcement action across the board, in terms of civil aviation. A number of administrative monetary penalties are filed, and corrective actions are put in place for specific issues, and those actions are taken on a regular basis.

Mr. Mike Sullivan: Since SMS has taken over, the number of enforcement actions by Transport Canada has dropped. In 2009 it was zero. It was 23 in 2004, but in 2009 it was zero; in 2010 it was three; in 2011 it was two.

Why is enforcement dropping so fast? Is it because you don't have enough staff to do the enforcement?

Ms. Lauren Kinney: No, not at all. It's because the system has been changing. In particular, statistics of those small numbers are not eligible for an assessment from year to year. But certainly, in the situation where there is a compliance issue that needs to be addressed, we take various actions. They range from letters, from corrective action plans in regard to particular safety issues that may be a mix of compliance issues and other issues.... We do take administrative monetary penalties. We don't hesitate to give companies notice of suspension if their corrective actions are not taken in a timely manner. Their operations would be halted if they were not correcting their issues quickly.

The Chair: Mr. McGuinty, you have seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Good morning, everyone. Thanks for coming.

First of all, I never got an answer to this question I put to the minister in committee of the whole: How many qualified system auditors are on staff presently? In the report, the Auditor General says there are 10, when the department says it needs 20, minimum.

Can we have an answer? How many qualified system auditors do you have now for SMS under rail safety?

Mr. Luc Bourdon (Director General, Rail Safety, Department of Transport): As we speak, about 95% of all our inspectors have been trained as SMS auditors, so it's about 100 now.

Mr. David McGuinty: About 100 are SMS qualified?

Mr. Luc Bourdon: At the time of the audit, we had 67% that had been trained for SMS, and I think it was 77% for audit. By the end of this month, everyone will have received the training.

Ms. Lauren Kinney: If I can just clarify, I think the numbers you're talking about are the people who are part of a separate group that supports the broader audit community in the regions in the rail safety group. There are set individuals who actually are specialized in doing SMS audits, and then the inspectorate group as a whole is trained and qualified to carry out inspections and audits. Those are the people Luc was referring to. We do have a very strong complement and there's no lack of numbers of people able to do [*Technical difficulty—Editor*].

Mr. David McGuinty: Would you be able to provide that in writing to the committee? The last document we received in writing, I sent to the Auditor General's office. The Auditor General's response to me was basically that they are not in a position to provide any level of assurance on the information recently provided by Transport Canada officials. Therefore, could you undertake to provide the details for us? That would be very helpful.

My second question goes to the DOT cars. I also asked the minister, when she announced that the DOT cars would be phased out within three years, what analysis, data, or evidence she relied on. What was prepared by you? Her answer was that they relied on their officials:

With that report, consultations took place with industry through my officials, and that is where the development of this standard came from and that is where the development of this data came from, and we are comfortable with this.

Could you please provide for this committee all the analysis that was prepared to substantiate this announcement by the minister? Do you have it available?

Ms. Lauren Kinney: First of all, what the analysis included was a whole variety of different pieces of input. Primarily, of course, was the Transportation Safety Board's interim recommendation that this needed to be done. There had been ongoing work in great depth between our officials at Transport Canada and regulatory officials in the Department of Transport—

• (0915)

Mr. David McGuinty: There were, Ms. Kinney, but can you prepare a document, please? Can you submit to this committee the analysis, the evidence, and the projections that were prepared by the

department for the minister in order for her to announce this new regulation setting new standards?

Do you have that available for us?

Ms. Lauren Kinney: We don't have it in one particular package in the way you're suggesting. There was also the Transportation of Dangerous Goods General Policy Advisory Council working group recommendations.

All of those were integrated into a set of responses. I can go back and see what reports.... Some of those are on the Internet, the working group recommendations for—

Mr. David McGuinty: I take that as a yes, that you can prepare for this committee a compilation of the evidence and the analysis that was performed by you as officials and given to the minister to allow her to stand up in front of Canadians and announce her new regulation of standards. Is that right? Can you provide that for us?

Ms. Lauren Kinney: Well, I'd have to go back and look at how it is that we would put that together into what you're talking about and what kind of summary you're looking for.

Mr. David McGuinty: I need a yes or a no, because we don't have any analysis here.

Ms. Lauren Kinney: Well there's a whole series of information that doesn't necessarily all fit into one package in the same aspects.

Mr. David McGuinty: Can we get the analysis and get a compilation of the evidence that was produced for the minister to make that announcement?

Ms. Lauren Kinney: I can certainly give you a summary of the input and the kind of information that was brought together, but there's a vast array of technical details, for example, the lab reports from the Transportation Safety Board, so I don't want to over-promise what's feasible.

Mr. David McGuinty: Something was prepared for the minister, right? You didn't walk into the minister's office with boxes and boxes of analyses and research. You gave her a synthesis. You gave her a brief. You fed it up through the system, through the ADM, to the DM, to the minister. If you could produce that for us in a timely fashion, it would be very, very helpful.

May I ask you about the surveillance policy on air transport safety, something called "Staff Instruction SUR-001"? Who's in charge of that?

Mr. Martin Eley: Me.

Mr. David McGuinty: Great. Am I correct in assuming that this document is the minister's instruction to inspectors about how to conduct surveillance of the airlines?

Mr. Martin Eley: Yes. By definition, a staff instruction is how our staff complete the work that we expect of them.

Mr. David McGuinty: I've read it. If I understand it right, if an inspector were to subject an airline, an airport, or a maintenance organization to inspection practices that are not outlined in this document, they wouldn't be following Transport Canada's surveillance policy. Is that correct?

Mr. Martin Eley: Yes, other than any staff instruction, that's our intent. We have a responsibility obviously to make sure—

Mr. David McGuinty: That inspector could be considered, say, to have gone rogue.

Mr. Martin Eley: Well, we'd need to look at the specifics before I'd make that sort of statement.

Mr. David McGuinty: I can't find anywhere in the document any reference to direct operational oversight activities, to traditional inspection, if you will. The staff instruction, from my reading, lists only three types of activities: an assessment, a program validation inspection, PVI, or a process inspection. These are all SMS-type inspections, are they not?

Mr. Martin Eley: The process inspection is a supplementary piece. The PVI and the assessment are the primary tools in the SMS world.

Mr. David McGuinty: The current staff instruction explicitly states that "the traditional approach...is no longer considered applicable for conducting surveillance activities". Do I have that right?

Mr. Martin Eley: The difference is in the entry point. We used to look at the detail. Today, we focus on the systems and then look at the detail to the extent necessary to support—

Mr. David McGuinty: I understand that the policy covers both planned and unplanned surveillance. In the case of unplanned, the policy allows for no notice, but these must be documented by the inspector, as they depart from standard procedure. Is that correct?

Mr. Martin Eley: Certainly, we responded to the OAG finding that a lot of our inspections were not well documented in the past. We've introduced procedures to make sure that when the work is done, there is clear evidence that it was done and what the results of that inspection were.

Mr. David McGuinty: If the inspector conducts a no-notice inspection, that is considered to be a departure from standard practice. Is that correct?

Mr. Martin Eley: We haven't taken any of the tools out of the tool box. The SUR talks about the way we plan to do things. Any of those tools, other tools, can be used in the circumstances. There's usually management involvement when that's appropriate, so there is some flexibility in there.

Mr. David McGuinty: Can you then help us understand? Given the requirement for the documentation that's required by the inspector, can you please undertake to provide this committee with a list of all the SMS assessments, the program validation inspections, and the process inspections that Transport Canada has undertaken in the last 12 months? Just take 12 months—not five years, but 12 months—flagging those for which no notice was given to the company in question.

