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—
Chair

The Honourable Diane Marleau

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• (0905)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): We have before us today people from Passport Canada, and I thank them for coming.

We've invited them here in the context of the geographic distribution and turnover rate of federal public servants and the high cost that comes as a result of that. In our study we're looking at how the decisions are made to locate call centres, main offices, and so on, and whether you have a very high turnover of employees, the costs associated with that, and whether you take that into consideration when you make your decisions.

You know how it works. You've been here before. We'll give you ten minutes, and then we'll open it up to the committee members for questions and answers.

Thank you. Would you please introduce the people with you?

[Translation]

Mr. Gérald Cossette (Chief Executive Officer, Executive Office, Passport Canada): Good morning Madam Chair, vice-chairs and committee members. Thank you for this opportunity to appear before you to answer questions pertaining to the availability of Passport Canada's services across the country.

Here with me today are Ms. Jody Thomas, Chief Operating Officer, and Mr. Gary McDonald, Director General for Policy and Planning.

I will begin my remarks by bringing you up to date on what has been accomplished at Passport Canada since I reported to this committee on February 22, 2007. We will of course be pleased to answer all of your questions concerning the geographic distribution of our services, as well as giving you an overview of what has been accomplished since last year.

[English]

As I mentioned to you last February, the new requirements imposed by the United States' western hemisphere travel initiative, or WHTI, have required Passport Canada to rethink, reinvent, and innovate in a very short time and during the busiest period ever seen in the agency's history.

Over the course of less than a decade, the number of Canadian passports issued has increased from fewer than two million per year to a record high of 4.83 million at the end of the past fiscal year. In October 2006, just before the U.S. announced the final WHTI air rule, we were issuing fewer than 60,000 passports per week. We now

have the capacity to issue more than 110,000 passports per week, with little or no overtime and no backlog.

As we speak, applications that are presented in person at Passport Canada offices are processed in two weeks, while applications submitted through a passport receiving agent—Service Canada or Canada Post—and all applications mailed in are processed in under three weeks. In fact, at the end of last week, mail-in applications, with the exception of the applications received from the U.S., were processed in ten days. So right now there is no difference between applications received through the mail or applications submitted at walk-in offices.

Last February I presented you with the agency's priority for meeting the current demand and readying Passport Canada for future growth. We have taken great strides in meeting these priorities.

First, we have greatly expanded our service network to reach more clients without investing in a costly infrastructure.

[Translation]

During the past 12 months, in conjunction with Service Canada, we have opened 65 new passport service locations across Canada. In only five years, passport service locations in Canada have increased from just 30 to 190. There are now 33 Passport Canada offices, 101 Service Canada receiving agents, and 56 Canada Post receiving agents open across the country. About 95% of passport applicants now reside within 50 kilometres of a passport service location.

[English]

This service model, which allows us to use the infrastructure of our business partners, gives Canadians unprecedented access to passport services within Passport Canada's current financial capacity. In other words, we are able to provide passport services everywhere in Canada and keep the passport fee at \$62.

Furthermore, in partnership with Service Canada, Passport Canada is now contemplating expanding the range of passport services offered by receiving agents. Under this new regime, a limited number of Service Canada receiving agents located outside major urban centres would be able to authenticate the documents supporting a passport application. Applicants who are unable to visit a passport office but are able to visit a Service Canada agent office would no longer have to surrender their birth certificate or citizenship card for an extended period of time.

As well, this past year Passport Canada began holding passport clinics to reach out even more broadly to Canadians. To date we have held 62 clinics and received over 12,000 applications through this service channel.

In addition, last February Passport Canada announced the opening of a new satellite passport office in Kelowna. With more than 48,000 applications received annually, demand from the Okanagan Valley has grown to the point that it can sustain the operation of a satellite office. This business decision is also supported by the booming economy in that region, the fact that Passport Canada is under-represented in western Canada, and the increasing number of new Canadians in that region, who are typically big consumers of passport services.

● (0910)

[Translation]

Second, we simplified our policies and procedures for passport renewal.

As of August 15, 2007, applicants who are renewing their passports are only required to submit a shortened application form, two photos, and their current passport. This new process does not impact the security and integrity of the Canadian passport. Passport Canada continues to conduct all the stringent security checks that are part of the entitlement process on all files. Should these checks raise concerns, a more in-depth examination of the application is conducted.

[English]

We also introduced a new guarantor policy on October 1, 2007, whereby most adult passport holders may act as guarantors. Under this new policy, Passport Canada continues to verify the identity of applicants through guarantor declarations but now relies on its own comprehensive database instead of less reliable occupational directories for cross-checks. This process is more secure, as our database contains more information and is more reliable than occupational directories.

[Translation]

Third, we greatly increased our processing capacity.

For Canadians who can't or don't want to use one of our service points, Passport Canada invested \$18 million to strengthen its mail-in service channel.

Our new processing facility in Gatineau is functional and already making great contributions to our operations. As I mentioned earlier, applications received by mail are processed in under three weeks. In fact, they are currently being processed within 10 days. The retrofit of this existing plant was done in only 26 weeks where projects of this magnitude normally take 26 months. This coming fall, when this facility is fully staffed, we will have more than doubled our processing capacity for mailed-in applications.

[English]

Concerning staffing, with the help of the Public Service Commission, Passport Canada was able to integrate over 1,400 new employees over the past fiscal year. For Passport Canada this represents a little less than half of our entire workforce. Through our

ability to hire staff rapidly, Passport Canada can now adapt faster to demand fluctuation.

Fourth, we are investing in a new electronic system and security features that reinforce the quality and security of the Canadian passport. Our e-passport project will begin in 2009, and as announced in the 2008 budget, a ten-year validity e-passport will be introduced nationally in 2011. This brings us in line with the other G-8 countries, all of which have implemented the electronic passport. The e-passports contain a chip that holds the bearer's information, including a digital photograph. It will allow border officials to scan the passport and confirm that the traveller is indeed the rightful owner of the passport.

A contract to integrate facial recognition technology into our systems has also recently been issued. This technology, which will be operational in early 2009, will enhance security by ensuring an applicant cannot obtain passports under two names. The improved Canadian passport will be even more secure than our current passport, and Canadians will need to apply for it only once every ten years. The implementation of the e-passport, facial recognition, and the new real-time security management system will make this new policy possible.

Finally, we are preparing for the implementation of the new U.S. land and sea port-of-entry requirements that will come into force in June 2009. The United States has announced that the last phase of the WHTI will come into force on June 1, 2009. Passport Canada is developing mitigating strategies to maximize its ability to issue passports to the population in a timely fashion prior to and post-implementation.

First and foremost, sustained proactive communication efforts will be undertaken to encourage Canadians to apply for a passport in the summer and fall of 2008, thereby moderating demand throughout the winter and spring of 2009. As I mentioned earlier, Passport Canada will continue to offer clinics in areas where in-person service is not readily available. Passport Canada will also closely monitor demand over the coming months and will make adjustments accordingly.

Lastly, Passport Canada now has the option of extending the validity of passports already in circulation in order to respond to a sudden surge in demand. Driven mostly by new information technologies and evolving global security concerns, the passport business has changed substantially over the past decade and will continue to change at a rapid pace. Moreover, recognizing that there is an increasing appetite for online services, Passport Canada is looking at information technologies and investigating options for conducting its business entirely online. By greatly reducing or even eliminating the need for in-person visits, Passport Canada hopes to be able to not only reduce delivery times and save money, but also completely bridge the gap between urban and regional service standards.

● (0915)

[Translation]

Needless to say, this has been a busy year and we have accomplished a great deal. In closing, I would like to underscore the great dedication of Passport Canada's staff. Above everything else, it is their tireless efforts to serve Canadians that have made possible all the initiatives and breakthroughs that I have just discussed with you.

Thank you, Madam Chair. I now welcome questions from your committee.

[English]

The Chair: Merci.

We'll go with Mr. Holland.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Madam Chair.

Thank you to the witnesses for your appearance today.

I'll start with a compliment. A couple of years ago a new passport office opened within my own region, the Durham region, and it has made a substantive difference in the number of complaints that my office receives, and also, frankly, in the volume of people we have to deal with who come to our office with passport problems. So that's appreciated, I know, within my constituency. Those new offices do make a difference; they're important.

I want to talk about the topic we have at hand today, and that is the geographic distribution and turnover rates, because to some extent it wasn't addressed in your presentation. One of the concerns I think the committee has is that there is a very high turnover rate in particular offices—for example, the Scarborough office. When you lose people as a result of this high turnover rate, there's a significant training cost.

Could you quantify that problem for me, and could you tell me what you're doing to address the problem with turnover rate? How big an issue is it to have to retrain when you lose somebody? What costs are we looking at?

Mr. Gérald Cossette: Thank you.

The issue we've faced over the past couple of years, in fact, is to increase the number of people working at Passport Canada. If you look at the number of employees we had at the beginning of the decade, in 2001, for instance, we had more or less 1,000 employees working for Passport Canada and issuing passports within service standards. Over the past two years, the demand has increased by 50%. So to a certain extent we have been playing catch-up with that demand; hence, the significant hiring we've done over the past two years.

Of course we hire people on a permanent basis, but because the demand goes up and down, we also need to hire people on a short-term basis. So one of the problems we face is developing pools of workers who can basically work on a seasonal basis instead of being with us over a 12-month period. That has been part of our challenge, to have these people available when we need them. Historically, we needed these people over the winter months—December, January, February, and March—and then the demand would go very, very low

and pick up again in October and November, when we would have to rehire a bunch of people to face the surge in demand. So that has been the main challenge over recent years, the ups and downs in demand.

