



House of Commons
CANADA

Standing Committee on Public Safety and National Security

SECU • NUMBER 016 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, October 26, 2006

—
Chair

Mr. Garry Breitkreuz

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

<http://www.parl.gc.ca>

Standing Committee on Public Safety and National Security

Thursday, October 26, 2006

• (0905)

[English]

The Chair (Mr. Garry Breitkreuz (Yorkton—Melville, CPC)): I call this meeting to order.

This is the sixteenth meeting of the Standing Committee on Public Safety and National Security, and today we are having a meeting in regard to Bill C-12, An Act to provide for emergency management and to amend and repeal certain Acts.

We would like to welcome our witnesses from the Canadian Electricity Association. I believe the leader of the delegation is Mr. Francis Bradley, and he is the vice-president of corporate resources.

We welcome you and the people who are with you, sir. I will allow you to make an opening statement. You can introduce your colleagues, and if any of them have any comments or statements, they can make them as well.

Normally we allow ten minutes, sir, but if you need more time, you may take more, as you are the only witnesses today. After you are done, our procedure is usually to go to the government side first, then the official opposition Liberals, and then we'll go back over to the government side to conclude the first round of questioning, which consists of seven-minute turns.

Again, welcome. We look forward to the testimony that you have for us. You may begin.

[Translation]

Mr. Francis Bradley (Vice-President, Corporate Resources, Canadian Electricity Association): Good morning, Mr. Chair and committee members.

Thank you for this opportunity to meet with you to discuss Bill C-12 and to inform you about the viewpoint of the members of the Canadian electricity sector.

My name is Francis Bradley. I am Vice-President of the Canadian Electricity Association, which represents all electricity-related areas of activity in Canada, including production, transportation, distribution, customer service and electric energy marketing.

[English]

I'm responsible for the association's critical infrastructure protection activities, or CIP program, which was launched in January 2000.

The chairman of our CIP working group, Dave Baumken, from Hydro One, was unable to join us today. He's actually in Germany representing Canada at a NATO event, but he asked that I convey his greetings to the committee and offer, on behalf of CEA, to provide a

subsequent briefing to the committee on the security of the electricity sector, at the committee's convenience.

[Translation]

With me today are the persons responsible for the security activities of three of the largest electricity businesses in the country.

[English]

Chris Price is with Hydro One, the Ontario transmission and distribution company. Jim Davis is with Ontario Power Generation, the largest power generation company in this province, with hydro, thermal, and nuclear generating facilities.

[Translation]

Jean-Guy Ouimet represents Hydro-Quebec, the main producer, transporter and distributor of electricity in Quebec. Mr. Ouimet is also the chair of our task force.

Following my introduction, we'll be pleased to discuss our views on Bill C-12 and on the challenge of protecting the electricity industry in Canada.

[English]

Our critical infrastructure protection initiative looks at both physical and cyber threats and events. It takes an all-hazards approach, and it includes work on such diverse issues as pandemic planning and marijuana grow ops.

Given the interconnected nature of electricity in North America, we work closely with the North American Electric Reliability Council, the NERC. In fact, a Canadian, Stuart Brindley, of Ontario's Independent Electricity System Operator, is the chair of the NERC CIP committee, and he's a former chair of our group.

[Translation]

The regulatory framework of Canada's electricity industry is different from that in the United States.

In the U.S., the federal administration holds essential authority for regulating this industry. In Canada, it's the provinces that have most of the powers in this area. It goes without saying that this aspect has at times made our security activities more complex, requiring coordination between federal and provincial authorities and between federal departments.

[English]

In addition to our North American activities through the North American Electric Reliability Council, we also collaborate with other sectors in Canada and with a wide range of government officials at Public Safety and Emergency Preparedness, Natural Resources Canada, the RCMP, and CSIS, to name a few.

The association launched its CIP initiative following the Y2K transition. While Y2K was seen by many to be a non-event, we learned a great deal during the transition, most particularly about infrastructure interdependencies and the importance of information sharing.

During the Y2K transition, the federal government's activities were coordinated through the National Contingency Planning Group. The NCPG played a critical role in engaging all infrastructure sectors and providing analysis of the interdependencies between the various sectors. Their analytical work was subsequently captured in a March 2000 report entitled "Canadian Infrastructure Interdependencies". I highly recommend it to the committee, as it left no doubt as to the importance of electricity.

Electricity is the original and ultimate example of just-in-time manufacturing. It cannot be stockpiled in large quantities like other commodities.

[Translation]

From the moment someone switches on a light or boots up his computer, the additional electricity that action requires must immediately be available at a power station that may be located hundreds or even thousands of kilometers away.

[English]

The importance of electricity to the economy was detailed in a discussion paper published by PSEPC that reviewed the 2003 blackout. Permit me a moment to quote from that NCIAP discussion paper, which came out in November of 2004: The

August 2003 blackout provided an object lesson in infrastructure interdependencies by demonstrating how a disruption in one infrastructure can cascade across others. This was the largest blackout ever in North America, leaving 50 million people from New York to Toronto without power for up to two days. Ontario's public health infrastructure was stressed due to hospitals operating on emergency generators. Food and water supplies were put at risk. Grocery stores were forced to discard thousands of dollars worth of food and water treatment plants operated on emergency power. Thousands of Ontarians felt a cash crunch due to closed banks and disabled bank and debit machines. Transportation and commuting were disrupted when gas stations were unable to pump gasoline (pumps require electricity to be able to operate). Flights were cancelled at both international airports in Ontario (Toronto and Ottawa). An extraordinary volume of calls created tremendous backlogs on 911 systems, and cellular transmitter stations failed when their battery back-up power was exhausted.

Given the importance that electricity plays in our economy, CEA began engaging the federal government on CIP early in 2000, initially through the federal government's CIP task force; subsequently with the Office of Critical Infrastructure Protection and Emergency Preparedness, OCIEP; and then with Public Safety and Emergency Preparedness, PSEPC. We've worked cooperatively with governments and government officials on a wide range of initiatives over the past six years, from providing input on policy matters to developing scenarios for and participating in tabletop exercises.