The Chair: Your time has expired, so we'll just have the answer.

Mr. Martin Eley: The no-notice ones are not part of the planned inspections in the sense that we plan to do them, but they're not part of the plan in terms of as scheduled. They are enabled during the course of the year, so the ones you're talking about are the planned work.

Ms. Laureen Kinney: Let me clarify that the way the system records in our national database system does not include the sub-details of whether or not an inspection was announced or not announced, and the different kinds of inspections, some planned or not. We don't have the breakdown in that regard.

● (0920)

Mr. David McGuinty: Through you, Mr. Chair, can we undertake to get something from these witnesses about...?

The Chair: Well, I think they said they would get you what they can. I think she just—

Mr. David McGuinty: I didn't hear that, Mr. Chair. Maybe you did. Maybe they can tell us that.

The Chair: Okay.

Could you get whatever information you can as far as Mr. McGuinty's question goes?

Ms. Laureen Kinney: We can certainly get together a summary of the numbers of types of inspections and the available detail on that, but there are thousands per year. There's a substantial amount of detail that would take some time to get together.

The Chair: Okay, thank you.

Mr. Watson, you have seven minutes.

Mr. Jeff Watson (Essex, CPC): Thank you to our officials for appearing today.

I have just a couple of correction points from Mr. Sullivan. With respect to route planning and analysis, in OT-55, the U.S. standard, the regulator required that the railway companies undertake route planning and analysis. The TSB's recommendation—and I will read it—is consistent with what the NTSB said, which is, "The Department of Transport set stringent criteria for the operation of trains carrying dangerous goods, and require railway companies to conduct route planning and analysis as well as perform periodic risk assessments to ensure that risk control measures work."

The requirement by the TSB was that the railway companies conduct route planning and analysis. Mr. Sullivan suggested at the table that the TSB recommendation was that Transport Canada conduct route planning and analysis, and that's not correct.

With respect to the—

Mr. Mike Sullivan: Point of order, Mr. Chair.

Mr. Jeff Watson: It's not a debatable item—

Mr. Mike Sullivan: Mr. Chair, I have a point of order.

The Chair: Mr. Sullivan, on a point of order.

Mr. Mike Sullivan: I just want to correct the record. That isn't what I said.

Mr. Jeff Watson: That's a debate.

Mr. Mike Sullivan: I did say that it was railroads.

The Chair: You two can argue about that.

Mr. Jeff Watson: That's a debate; that's not a point of order anyway.

May I have the floor back, Mr. Chair?

The Chair: You have the floor.

Mr. Jeff Watson: With respect to the statistics, I'm holding the Transportation Safety Board of Canada's report.

They say that there has been a significant downward trend in accident rates, the number of accidents per 100,000 flying hours, in the last decade, from 7.0 in 2002 to 5.7 in 2011. That's the last 10-year period they report on. We'll wait and see what the updates are.

It's one thing to selectively cherry-pick a couple of statistics, but even the accident rates in 2013 are lower than 2004, 2005, 2006, 2007, 2008, 2009, 2010, and I could go on, Chair.

To get back to our witnesses and the matter at hand today, one of the reasons we asked Transport officials to return is that in response to several reports of the Auditor General, Transport Canada has made very specific commitments associated with very specific timelines on how they will respond. These commitments were in response to the Auditor General's reports in 2008 and 2012 on aviation, to the 2011 report from the Commissioner of the Environment and Sustainable Development, and most recently to the Auditor General's report on rail sector in his 2013 report. This committee shares the consensus that it should be a point of accountability to ensure that Transport Canada, in fact, is meeting its obligations that it stated in the report and that there's no slippage on the part of Transport Canada officials.

Now to the reports. In the 2008 report of the Auditor General of Canada, chapter 3, "Oversight of Air Transportation Safety", I'm looking at the appendix, and there are nine recommendations. How many of those have been fulfilled by Transport Canada officials?

Ms. Lauren Kinney: Eight of them are complete, and one has a small element still remaining to be completed.

Mr. Jeff Watson: Which one is that?

Ms. Lauren Kinney: That is the last one, where the recommendation was to integrate all of our sources of safety information. This required a significant amount of planning of integration databases, etc. That work has been nearly completed. We've incorporated a vast array of our safety data information systems, and one element of the project is still remaining. Bird strike information and one other database are still to be integrated, and that will be occurring over the next year or two.

Mr. Jeff Watson: Approximately how many databases of separate information, and please give me even a ballpark if you don't have the specific number, Ms. Kinney, that Transport Canada accumulates have to be integrated so that inspectors and managers and others can meaningfully use that data?

Ms. Lauren Kinney: There are some 300-plus databases within civil aviation, and they're used for different purposes. They arose from that previous approach where new groups were very divided and they kept their own records. In terms of the ones that are being incorporated now, there are close to 10 particular databases that are of critical importance that are being integrated.

• (0925)

Mr. Jeff Watson: If I understand correctly, Transport Canada has been working to establish a hub, if you will, for that information, to pull in the various spokes. I don't know if this is an appropriate analogy, but it would be like using Google, a search engine of some sort, in order for an inspector who needs, say, information on a

particular company, their safety performance or other information, to pull that from all of these databases into a single location. That's an effort of some magnitude. I can understand why there may still be yet a little bit of work to be done, but eight out of the nine are fully complete according to you.

In chapter 1, on the transportation of dangerous product, of the Commissioner of the Environment and Sustainable Development's 2011 report—I don't know, Ms. Kinney, whether you're prepared to answer this—they had recommendations for the National Energy Board, which is not the purview of Transport Canada, obviously, but they did have one recommendation, with several sub-recommendations to it. There were some very specific timelines; that work was to have been fully completed, it looks, by the spring of 2013.

Can you give the committee an update on how many of the recommendations in that report have been completed by Transport Canada officials?

Ms. Lauren Kinney: Again, all of the recommendations in the report, except for one element of one recommendation, have been completed and are closed. The one element remaining is the clarification of roles and responsibilities between the different modes that do transportation of dangerous goods inspections. The final element of that is an agreement between marine safety and security to clarify those issues. That will be done this month, and then the complete audit will be closed.

Mr. Jeff Watson: I'll note, Ms. Kinney, that the response given to the Auditor General is that those memoranda of understanding would have been completed by June 2012. I appreciate that there is progress, but is there a reason it has not been done on time?

Ms. Lauren Kinney: Yes, the original recommendation was to clarify roles and responsibilities. That was looked at as requiring an update of MOUs and wouldn't take an awful lot of time. As we looked more closely at the way the system was being managed and the way we were using our transportation of dangerous goods inspectors, it was clear that it would be more effective to combine the transportation of dangerous goods group in one group and have better coordination of their connections with the UN regulations and the evolving priorities.

The decision was made to delay to allow us to integrate the groups. Then, of course, an MOU is still required to look at how civil aviation interacts with transportation of dangerous goods. That has been completed now.

Mr. Jeff Watson: In the 2012 Spring Report of the Auditor General of Canada, chapter 5, "Oversight of Civil Aviation—Transport Canada", it looks as if there are 10 recommendations, if I've counted correctly. How many of those have been completed by Transport Canada officials?

Ms. Lauren Kinney: All recommendations in the 2012 audit have been completed.

The Chair: Mr. Watson, you're out of time.

Mr. Braid, you have seven minutes.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you to our officials for being here this morning.