The second thing is that when we hire indeterminate employees to become passport officers, this is where training starts to cost a significant amount of money, because the employees are trained over a ten-week period at our training centre, and then we put them in our offices, where they're supervised, and so on and so forth.

If we were to lose these people at a high rate, of course, that would mean a significant loss from a financial standpoint, but also from a human resources standpoint.

But over recent years our main challenge has been the ups and downs of demand and how we can manage that. I say this because most of our processes are still manually driven, so our business is highly labour intensive right now.

● (0920)

Mr. Mark Holland: I think that's an important piece of information you've given us. It's valuable for what this committee is looking at. But I wonder if you could also speak specifically to turnover rates. I understand that you're saying that a bigger problem for you is the ebb and flow of demand and the need to have seasonal workers to come in to fulfill that demand. But specifically to the question of turnover, how significant is it? We've been told at different points in time that it's a very significant problem. You haven't really addressed it, but I'm inferring from you that this other issue is a bigger problem and that you don't see turnover rates as a big problem.

Mr. Gérald Cossette: I will ask Madame Thomas to be a bit more specific, but the main challenge we have when it comes to turnover is with regard to passport officers, because these are the people who need longer training, security clearances, and so on and so forth. These are the people who are manipulating applications, and have access to our database and the passport document itself.

The challenge we face when it comes to this category of people is the fact that larger agencies, like CBSA, for instance, and Service Canada, and so on and so forth, are attractive to our employees because they offer more opportunities for career development. We are a small agency, where you reach the top of the line fairly quickly in your career, if you will. If you move from Passport Canada to Service Canada, you have many more opportunities. So that's one challenge that we need to face.

The second thing is that historically, because our organization has been manually driven, it's been highly or almost exclusively operational, and there has been an issue with operational workers not getting the same salaries as policy workers, for instance. So there is a discrepancy between some of our classifications and the classifications offered by other departments.

To give you a specific example, some of our PM-1s would do more or less the same work at Service Canada for a PM-2 salary. So lots of people come to Passport Canada and get trained by us and move on to larger organizations. So without being dramatic about it, sometimes we refer to ourselves as the “farm team” for larger organizations, because people come to us, get trained for a couple of years, and then move on.

Mr. Mark Holland: I know I am limited by time, but I hope that we'll come back to the solutions to that in our questioning, because it raises concerns not only from a cost perspective in terms of training, but also from a security perspective, as you obviously want people in charge who have the training and the experience necessary to make sure that things are running safely and securely.

But recognizing that, I probably only have time for one more question.

• (0925)

The Chair: You have more time.

Mr. Mark Holland: Okay. One of the concerns I have is the decision to make it a ten-year period of renewal. This is tangential to our topic but pertinent to the issue of passport security generally. This was a decision that was made, as far as I've been able to ascertain, against the advice of your own department. In fact, your agency stated that

A shorter validity period allows for passports based on outdated technology or security and those reported to be lost or stolen to be withdrawn from circulation more frequently, which contributes to the security and integrity of passports internationally.

In an age when technology is changing so rapidly, where the components for microchip technology are made so much more cheaply or are so much more easily integrated into documents, I find it impossible to believe that my passport today should not be substantively different ten years from now. That's an awfully long time.

Are you not concerned that this is undermining security? Do you feel that this was an action undertaken by the government to reduce all the criticism around backlog? In other words, in making the renewal period ten years, are we reducing backlog by making a major security concession?

Mr. Gérald Cossette: The ten-year passport is being used by other G-8 countries. Our approach is that the ten-year passport becomes possible as technology becomes available. The ten-year passport will be an electronic passport. It will have a chip in it. On top of that, we are introducing other security measures that were not available to us in the past but are now available. For instance, within twelve months we're going to have facial recognition software that allows us to compare photographs so we can confirm whether the same person is applying.

Mr. Mark Holland: On your point about the integrated chip—

The Chair: I think you're out of time.

Mr. Cardin.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Thank you, Madam Chair.

Good morning to everyone.

You listed the services provided to citizens. Generally speaking, the act of applying for a passport is quite a solemn matter. The citizen must provide pieces of identification because he or she must be identified, and these cards are important. The citizen therefore needs to be reassured about this matter. Your postal service provides very little security, unless the application is sent by priority post. There is the reception office, Service Canada and the clinics, but you forgot an important place: the MP's office.

My office received its 50,000th passport application. Last year, we received, verified and sent in a secure fashion 10,293 passport applications to Passport Canada. We responded to requests—

The Chair: One moment, please.

[*English*]

Are you saying there's something wrong with the interpretation?

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): The interpreter said that in the past few weeks you've received 50,000 applications.

The Chair: He said that he reached 50,000 passports.

[*Translation*]

Mr. Serge Cardin: Soon I will have been an MP for 10 years, and I have received 50,000 applications. If I add the 10,293 applications that I received last year, we can see that this number is constantly going up.

All of the actions taken makes people feel more secure. I suppose that we have developed some expertise, but that does not constitute a guarantee of security for you, because you have to intervene all the same.

You said that 95% of passport applicants reside within 50 km of a passport service location. In the case of Sherbrooke, which is my riding, the Estrie region is relatively big and so many people have to go more than this distance. So a good portion of our population must be part of this 5%.

In 2004, we asked for a regional passport office similar to the one in Saguenay. Is the Saguenay office profitable? How does one assess the profitability of a passport office?

Talking about profitability, I don't know if it was an error or an official announcement, but the passport costs \$62. However, I thought that it cost \$87. Has there been a change?

I don't know to what extent we are helping you. Do these numbers demonstrate significant need? In 2004, we asked for a passport office; some 12,000 or 13,000 people had signed a petition to that effect. Sixteen municipalities have apparently asked the government for its support in obtaining a passport office.

In order to increase efficiency, do we need to decentralize a bit, a lot or not at all? When was a passport office opened in Quebec? What conditions to the regions have to be able to fulfil in order to obtain a passport office? On what basis do you determine whether or not there is a significant need?

• (0930)

Mr. Gérald Cossette: Thank you, Madam Chair.

I will try to answer all of your questions quickly.

The passport still costs \$62. People pay \$87, but Passport Canada sends \$25 of this amount to the Consolidated Revenue Fund in order to pay for consular services that the Department of Foreign Affairs provides abroad. Consequently, the \$87 and \$62 amount do lead to confusion. Passport Canada retains only \$62 for its funding.

Mr. Serge Cardin: Are you still telling people that a passport costs \$87?

Mr. Gérald Cossette: Yes.

Mr. Serge Cardin: You don't mention this \$25. The cost of the passport to the citizen is \$87.

Mr. Gérald Cossette: Yes, but we get only \$62 of this amount.

Mr. Serge Cardin: It is important to calculate your profitability.

Mr. Gérald Cossette: Yes. This \$25, which represents \$75 million annually, is sent to the Consolidated Revenue Fund.

Mr. Serge Cardin: If you had to send this \$25 to the MP who provides this service, it would be even worse.

Mr. Gérald Cossette: In 2005, we opened a passport office in Pointe-Claire, in Quebec. That same year, we also opened two other offices in Toronto suburbs, namely, in Brampton and Whitby.

The first criterion we use to decide whether or not to open a passport office is the volume of applications. Since nearly 80% of Canadians submit their passport application in person, the model we use currently is based on traffic at the counter. Obviously, passport offices were opened in high-volume areas, namely in Montreal, Toronto, Halifax, in the provincial capitals. The model is changing and I will get back to this issue later on, if I'm asked about it.

The second criterion is profitability. We take a look at the number of applications processed there and how much it costs to run a passport office. The numbers tell us that, in order to be profitable, an average-sized passport office must process between 45,000 to 50,000 passports per year. Naturally there are front end and infrastructure costs, as well as operating costs, which include salaries and postage.

The Saguenay office is profitable partly because the applications received in Ottawa are forwarded there for processing. Small offices with flexible capacity receive applications from the central office for processing. This is how these offices become profitable over the long term.

• (0935)

Mr. Serge Cardin: You may not have this information with you, but I would like to ask an official question and I would like to obtain this information, even if it means waiting until later on. In Estrie, how many applications are sent to Passport Canada, in total, including those that are forwarded by the MP, by the consignees and by Service Canada?

Mr. Gérald Cossette: We could provide you with these figures by checking the origin of the applications using the postal code.

[*English*]

The Chair: Merci.

We're going to go to Mr. Kramp now.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Madam Chair.

Before I bring forward a couple of questions, let me honestly congratulate you for the Herculean effort that has gone in over this past while in response to the western hemisphere travel initiative.

Like most members of Parliament, we were under a pile of pressure back in our ridings because things were almost disastrous from the point of view of normality. From being around this place quite a bit of time now, I can say that change is a very difficult thing to bring about in a short period of time in the behemoth operation we have here. So for you to accomplish what you did in that short period of time to dramatically reduce those waiting lists, I want you to know that I'm appreciative and I know a number of my colleagues thank you for the efforts you have made.

While we give you a pat on the back that way, there's always the other side of the coin that we want more, we want better, and that's a public demand. But I do want it on the record that when we look at the waiting lists, we were at six, eight, or sometimes even ten weeks, and now it has been brought right back down to a normal rate. A lot of things had to go right; a lot of effort went in, and a lot of organization. So thank you to everybody involved, certainly on my behalf and on behalf of, I know, a number of members on all sides of the House.