● (0910)

[Translation]

However, from the start of this relationship, our most urgent concern has been the issue of an effective information sharing framework.

According to the assessments that the government itself has conducted, the private sector owns and operates 85 percent of the essential infrastructure. It is mainly responsible for protecting its own property.

An effective two-way movement of information between the private sector and government is essential to our success.

[English]

The importance of protecting industry-provided information has been acknowledged by the Department of Homeland Security in the United States. Through their protected critical infrastructure information program, they have recognized that they need to work with the private sector and provide protection for information.

[Translation]

Even if an information sharing framework requires much more than mere protection of the information that the industry provides to government, we consider protection the basis of a relationship of trust between these two partners.

[English]

The protection accorded to information provided by industry to government in Bill C-12 will allow for a far greater depth of collaboration. We believe that it will greatly enhance the partnership that already exists between industry and the Government of Canada, and that it is the backbone of a much bigger relationship.

It's been said that there's a wealth of information available in the public domain about the vulnerabilities of our sector. This may have been true once, but no longer is that the case. In the wake of the 9/11 attacks, the industry moved rapidly to remove information from the public domain that could compromise the safety and security of systems, and in 2002 we began adhering to a North America-wide standard for protecting potentially sensitive information.

Industry has information that cannot be shared without the protection provided for in Bill C-12, and we believe that it would benefit PSEPC as well as federal security, intelligence, and law enforcement to be able to access this information in the planning and execution of infrastructure protection activities or law enforcement activities, which, if not implemented appropriately, could lead to unnecessary threats against the electricity sector.

[Translation]

For things to be this way, a complete information sharing framework is still necessary. Protecting information is the first important step.

To sum up, we feel that the bill strikes a fair and prudent balance between the public's right to information and the imperative of ensuring the protection of the electricity industry, this central infrastructure essential to everyone.

[English]

Thank you for the opportunity to meet with you today. My colleagues and I would be happy to discuss Bill C-12 or other CIP matters with you.

The Chair: Thank you very much. We appreciate that.

I will begin with the Liberal Party. Mr. Holland, please, for seven minutes.

• (0915)

Mr. Mark Holland (Ajax—Pickering, Lib.): First of all, thank you to the witnesses for coming today and taking the time to speak to our committee with respect to Bill C-12.

I am going to start with some issues on which I have concern and on which I would be interested in your perspective, and then move to some things you might be suggesting.

Obviously you're quite right, after 2003 and the blackout people understand just how critical a resource electricity is and how essential it is and the devastating impact it can have when there are disruptions.

I am going to draw from my experience, and certainly both Hydro One and Ontario Power Generation, and perhaps all of you, can relate to the important role that municipalities play when these problems occur. For example, if there's a situation in Pickering with the plant, some of the first communications are between the municipality and the station as well as with the local Veridian Corporation, which I was on the board of directors of, and with local utility operators, distributors.

My concern is that this bill doesn't really address municipalities or bring them to the table at all. I am wondering what your thoughts are on that and how you think that might be addressed. Do you think they should be at the table as part of this process? There's barely a reference to them in the bill. Do you think they should be partners at the table and taking part in the broader discussions around emergency planning, when they are, in many cases, the first responders and the people who you would be dealing with right away as well?

Mr. Francis Bradley: I would imagine my colleagues from Ontario would want to reflect on that in their particular circumstances. Certainly in any situation in which our members have been involved, you're quite right, the critical delivery mechanism is often at the municipal level.

Perhaps either Mr. Davis or Mr. Price can talk about the specific circumstances in Ontario and working with EMO.

Mr. Jim Davis (Director, Corporate Security, Ontario Power Generation, Canadian Electricity Association): I would like to respond to that.

In fact, we do work very closely with municipalities. This bill will go a long way in allowing us to work even closer with everybody across the country. We have an excellent working relationship currently with intelligence and policing agencies right across the province of Ontario, and as I said, we have an excellent working relationship with municipalities.

I don't foresee there being a major problem in continuing that working relationship.

Mr. Mark Holland: I guess the question I'm driving at is, when emergency management is being planned and there's talk about whether or not there are adequate resources and adequate ability to respond to emergencies as they develop, would it make sense in your minds to include municipalities at the table in the discussions, more than just in a cursory hope that the provinces get in touch with them and let them know what's going on, but actually including them formally in this process and allowing them representation at the table?

Mr. Jim Davis: I think cooperation with all players is important. Unfortunately, I would have to leave the answer to that question to people senior to me. My position is specifically around the security area, and I really don't want to comment in areas outside of my expertise.

Mr. Mark Holland: That's fair.

On the consultation leading up to the development of this bill, Bill C-12, can you just describe to me how the government engaged you on the bill and what consultation you participated in?

Mr. Francis Bradley: Certainly. We have actually been consulted fairly extensively in the development of this. As I mentioned, it's an issue generally that we raised, likely first in the first meeting we had with the CIP task force all the way back in March 2000. It's an issue we raised subsequently in 2001 and 2002, both in face-to-face meetings and in correspondence we had with the head of the CIP task force and then subsequently the deputy minister.

We have participated, as I've said, in a number of meetings, and prior to this current incarnation of the bill—I believe it was first introduced as Bill C-78, if my memory serves me correctly—we were consulted in the months leading up to the introduction of Bill C-78. In fact, we were also briefed on the afternoon Bill C-78 was tabled in the House.

So we had pretty solid engagement for a number of years on the issue, and specifically on the legislation, we had been engaged in the months leading up to, first, the introduction of Bill C-78 and then of Bill C-12. So we were happy with the level of engagement we had.