Thank you, Ms. Kinney, for your presentation and for giving our committee an update. I have a few questions for you that flow from your presentation to us.

You mentioned the regulations with respect to AMPs, administrative monetary penalties. Could you give the committee an update on the status of those regulations?

Ms. Lauren Kinney: In general we've accelerated work on the suite of recommendations that were enabled by the new provisions in the Railway Safety Act, which came into force in 2013. That work is well under way. The regulations I mentioned have already gone to the *Gazette*.

The safety management system updates and enhancements to make them robust and rigorous have been well advanced. We've consulted on details with the industry, and they're currently in the process for approvals and consideration by the minister and the Treasury Board. We hope those will be completed for *Gazette* part I in the near future, but that's in other hands.

Mr. Peter Braid: Just to clarify, are the administrative monetary penalties in place today or not?

Ms. Lauren Kinney: Sorry, no. The administrative monetary penalties have been published in the *Gazette*, part I. They will come into force if the decision is made by the Treasury Board to put them in, one would anticipate in the fall, based on the comment period, the input that's provided, and then going to the *Gazette*, part II through the normal processes.

• (0930)

Mr. Peter Braid: Great, thank you very much for that update.

I think those will be an important aspect of our new regulatory regime, and we'll have significant penalties for appropriate situations.

With respect to SMS, you said, "Safety management systems are not deregulation or self-regulation". Could you elaborate on that statement, please?

Ms. Lauren Kinney: In general, across our modes where safety management systems are applied, they are an additional set of distinct regulations that apply to the particular topic of how a company manages itself and requires certain provisions on how documents are kept and how training is done and a whole series of requirements that are very similar between the modes.

Those, as I said, are regulations. They're applied to that area, and we assess against those regulations in terms of compliance and their effectiveness.

In addition, we have a whole suite in all the modes of other regulations which have been there for some length of time and have been modified over time. They are directed at particular safety issues that have arisen through various factors in the past. Those regulations continue to be enforced, monitored and surveilled by Transport Canada.

There are multiple sets of regulations, but safety management systems are a different set of regulations and those regulations are applied in the same way as others.

Within the safety management system and the requirements that are regulated for a company, the company must put a plan together to carry out those regulatory requirements, and because they are how you do your business, how you document, flexibility is provided to the company in how they do that. That's where people sometimes have some confusion over whether this is self-regulation. The regulation is clearly laid out. They're required to follow the regulation, and how they do their operational plan or their management plan to carry out some of these things is left with some latitude. Inspectors look at that, and if there is a problem we have different ways to deal with that.

Mr. Peter Braid: With respect to the evolution of safety management systems, are we taking a continuous improvement approach? Is this a process that's constantly evolving and improving, and how is that the case?

Ms. Lauren Kinney: I think that's a very good way to phrase it.

Basically the same thing has happened with most of our regulatory regime over the years. You learn lessons; you find areas; technology changes; we learn more; we update the regulatory regimes.

Safety management systems, while they've been in place for a number of years, are actually relatively young, if you will, in terms of regulatory processes in the transportation safety system. The international bodies have all adopted this and are applying these as well. As we get guidance from those international bodies and as experience is gained around the world, the regulations are made more stringent and more effective in certain areas. As we learn lessons from our domestic experience with the compliance issues, and companies are able to articulate things in the way they are written in the regulations, those things are addressed in a feedback loop, and we modify and strengthen them. Exactly as happened with the Railway Safety Act review and the SCOTIC, Standing Committee on Transport, Infrastructure and Communities, recommendations with regard to legislative amendments that were necessary to make the rail safety SMS system more stringent, more clear, and more robust, those are now in the process of being implemented.

Mr. Peter Braid: One of the other important changes that Transport Canada has already implemented to enhance rail safety, specifically with respect to the transportation of dangerous goods, has to do with the testing and classification of crude oil. Could you give us an update on how that new process is going?

Ms. Lauren Kinney: In general, the issue arose in the fall. We brought together two different types of actions. One was a protective direction that was put in place. The other was to require shippers to do up-to-date testing of their goods, their crude oil products. If they do not have an immediate test result available, then they must ship it as the highest classification of dangerous goods flammable liquid, and in the meantime, they have to do the testing and give us the results. Those test results are informing our understanding of what the requirements should be. We are also working very closely with the U.S. regulators who have been carrying out studies and tests of the products in the U.S. Information is shared with them and it also informs our knowledge.

The working group which was created under our policy advisory council has given advice and recommendations and has brought together work on a series of scientific areas like vapour testing of the products and how to do more accurate testing in the field. Studies are under way in that regard. All of those are accumulating next actions to be proposed.

• (0935)

Mr. Peter Braid: How does Transport Canada verify that the classification information is indeed correct?

Ms. Laureen Kinney: There is an inspection program, which was actually started in 2011. It focused on increased inspection at transloading facilities. The basic concept of the program for transporting dangerous goods is that if you classify your goods correctly and put them into the right container and they travel safely to their destination, they will likely get there in a safe manner. That has been proven over the history of the system.

In terms of doing inspections, the inspectors go in and do test to some degree at the transloading sites, but really the shippers and the importers are required to carry out those tests, because it takes some time to get the lab results back, and they can vary from shipment to shipment. We require the companies to provide us with data on this information.

The Chair: Thank you very much.

Ms. Morin, go ahead for five minutes.

[*Translation*]

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): Thank you.

Welcome to the witnesses.

I'd like to discuss two topics today.

First, I'd like to talk about the ratio of flight attendants to passengers. I have here a press release the Canadian Union of Public Employees issued yesterday. It contains a letter from National President Paul Moist to the minister calling for a study.

I am going to quote a part of that letter:

[*English*]

We continue to take the position, historically upheld by the House of Commons Standing Committee on Transport, that any changes to flight attendant ratios must be subject to highest level of oversight and should not occur without a parliamentary study.

[*Translation*]

I agree with him.

A single day of public consultation was held on May 22; that's it. I want to know what possible objections anyone could have to the committee's doing this study. A single day of consultation isn't the same as a parliamentary study done by the Standing Committee on Transport, Infrastructure and Communities. What they are calling for is a real study—

[*English*]

The Chair: Do you have a point of order, Mr. Watson?

Mr. Jeff Watson: Yes. Mr. Chair, that's not a question for departmental officials, who are independent public servants, to

answer. It's a question for politicians around the committee table to answer.

The Chair: On the point of order, Mr. Mai.

Mr. Hoang Mai (Brossard—La Prairie, NDP): The officials are well qualified and I think they can answer their own questions. It's not necessarily a political question. As my colleague probably knows, Transport Canada is actually looking...and responsible for that study.

So they can answer.

The Chair: Mr. Watson.

Mr. Jeff Watson: My point is that the question, if I understood the interpretation correctly...and fair enough, I wasn't listening in French, as you were speaking it.

To my understanding, public servants are being asked what the committee should be doing or should not be doing. They're being asked for commentary on the committee's decision on whether it will or won't conduct a study. That is a question for politicians around the table to answer and to be accountable for; it's not for independent public servants.

That's my point of order, Chair.

The Chair: The officials know what they have to, under the rules, respond to and what they don't, so I'll leave it up to them.

[*Translation*]

Ms. Isabelle Morin: Thank you, Mr. Chair.

Do you believe one day of public consultation is enough to make a radical change like this to aviation safety in Canada?