I still have a number of concerns. What do you have as a rejection rate, when applications go in and they're turned back? Do you find a difference in rejection rates from various sources, or do you even track it?

The point I'm trying to get at here is that I have a number of people who will pick up an application, whether it's from Service Canada or the post office, and in it goes. A lot of times it's rejected for the simplest little thing, one of the reasons for adequate rejection, but it doesn't go through that trial and error or that little second guess.

When they come to our office, we do that little second check. I suppose maybe it isn't what's expected, but we do have a double-check system, and then we have a very minimal rejection rate.

Do you have any figures on rejection rates?

Mrs. Jody Thomas (Chief Operating Officer, Operations Bureau, Passport Canada): The rejection rate for walk-in applications runs between 8% and 10%, generally, because of poor photos or lack of understanding of the documentation required. For mail-in applications, it runs between 20% and 24%, again primarily for photos and lack of documentation. It's much higher out of the United States.

We don't reject applications that have been submitted through MPs' offices. We hold those and contact the clients. But it still runs at about 8% to 10% in clients we have to contact again for more information.

Mr. Daryl Kramp: I'm surprised that it's that high from a member's office. The reason I say this is that I'm experiencing a tremendous rejection rate from the public, and of course—the old story—it's much easier and more cost-effective to do it right the first time than to go ahead and send things back and forth and get into this, “You need this done and that done.” I really think there has to be much stronger emphasis on doing it right the first time, whether it's a simplification of the form process, better instructions on how to complete the form, or criteria that has to be met explicitly.

What is a good photo? I'm a member of Parliament and I couldn't tell you what a good photo is. They come into our office and it looks good to me, but then it's rejected. Then they'll come in with another photo and I'll say, “Well, I don't know,” but it's accepted. If we don't know, how does the public know? Where is the standard of acceptability so that we can eliminate a lot of these rejections?

I really think some of our major expenses and cost in this have to do with the rejection rate. Quite frankly, once we're hitting over 1%, 2%, 3%, or 4%, I find it totally unacceptable. I think that should be a major effort on behalf of Passport Canada, to give us some direction and give the Canadian population better direction so we can make improvements in that area.

● (0940)

Mrs. Jody Thomas: We agree with you 100%. We're doing a significant number of activities to address the rejection rate.

We have focus groups going on in various regions of the country right now about the usability and the understandability of our forms, and we're going through a complete form redesign.

We have the renewals program. The renewal form is much simpler, fewer questions to answer, and there's about a 2% rejection rate of the renewal applications.

With regard to the photos, we've just done an extensive review of our photo standards and we're starting to publish the new standards now. We've looked at what we had done. Some of the change in technology allows us to be slightly less stringent so we will be able to accept more photos without affecting security, and that should see a reduction in the number of photo rejects. We'll have material available shortly that will explain the photo standards and what's a good photo and what's not a good photo.

Mr. Daryl Kramp: Okay, thank you. I'm glad you're making serious progress and I thank you for that information.

One bit of difficulty we all face here.... And here's where I'm thankful for the new office located up in Mr. Holland's riding, as I'm only a couple of hours away. Mr. Angus of course has a whole different situation with problems with regard to this. The difficulty we all face is of course the location of an urgent service or service that has a high demand.

We all have circumstances and situations where people unexpectedly need passports. That's where sometimes 15, 20, 30 days, or whatever is not acceptable for a variety of real problems and circumstances. In this particular case, the people come to us and we just send them in directly—it's only a couple of hours away—and they get the excellent service they need. They have their passport in a very few days, which is tremendous. But there are many members

and many areas across this country where that is geographically impossible without an unbelievable cost.

How do you see us trying to find some way to alleviate these urgent situations? Do you have a potential fallback mechanism so a lot of remote and rural areas can deal with these urgent problems?

Mrs. Jody Thomas: We use a number of methodologies to help in remote areas when there is an urgent situation. MPs assist greatly. They contact us on behalf of the constituent, and we expedite the process. We use the receiving agents. They contact us, and once we receive the application we expedite it or we send the file itself to one of our local offices. If you're in northern Ontario or northern Manitoba, we would send it to the Winnipeg office and they would issue the passport on an urgent basis there.

We are looking into the new process with the receiving agents whereby they validate your document, so once it's in our system it should take us less than 24 hours to turn that file around. We're trying to change our process so it's more online, and we receive the application and the information instantaneously. For example, by increasing the number of online applications for a renewal application, the time taken to process the application is reduced significantly and we should be able to turn it around again from a local office within 24 hours, so you're not mailing from Ontario to western Canada, as an example.

The Chair: Thank you. We'll get back to you again.

I just wanted to add, we MPs in northern Ontario are not allowed to take emergency applications. We have to send them to Ottawa or Toronto. They will not allow us to facilitate and receive passports that have to be treated on an urgent basis. That's been the case since 2006, I think February or March 2006. It's become a real challenge when you can't facilitate those urgent passports.

Okay, I'm going to go to Mr. Angus. I won't let you answer because I just wanted to set this straight. We do have to send them down, no matter what happens.

Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you very much, Madam Chair.

Thank you very much for coming today. This is certainly an issue of great interest to all of us, because we, as well as you, are in many ways on the front line of passports. Sometimes we have very good experiences and sometimes less impressive experiences.

You talked about the need to “bridge the gap between urban and regional standards”. Mr. Kramp was giving me the perfect set-up, as I represent the region of Timmins. We're 1,000 kilometres from one walk-in passport service on one side and 800 kilometres on the other. Our region, and Madame Marleau's is the same, is heavily dependent on mining, which is international. International contractors are going in and out of the airports all the time. We always have situations where we need to get a passport turned around, and the only thing we can tell them is to take the 12-hour bus ride to Toronto to get their passport.

I don't think that's an acceptable standard. Are there any plans to be able to alleviate this? This vast area of the country has no walk-in service.

● (0945)

Mr. Gérald Cossette: Bridging the gap between service standards for walk-in offices and mail-in applications is being reduced in the sense that passports are being processed within ten days if you go to a walk-in office and passports are being processed within twenty days if you apply by mail. Right now, the service standard for both walk-in and mail-in is exactly the same because we have beefed up our capacity to respond to mail-in applications.

When it comes to urgent service in the regions, we are in the process, as Ms. Thomas was saying, of working with Service Canada on the expansion of services that Service Canada would provide. The challenge we face with urgent passport applications is that our policy requires people to apply in person. It would be too easy for someone to walk into an office and say “I need a passport urgently, so waive all the security checks and get me my passport because I have to move forward”. Hence the requirement for people to appear in person, and also, hence the reason why MPs, not being part of the federal public service, do not have the authority basically to authenticate a person. If they did, what would happen if there was a mistake? There would be an issue of accountability between your office and our office and so forth.

What we would like to do with Service Canada, and we're in the process of working on it with them, is to allow them basically to authenticate the documents. First of all, if they were to authenticate a document and ship an application to us quickly, either by fax or e-mail, we would be in a position to process much more quickly. We also have an arrangement with CBSA through which people can go to an airport as they fly out, get their passport at the airport, have the CBSA officer confirm the identity and then have people move on.

It's not the perfect fit, and we're aware of that, but we hope that as we develop a closer partnership with Service Canada we'll be in a position to use their services more extensively.

Mr. Charlie Angus: Well, we certainly have recommended building a partnership with Service Canada, because they are front-line providers. They are federal civil servants.

I can't speak for my colleagues, but I'm not really interested in having to assume the role in an emergency situation, because I also

need these people to vote for me. If I start to give them a hard time about their identity.... That's not something I want to be dealing with. I'd rather they go to Service Canada, but they can't do that right now.

In terms of Service Canada and where we stand in northern Ontario, you're speaking about unprecedented access to passport service. That was the quote. And we've heard about the chips and the facial recognition and everything else. Yet again, what we're dealing with in northern Ontario is the fact that as of March 31 we have no more passport service in Iroquois Falls, Cochrane, Kirkland Lake, New Liskeard, northwestern Ontario, Rainy River, Red Lake, Sioux Lookout, and Wawa, because you cancelled the service that was being delivered through Service Ontario. People simply have no place to get their passports.

How can you come here and tell us that people are getting unprecedented access to passport service when people in my riding and all across northern Ontario are now finding they have no access to passport service because you cancelled the service that Service Ontario was providing?

Mr. Gérald Cossette: With all due respect, we did not cancel the service. We were basically moving Service Ontario out of the business and slowly moving Service Canada into the business of providing the same services. That's the first thing.

The second thing is that Service Canada does not issue passports. Passport Canada issues passports. So all the partners we have will always remain receiving agents. We are working with them at having the receiving agent perform more functions on our behalf, so that when we get the application the process is quicker for us and the rejection rate is lower. But at the end of the day, Passport Canada will always be the one—

Mr. Charlie Angus: I understand that, but with all due respect, you've cancelled the process that was in place for Service Ontario and you say you're slowly replacing it with Service Canada. Well, these communities are not getting passport service now. It has been cancelled. Period.

That was the decision by Passport Canada. You have not put in place Service Canada to pick up the slack. The distance between North Bay and Timmins is over 400 kilometres. There is no passport service at all in any of those communities at this point.

Why did you cancel the service if you weren't ready to move in with Service Canada to pick up the slack?