• (0920)

Mr. Mark Holland: It sounds as though you're very supportive of this bill and have been working on its previous incarnations in the previous government as well. But is there anything specifically here—we didn't get a package, or at least I didn't receive a package of information from you, as we have from some, with some changes or modifications or concerns you had—on which you could outline any concerns you may have, or areas where you feel this bill needs to be improved?

Mr. Francis Bradley: We didn't provide a brief because in fact our message is, I think, fairly concise and very specific.

We don't have any comment on the first seven clauses of the bill because it talks about how the government is going to organize itself and how it's going to deliver its services, the responsibilities of the minister, responsibilities of the ministries, and so on. That is the government's business, to manage the government's business. The term they've used previously is "looking after our own house first".

Our only specific area of interest in the legislation, and the only one that will likely impact us, is in clauses 8 to 10, which deal with the protection of information. That is an issue that we, as I say, have been engaging the government on for quite some time.

Of course, as I said, this is a piece of what is a much larger relationship. A great deal more has to be done to improve the flow of information, cooperation, and coordination, but I wouldn't expect this legislation to address any of those other issues. It's really quite specific and quite pointed, and on the issue we're particularly interested in, it goes where we want it to go.

The Chair: I'm sorry, Mr. Holland. Time is up.

Mr. Ménard.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): First, I'm very pleased to have the head of security in Ontario among our witnesses. There's one aspect that concerns me more particularly, and that is that Ontario operates a number of nuclear power stations. Personally, unlike many ecologically minded people, I still think that the Canadian nuclear power station system has the immense advantage of using natural uranium rather than enriched uranium, which would be less dangerous.

It's often said that emergency preparedness means preparing for the unforeseeable. Can you add some details on security measures that are provided for in the event of an incident, if, for example, there is a loss of control at a nuclear power station. I imagine we can't send in any old police officer or the first person to arrive at the site. Could you explain to us briefly how your action plan is designed?

If an incident of the kind that occurred at Chernobyl happened, who would be responsible for a response?

[*English*]

Mr. Francis Bradley: I am sure Mr. Davis would be delighted to discuss this, but first I'll just point out that although you are quite correct that this is certainly an issue for Ontario because of the number of nuclear stations in that province, it is not unique to Ontario. There are, of course, nuclear generating stations in two other provinces, in New Brunswick and Quebec, although the preponderance of nuclear energy in this country is found in Ontario.

Mr. Davis, do you want to talk specifically about OPG's plans?

Mr. Jim Davis: This is a regulatory area. It is regulated by the CNSC. It is not an area that I could discuss from my perspective, so I would have to defer that question, unfortunately.

I am prepared to speak on the access to information piece of this bill, which our company wholeheartedly endorses. We believe that more cooperation, particularly with the government and intelligence agencies, will help protect all of our facilities, including our nuclear plants.

● (0925)

[*Translation*]

Mr. Serge Ménard: However, I'm sure we can know whether the municipalities that have a nuclear power station in their area have an emergency plan in the event of a nuclear incident. That's not a secret.

Who would intervene on the outside?

[*English*]

Mr. Jim Davis: The emergency plan for our company is an integrated plan. It's integrated in the locations where those plans are rolled out, so it is the local policing agencies, the emergency preparedness people in our company, and the province. There is a network involved—but again, emergency preparedness specifically is not my area of expertise, and unfortunately that person is not here today.

[*Translation*]

Mr. Serge Ménard: Okay.

However, it seems to me that, if I were a police officer and I learned that a nuclear incident had occurred at a nuclear power station, I'd have to do something to prevent people from approaching it. It would be necessary to organize assistance, go in and pick up the wounded, etc., but I wouldn't dare approach the power station.

In municipalities that have nuclear power stations, do police officers know whether or not they should go on site?

[*English*]

Mr. Jim Davis: We in fact do have security measures in place at our nuclear facilities, as I am sure the committee is aware. It is public knowledge that we do actually have a policing agency on site.

Certainly from an emergency preparedness standpoint we are well prepared for emergencies, and I can say that the CNSC has very stringent requirements of us to have plans in place and to be paying attention to the safety of the communities where we are located.

[*Translation*]

Mr. Serge Ménard: Mr. Ouimet, could you perhaps tell me whether you have a plan at Gentilly that includes intervention by the Sûreté du Québec or any other police department? If an atomic incident occurred at Gentilly, are partners included in your emergency plan?

Mr. Jean-Guy Ouimet (Senior Analyst, Threat and Risk Assessment, Industrial Security, Hydro-Québec, Canadian Electricity Association): Of course.

Emergency measures are prepared in part by the emergency preparedness and fire security branch of Quebec's Ministry of Public Security. Sûreté du Québec is the police department identified as the responder in the event of a nuclear incident.

We've conducted simulations with the officers of the tactical response group who are asked to work in cooperation with the municipal police department that serves the Bécancour region and Sûreté du Québec. Bécancour City Hall and the current mayor, Mr. Richard, have been involved in the deployment of emergency measures that would be necessary in the event of a nuclear incident.

Simulations are regularly conducted to ensure that all participants — the people who must intervene — are entirely familiar with their roles. They are informed of the risks and put in place security measures that are necessary to ensure population control, among other things, to prevent people from getting too close to the areas. I won't go into the details of the plan, but there are areas that people may not enter; that can be up to 16 kilometers around the power station, and the roads around those areas are closed.

[English]

The Chair: Thank you very much.

We'll go over to Mr. Comartin now for seven minutes, please. Mr. Comartin.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Thank you, Mr. Chair.

Thank you, gentlemen, for being here.

Mr. Bradley, I want to deal specifically with the major point of your being here. In your presentation on security of information and the sharing of that under certain circumstances, given the structure of the bill and the ability of the government in clause 5 to make special arrangements with the United States, and then under consequential amendments to other bills under the Access to Information Act of the requirement of the industry to share information when it's in the public interest....