[*English*]

Ms. Laureen Kinney: To generally speak to the process, the regulatory process is laid down in cabinet directions. We carry out the process in a variety of ways, through a regularized formal approach, with our civil aviation advisory council. The process is different for each set of regulations. It may depend on the history.

In this particular case, there has been a significant amount of history and there has been a significant amount of discussion in the past, so the level of consultation is seen as appropriate to the particular issues. But I'd have to—

[*Translation*]

Ms. Isabelle Morin: Do you think it's been sufficiently discussed in the past?

[*English*]

Ms. Laureen Kinney: Well, as I say, the department goes through a regulatory process and looks at the need to get information. If there's new information coming in, the department is always willing to look at the new information.

[*Translation*]

Ms. Isabelle Morin: Thank you.

Now I am going to switch to another topic that hasn't come up yet in our study on rail safety, and that is screening personnel at airport checkpoints.

I would point out that certain individuals could be transporting dangerous goods with them.

In early 2013, screening personnel at the Dorval airport were the subject of much discussion given the renewal of their collective agreement. They wanted to be paid the same as screening personnel at the Montréal-Trudeau airport; they also wanted adequate breaks. At the time, I met with a number of employees who told me about their concerns around safety.

How much time is an airport screening officer supposed to spend on each piece of baggage that a passenger has? Are you able to tell me what those standards are?

• (0940)

[English]

Ms. Laureen Kinney: I don't think I have that specific a detail for you, but the security regime that's put in place is driven by—

[Translation]

Ms. Isabelle Morin: Could you please look into that and get back to the committee with the information?

[English]

Ms. Laureen Kinney: I would suspect that I can't give you that kind of breakdown, because you're talking about individual passengers who have one or two bags; they have different clothes; they may be in a wheelchair; they may have a backpack—

[Translation]

Ms. Isabelle Morin: Airport screening points experience peak times during the day. Between 4 p.m. and 6 p.m., for example, lineups are incredibly long and more staff hasn't necessarily been scheduled. How does that work exactly? What is required of employees as far as bag checks go? Are they instructed to have dealt with the line within a certain number of minutes?

I'm not asking how long employees spend on each passenger, just each piece of baggage. Screening officers told me that certain standards were in place and that they were told to spend a certain number of seconds on each passenger. Do you have that information?

[English]

Ms. Laureen Kinney: To give you a simple overview, the International Civil Aviation Organization sets the standards and guidelines for aviation security, as with many other areas of our work. Transport Canada transfers that into regulations. Those regulations apply to the Canadian Air Transport Security Authority, which does the screening through contractors at the airport. They must follow and they must apply those regulations that we apply to them. They do this through protocols that they develop in training their staff.

That's how it works.

[Translation]

Ms. Isabelle Morin: I'm going to tell you about something I experienced.

When I was coming back from a parliamentary trip a few weeks ago, I had a layover at the Toronto airport. I asked to be served in French. The alarm went off when I went through the scanner. I was

told to go through the X-ray scanner but I said no for personal reasons. Because there wasn't a French-speaking female screening officer who could conduct the body search, I was told I could go ahead.

What does Transport Canada make of that kind of situation?

[English]

Ms. Laureen Kinney: I don't know exactly, of course, all of the details around it, but certainly we set requirements.

[Translation]

Ms. Isabelle Morin: I'd like to know how Transport Canada makes sure it can serve French-speaking women across the country when searches need to be carried out.

[English]

The Chair: You are out of time, but we'll listen to the answer.

Ms. Laureen Kinney: We set requirements for security. We set requirements for what must be done by the security screening agents. Also, CATSA, the crown corporation, is responsible for setting service standards and meeting official language obligations. If you have a complaint, there's certainly a whole suite of activity that they go through to address that, but primarily, our focus is on the security obligations. Now, there are other agencies that look at language complaints.

The Chair: Okay. Thank you very much.

Mr. Toet, you have five minutes.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Thank you to our witnesses this morning. It's very helpful.

I want to start with a couple of questions regarding the Auditor General's report and your detailed action plan regarding that.

I know there are several items that have been completed, and there are some items for which we're still looking at completion. One of the items I wanted to specifically talk about is the assessment of audits and inspections, or the number of planned audits and inspections to be taken into account under the new SMS environment. That's scheduled for fall 2014. I'm just wondering if you could briefly let us know the status of that and whether we're on schedule.

Ms. Laureen Kinney: Maybe I'll start with that and then ask Mr. Bourdon to amplify.

We have taken that recommendation very seriously. It's an important and good thought, in terms of how we look at the balance that's appropriate between audits of safety management systems and other types of inspections, of which we have a whole array in rail, as well.

The issue is to look at what kind of cross-validation is appropriate and what measure of safety issues that would drive, perhaps in bridge inspections having more inspections as well as audits, and perhaps less in another area. But that's something...a significant amount of work is being done on a scientific basis. Contracts have been let, and people are involved in bringing together the statistical validity of numbers of inspections, along with the risk areas, and bringing together the experience of the people in the field who have been doing this for a long time.

We will be ending up with some recommendations fairly soon.

Luc, do you have any specifics? Do we have a timeline for the next stage of that?

• (0945)

Mr. Luc Bourdon: It will be by the fall.

Ms. Laureen Kinney: It'll be by fall, as said, so we're keeping very close track of these commitments.

Mr. Lawrence Toet: Just touching on the inspectors a little bit, one of the other aspects is their independence and objectivity. I know that has been shown as being complete.

Some concerns about that independence and objectivity have come up several times during the testimony. Can you briefly let the committee know how that has been addressed? Also, do you as officials feel this has been adequately responded to and that there is definitely objectivity and independence in the field?

Ms. Laureen Kinney: Yes, this is an issue that had actually arisen before the audit recommendations were made, so work had been already well under way in that regard. As a complete process within all of Transport Canada, decisions have been made to require conflict of interest statements from all our employees, both at the executive level and at the inspector level, who are in areas of safety sensitivity and who potentially might be more vulnerable or more in question if there were issues. The difficulty, of course, is that when you're looking for knowledgeable, qualified people to carry out inspections, you want to look for people who have experience in the field, training, and certifications. Typically they have worked in the field and they bring that knowledge to make for a better inspection.

Transport Canada's approach has been to put in place those measures, so that we can initially—as they say, on recruitment—make sure their obligations are clear and their conflict of interest declarations are filed on an annual basis. In fact our database system is going to be able to look at the trends and the types of issues that arise over time, so that we can provide other cross-checks on that.

We have done values and ethics training for our staff. We've done case studies. All of our staff are well informed of their obligations. Again, in general, these are people who have the safety of the transportation system as their highest interest and are very well aware of where dangers may come on a day-to-day basis.

Mr. Lawrence Toet: That's great.

Continuing on with inspections, there have been some questions here already this morning regarding them. There seems to be a certain amount of questioning or confusion on the surveillance aspect of TC because there are so many different activities. We hear about inspections, audits, assessments, process inspections, program validation inspections, and traditional inspections, just to name a few of the different terms we hear out there.

I'm wondering if you could briefly explain to the committee the terminologies used by civil aviation and differentiate between them. I think that also comes back to the no notice inspections being part of the plan, or not necessarily shown in the plan, but they are occurring. There seems to be a lot of confusion, and I think some terminology changes have also occurred. People are saying these types of inspections aren't happening anymore, but are they still happening,

just with a terminology difference? I think it would be very helpful for us to have an understanding of that.

Ms. Laureen Kinney: Thank you very much for the question. I know that it is a bit difficult, because terminology has evolved and there are definitely lexicon issues.