• (0950)

Mr. Gérald Cossette: Madam Chair, the service we had with Service Ontario was a pilot that was implemented and launched a couple of years ago. We reviewed that program for security reasons and for efficiency reasons. The mail is always an available option, and, as I said, the processing time for mailing applications as we speak is the same as it is for walk-in offices.

We understand that in the past, people found it difficult to wait for extensive periods of time before receiving a passport; we acknowledged the problem we had and we tried to fix it by increasing our capacity. That is always an option open to Canadians. But as I said, the next phase of our strategy is to have more Service Canada offices providing the passport services, including expanded services, and we're hoping to have this as quickly as possible.

Mr. Charlie Angus: My constituents were told that the services were being shut down in Iroquois Falls and Kirkland Lake. Kirkland Lake has 15,000 people and no passport service. New Liskeard area has 15,000 people and no passport service. They were being told to go to their member of Parliament. My office runs clinics, with one person going in to cover every possible federal service.

I don't really think it's our responsibility to pick up the slack for a decision your department made to cut off passport service to people in northern Ontario. If you're going to cut off a Service Ontario pilot project, which was a very good project that serviced under-served communities that are much farther than 60 kilometres away from any walk-in office, why have you not put the resources in place to ensure that Service Canada will pick up the slack? I don't think telling them to go to the pony express is a reasonable alternative.

Mr. Gérald Cossette: Do you want to answer?

Mrs. Jody Thomas: First, we're not saying that it is when you're 60 kilometres away from a passport office; it's from a point of service, including Service Canada. The reality of that pilot was that it wasn't really meeting our needs in that those files were going to Thunder Bay and they were overwhelmed. They weren't equipped to do it. They weren't coming into our central processing centre. By shifting resources around we've been able to reduce the mail-in service nationally to 20 days. So it's the same as a walk-in, which we think is a better service than what people were getting previously. Thunder Bay couldn't turn the files around in time any longer. We couldn't expand that office. It can't sustain a larger office. So this was, long term, the best thing to do.

Over the course of the summer and fall we have a plan with Service Canada to roll out new agents and new points of service. We just have to get them trained. The training for Service Ontario wasn't to the standard we wanted. There was a whole, significant group of problems with that service. But before we shut it down, we ensured that the mail-in service was at ten days so that you were getting the same turnaround time as if you had walked into a Passport Canada office. We thought that was a good compromise.

The Chair: Thank you.

We'll get back to you, Mr. Angus.

I just wanted to add something. You talk about Service Canada, and that's wonderful. But if Service Canada doesn't get permission to hire the staff to deal with the number of applications, you don't have

a point of service there. I know that Service Canada in my area said that they had to hire a bunch of staff to deal with the applications we get. So I'm not sure that shifting your costs onto Service Canada is always necessarily the best way to go. I'm just adding that because I've been told that it is the reason there is no point of service at Service Canada in Sudbury. It is because of the volume you get there.

I know that Canada Post is the receiving agent in my area, as is my office. We're not called that, but we do them, as does Mr. Bonin's office, and I know that the volume is extremely high. I just wanted to make sure. I guess it helps you if Service Canada has to hire seven, eight, or nine more people, but it's still not the service some people need.

I'm going to go now to Mr. Silva.

Mr. Mario Silva (Davenport, Lib.): Thank you.

I realize that while it's a very large country, and of course there are different issues throughout the country, certainly in my riding passports are just not an issue. I think we get maybe ten calls a year on this issue. Passport processing is not a big issue. So there are different realities in different parts of the country.

I wanted to take up the question my previous colleague talked about, which is the issue of security and the security chips and whether the information has been embedded and whether, in fact, the chips will be of any use ten years from now. Also, in relation to security, does the fact that there is high turnover present security challenges, as well? Because you are training people in security information. If they're going somewhere else, does that present security risks for the passports we've put in place?

• (0955)

Mr. Gérald Cossette: Thank you.

With regard to the ten-year passport, before we implement or roll it out nationally in 2011, a certain number of things will happen.

The first thing is that we will implement official recognition software, which will make it extremely difficult for people to apply under two names, for instance. That's the first check that will be done. As people apply and as their request comes in, the software will allow us to basically compare an incoming photograph with the 16 million photographs we have in our system as we speak. That's the first security feature that will be implemented.

Second, we are also implementing within the next 12 months an electronic system that will allow us to do all the alerts. Most of the security checks we're doing right now will be done electronically. Right now lots of the security checks are conducted manually, hence the problem of security when our turnover is very high and we need to retrain people, for instance. We will have a system that will allow us to do that electronically as we go. So, on an ongoing basis, the computer will check for variation patterns and so on, which again will reinforce our security apparatus.

Third, we will change the booklet itself. The passport booklet will be modified and modernized.

The fourth element of the security strategy is the chip itself. The chip will basically contain exactly the same information you have on page 2 of your passport: photograph, names, date of birth, and so on. The chip will be a replica of what you have on page 2 of your passport. If someone wants to tamper with the booklet, they will also have to tamper with the chip. That will make the book more secure.

Our recommendation has always been that new security features have to be implemented before the validity of the passport can be extended.

I hope I have provided you with some answers to the first question.

With regard to security, yes, in fact turnover may be a problem if it is fairly high. One of the sectors right now where we are stable and beefing up is the security side of Passport Canada. Two years ago a DG position for security was created, to build a bureau that is in a much better position to respond to new security requirements.

Mr. Mario Silva: Passport Canada was recently criticized by the House of Commons public accounts committee, and I want to know what measures you've put into place since it made several recommendations and criticisms as well. Have there been substantial changes since then that you want to share with this committee?

Mr. Gérald Cossette: You're talking about the public accounts committee?

Mr. Mario Silva: That's right.

Mr. Gérald Cossette: I assume you're referring to issues that have been raised by the Auditor General in her past report. Those answers we have provided to the public accounts committee.

Basically there were four main elements, if my memory serves me well. The first one was the capacity we have to check vital statistics electronically with provinces and with other federal agencies like the RCMP and Correctional Service of Canada. A second element was on our HR strategy, the need for a long-term strategy for human resources. The third one was ensuring that our processes have integrity and checks built in. The fourth one was contingency planning for June 2009.

When it comes to sharing information with provinces on vital statistics, that's a much larger issue than just Passport Canada. It's a file that has been transferred to the Treasury Board Secretariat, and there's a policy being developed for the whole of the public service on that issue.

With regard to the integrity of the process, right now we are conducting a full review of our issuance process. There's also an

audit being done internally on the issuance process. Significant improvement has been made, regardless of the fact that we're still waiting for the results of these two studies.

When it comes to getting ready for 2009, last year we significantly increased our capacity to deliver the number of passports that are required by Canadians.

One component I forgot, which I think is one thing the Auditor General raised, was access to the database and the fact that too many people had access to our database. We have implemented a new process through which we confirm on a regular basis that people who have access to the database need that access. For instance, I do not have access to the database of Passport Canada, as I'm not a passport officer. We have put in place a measure that prevents people from accessing the database if there's no need for them to do so.

• (1000)

The Chair: Thank you.

Madame Faille.

[*Translation*]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Thank you, Madam Chair.

Thank you for coming. I recognize Mr. McDonald as I worked with him at the International Service Branch of Citizenship and Immigration Canada. I will try to come up with a question to ask this former colleague, but before I do, I would like to ask a question about services.

Earlier mention was made about the responsibilities assumed by Service Canada. Could you forward us this information and specify how much this partnership with Service Canada costs you? Should you have this information available now, that would be great. I would like you to provide us with a ballpark figure and then you could provide the details to the committee.

Mr. Gérald Cossette: Madam Chair, the arrangement that we have with Service Canada has been in effect for approximately two years. This is a pilot arrangement given that, when the idea was launched, certain facts had not yet been confirmed. This is why Service Canada services were provided to us free of charge for the past two years. Service Canada bore the costs of service delivery.

The order on passports will be amended in order to confirm that Service Canada is authorized to provide services on our behalf. This will be the first change. We are in the process of negotiating the details of the services that are to be provided with Service Canada. In addition to being the receiving agent, this organization will verify the authenticity of the documents accompanying the passport application. As part of the current negotiating process, we are specifying the costs involved and the funding that will be required by Service Canada. This funding will be the responsibility of Passport Canada and not Service Canada. We will assume the cost for some things, for example, the volume of applications. I have last year's statistics with me. That may provide you with an overview of the situation.

Ms. Meili Faille: You can just give them to the committee at the end of the meeting.

Let's talk about processing times. For example, 80% of cases are processed within a certain period of time, 15% are processed within another timeframe, and finally, the remaining 5% of cases, which are usually the hardest, are processed within yet another timeframe.

Our offices are located near Pointe-Claire, and I'm really happy about that because before, we had to go to Ville-Saint-Laurent and battle the West Island traffic. In my riding, a number of people don't have a vehicle. As you can see, getting to your offices is not always easy. You have to take the train or the bus, and crossing the bridge takes around an hour.

We deal with a number of cases submitted by people who come to our office. I live near Ontario. So we're talking about border services. At the Hawkesbury Hospital, it used to be the nuns who registered births. For reasons unknown, they made changes to those documents. Without a marriage or death or court order, the Ontario authorities don't provide the documents necessary to facilitate identification of individuals. That explains why we have had to deal with a lot of difficult situations, which are part of the 5% of cases. These are people who have a hard time getting their passport because a change was made to their name and they only found out about it when requesting documents like a baptismal certificate, for example. When these people apply for the official document, it's a nightmare.