Given the nature of the Patriot Act in the United States, is there any risk whereby either personal information, that of an individual, that we've paid our bills to Ontario Hydro, how much we consume—and the same, perhaps more importantly, for commercial activities? Is there any risk of that information being required to be given by you to the Canadian government and then being passed on to the American government? Are consumers at some risk there?

● (0930)

Mr. Francis Bradley: We have looked at that. We have some concerns not about the legislation, but generally about the Patriot Act and its impact on a variety of initiatives, including the Homeland Security Information Network, HSIN, and frankly we were a little concerned. We would like to see some kind of Canadian system we would be able to report to. The reason I mention that is, for example, our members participating in the North American marketplace for electricity currently report on a North American-wide basis to our North American Electric Liability Council, which is made up of the utility companies themselves.

We're likely moving into a world where there will be a requirement to report into the Homeland Security Information Network, and that causes problems for us because of the Patriot Act. In terms of how the legislation is written, I don't see anything specific in there, nor in the discussions have we come across anything specific in the legislation that would give us pause in the same way. Sharing information about vulnerabilities and threats and

so on with the government likely wouldn't include anything that would have personal information or billing information or those sorts of things.

Given the interconnected nature of our network, at least at this stage, some of our neighbours north to south know more about our systems than people here in Ottawa do, because they need to know about our systems. We're interconnected and synchronized with them, but some of the people here in Ottawa don't know about them. We can't share some of that information because currently there isn't protection.

Mr. Joe Comartin: And do you see the bill giving you that protection?

Mr. Francis Bradley: Yes, we do.

Mr. Joe Comartin: Maybe just from a practical view, do you see in terms of your interaction, not so much around the bill but in terms of your interaction with the government, any steps they're taking to ensure that information about the industry is not exposed to being shared under the Patriot Act in the United States? Have you had any assurances from the federal government that they'll make sure that doesn't happen?

Mr. Francis Bradley: We haven't had that specific discussion. The other side of the coin is that there is certainly going to be information we share with government authorities that will have to be shared with our partners in the States, and that we hope they currently are sharing.

So our concern at this stage is not so much a worry about inappropriate information being shared. We're sort of on the other side of it right now, hoping that there is a good flow and a good sharing of information. And as I say, the type of information at least that we see and the type of information that we've been discussing with, and likely in the future will be sharing with, the government so far isn't information that we'd be concerned about in terms of the applicability of the Patriot Act.

Mr. Joe Comartin: This question is to I'm not sure whom, maybe to all of you.

We've had a number of incidents, security breaches, over the last seven to ten years, some pre-9/11 and some post-9/11: Mr. Ouimet, in the incident in northern Quebec where the media just walked onto one of your sites; or Mr. Davis, up at Kincardine—I'm sorry, I forget the name of the nuclear plant up in that area—where a couple of people wandered onto the nuclear site; and I think we've had one or two incidents—Mr. Holland might know this better—of the same thing. It appears, at least, that in none of them was there any intention to cause any harm. It was more just people being curious. But it's obviously disturbing, in any event, that access is still available.

I have two questions. One, have there been any recent incidents? You don't have to tell me specifically, just whether there have been any in the last two or three years. And two, does the bill do anything to assist you as an industry overall in tightening up your security?

If you want to start, Mr. Davis, that's fine.

• (0935)

Mr. Jim Davis: First of all, I'd like to be very clear that the plant in the Kincardine area is not an OPG facility, so I can't comment to that particular incident—not that I would anyway. Because this is a public forum, I have to be very cautious of what I do say in relation to any security matters. However, I can tell you that our security staff, and our operational staff as well, are very diligent in the areas of security and safety.

We have been getting more and more reports of unusual activity, unusual incidents. What I mean by that is things that would not have been seen five to ten years ago. It may be someone who is taking pictures because he or she is a tourist, but he or she will be reported, because all these things could be little bits and pieces of something bigger.

What I can tell you is that we have not had any breaches that cause us any concern. We are paying a lot more attention in the area of security, as I said, both with our security personnel and our own operational staff. Because our reporting is much better, our statistical base is higher than it has been in the past.

That said, I do not believe there is any greater risk now than there has been in the past five years—at least the intelligence people are telling me that there is no direct threat to our facilities at the current time.

The Chair: Thank you. I'm sorry—

Mr. Joe Comartin: He didn't answer the second part of the question. He may not want to comment, but the second part of the question was, do you see the legislation enhancing your ability to provide security?

Mr. Jim Davis: I believe it definitely enhances our ability to work much more closely with the intelligence people and the federal government agencies. We currently have a very good working relationship with Natural Resources Canada, as a matter of fact, but we also have to be very cautious about what information we release currently.

When the bill is passed, I believe we will be in a position where we could share more information, and I think it would be better for everyone in the country.

Mr. Joe Comartin: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Comartin.

We'll now go over to the government side for seven minutes. Mr. Norlock, I believe you're the first questioner.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): To carry on with the first series of questions that Mr. Comartin had with regard to the incidents in each of the provinces of Quebec and Ontario, with regard to perhaps easier access to facilities than you would rather there be, would I be correct, Mr. Davis, in saying that—I think I know some of the answers—Ontario Hydro has its own security, in other words people who regularly patrol, etc.? Would that be a reasonable assumption for the average person to make?

Mr. Jim Davis: We have security personnel in various locations across the province. And I also mentioned operational staff. For our operational staff, we have a security awareness program in our company, as well as a very strong safety program in our company.

So we have tried to make our staff more aware of the security possibilities that may occur. So where in fact we don't have physical security guards, we do have personnel who pay attention to that. I'd also like to say that we certainly have other security methods that don't have to relate directly to personnel.

• (0940)

Mr. Rick Norlock: Would I be also correct in saying that the local police, or at least at a certain level, are kept abreast, or you frequently have meetings with them, to ensure that there is an integrated response should there be a threat, etc.?