To give you a very brief history of the evolution, before 2005 Transport Canada conducted inspections and audits. There was a national safety audit program that brought together specialists from each of the silos to carry out a bit of an overview of the company systems. It was a precursor to what we do now. That was seen as a very valuable and useful type of inspection and has provided better information.

After our risk assessments and further work done in 2005, the system was changed to implement what is our primary tool for scheduled and planned inspections, which is program validation inspections. Those are the cyclical major inspections where, again, a team goes in with a team leader and looks at a number of areas of the company. Because companies are large, they still don't necessarily look at every part of the company on every visit, but they go in and look at the serious and most critical areas of that particular organization, based on a whole suite of risk information.

Those are the big inspections. They are cyclical and they're scheduled. They're planned fairly well in advance, because you need to make sure the...[*Technical Difficulty—Editor*]

Mr. Lawrence Toet: Has the timing of those changed since the introduction of SMS, or is this still ongoing, as it was before SMS?

• (0950)

Ms. Laureen Kinney: The two things occurred in parallel, if you will. One is the inspection changes. We took what was the national audit program and made it a key part of our program validation inspection approach. It morphed into that. That is our scheduled inspection.

We have SMS assessments that also go on for our industry on a cyclical basis. Those that are subject to regulatory SMS have a cyclical requirement for SMS audits. In addition to that, there's a whole series of other kinds of inspection activities. Those are the process inspections, which previously were more what people tend to refer to in the old type of inspection. They're very similar in a lot of cases now, but they have a little more rigour in terms of how they're carried out and in terms of the reporting requirements in response to audit recommendations.

In that suite of other types of inspections, there are areas including things like manual revisions, pilot proficiency checks, and changes in the status of some of the key personnel at a company that would trigger another inspection on those issues. Those are also classified and gathered in our database as inspections, so there is quite a wide variety of types of inspections.

The Chair: I'm sorry. Your time has expired, Mr. Toet.

Mr. Mai, you have five minutes.

[*Translation*]

Mr. Hoang Mai: Thank you, Mr. Chair.

I want to thank the Transport Canada officials for being with us today.

We heard from employees and others about protection for whistleblowers. The safety management system depends on employees. They told the committee, however, about a frequent problem that occurred whenever an employee would make a recommendation or point out a security breach: the employee would either lose their job or encounter problems as a result.

Does Transport Canada do anything to protect whistleblowers?

[English]

Ms. Lauren Kinney: Are you looking at the rail industry or generally?

[Translation]

Mr. Hoang Mai: Both.

[English]

It's generally. It could be rail or aviation.

Ms. Lauren Kinney: Just to step back a slight bit in terms of the approach we have, most of the modes have systems whereby the individuals who are working in a company certainly can and do call an inspector and let them know of any concerns they have. We have a formalized system for this in the CADORS database system that we have in civil aviation, whereby many people, including employees, can make those kinds of reports.

In the amendments to the Railway Safety Act that were made in 2013, there are provisions for this issue to be addressed in the safety management systems regulations that may come out in the fall. There would be a provision in there looking at the ability for employees to report through a company process, but again, it would be like other parts of safety management systems. You would require the company to set up a process to do that.

At the end of the day, it isn't the type of system that Transport Canada would want to take over relations issues, Labour Board issues, and areas like that, so I don't want to give the impression that this is something that would be completely contained within a Transport Canada requirement.

Mr. Hoang Mai: We spoke a lot about the inspectors. You also explained how things are changing. How many inspectors does Transport Canada have now? What we saw is a trend going down in terms of the number of inspectors. It went from close to 500 licensed pilot inspectors to 382 who work for Transport Canada and the investigators at the TSB. What's the trend that you have within Transport Canada?

Ms. Lauren Kinney: The trend is extremely stable. I'd have to look at all the different elements, but generally speaking, there has been no significant change in the different components as a total of oversight and inspector-type positions. A variety of individuals in each program has inspection authorities. Martin, correct me if I'm wrong.

For example, there are bridge inspectors and other types of inspectors in rail. There are engineers, technical inspectors, and pilots who have inspection authorities.

Over time there has been a certain rebalancing of the number of people you use for certain tasks to some degree, but at the same time I think it would be fair to say.... Martin, do you want to expand?

Mr. Martin Eley: Perhaps with a little clarification from the aviation point of view.... In the past our inspectors were defined purely by classification, even if they were a manager. That picture has changed somewhat. We're focused more on the people who are delivering the work, so the way the numbers come together is somewhat different because we've changed our whole organization..

● (0955)

Mr. Hoang Mai: Perfect.

The Auditor General was pretty direct and a bit scathing in his report regarding the time it takes for Transport Canada to rectify some problems. We're talking about a delay of 10 years, not necessarily with rail, but with aviation. Can you tell us the problem, and how we can deal with it?

Ms. Lauren Kinney: In general, there's a whole variety of recommendations, some of which required some engineering work, some research to look at the right solution, what's technologically available, the implications of putting that into the industry and a significant amount of discussion on what this idea would look like translated into impact.

Transport Canada has accepted the recommendations and the advice of the Auditor General, and certainly the Transportation Safety Board's raising of these issues. At the same time we have put in place a number of areas where we can improve our speed of consultation process, so we can address an issue more quickly and also look at how our regulatory processes can be improved.

Mr. Hoang Mai: I don't have much time, so perhaps we could come back to rail and how Transport Canada gave an exemption to MMA so they had one conductor. What was the process?

Ms. Lauren Kinney: An investigation is under way, both from our current terms in a regulatory sense and from the Transportation Safety Board's review. The degree to which I'd be able to comment on that is fairly limited.

A system is in place for all changes with regard to single person train operation or other major changes in operation, and the company is required to do risk assessments before any major change. They are required to look at the mitigation methods and then they are required, in this case and in other cases, to consult with affected municipalities, etc., in some cases with labour and then the information is provided to Transport Canada.

If we have a concern about what the process proposal is, what the mitigations are, we have various tools to deal with those. That's the general process.

The Chair: Your time has expired.

Mr. Leung, you have five minutes.

Mr. Chungsen Leung (Willowdale, CPC): It's a pleasure to be here. This is the first time I've attended this committee.

You're right; the whole question of safety and systems management is very new. I first approached the subject when I was doing my engineering studies in 1982, so compared to the entire transportation history, it is new.

I'd like to take a more technical approach to how we address this issue. Where do we keep statistics for mean time between failure? How is that integrated into our safety management system? How do we look at material and metal fatigue? How do we inspect it? Also, do we train our inspectors at the point of manufacturing to ensure that the manufacturers do those fatigue tests and to provide us with that percentage of reliability?

For example, technology over time, especially in rail, has gone from wooden sleepers to concrete sleepers to Pandrol fasteners. How does Transport Canada instruct the carriers and the manufacturers to bring them up to 21st century safety standards?

Ms. Laureen Kinney: I'll give a very quick overview, first of all, and then turn to Mr. Bourdon for rail.

We have a very robust program with national aircraft certification processes whereby those types of activities are carried on, and we have very robust arrangements in place to look at how the aircraft are certified and the aircraft producers' time periods recommended for maintenance, time periods for the kind of checks to address those issues.

We have similar types of situation and means of containment approvals and regulations in the transportation of dangerous goods, but not quite to the same scale.

Luc, do you want to add something for rail safety?

Mr. Luc Bourdon: Yes.