Personally, for a number of years, among other things I have done since being elected, I have been dealing with the so-called lost Canadians file. There are around 250,000 of them in Canada, be they war brides, people whose birth was incorrectly recorded by National Defence, or people whose parents perhaps did not record their birth properly. These people were born in a hospital near the U.S. border. We deal with these difficult cases in our offices. The online service for members of Parliament does not always give adequate answers to our questions. I'm trying to find out whether it would be possible to have better coordination with members' offices. We know our constituents.

Is it necessary to become a commissioner for oaths? In my office, some of my assistants take oaths for constituents who are asking us to help them to sort out their file. Recently, I dealt with a case that was settled with a court order and an oath, but do you have to go that far to prove your identity? I'd like you to tell me about the processing not of the 80% of applications, since you get that done. I'm more interested in processing times for difficult cases. What mechanisms do you intend to use to help constituents find their way through this and get service?

• (1005)

Mr. Gary McDonald (Director General, Policy and Planning Bureau, Passport Canada): Certainly, thank you.

It goes without saying that these are difficult cases for us too. We have to deal with the files of people who don't have the necessary documentation to establish their citizenship. Under the Canadian Passport Order, a passport application begins with presentation of proof of citizenship. All the cases of loss of citizenship that you mentioned are a bit difficult, because we don't determine citizenship per se. It's Citizenship and Immigration or the provinces that are responsible for determining the citizenship of people born in Canada.

We have some flexibility. In urgent cases, if a determination is made that the individual is acting in good faith and is a Canadian

citizen, we can issue that individual a passport of limited validity, until that individual makes the necessary arrangements to get the required documentation. We always try to be reasonable. We do say no in some cases. It is up to the officer and the manager to decide whether to take the risk of issuing a passport to someone who doesn't have the necessary documentation.

Since the events of September 11, 2001, we have been working with all of the provinces in order to create national standards for birth registration. That work is starting to produce some results. The most difficult case to resolve is that of an adult who is born here, who would like to get a birth certificate, but for whom there is no file. It's also hard for the provinces. We try to be reasonable, because we want to help the public, but we have to keep in mind that there are fraudsters and criminals out there.

The Chair: Thank you.

Mr. Albrecht.

[*English*]

Mr. Harold Albrecht: Thank you, Madam Chair.

Thanks to each of you for coming today.

It's pretty obvious we still have many challenges, and yet I want to acknowledge the great work that has been done in the past in terms of some of the simplifications, especially to the renewal application process and also to your guarantor policy. It seemed like a really good move, and we are hearing today that not only is it simplifying the process, it also actually increases your ability to check the validity of the person. I think that's good news for all Canadians.

Let me say, from a personal perspective, I have absolutely no complaints about Passport Canada. I am from Kitchener, and I have received a number of unsolicited thank-yous in my office for the work that Passport Canada does in my city. So I just want to balance that off with some of the concerns that I'm sure we will continue to hear for some time.

I have a question regarding the turnover as it relates to one of your 33 regional offices, compared with the Gatineau offices. Is there a large difference in terms of the turnover rates in one of your regional offices in contrast to the central office, percentage-wise?

• (1010)

Mrs. Jody Thomas: The turnover rate is really driven by the economic conditions of the city.

We have a larger turnover, as would be expected, in Alberta right now than we do, for example, in some parts of Ontario. We haven't had any turnover in our Windsor office in about seven years, as an example.

In our Gatineau office, because our employees tend to be bilingual—the federal government is here—they have lots of opportunities. So we can be a bit of a revolving door for people who want to go on to different types of work, not only to different opportunities. And that is a bit of a problem. We do find that as we make the work more interesting and the level of stress has gone down, the turnover rate is also reducing. But it is a problem, there is absolutely no doubt.

There is a cost to training and retraining people that we have to bear annually. The security risk is less of a concern, as the majority of people go on to other jobs within the federal civil service and they are still bound by their secret security clearance. We ensure that anybody who's involved in the passport-issuing process is secret-cleared.

Mr. Harold Albrecht: But the turnover rate would seem, then, to follow more the economy of the general area than the fact that they're in a major urban centre or in a regional office.

Mrs. Jody Thomas: In general, yes.

Mr. Harold Albrecht: I want to clarify one comment that I thought one of you made in terms of online renewal. Is online renewal available from my computer to Passport Canada or from a regional office to Passport Canada? I was under the impression I still needed to print out my application process and take it in or mail it.

Mrs. Jody Thomas: You do, but fewer errors are made on that application form. All the questions are answered. That's one of our biggest problems—people skip questions because they think they don't apply to them. One of the requirements for issuing a passport is that every part of the form must be filled out.

So there are some business rules within the software that cause the reduction of errors. Because of that, there's a lower reduction rate.

Mr. Harold Albrecht: Okay.

On page four of your comments today, in the last paragraph before the last section, "Looking Ahead", you say that Passport Canada now has the option of extending the validity of passports already in circulation. Could you expand on that? I was not aware that this was one of the services available to Canadians.

Mr. Gérald Cossette: Basically, the Canadian passport order stipulates that a passport shall last for five years. As we get closer to June 2009, we are concerned that people may apply en masse. We have significantly increased our capacity. On a monthly basis we can issue about 450,000 passports. If we were to receive 800,000 passports in a month, there would be a backlog. We would fall behind significantly.

We've asked for a change in the passport order, so that if we were inundated with demand, we could put a special label in the passport and extend its validity. This would allow people to travel as we process their regular applications. We would use this measure only if there was a requirement for it.

Mr. Harold Albrecht: That would be a temporary measure?

Mr. Gérald Cossette: It would be a temporary measure, an emergency measure.

Mr. Harold Albrecht: We can always argue about the passport fee, whether it's \$62 or \$87, but I'm more concerned about how our passport fees compare with those of some of the other G-8 countries.

Mr. Gary McDonald: A U.S. passport is \$100 U.S., about \$102 or \$103 Canadian.

Mr. Harold Albrecht: That includes a consular fee?

Mr. Gary McDonald: That is their total fee. These are some of the fees: \$100 U.S. for a U.S. passport; 72 pounds for a U.K. passport, which is \$145; approximately \$170 Canadian for an Australian or New Zealand passport.

Those are the ones that I know off the top of my head. If you'd like a more comprehensive list, we can provide it to you.

•(1015)

Mr. Harold Albrecht: I just wondered if we were in the ballpark or low or high. Judging from the ones you've shared, it's obvious that we have a good deal here.

Mr. Gary McDonald: Yes.

Mr. Harold Albrecht: If we were to go to a ten-year passport, how would it affect the cost of the passport? How much would it cost an individual Canadian to apply, and how would it affect the profitability of Passport Canada? You must have looked into some of these questions.

Mr. Gérald Cossette: There are two issues here. There's the issue of the e-passport—the electronic passport with the chip is more expensive. The chip itself costs \$15 to \$21 more, just for the chip and the transfer of information. We need the software and the infrastructure to do that. So there's an issue related to a new document, the document itself.

There's also the issue of a significant reduction in the number of applications, because you keep your passport for a ten-year period. We've done some calculations. We're trying to improve our internal processes so that we become more efficient. If there were an increase in the cost of the passport, the increase would be as little as possible, bearing in mind that we would be saving on the improvement. That's why we're moving toward more online services, more electronic tools to do some of the work we're doing right now. We want to keep the services at the present level, even though in the long run we're looking at a significant reduction in revenue.

It's impossible to say one for one. It would be double or half, depending how efficient we become over time. But in the long run, it would require a significant change in the way we do business.

Mr. Harold Albrecht: Right. Thank you.

The Chair: With respect to the cost comparisons, I'm not sure about the other countries, but the U.S. issues a passport for ten years.

Mr. Gary McDonald: Those are all ten-year passports, actually.

The Chair: They're all ten-year passports, the prices you gave. Ours is five years, so that changes the dynamic a little bit.

I'm going to ask you a question. You said that you were able to integrate 1,400 new employees over the past fiscal year. Where were those employees located? In what parts of the country did you bring in these employees? Can you give us a breakdown?

Mr. Gérald Cossette: Madam Chair, I cannot give you a breakdown in terms of where the new people went. I can give you a breakdown of where people are, but we could provide you with the numbers in writing.

The Chair: I'd be interested to know whether the bulk of those would be in Montreal or Ottawa, because we know that those are high turnover areas for federal employees. That's why I was asking you that.

Also, when you make a decision as to where you're going to locate these employees, do you look at other models? You said there's been a complaint that you tend to train employees and they go on to other departments, and then you're sort of the trainers for the government.

So when you decide to increase your staff, do you look at other models? Do you look at other areas of the country where the turnover is very low? Do you consider that in your decision-making?

Mr. Gérald Cossette: The new employees who were hired were distributed across the country from coast to coast, because we moved from not having evening shifts anywhere to having evening shifts in 31 out of our 33 offices. So in most places, in fact we had to hire new people.

In terms of why we located people where we did, again, it was based on demand. For instance, look at what happened last year in Edmonton. On some days in Edmonton they had more than 1,000 people showing up at the office. There were long lineups. So we looked at where the demand was coming from and we beefed up the capacity of these offices to deliver on the demand.