Mr. Jim Davis: The answer to that is a definite yes, but not just for Ontario Power Generation. I'm sure Chris Price would concur with that, and Jean-Guy. As a matter of fact, at our CEA meetings with security personnel from across the country, that is a usual event across the country, not just in Ontario or Quebec.

Mr. Chris Price (Director, Corporate Security, Hydro One Networks, Canadian Electricity Association): Just to add to that, there's also quite a regular liaison with the police through Criminal Intelligence Service Ontario, where they're made aware of issues that may be affecting Hydro One specifically, that being the transmitter. So there is regular contact, both provincially and with the local police departments.

Mr. Rick Norlock: The lead-up to my next question would be that if we wanted to ensure that power installations, everything from dams.... Just up the Ottawa Valley here we know of an incident that occurred, and I don't expect you to comment on it because I believe it's still before the courts. But one of the concerns raised by Mr. Comartin is—what I think he was getting to—what have you done to prevent the ability of people to freely enter some of the sensitive areas? I'm going to ask you if your companies have contemplated hiring guards. Do you think security personnel would be the appropriate terminology? And what kind of powers do you think those persons should have to ensure a more secure site?

Mr. Francis Bradley: I'm sure some of the other members would be able to respond in some specific instances, but I don't think they'll get into too much detail, of course.

I think generally for our members across the country the short answer to the question would be yes, we have that, and we continue on an ongoing basis to constantly review it. Every time there's an incident, whether it's in an individual company's service territory, a neighbouring utility, or somewhere else, every time there's another event we learn from it. The industry generally learns from it. So there's a process of constantly seeking to improve the security, not just physical but also on the IT security side. So that's a constant and evolving process.

However, I'm not sure anybody would want to tell anybody in a public forum precisely what specific actions have been taken. But I can assure you that every company is constantly learning from every experience.

A couple of incidents were mentioned by Mr. Comartin, and I'm certain all of our members have made adjustments by learning from that. We do take very much a lessons learned approach to every incident that happens here in Canada and in the United States, both within our industry and in some of the other sectors as well.

Do the members want to discuss some of their individual circumstances?

[*Translation*]

Mr. Jean-Guy Ouimet: There have been events in Quebec that have concerned us. However, you also have to think that, when you travel along a road, not all the equipment you see plays an equal role in the operation of a network and that the security investment made takes the critical level of a facility into account. We must ensure that we properly protect the right thing.

As Mr. Davis said a moment ago, there are no security guards who can ensure the protection of facilities. There's also a whole range of electronic means that are put in place, ensuring that we keep an eye on things and that there are agreements with the police departments to intervene when required.

• (0945)

[*English*]

Mr. Rick Norlock: The next question I'd like to ask is specific to what I think is the emerging ability, for people who want to, to cause problems with our electricity distribution and even maintenance—the ability, or perhaps the lack of ability. I know you can't go into specifics, but I think, because this is a public forum and because we need to get the proper information out there, we want to find out whether there are weaknesses, but we also want to have a general sense of comfort. I think it's a responsibility of each and every legislator to say there may be some needs and challenges and needs for improvement, but there needs to be a comfort level.

My specific question would be this: do you communicate on a frequent basis with the leading edge of studying the capacity to crack into the information systems—the computers, etc.—that run not only our nuclear installations but the very distribution of our electric network? Do you go out and hire the people who are the leading edge on the ability to infiltrate those types of systems?

Mr. Francis Bradley: Yes, absolutely. There are a number of avenues to access that sort of information. The electric utilities in this country spend a significant amount of effort on the IT security side to do precisely that, both through the association itself, where they use it as an opportunity for information sharing, and also through a wide variety of other methods. They're seeking to access precisely that: what the leading edge is—and in some cases, as they say, the “bleeding edge”—of intrusion technology and hacking technology, and so on. There is a very significant focus on that from the utility companies, and as a result it continues to be a significant focus for our working group as well.

Mr. Rick Norlock: Thank you.

The Chair: Are there any further comments from any of our witnesses?

That completes the first round of questioning. We only have a couple of people who have indicated they would like to ask further questions.

Monsieur Carrier.

[*Translation*]

Mr. Robert Carrier (Alfred-Pellan, BQ): Good afternoon. Welcome to our committee.

In your opinion, is the bill we're considering designed to establish general standards for the country as a whole? Even though each province has its own emergency preparedness act, these standards would make it possible to standardize them across the country, mainly for the federal institutions. In your opinion, could these standards apply, for example, in certain regions of the country that would need them?

We know for a fact that Quebec has the Civil Protection Act. It was well established by my colleague who is seated beside me and who was minister at that time. However, I don't know the situation in the other provinces and territories.

Do you see the validity of this act? Do you think it's an example of uniformity for establishing standards across the country?

[*English*]

Mr. Francis Bradley: I haven't looked at the legislation in that light and I'm not certain if there is indeed a requirement to have some kind of standardization across the country. There certainly are differing circumstances. We don't have a uniformity in terms of the plans of the utility companies themselves, because of the differing circumstances. We all operate with the same general guidelines, but I don't think we'd be able to comment in terms of what's required from different provinces. I think it might be more of a question for members of the legislature and experts on constitutionality.

• (0950)

[*Translation*]

Mr. Jean-Guy Ouimet: But without regard to your question and to the existence of a privacy act in Quebec, there are organizations that are linked to information, for example, or organizations that are under federal jurisdiction with which we exchange information to ensure the protection of Canadian and Quebec infrastructures. It's in this respect that this bill could permit better exchange, a better sharing of information on the various areas in order to ensure greater efficiency.

Mr. Robert Carrier: So, in your view, the bill, if passed, will improve emergency management for federal institutions, but that could nevertheless have been in coordination with the statutes that exist in each of the provinces.

How do you see coordination under the part of the bill that concerns the conduct of security exercises and training? When an act is well established in a province, don't you think that might be a source of conflict between the provinces and the federal government?