We have our track safety rules that are updated from time to time. The last major revision was in May of last year, coming into force on May 25, to recognize some new technology and bring the railway to a higher standard by requiring rail flaw detections and track geometry testing as part of the rule. They also make reference to North American standards from AREMA, so when they're updated from time to time, our track safety rules will be kept up to date.

• (1000)

Mr. Chungsen Leung: You know the dynamic envelope of a railcar moving through its normal track changes with the standard of your railbed. How often is that upgraded?

Mr. Luc Bourdon: Actually, when we updated our track safety rules, this is why we made track geometry testing as well as rail flaw detection mandatory, to measure exactly what you're talking about. Depending on the tonnage being used on a track, there are different levels of inspection they have to carry out. That gives us the level to know that the track is up to date. If it's not, they have to fix it.

Mr. Chungsen Leung: Is this constantly audited and inspected to provide that safety measurement?

Mr. Luc Bourdon: Absolutely. On top of this, TC also purchased six light track-geometry inspection vehicles to monitor track geometry on all Canadian railways.

Mr. Chungsen Leung: Thanks.

I have no more questions.

The Chair: You have a minute and a half if somebody....

Mr. Watson.

Mr. Jeff Watson: That's fine.

The process of consultation was raised with regard to the aviation sector. I wonder if you could clarify something. As I understand it, CARAC is the body with which you undertake consultation about potential emerging issues or regulatory issues. As I understand it, there are a lot of stakeholders. Perhaps you could tell us about how many stakeholders could potentially be consulted with respect to aviation. I think the number is in the hundreds. I understand it has always had to go to a full plenary, whether it's for a minor issue or a major issue. Of course you can see how that would be a very time-consuming process.

Can you talk about the triage that is done now to streamline the process? What stakeholders do you go to with certain issues as opposed to a plenary issue?

Ms. Laureen Kinney: One of the recommendations dealt with this issue in terms of how to make our process faster. This was a considerable focus of attention in 2012, for example. We looked at how the consultation process had become, as you say, somewhat formalized and process heavy, if you will. You typically have more than 500 participants, particularly at a plenary session, and the question is whether all of those participants actually have a key interest in the issue. We were trying to make sure that everybody who was possibly going to be affected could make sure to contribute so that we didn't have regulations going forward with unintended consequences. But the process was heavy.

Particularly in light of a couple of Transportation Safety Board recommendations regarding Cougar Helicopters' offshore operations or float plane operations, areas in which there's a very specific and fairly limited user community that would be affected by these recommendations, we developed a way of triaging the incoming recommendation or issue that we'd be moving on—it might come from our own observations of a safety concern—and determining how it could be looked at in terms of moving through the broader process in a more targeted way.

Something called a PICA, procedures for inventory control afloat, was developed, a process, which I won't go into, that also uses a workshop approach. We bring together those key core people on certainly a very focused area of safety and we have that workshop to say, "Here's the safety issue. Here's the Transportation Safety Board recommendation. Here's our technical information. You give us what your operational experiences are. If we proposed to do this, how would that work? What problems would it cause?" Then we can take that and we can move it through an accelerated review process of the broader community instead of spending a length of time at that big committee on an issue that really has little relevance.

The Chair: Thank you.

Mr. Komarnicki, go ahead for five minutes.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): I just want to follow up somewhat on the questions and comments from Mr. Toet.

We're looking at definitions and at how there may be some issues with those. We talked about program validation inspections. We talked about audits, primarily related to the safety management system, SMS. There's a term that's been used consistently—traditional inspection—and I would take that to relate to something other than SMS, perhaps in relation to the regulations themselves.

Can you tell us what traditional inspections actually mean? Do they still exist, and are they done the same way now as they have been in the past?

Ms. Lauren Kinney: The category that we call process inspections and the general category of inspections cover the kinds of traditional inspection activities, if you will. Now that's probably not a very good reference in the sense of what period was traditional—five years ago, ten years ago, etc.—but generally speaking, it covered the areas where an inspector would visit a site of an aircraft company or an air carrier or perhaps a ramp inspection at an airport. That inspector would intervene with several aircraft perhaps from different companies.

It was basically an on-scene review of what was there at the time, a moment-in-time snapshot, if you will. Some of the issues that were raised from that were the lack of documentation and whether that was the most effective way to find the issues we were looking for. Statistically, there's obviously a question as to whether that's—

• (1005)

Mr. Ed Komarnicki: Wouldn't part of that include whether or not the carrier is complying with the regulations?

Ms. Lauren Kinney: Yes, it would.

Mr. Ed Komarnicki: Are those traditional-type inspections, as we sort of defined them, still being carried out today, as we speak?

Ms. Lauren Kinney: Yes, they are part of the kinds of process inspections that do go on, but they have been modernized and given additional rigour. They generally occur on a planned basis, so that it's not a random individual going to different places through the week.

Mr. Ed Komarnicki: The member for Trinity—Spadina had a question that she wanted answered with regard to air safety. How many inspections were done from 2004 to 2011, broken down by audits, traditional inspection, and process validation inspections? She was focusing on the traditional inspection. For 2010-11 the traditional inspections, as I understand they are now defined, was 13,664. Would that number encompass the kind of traditional inspections we just talked about? How many of them would have been pre-announced compared to those that were not announced?

Mr. Martin Eley: The inspections are done in two key areas. There is the plan surveillance work, but companies are evolving all the time. As they extend their operations and introduce new technology, new aircraft, or whatever it happens to be, we get involved in doing inspections when we certify them initially. So those are opportunities where we look at a lot of the detail and the context.

Mr. Ed Komarnicki: Let's not talk about those. Let's talk about traditional inspections dealing with regulation specifically, those that are actually announced and those that aren't. Are you able to give an answer to that?

Mr. Martin Eley: No, I think the comment we made earlier was that we don't have the announced ones categorized that way. We have information on what inspections were done, but not necessarily whether they were announced or not.

Mr. Ed Komarnicki: Would it be a good number of unannounced traditional inspections?

Ms. Lauren Kinney: I can say they do occur. There are a number of areas where they are particularly useful. Say, for example,

right now we have an agreement with EASA, which is the European safety authority, and under that agreement there will be sharing of inspection data. All of the inspections that will go on under that category of inspections will be unannounced. That's the way that system works. There are others going on.

If I may give you an example, if a strike activity or some financial problem occurs in a company, we would go in and do that kind of inspection unannounced to check and see what's going on with the company and if there are safety factors.

Mr. Ed Komarnicki: The advantages of unannounced versus announced are along the lines you have discussed. Is there any other reason that you might want an unannounced inspection?

Ms. Lauren Kinney: Well, I think it's fair to say there's an assumption that there is a deterrence effect and certainly that's a possibility. You would have to look again at the rationale for how we look at things from a scientifically statistically valid basis. If you assume that an unannounced inspection might catch things that you wouldn't otherwise find, then you'd have to assume that you're going to actually be able to be effective enough to see all of those things and that, by walking in and looking at things, you are going to see those kinds of things. I'm not sure there's any clear link on that, but we do agree that unannounced inspections are appropriate, and they are used where they are useful.

I will just distinguish that unannounced is very different from unplanned. We don't see a lot of use normally for unplanned inspections, because we should use our effective resources where they are best useful.

Mr. Ed Komarnicki: Mr. Eley, do you have a comment?

Mr. Martin Eley: If we have a concern about a company because of perhaps a PVI, and we're concerned about its ability to actually fix things, we will move into enhanced monitoring, and that is a much more flexible thing, where we would tend to use unannounced inspections to make sure it's on track, and it either gets on track or we step up our enforcement action. They are very much part of that toolbox.