In terms of other models and why we would not locate offices in smaller centres, one of our main challenges as we speak is to move the mail around. Right now when somebody applies in Toronto, for instance, if we do not process the file in Toronto we ship it physically somewhere else. Last year the postal costs for Passport Canada amounted to \$34 million. Twelve percent of our budget goes to postal fees.

As we move forward with new technology that would allow us to move the files electronically instead of physically, the issue of the location of the office becomes less relevant. Right now, because close to 80% of applicants show up at offices, offices are located close to the people. As we move toward an electronic system where the location of the processing centre becomes irrelevant, we could decentralize toward smaller centres. But right now, decentralization means a significant cost in postage fees, because we're moving the files physically.

• (1020)

The Chair: You talk about a significant cost in postal fees, except that also includes your cost to send that passport to the individual, priority post, and because the number of passports was so high, of course your costs would be a lot higher. It's not just moving the applications from one centre to the other. You can do those in batches. Part of your high mailing costs is actually for returning them to the people who've applied. So I'm not sure how much of an excuse that gives you to not locate issuing offices in other regions. I will grant you that when it's all electronic, it will make it much sooner.

I asked you that question because there are models in terms of hiring employees in parts of the country where it's incredibly stable, where other agencies of Canada do it and do very well. I'll give you an example. Veterans Affairs in Kirkland Lake is a good example. They're located in an area... I would guarantee you that those employees do not leave their jobs there. Training them is really an

investment, because you can keep training them and they do more and more. I'm wondering if you have considered that kind of office, a satellite office where they actually can issue passports.

I'm not sure I totally believe you about how costly it is to ship from one area to a processing office when you're sending the big batches. I think your other costs are related more to the passport going to the individual.

I don't mind challenging you, because I've been doing passports through my office for twenty years, and they were done before, and I understand all the machinations of the passport business, believe me. So I'm going to let you try to answer this one.

Mr. Gérald Cossette: In answer to your first question, Madame Chair, passports are not printed at the passport office. Only urgent passports are printed on the spot. All other passports are printed in Mississauga or in Gatineau. So the fact that you have an office on the spot doesn't mean you get your passport from that office. Most of the printing is being done in print centres. That's the only way we can basically maximize our investment. We may have one or two printers at the local office to do urgent and emergency passports; all the others are mailed from the two print centres. So there is a significant cost associated with that. But as I said, even if you had a local office, that cost remains.

In terms of looking at whether or not we could decentralize the services, the answer is yes. There are other models. We could locate processing in large centres like Montreal, and so on. As I said, though, for the time being our passport processing places are located close to the customers, because people apply in person.

As the applications are processed and circulated electronically more and more, then it becomes possible to give you a very specific example. Some countries have a system where the processing officers just get the application from a computer, regardless of where the application was submitted. So as we move toward an electronic environment, that becomes an option.

The Chair: Thank you.

Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Madame Chair.

I appreciate all the comments raised before, and I recognize the progress that's been made by Passport Canada. I know in my own constituency we've noticed the processing times have certainly been reduced significantly from when we first met the challenge a year ago today. I think we're hearing from our constituents that the average wait times have gone from three or four months to three or four weeks.

But there are still some frustrations—and I'll use this opportunity to raise some of them—that there really are different levels of service. I heard the concerns about remote areas of the country and rural areas, but I think that concern also exists in mid-size to small towns. In my riding in the city of Barrie, there are 135,000 people, and I know that cities of that size also face similar frustrations. If folks are not going to do it at their MP's office, they're going to have to drive to the closest major urban city, which for us is Toronto. And many people, who work at jobs that restrict their ability to take an afternoon or a day off, find renewing their passports very frustrating.

I asked my office staff, who deal with passports.... We probably get about a hundred requests a week for passports, so it's one of our number one issues that we face from constituents. One of the concerns my office staff have is that Passport Canada has discontinued that MP helpline, which they could call to speak to a live person. I was told that now it's just an answering machine, but they said it was very helpful previously.

Could you start off by letting me know why that service was discontinued, and what hope there is that it will start up again?

• (1025)

Mrs. Jody Thomas: I don't think it's been discontinued. That's not been done. I'll check into it and get back to you.

Mr. Patrick Brown: I just got an update today that this is one of our greatest frustrations. I know in my office we get a hundred requests a week, and my staff said it was very, very helpful to have a live person. They said they can no longer get a live person on the MP helpline.

Mrs. Jody Thomas: The live person could be on the other phone. They could be on the line, and the call goes to the voice message. But I'll find out what's going on. I know it has not been discontinued, and if we need to expand it, we'll look into doing that.

Mr. Patrick Brown: It sounds as if that would be the case.

The other thing I want to ask about is whether Passport Canada has given any thought to.... I know you made mention about rural and remote areas and the efforts you make there. Has there been any thought about what to do in areas of the country that are an hour or more away from a servicing centre or a Passport Canada office like Gatineau or Mississauga? What can we do to expedite processing times for communities that do not have a Passport Canada office?

Mr. Gérald Cossette: Part of the short-term strategy is to work with Service Canada. Service Canada has 101 outlets where they provide passport services, and Canada Post has 56 outlets where they provide passport services. We would like to expand the network of Service Canada outlets where passport services are provided. We are in the process of doing that. We're working with them on criteria, and so on, based on volume and demand.

When we're talking about remote areas, it's not the notion of remote areas; it's whether or not you're close enough to a passport office or an existing Service Canada office. We want to significantly increase the number of Service Canada outlets. On top of that, we would like a fair number of those outlets to provide services for authentication of documents so people can keep their documents and not have to submit them to Passport Canada and wait until their passports are issued.

We are also moving—hopefully fairly rapidly—toward full online service. We started with simplification of the renewal process and other policies to allow us in the medium term to let Canadians apply fully online—those who are renewing, not those who are applying for the first time. By removing that workload from Passport Canada, we can basically divert that capacity toward first-time applicants.

Mr. Patrick Brown: One thing I try to explain to constituents who are frustrated by the process is how we have to be careful that the right people get passports, because there would be a security concern if they were given out too lightly. Maybe you could explain that for the committee a little bit more. Is there a black market globally for people who are trying to get Canadian passports? What are the security concerns around that, and how valuable are Canadian passports?

Mr. Gary McDonald: There's no doubt that migration patterns and illegal migration are problems everywhere in the world. Our processes are almost entirely identity related. Is the person applying a citizen and therefore entitled to a passport? When a person is claiming an identity, does that identity actually belong to them? Almost our entire process is geared toward making those confirmations. As I mentioned earlier, there are fraudsters, criminals, and those who are constantly trying to beat the system. So it's certainly a challenge to us.

One of the challenges with Canadian passports is that they give a relatively high level of visa-free travel and access. Canadians benefit from that. If I remember correctly, we're the third-highest country in the world in terms of being able to travel without having to obtain visas. There's always going to be that stress and demand. Our primary role is to provide good service to your average Canadian who just wants to go on their holiday, but we have to be extremely vigilant on the security side and make sure we're not giving passports to people who aren't entitled to them.

• (1030)

The Chair: Thank you.

[Translation]

Mr. Cardin and Ms. Faille, you have the floor.

Mr. Serge Cardin: Thank you very much.

There are so many things to talk about, but I'll try to be brief.

Every year in my office, at least two people deal with passports. Passport Canada is well run. It works well, especially considering the challenges you had to deal with in the past 10 years. I have seen that. We make excellent spokespeople for Passport Canada. You mentioned the Post Office; we handle pretty much the same volume of passports. We send them to you.

Your goals of course include developing the Service Canada side of things. The fact remains that Service Canada is a different entity. So you will have to enter into official agreements. In some regions, the line between Service Canada and a Passport Canada office is going to be rather tenuous. Furthermore, they're going to be working for you. Obviously, there are issues of physical accommodations, among other things, to be considered. I would like you to take a careful look at the situation in Sherbrooke. We will surely have another opportunity to talk about that.

The issue of Canada Post receiving agents is another kettle of fish. That entails added costs. When Canada Post took that task on, people went to their offices, and when they found out that they had to pay \$15, they decided to turn to their member of Parliament. So you contributed to my office's intake. Taken together, I would say that as far as my riding is concerned, this issue requires serious analysis.

I would also like to talk about the roving clinics. It's like going all the way back to the turn of the last century, when no service was provided in the regions. Around two or three weeks ago, three or four people from your outfit came to Sherbrooke. I don't know whether the results were satisfactory. Over 126 applications were made, but there were also requests for information.

How useful are those clinics? There are costs associated with them, after all.

Mr. Gérald Cossette: There are two main reasons why we hold clinics, the first being that we want to provide people with access. In other words, if they come to the clinic, they can keep their documents. Obviously, we can solve a certain number of problems then and there, for example, if an application has not been completed correctly or if the photos are not adequate.

The second reason for holding and continuing to hold clinics in the coming months is that we want to encourage Canadians to get a passport before June 2009, especially in border regions. People wanting or having to go to the United States will need a passport. However, polls and experience seem to show that in border regions, people are not yet convinced that they will need a passport.

In the major centres, the number of people with passports is extremely high. For people who travel by plane, it's practically 100%. However, in border regions, people think the Americans are going to let them cross without any hassles because they've been crossing the border for 20 years. But there is no guarantee the Americans are going to make any such change to their policy or legislation. That's why the second reason is to encourage people to apply immediately, so that as the deadline approaches, we won't have to deal with an overload of applications that is impossible to handle.

● (1035)

Mr. Serge Cardin: Thank you. I will now turn you over to the care of my colleague.

Ms. Meili Faille: Thank you.