[*English*]

Mr. Francis Bradley: I'm not sure about the potential conflict between the different levels of government. I can give you some very specific feedback on the issue of exercises and training, particularly exercises in the area of infrastructure protection in which the Government of Canada has become more active over the last couple of years, most notably with the lessons learned workshop that occurred following the 2003 blackout, and then the Silver Links exercise that was held a year later.

What was shown was probably very much like how these situations need to be handled when an event occurs. An absolute requirement is coordination from all levels of government. The Silver Links exercise that PSEPC organized is a perfect example. It was a collaboration between federal and provincial authorities, authorities in the United States, industry, private industry, associations, asset owners, and operators. It proved to be an excellent opportunity to learn some very important lessons.

I think the promotion of exercises is important. We certainly were able to take some lessons from those exercises and make some changes in terms of our processes; I know a number of other sectors that participated in those exercises did so. The further promotion of exercises by the Government of Canada can only benefit all the players involved—those in the federal government, those in the provinces, and those in private industry.

The Chair: I would like to ask the committee's permission to break with our usual routine. Mr. Comartin has to go the House in a short time. Are there any objections to having him ask a few questions?

Go ahead, Mr. Comartin.

Mr. Joe Comartin: It's actually a follow-up to what Mr. Carrier just asked, and I'm not asking for any breaches of confidentiality here. This is a concern I have because we got a little bit of discomfort from both the Red Cross and the Federation of Canadian Municipalities when they were here last week. There was a sense that the working relationship isn't tight enough.

In the scenario that I will throw at you for yourselves, in terms of planning for a potential—let me be blunt—terrorist attack on one of your institutions, are you being consulted on how that should be dealt with, in the sense that the local police may very well be involved, the local fire services may be involved, and certainly the federal and provincial authorities may be involved? You play a crucial part in being involved; is that happening on the planning side—not on the seminars or that sort of thing, but actually on the planning of how you would deal with it? Are you part of the team?

Mr. Francis Bradley: Probably the companies here can respond to their specific circumstances.

I don't want to make it sound as though we think everything is going to be solved by Bill C-12. There are some very significant issues and there will continue to be significant issues in terms of improved coordination, improved communication, and we can always do better. I don't think any of us would ever get to the point of saying the relationship among the different players in the planning and execution of protection is perfect, and it never will be perfect, but as I said earlier, this is a first step.

In terms of the specifics on this, I don't know if Mr. Price or Mr. Davis or Mr. Ouimet want to talk about coordination.

• (0955)

The Chair: Mr. Davis.

Mr. Jim Davis: I will. From my standpoint, I can tell you we have worked very cooperatively with policing agencies, fire departments, and other emergency agencies in relation to security drills, for example. The drills are very important to find out what might go wrong during an emergency. We have a history of doing that, not just

since 9/11. I can say I'm comfortable that we are getting very good cooperation. It's not perfect, but it's much better every time we do a drill.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Comartin.

I have two more questioners on my list.

Mr. Hawn, please.

Mr. Laurie Hawn (Edmonton Centre, CPC): Thank you, Mr. Chair.

I don't know if you've read Stewart Bell's book *Cold Terror*, given that he's an author with a point to make.

You said you were comfortable with intelligence sources saying there's no threat to Canadian facilities. I'm not sure whether you really believe that or not. Given the kind of information that's in Stewart Bell's book, whether you accept it or not, but given general public information, given the things we've seen happen in the last few years, can you say you're really comfortable that there's no physical or electronic terrorist threat to facilities in Canada, whether nuclear, electrical, generating, or whatever?

Mr. Jim Davis: My comment was that we're being advised that there's no direct threat at this time. We always have to be vigilant in relation to security matters, not only in critical infrastructure but during our daily lives. When we travel, we should be paying attention to what's going on around us. It's all part of the security we need to be aware of, not just since 9/11 but in general.

I don't want to mislead you. I'm not saying there's no possible threat, and that's why we are paying so much attention to security these days and working as hard as we can with the intelligence agencies and policing agencies to try to head things off before they become a problem.

Mr. Laurie Hawn: You mentioned the Homeland Security Information Network and our requirement to share information, and so on. There are some natural Canadian concerns about information, and Mr. Comartin talked about that a little bit.

What would our system of information sharing look like to provide the information they need? What do we need to give them for cooperation and at the same time to protect Canadians' information?

Mr. Francis Bradley: It would probably look something like what we're talking about in terms of the relationship of the information between our industry and government. It's going to require a definition of precisely what information will be required, what will be exchanged between the two partners, how that information is going to be used, how it's going to be protected, and so on. This is what we're looking for in our relationship, clearly something that will have to be established in terms of any kind of a parallel system between the homeland information system and the Canadian system, which doesn't exist at this time.

Mr. Laurie Hawn: Are you sensing any pressure or potential pressure to provide more information than we collectively would like to give?

Mr. Francis Bradley: To provide more information?

Mr. Laurie Hawn: From the homeland security side of it.

Mr. Francis Bradley: No, not yet. We're anticipating a requirement in the future. It does not yet apply to the electricity sector, but it will come the new year, yes.

Mr. Laurie Hawn: I have a quick technical question that may be beyond the scope of what we're talking about here, but I think it has some application to nuclear power being safer and cheaper. I've been reading a little bit about thorium. Do we know anything about thorium? What I'm reading says it's safer, cleaner, and more plentiful as a fuel for nuclear reactors.

• (1000)

Mr. Jim Davis: It's not an area of my expertise; I'm sorry.

Mr. Laurie Hawn: I didn't think it would be. It wasn't to put you on the spot. It was just something....Thorium is an ingredient in uranium 233, rather than uranium 235. It's supposed to be much more plentiful than the fuel we're using currently. It's supposed to be safer, only if used in CANDU reactors—which has economic implications for Canada, obviously in terms of this industry.

That's fine, Mr. Chair. Thanks.

The Chair: Thank you. I'm not sure that directly pertained to Bill C-12, but it's an interesting side event.