The Chair: Thank you.

Ms. Kinney, just as clarification, you made a comment in regard to not spontaneous inspections but random checks. You said “where appropriate” or something like that. Could you expand a little on that, if you wouldn't mind?

Ms. Lauren Kinney: What we do is we set a national risk-based inspection cycle for the program validation inspections. Those are implemented on a planned basis, cyclically. Those are the big inspections that cover a lot of elements of a company.

Then we have triggers for a whole series of other kinds of process inspections and other types of inspections, some of which are similar to the traditional inspections. Of those other types of activities, some are unannounced. But again, that's something that...whether it's appropriate to the particular decision at the point in time of making the plan between the manager and the inspector to go out and do an inspection. There may be a reason to do this unannounced.

I just was making the point that typically these would be generally a plan in the sense that you have a national annual plan, then you break that down into weekly and monthly plans at the inspector level, and the managers do a little bit of planning around that. I just wanted to make sure that people were clear that we don't necessarily see a lot of reason for unplanned inspections, but sometimes you use unannounced.

•(1010)

The Chair: Thanks for clarifying that.

Another point I want to bring up is in relation to a question that Ms. Morin asked, about how many seconds it takes per bag. I can understand how that would be almost impossible to answer. I'm under the assumption that, as a passenger, if I check luggage, it all goes through some kind of a scanner. Is that correct?

Ms. Lauren Kinney: Yes, that's right.

The Chair: Would that be very similar to any other airport in the country or in the world?

Ms. Lauren Kinney: Yes. The standards are set internationally. Canada applies them through our regulations. We do have an oversight program. CATSA also has a very strong oversight program with their contractors.

The standards that we apply are consistent with or greater than those of the rest of the world. We spend a fair bit of time making sure that those standards are such that we can work on arrangements to provide opportunities for new approaches with other countries, based on their confidence in the level of our security screening.

There is an average number of passengers processed per hour for CATSA, but as to how that relates to the amount of time you spend on a bag.... Is the bag full or empty? Does it have a computer in it that has a density that you can't see through? Does it have in it liquids and gels that were forgotten? There are huge variations.

The Chair: Thank you very much.

Mr. Sullivan, for five minutes.

Mr. Mike Sullivan: On the business of planned and unplanned, announced and unannounced, we had testimony last week that suggested that since 2004, there were none in terms of unannounced, that even for unplanned inspections there was some notice given to the airlines.

I know that SUR-009 requires an annual surveillance plan. Can we get a copy of this year's annual surveillance plan and a copy of all the reports that have been generated by that surveillance, so since April 1, 2013, as required? Can we get that?

Mr. Martin Eley: By way of clarification, is that the plan for this year starting in April, or finishing in April for last year?

Mr. Mike Sullivan: It's starting in April 2013 until April 2014.

Mr. Martin Eley: Okay. Certainly we have the list of activity. The documentation is fairly significant that goes with that.

Ms. Lauren Kinney: It's a matter of where the documentation is, and I'd just want to go back and look at what's possible to pull together, because it's a lot of material. It would be multiple binders.

Mr. Mike Sullivan: That's fine; whatever it is.

Ms. Lauren Kinney: It's just a matter of where it is and how well it can be brought together for that purpose.

Mr. Mike Sullivan: The suggestion that there are no unannounced inspections any more causes some alarm. Your report will show, if it's an analysis of what has actually taken place since April 2013, which ones had no announcement.

We also note that in the definition of surveillance—this goes back to Ms. Chow's suggestion that there have been 13,664 inspections—an inspection or a surveillance includes an e-mail. If there were 13,663 e-mails and one inspection, we wouldn't know.

I don't consider an e-mail to a company to be surveillance, really, but your own documents indicate that's what that is. Can you at least break that out for us so that we can know where there's been a physical presence, as in surveillance, as opposed to just an e-mail from the department or an inspector to a company?

Ms. Lauren Kinney: To your first point, I would clarify that in fact, unannounced inspections do occur. They are allowed. They are incorporated where appropriate. We don't track them, though, in the documentation. That's not a field we've added to our reporting system. In terms of what you're requesting, the documents will not necessarily show whether it was an announced versus an unannounced inspection.

I can assure you, and my staff assures me, that these do go on and that we are carrying out unannounced, but dividing them out by numbers or by which type of activity may not come out of that document.

•(1015)

Mr. Mike Sullivan: So you have no way of questioning the evidence given last week that there are none anymore, that they just don't happen.

Second—

The Chair: Excuse me, Mr. Sullivan.

The bells are ringing. We're going to have votes.

It's going to shorten up the time, and there's nothing you or I can do about it.

My suggestion is that to try to be fair here—

Mr. Mike Sullivan: Can I finish my five—

The Chair: —I'm going to give you.... Yes, you have almost two minutes left, but basically I'll give two questions more to the opposition—one to you and one to Mr. McGuinty—and the same over here. That will still allow us to get to the chamber to vote and have a couple of minutes of personal time.

Mr. Mike Sullivan: Thank you.

My next question has to do with what Mr. Watson suggested that my original question wasn't, and that is, I do know that it was TSB that suggested the railroads should do the risk assessment and the speed assessments for transportation of dangerous goods through heavily populated areas.

I assume, but maybe I'm wrong, that the railroads don't do these things in a vacuum, that they actually report that to Transport Canada. Over the next three years we're going to continue to have DOT-111 cars racing through heavily populated areas unless the railroads themselves decide that it's unsafe. We've heard testimony that it's unsafe at 20 miles an hour, but they're running at 40.

I'll try to speed up to the question. Can you send us copies of the corridor risk assessments that you've received from the railroads so far as a result of that directive?

Ms. Laureen Kinney: Just to clarify, the emergency directive that was issued did require railways to carry out these risk assessments. It gave them a series of factors to consider taken from some of the U.S. activities and some of our own considerations. Those will be provided to us and we will look at them, but they are still being done. I'm not sure that we've received any as of yet.

In the meantime, in the emergency directive, there were specific instructions and directions to reduce speed and to carry out some of these other effects, to look at wayside detections and a whole series of other mitigation measures for reducing risk. Finally, the other element that was important in that emergency directive was the direction to the railways to develop a protocol with local municipalities which have local knowledge, local issues of concern, and to see how those risk factors and those inputs could be fed into the railway risk assessment.

This is something that was put in place very quickly and required them to comply immediately, but there are steps that will need to have further work. Certainly Transport Canada will be looking very closely at those risk assessments.

Mr. Mike Sullivan: Can we get copies?

Ms. Laureen Kinney: In terms of the risk assessments, I'd have to go back and look at that, because risk assessments have a considerable amount of company proprietary information. There are some issues around that. Let me just take a look at that if I may in terms of the details.

The Chair: Thank you.

Mr. McGuinty, one question please.

Mr. David McGuinty: How much time do I have, Mr. Chair?

The Chair: I'm going to try to limit everybody to about two minutes for the question and answer.

Mr. David McGuinty: I have a couple of quick snappers.

I have in my hand an e-mail that confirms that six weeks after the government was elected in 2006, the national audit program was cancelled. Is that correct?

Ms. Laureen Kinney: Yes, that's correct.

Mr. David McGuinty: Can I ask you about the number of 705 category airlines. Are there 38 of them?

Ms. Laureen Kinney: Thirty-eight, is that...?

Mr. Martin Eley: Yes.

Mr. David McGuinty: Do they all have mandatory SMS?