The Chair: Ms. Faille, if you wish to speak later you will have more time. Or would you rather speak now?

Ms. Meili Faille: No, I can wait my turn.

[*English*]

The Chair: Mr. Angus.

[*Translation*]

Ms. Meili Faille: Is there any time left?

The Chair: No, the five minutes are up.

[*English*]

Mr. Charlie Angus: Thank you. This has been a fascinating morning.

I'd like to follow up on a comment my colleague Mr. Brown made about the MPs' hotline. I think it's fairly straightforward to point out that at times, like now, when we're seeing very, very good responses in terms of what's happening with Passport Canada, the need for the member of Parliament to call in is not happening. I don't have to worry or pay too much attention to the passports that are going through my office, as we're having great turn-around times. However, there are other periods, like right after Christmas break, when everyone starts banging on our office doors because people are all going to Cuba, and your staff is working night shifts. That's when we do tend to call the MP hotline, because we have problems about a passport that was lost in transmission, or perhaps a mistake was made at either end. Many times we've had problems with mistakes made at Passport Canada, so it has backed up.

My staff traditionally would call, and then if there's a problem they'd ask me to call. When I would normally call the MPs' hotline, I would speak to someone and they would look into it and get back to me. More often than not now, I get an answering machine. And for a while they would call me back, but I find there are certain times when I don't get a call back. I find when I call the MPs' hotline I'm talking to different managers all the time.

I was raising questions about the turnover rate because for a good period of time I could always deal with the same person. Now, when I go to call Serge or whoever, they're gone and it's somebody else, so what about that file? Then I have to call three days later and I'm talking to somebody else.

That's my big concern. If I'm calling as a member of Parliament, it's because it's an extraordinary situation. I don't call about a passport because I have nothing else to do. It's an extraordinary situation and I'm calling the members' line to get a clear answer, and at that point I really need an answer. When I don't get an answer, that's when I get frustrated.

What is the standard practice with the MPs' hotline? Are your staff obligated to call back, to follow up, to keep track, so that if they leave the next day and someone new comes in, there's actually a record so we can keep working on the same page of tracking a problem passport?

Mrs. Jody Thomas: Unfortunately, we've recently had a little blip in the MPs' service. The long-standing manager who had been with Passport Canada for a couple of years has left Passport Canada and we're staffing a new manager in there. There are acting managers who are more junior, but there is a process going on to staff that position permanently, so within the next few weeks you should see it rectified.

I'll go back and discuss it with them. We have had a change there, and a manager who has been with Passport Canada and in that service for a long period of time has left, so there's a bit of a blip right now. I think that's really the issue.

In terms of busy seasons, this year was significantly better than last. We have moved to the new facility. The MP unit has doubled in size, and I don't expect there will be any service delays this coming busy season, as you've experienced in the past.

Mr. Charlie Angus: That's excellent. That's what I wanted to know. Thank you very much.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair.

Thank you for coming in this morning and answering many of our questions. When you bring passport folks in front of us we'll have millions of questions with regard to passport issues.

What we did want to talk to you a bit about is with regard to the turnover rate in the civil service and your experience in that area. I'm wondering if Passport Canada has ever undertaken an analysis of the cost of an employee who comes in, and then the replacement costs. I wonder if you could fill us in as to what analysis you've done in that area, and, if you've done it, what your analysis has led you to understand.

•(1040)

Mrs. Jody Thomas: We've done some analysis and we have notional ideas. I don't want to give specific numbers right now because they may be incorrect, but we can provide those to you.

There's a huge cost. It takes six months to staff a passport officer position using the processes that are in place for the public service right now. We've had enormous support from the Public Service Commission through this period of massive hiring to try to expedite that process, and we're working with them on new tools to make that a better system for us.

The Public Service Modernization Act makes staffing a long, slow process. Passport officers have to be hired nationally; they cannot be hired regionally any longer. Before, if you needed somebody in Saguenay, you'd open a competition in Saguenay and see who applied. Now, if you need somebody in Saguenay, you have to open it out of Ottawa and anybody who lives anywhere in the country can apply, so you get thousands of applications for essentially one opening. This makes staffing long and expensive.

We're using a third methodology to promote from within and try to give people career paths within the organization, but there still needs to be an influx of new people, so that slows it down. It is only in the last year that we've had that specific problem.

Our training process is four weeks in the classroom and ten weeks of apprenticeship to ensure the person is qualified. The classroom work is in class in regional centres and we fly people in to them. That's a huge cost.

Mr. Chris Warkentin: I wonder if you could provide us with the numbers with regard to that. I'm just curious about that file.

I did understand from your testimony, and I wonder if you could give some clarity to it, that what Passport Canada is paying is something less than what Service Canada would pay for the same job or the same work being accomplished. What is the cost differential, and what is either Passport Canada or Service Canada doing to rectify it?

My concern is that if we're seeing that type of cost—and you'll give us those numbers—and we're not doing anything to rectify the responsibility of Passport Canada essentially training employees for another department.... I guess it depends what the cost differential is, but if there's a huge cost in training these people, could we not just raise that pay on Passport Canada's side to see fewer people moving, and maybe be at a wash in terms of the final cost?

Mr. Gérald Cossette: Before Ms. Thomas provides you with a bit more detail, one thing that to a certain extent is a consolation, if I may use that term with regard to turnover, is that most of the people we hire and train, when they move on, go to Service Canada or CBSA and perform more or less the same function. So the training is not lost. In fact, that's why our people are very interesting to those organizations. They bring those skills with them and the training is very thorough.

Basically, they're good employees as they move on. So that's very positive for the receiving organization.

Mr. Chris Warkentin: Have you done any exit interviews with those folks who are moving on to another department? Can I get a handle on whether in fact they're moving as a result of the pay increase or actually with the potential of being able to move up into different positions?

Mr. Gérald Cossette: Some of them are.

Mr. Chris Warkentin: Is it a pay thing, though?

Mr. Gérald Cossette: The difficulty we have with regard to the pay scale is that departments have an appropriation. They have an amount of money provided to them through the budget. But we are self-financed, and there's a ceiling on how much we can charge for a passport.

Mr. Chris Warkentin: I recognize that.

Mr. Gérald Cossette: So we have to manage the salary envelope within that.

Mr. Chris Warkentin: But you're still paying the training costs.

Mr. Gérald Cossette: Absolutely.

Mrs. Jody Thomas: Yes.

Mr. Chris Warkentin: Maybe that's my question: if there is no difference when it's all said and done, if you can retain the employees, if your training costs would be reduced if in fact you could afford to pay them the same as what the other departments are willing to pay.

Mrs. Jody Thomas: It's absolutely a reasonable hypothesis, but it's a bit chicken and egg, in that we need to accrue the savings in order to pay people more. And it has to be an ongoing savings, because once you've raised a salary, it's an ongoing cost, not a one-time cost.

—

Mr. Chris Warkentin: Yes, I understand that.

Mrs. Jody Thomas: We have just undertaken a large study of our operations bureau, which is where the majority of our people work, to compare their salaries to other departments. We looked at CBSA, CIC, and the firearms centre because they all do similar work in terms of identifying people and issuing a permit or a document of some nature, and we do pay less.

What we're going to do about that is the subject of much discussion. But it is very chicken and egg. The passport fee does have a ceiling, and we have to make significant capital investment at the same time. You can reduce costs in a number of ways, but how we're going to do it is not an easy decision to come to.

• (1045)

Mr. Chris Warkentin: I don't envy the position you're in, because I do recognize that.

My questions are just on the broader scheme. If in fact this is happening, if there is an analysis being undertaken—and obviously there is—maybe if you could provide us with some of that information as it becomes available to you, you'd assist us in our analysis of the issue with regard to turnover within the entire civil service. We're just concerned about the massive turnover across the civil service at large, because even if they're going into an area where they're trained, there are also costs for people to be moved in and out. Even though the training might be relevant, there are additional costs that you're incurring and other departments are as well.

So thank you very much for coming, and please do provide us with any updates.

[Translation]

The Chair: Ms. Faille, you have five minutes.

Ms. Meili Faille: I want to come back to Mr. Warkentin's reasoning regarding the fee structures.

What legislation is Passport Canada subject to with regard to the fee structure? In fact, it must comply with Treasury Board regulations. A number of departments are undergoing reviews of the fees that they charge the public in order to process their file. I don't know when you are going to have the next review of your fee structure, but when it happens, you will have to table cost models. For a number of years now, a passport has cost \$87.

Mr. Gérald Cossette: The fee structure is regulated by various frameworks, including the User Fee Act. In accordance with that legislation, Passport Canada cannot increase fees without first holding public consultations. We cannot unfreeze the cap imposed on us. There are also various chapters of the Financial Administration Act and the Canadian Passport Order. The fees imposed on Canadians are set according to a series of legislative provisions.

Our funding model is quite specific. We know how much of that \$62 goes to salaries, technology, investment, capital and so forth. This model provides quite a rigorous description of the fee structure. It's quite easy for us to demonstrate how much a passport would cost if improvements were made, among other things.

We are not making a profit; the \$62 covers the passport costs. The financial statements show that on a multi-year basis, expenditures and revenues generated by passports balance each other out.

Over the past few years, we have made a profit due to the delay in service delivery. We naturally accumulated funds. Last year, when the fiscal year ended, we had a backlog of over 300,000 files. Obviously, the funds were registered that year, but the expenditure was only made the following year. As a result, our reserve fund is quite significant.