I would like to follow up a little, because there's a little time.

You made a comment earlier, and it ties in with what Mr. Hawn was asking you. Your concern isn't so much about information sharing as that not enough information may be shared between countries. Would you mind elaborating on what you mean by your concern about maybe “not enough” information being shared, rather than its being shared inappropriately?

Mr. Francis Bradley: We don't know and are in no position to be able to assess exactly what information is shared among countries, but we've seen over the past couple of years that the coordination is better between, for example, the Government of Canada, PSEPC, and Department of Homeland Security. It is better, but it can always be improved.

It may not necessarily be a question of the volume, but perhaps the quality and—usually in these sorts of things, more importantly—the timeliness of the information. That's been, frankly, for us one of the more significant issues over the past year or two as the Government of Canada has really gotten its act together, at least in terms of interfacing with industry.

It isn't so much now the volume or the quality of the information, which has improved; the big outstanding issue right now for us is the timeliness. There was a time, for example two years ago, when members of our association who had level two security clearances could get security briefings on the generalized threat environment in the United States. They would be hosted by the FBI, Homeland Security, and CIA. We would go to Washington for these briefings. We didn't have the same sort of briefing in Canada.

We've begun now to receive those briefings here in Canada, as of last year. It's been worked on by Natural Resources Canada, and they do it in cooperation with the other agencies. So we're now starting to work with better information, but it continues to be an issue for us with respect to the timeliness of the information we're receiving.

The Chair: I appreciate those comments.

I have one more person on my list. Mr. MacKenzie, please.

Mr. Dave MacKenzie (Oxford, CPC): Thank you, Mr. Chair, and thank you to the witnesses for being here.

Here are a couple of things. First, we really are dealing with Bill C-12 and we've gone off into a variety of things.

Just as a little follow-up, we always seem to have not a problem but an issue in Canada worrying about what information Homeland Security wants from us, but is the reverse equally true? Do we get information from them, so that it's a two-way street—we pass them information or they request information, but we also want information here? And do we get it from them?

Mr. Francis Bradley: Thank you very much. That's an excellent question, and it actually relates to my previous answer as well.

Because we get information through the electricity sector on a North American basis, we have previously gotten far more information and far better information from Homeland Security, but not because we're Canadian. Maybe they didn't even know we were Canadian; they just knew we were electricity.

That had been a primary source for us, until a couple of years ago, of some of our basic information. They produce on a very regular basis a lot of threat assessments. They're not the only ones; there's the U.K., Australia, New Zealand, the United States, and now Canada. But we're of course now getting better at coordinating it. We're now receiving it no longer directly from Homeland Security. With the establishment of the Integrated Threat Assessment Centre, or ITAC, at CSIS we're able to work with them and tap into that information more effectively.

But we have over the years not been unhappy with at least the quantity of information that has been coming to us from the Department of Homeland Security. Would that be a fair assessment?

• (1005)

Mr. Jim Davis: Yes.

Mr. Jean-Guy Ouimet: Yes.

Mr. Dave MacKenzie: My friend talks frequently—and I understand from his perspective—about municipalities not being named in Bill C-12. First, I suspect your relationship with utilities, because you're both somewhat provincial, is at the provincial government level, which deals with municipalities; they're at the table with the provinces. You've read Bill C-12, and would you agree that the federal government is trying to pull together the provinces, as opposed to taking on an additional role of pulling together the municipalities into the same bill?

Maybe it's a confusing statement, but I guess what I'm saying is that Bill C-12's role is to work with the provinces. It's up to the provinces to work with the municipalities to bring them to the table, and then the table gets filled by all the partners.

Mr. Francis Bradley: The term in French is *les champs de compétences*; it's which level of government has authority over what things. I mentioned in my opening comments that on the electricity side this has been one of the difficulties we've had. While in the United States they're primarily federally regulated, here in Canada we're primarily provincially regulated, so that certainly adds a wrinkle.

The people around this table are far more knowledgeable than I am as to what level of government has authority over municipalities.

Mr. Dave MacKenzie: I wasn't thinking so much about the authority, but I think Mr. Holland and I come from similar but different backgrounds. When the question was asked about the policing agencies, typically with the municipalities if your facility is in that municipality, you work with that municipality. In the big picture you work with the provincial people—but fair enough.

Mr. Chris Price: Yes, that's pretty much how it works.

I can speak only for Ontario, but if you take a look at the responsibility that Emergency Management Ontario has, and the requirement for municipalities to put their emergency plans in, as the transmitter and being that link between municipalities, we work very closely with municipalities. I don't see that at this point there's a problem with that, so I don't see Bill C-12 as hindering this at all.

Mr. Dave MacKenzie: Regarding my last question, when we talked about the sharing of information, my recollection is that Ontario Hydro belongs to CISO and CISC, and so you are directly connected to the police communities across the country.

Mr. Chris Price: Okay, Ontario Hydro actually is two companies

Mr. Dave MacKenzie: What used to be, I guess.

Mr. Chris Price: Yes, the main two being Ontario Power Generation and Hydro One. At Hydro One, we are a member of CISO, and we are what they call a level two agency. We have participated in regular area and provincial briefings with the intelligence community, yes.

Mr. Dave MacKenzie: Those are my only questions.

The Chair: Okay, thank you, Mr. MacKenzie.

Do you have a brief question yet, Mr. Carrier? Okay, go ahead.

[Translation]

Mr. Robert Carrier: Further to Mr. MacKenzie's comments, we're saying that each province establishes its own civil protection standards or act, in which you join.

We're talking about the federal institutions. Since we've just established that each province already has its emergency preparedness plan, in theory, all establishments, industries and institutions are part of that provincial plan, as are the federal institutions located in their area.

Do you think the bill fills a gap in participation or the preparation of security plans for our federal institutions in each of the provincial

plans? Does it fill a gap or does that already exist? If there's a bill, surely it responds to a need, a lack or a gap.