Mr. Martin Eley: Yes.

Mr. David McGuinty: How many airlines, airports, maintenance organizations, manufacturers do not have required SMS?

Mr. Martin Eley: The airports are required to have SMS, as is the air navigation provider, which is primarily NAV Canada.

Mr. David McGuinty: How many are not required to have an SMS?

Mr. Martin Eley: All of the airports are required to, the air navigation provider, the 705 operators. The 704, 703, 702 operators are the ones where there's not a requirement. Some have volunteered.

Mr. David McGuinty: It's about 1,000 right?

Mr. Martin Eley: Of that order, yes.

Mr. David McGuinty: Does Transport Canada have an HR plan, produce an annual plan and monthly performance reports, for example, SMS audits and program validation inspections?

Ms. Laureen Kinney: We treat those as two separate things. We have a program report that comes to a management committee in each mode with a report of what their inspections are for the month and for the year—

Mr. David McGuinty: That would tell us very clearly the number of announced and unannounced inspections. Is that correct?

• (1020)

Ms. Laureen Kinney: That's a summary of the inspections carried out. The data does not include whether they were announced or unannounced, as I said previously.

Mr. David McGuinty: Do we not know how many unannounced inspections there are per year?

Ms. Laureen Kinney: That would be something for which you'd have to go down and look at each inspection and see where it's there. We don't record that in our database.

Mr. David McGuinty: Through you, Mr. Chair, can we ask the officials to produce that detail for us? We need to know. We're getting conflicting testimony here from different groups. We have the unions saying one thing. We have management saying another. We have airlines saying another.

On behalf of Canadians, Mr. Chair, can we ask to get this produced for us clearly so we all know what we're working from?

The Chair: Your time has expired.

Ms. Kinney, could we get that information?

Ms. Laureen Kinney: Certainly. As I said, though, certainly in civil aviation we don't record whether they're unannounced or announced inspections. It's not a database element in the field, so it's not usually available.

The Chair: So noted. Thank you.

Mr. Watson.

Mr. Jeff Watson: Chair, we certainly heard something different from the unions. I would say that the companies and Transport Canada are much more consistent in terms of the coherence of the information presented to the committee.

CASIMS, the civil aviation surveillance information management system, is the tool by which your inspectors would be recording a lot of the important data. In light of the questions around this table about announced versus unannounced inspections, would there be consideration that a field be created on a go-forward basis so that every inspector is recording whether their process inspection was in fact announced or unannounced?

Ms. Lauren Kinney: That's certainly something to consider.

Mr. Jeff Watson: Okay. I think it would be important for the committee that we are recording that information.

Going back to the SMS assessments, again, in terms of terminology, SMS assessments are done against SMS regulations. Program validation inspections, the systemic review that you talked about, are carried out and conducted in a team approach against the responsible activities under the CARs, civil aviation regulations. Is that correct?

Ms. Lauren Kinney: That's correct.

Mr. Jeff Watson: Process inspections, if we're looking at that time period of the order paper question, would relate to the question of traditional inspections. Is that fair? For process inspections, in terms of consistency of the terminology, would you find the PIs in that category?

Ms. Lauren Kinney: It includes them, along with other categories, yes.

Mr. Jeff Watson: Right. What were once called national audits are in fact, under today's terminology, PVIs. Audits don't relate to SMS; assessments relate to SMS. I just want to be clear about what terminology we're using.

We've heard that the Auditor General's recommendations in aviation 2008 and 2012, the CESB report, are almost entirely substantially complete, except for minor details. We now know better what are the risks, the frequency and type of surveillance that is undertaken by the department, the resources that are necessary in terms of inspectors and audit positions, for capturing the data.... There's planning and undertaking follow-up for compliance, and there's a quality assurance program now in place. Is that fair to say with respect to civil aviation, Ms. Kinney?

Ms. Lauren Kinney: That's absolutely accurate.

Mr. Jeff Watson: Thank you.

The Chair: Mr. Watson, your first two minutes are up. I understand that you're taking the second one as well.

Mr. Jeff Watson: No. I have no more questions, Mr. Chair.

The Chair: Mr. Komarnicki.

Mr. Ed Komarnicki: I have a couple of quick questions.

When the Canadian Federal Pilots Association had a survey completed, the Union of Canadian Transportation Employees remarked on it. I think it was Ms. Collins, if I recall. Part of that survey indicated that 90% of aviation inspectors who completed the survey believe that SMS have prevented the correction of safety problems in a timely fashion, increased the chances of major aviation accidents, and exposed travellers to higher risk.

In light of what you were saying, I wonder if you would have a comment on that or whether you would like to say anything about it.

Ms. Lauren Kinney: Obviously. I can't comment on a survey that was carried out by other folks, with different parameters, but I can certainly reinforce the point that the International Civil Aviation Organization has accepted and put into standards the requirement to have safety management systems across the world. On the basis of agreement by the world aviation community, the International Maritime Organization has done the same thing.

The international safety management system has been in place, I believe, since 1999, with all countries in the world basically supporting it. It has been implemented. Certainly, from all of our conversations with industry and other partners, we're aware of where the benefits are being shown already. We certainly see that part of the beneficial improvements in the accident rates has been attributable to that, although there certainly are technology issues and things that—

Mr. Ed Komarnicki: I have one more question and then I think my time will probably be up.

The Air Canada Pilots Association also presented before this committee and said that Transport Canada's oversight of SMS does not meet the International Civil Aviation Organization, ICAO, standards. Obviously, I understand that we do have CARs, the aviation regulations, and we have a safety management system that sets targets to identify problems for remedial action to be taken.

Can you comment with respect to that statement?

• (1025)

Ms. Lauren Kinney: I think it's important to note that the ICAO Safety Oversight Manual sets international standards and applies to transborder operations. That—and I won't necessarily read it all—says:

The surveillance...should be accomplished on a continuing basis, performed at specified times or intervals or conducted in conjunction with the renewal of a licence, certificate or other approval. ICAO publishes guidance.... In the case of—

—various types of operators—

—regardless of the method used for surveillance, all significant aspects of the operator's or organization's procedures and practices should be evaluated and appropriate inspections—

—of different types, clearly, from the previous point—

—conducted at least once in every 12-month period.

When you take the combination of the scheduled program validation inspections, the various types of process inspections that go on relating to particular safety flags or issues that may arise, along with the other types of interventions that we classify as inspections—although they certainly range in their level of detail and intensity—and you apply them across the system, you will find, we believe, that we fully comply with the ICAO standards. That is certainly the approach we take, and we take it very seriously.

The Chair: Thank you very much. We're out of time for questioning.

Mr. McGuinty, did you have a point of order.

Mr. David McGuinty: Mr. Chair, following up on today's testimony and questions, which I thought were very productive for us, would it be possible for the analyst or the clerk to follow up with a series of questions?

We put some pretty tough questions to witnesses here in terms of information. I know, for example, Ms. Kinney testified a moment ago something about not being able to tell whether we have unannounced or announced inspections, but my reading of section 4.3 of SUR-001, the staff instruction, says that, in fact, the department is supposed to document this. This is all available in section 4.3.

Maybe it would help us on all sides if we could get a clear distillation of the information that's been requested from the

department and then share that with everyone and perhaps get an answer from the department going forward.

The Chair: Very good.

With that, Ms. Girard, Ms. Kinney, Mr. Bourdon, and Mr. Eley, thank you very much for being here and participating in our study.

Everyone have a good weekend.

The meeting is adjourned.

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