[English]

Mr. Francis Bradley: I'm not certain that I'd be able to comment upon either the federal government's ability or how it develops and delivers its own protection. Recognize that as an industry we're responsible for our protection; the federal government needs to be responsible for its own protection.

As one of my colleagues said earlier, how it's coordinated concerns decisions made by people who have a much higher pay grade than I do.

• (1010)

[Translation]

Mr. Robert Carrier: Based on your experience, is the bill useful in clarifying security plans for federal institutions?

We're here to examine a bill that establishes a security plan for the federal institutions. Does it really respond to a need or a gap that you've previously identified?

[English]

Mr. Francis Bradley: It's not something we've looked at and have specifically identified. Mind you, it's not our responsibility to assess how effectively the federal government protects its own assets. Our specific concern on this piece of legislation, Bill C-12, is on the protection of the information.

The Chair: What Mr. Carrier is asking is, do you have any thoughts about Bill C-12, any suggestions, any amendments? If you're not prepared at this point to answer that, we can always make a written submission. You can think about this for a few days, and we would welcome any further input you would have. Would that be fair to say, Monsieur Carrier?

Okay, is there anything else? I've had an indication of another question by Mr. Norlock.

Mr. Rick Norlock: Sorry about that, but this is something that needs to be brought out.

I'm carrying on before I get to the question, Mr. Carrier's question. One of the purposes is not to have you folks here to look for something wrong, it's to ask you to look at the bill and, from your perspective, if you have some suggestions as to how this committee can improve it, whether it's information sharing or whether you see something in the way the government wants to coordinate, the ability to react to a situation that could have a pan-Canadian implication, which will in all probability affect your sector.

Please feel free to make those suggestions. I don't think we'll be so sensitive that we can't see them for what they are, and that's a genuine interest in making them better. Perhaps Mr. Davis might feel...and these questions are just general, because specifics relate to the bad guys. What plans do you have to thwart their evil doings, shall we say? Because these hearings are public, we need to assure people in a general way that the agencies we have at our disposal, both public and private, work in an integrated fashion in the interests of the people we all serve, our customers and our client base, as well as our constituents.

That having been said, in some of your installations that have the propensity for greater harm should something go wrong—and I'm thinking in particular of nuclear or nuclear-related industries, but it could be dams also, because we know there can be things happening there—would I be correct in saying that from a nuclear facility—and I know there was mention of Chernobyl, which won't happen in Canada because the CANDU reactors are much better—one of the issues to be concerned about not only involves the police but fire and some other issues?

When we were dealing with police and fire, Mr. Ménard asked why a policeman or fire protection personnel, or for that matter ambulance services, would want to rush into a potential problem. Quite frankly, Mr. Ménard, they would be prepared to jeopardize their safety. I can tell you that.

Fire, ambulance, and then the police are often first responders. Would you say that Ontario power generation and distribution keeps in constant contact with Emergency Preparedness planning? As for any changes they see and information they think needs to be passed on to the various agencies, do you feel there's an appropriate exchange of information with which to allow those public safety people to do their jobs? And if so, with what frequency does that occur? Then, if you feel free, maybe you could relate that to the rest of Canada.

•(1015)

Mr. Francis Bradley: If I may, at the beginning of your comments you asked us to make sure, if we have any changes to Bill C-12, that we propose them.

Things can always be improved, but specifically Bill C-12 has the one piece that we want. Perhaps members of this committee and other committees are not used to people coming and saying, "We're happy with what you put forward. Please pass it." This is the second time this legislation has come forward. It has not yet passed. I hope it passes this time. That's my primary concern at this stage. We have a piece of legislation that I think is a good piece of legislation. I'm sorry if you were expecting us to come and complain to you. We didn't come to complain today; we came to thank you for moving it forward. It's been introduced now by two different governments, so I hope it has bipartisan support and it'll get through this time.

But as to specific issues on exchange of information and frequency....

Mr. Jim Davis: I will answer the three parts of your question, I hope, but before that I would reiterate what Mr. Bradley said, and I would add to it that I know the wheels sometimes turn slowly, but the more quickly the bill can be passed the better, because we will be able to then share information we can't share right now.

To answer your question, my area of expertise, again, is in the security area, not specifically emergency preparedness. Ontario Power Generation sees this area as important enough that we have staff who have those titles. I do collaborate with them on a frequent basis. I sometimes like to say that I speak to our manager of emergency preparedness more than I talk to my wife. I do know that he collaborates with other people in emergency preparedness.

I did mention drills earlier. We do drill on a frequent basis and, again, we use a lot of different scenarios. We use anything you could imagine and try to throw it into the drill so that our staff is prepared, and the emergency preparedness people who we do work with, including the police, fire, ambulance, and other emergency organizations in Ontario, are comfortable that when they are responding they know what their role is and we know what ours is.

I can't speak for right across Canada, but I do know there have been drills. Mr. Bradley mentioned drills earlier. These drills have happened in various locations in Canada and North America, as a matter of fact coordinated with the U.S. So I think we are in a far better situation than when I first started in the security business, probably more years ago than I want to admit. I do remember the last blackout, and I don't mean the one in 2003.

I believe we are in a much better situation right now, and yes, we do collaborate on a daily basis.

The Chair: Thank you, Mr. Norlock.

Seeing there are no further questioners, I think we will take your advice, adjourn this meeting, and get to work and try to pass this bill as soon as possible.

Do any of you have any further comments?

Mr. Mark Holland: Not with respect to this item, but with respect to item two on the order of the day, committee business.

The Chair: Mr. Holland, I will adjourn this part of the meeting and then we will move in camera. I would ask members of the committee to remain. We'll take a moment to go in camera and allow our witnesses to vacate the table.

Thank you, again, very much. If you have any further comments, you can always do that in writing. We'd welcome it.

This meeting is suspended for a moment.

[Proceedings continue in camera]

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

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

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.