Ms. Meili Faille: Was your current reserve fund allocated to the Consolidated Revenue Fund, or to a distinct fund?

Mr. Gérald Cossette: No, to a working capital fund.

Ms. Meili Faille: Okay.

Mr. Gérald Cossette: We have a working capital fund and we keep the funding.

Ms. Meili Faille: Okay.

You talked earlier about security. How many counterfeited Canadian passports have you intercepted? Could you tell us about the technology used or provide us with this information later?

For the past 15 years we have been working on files concerning security. What do you think about the technology being used? There has been international pressure to ensure that the passports are valid for a 10-year period.

If we want to increase security, it's because the number of counterfeit passports has increased.

• (1050)

Mr. Gary McDonald: That's not the only reason. We mustn't forget the events of September 11, 2001. Since the attack on New York, overall security has been reinforced. Identity management systems are even more important today than they were seven or eight years ago. We must also recognize that the new electronic passport, the e-passport, was created to add... fraud and counterfeiters are nothing new. Since the technology is constantly changing, documentation must be subject to heightened security.

Ms. Meili Faille: Okay.

Who provides the technology for passports? We have to increase passport security. Could you tell us how many Canadian passports have been intercepted?

How many Canadians abroad were denied a passport? How long does it take to process a passport request by Canadians outside Canada? Services in Canada have improved but for somebody who lives in Florida and who is applying delays are abnormally long. It is even worse in other countries.

Could you give us an overview of the situation?

Mr. Gérald Cossette: We will find out about the number of counterfeit passports. Those figures are compiled by the Canadian Border Services Agency, since that is the agency intercepting counterfeit passports at the border.

We have also made the commitment to publishing in our annual report figures regarding security, the number of passports lost or stolen in circulation, etc. so that people can understand the scope of the problem. It's the same thing with regard to the number of refusals. We refuse to issue a passport for all kinds of reasons that are often related to security, such as the safety of children, for example.

Ms. Meili Faille: I imagine that there are consular services and that they cost money. A Canadian who is stranded abroad and to whom you don't want to issue a passport, for example would, as a Canadian, be entitled to consular services. What would those services cost? How many people find themselves in that situation?

Mr. Gérald Cossette: In the case of Canadians living abroad who need a travel document, if we don't issue a passport, we can issue a one-way travel document. It is, in fact, possible to issue a document allowing them to come back to Canada.

Ms. Meili Faille: Even for security reasons?

Mr. Gérald Cossette: For security reasons, we allow them to come to Canada. If there are other security grounds preventing them from travelling, our decision is based on the information provided by our partners.

Ms. Meili Faille: How much are those people costing us? At present, how many people are you refusing to issue a passport to for security reasons? There is clearly at least one. *The Globe and Mail* newspaper referred today to a Canadian citizen. Could you give us the figures please?

Mr. Gérald Cossette: The number of passports refused for national security reasons—

Mr. Gary McDonald: There are three per month.

Ms. Meili Faille: We have to pay a minimum of consular services for these people who are abroad, I imagine. Is that not true? They are Canadians, so it's our problem.

Mr. Gérald Cossette: There are three individuals in Canada to whom we have refused a passport for national security reasons. The refusal of a passport based on such grounds is done by the minister and not by Passport Canada. That is a decision that comes from the political sphere.

The Chair: Thank you.

Mr. Kramp.

[English]

Mr. Daryl Kramp: I have a couple of questions in accordance with the concerns of Mr. Cardin and many other members.

With the utilization of Service Canada and additions to help speed up the procedure, as members of Parliament we should ideally be doing fewer and fewer passports; I'm doing more and more, so something is wrong with this equation.

If you think Service Canada is the bailout, it's not working, and it's not working for several reasons. Service Canada has made a dramatic movement away from personal service. The only way you're going to deal with Service Canada is either by an appointment or by e-mail. If you walk in now and just expect to be served, it doesn't happen. As such, that is not a viable alternative to being able to provide good service. They still end up coming back to our offices to get personal service. All you do there now is go in and pick up an application; they're an application source. That's it. They either don't have the training, don't have the staff, or don't have the manpower, and they are not servicing the public.

In our office—and it's the same for many other members of Parliament—I have had over ten passport clinics in addition this year alone, simply to handle the demand and the expectation. For some of my other colleagues it's more so.

If we are supposed to be having less and less of a load on our members' offices, if that's the determining goal, I have one full-time staff person who deals just with passports, and that should not be the case. If that's going to be the case and we have to have some procedures to say it's one of our major responsibilities, perhaps so, but I would honestly think that this should be at arm's length. We should be there for either an emergency or for difficult situations, not for business as usual. We are becoming—and we have been and still are—a business-as-usual location. Somehow we've got to get beyond that.

I want to bring that to your attention, because the problem has not been solved from that perspective. Demand on me and on my colleagues has not dropped for passports. Are you aware of that reality, or is this just new news to you?

• (1055)

Mr. Gérald Cossette: We are, in the sense that not all Service Canada offices provide passport services. That is the first challenge. Service Canada has about 320 offices across the country, but only 100 of them provide the service. In some constituencies, you're absolutely right: the service is not provided by Service Canada.

Mr. Daryl Kramp: Do you have an accelerated plan to bring more of them in line? What would that be, and what timeframe have you allotted for that?

Mr. Gérald Cossette: We are right now... Three things needed to be done in order to provide Service Canada with what they need to expand. The first was a change to the passport order, and that is being done as we speak. The second was to have an implementation plan, and that is being done as we speak. Training has already started with Service Canada employees to expand the network by a significant number of offices providing authentication of documentation.

Mr. Daryl Kramp: Are you aware that Service Canada as well has a modus operandi in many areas where you just don't walk in and get service? It's just not available. You have to go by appointment and/or you have to go online. You cannot just walk in and say "I have a problem and I need to deal with this" or "I need a passport". You have people who are sometimes five, six, seven, or eight hours away from the Service Canada office. It makes it a very difficult situation.

The only solution, obviously, is "Let's go to our member's office, because at least we know we can talk to a person there". That reality still exists, and I would like to make you aware that this really is a continuous problem.

Mrs. Jody Thomas: Thank you.

I wasn't aware of that with Service Canada, and we'll look into where the appointments are required so that we can try to change some of the service offerings there.

Our thrust, because expanding offices is hugely expensive, has tried to be threefold. First is Service Canada, so that people who want to ensure their application is as correct as it can be....

The second strategy is increasing the renewal uptake. When we began the renewal program last August it was 25% uptake. It's becoming close to 40%, which is a better service because you don't have to give your documents to us, and there are fewer errors and less chance of rejection.

And the third one is reducing our service standards so that if you mail in your application you're not waiting six, eight, or ten weeks; you're waiting two weeks plus mailing time, just like anybody who lives in a centre where we have a passport office.

We've tried to use those three strategies in combination. Certainly we still have some adjustments to make, there is no doubt, but I do think we're heading down the right path. We'll look into what Service Canada is doing.

Mr. Daryl Kramp: If I had a budget, I, for one, would make a desk available in part of my office for a person to handle that. In a lot of our remote and rural areas, if we had a budget, I'm sure that within our office capacity we could even be of assistance to you in a cooperative effort rather than in simply an ad hoc, "let's just do whatever makes it work" effort.

Perhaps I shouldn't be speaking for the procedure, the operation, and the responsibilities of a member of Parliament, but the reality is we're dealing with it. If we have to deal with it on an ad hoc basis, perhaps we should be dealing with it in a responsible, organized fashion.

• (1100)

The Chair: Thank you.

You know, of course, there is a huge challenge, especially in northeastern Ontario, for people to access any kind of service. You told us today that you are now going to be funding Service Canada to do what we're doing now.

I can tell you right now that you're going to be getting a high demand for high funding for our region, because we do a lot of passports all around us. It's not just Sudbury. It's Kirkland Lake,

Timmins, Sault Ste Marie, and North Bay. There is a huge basin of population there, and we all have to drive to Toronto or Ottawa or Montreal for emergency passport services.

Let me tell you that when you drive on those two-lane highways in wintertime there are accidents. There are grave consequences to some of these people having to drive all that way down to Toronto to access a service. That's why there's a demand that you open a processing office in northeastern Ontario, because there is a real challenge there.

You're telling us you're going to work with Service Canada and they're going to hire the people, so why don't you hire them yourself?

I can tell you that if you check with all the federal agencies that have offices in northeastern Ontario, they have a huge stability in their workforce. I don't think you'll find any federal office up there where there's a huge turnover of staff. Training staff is extremely costly, and if you have to keep training staff over and over again, even if they go to another department, it's still your cost to train.

Why don't you consider opening an office in a place like northeastern Ontario—Sudbury—to give the service and have the trained staff that stays with you, and then there would be access to emergency passport services for a whole host of people?

I've been told by people who work in the Mississauga office that they hope that I can get a passport office open where I am, because they get so many people from Sudbury and surrounding areas. Why not do that? Your costs are going to be the same if you're going to Service Canada, because they are going to demand eight, nine, or ten staff to do this, and then you'll have a stable staff and you'll be able to process a lot of passports right there.

I'm asking you that. It's a direct question because you have the costs and you know the issues.

Mr. Gérald Cossette: By using Service Canada, and looking at the costs—how much Service Canada would charge us to do that business—the extent to which their service can be provided geographically is much greater than what Passport Canada can provide, unless we have small offices in every northern Ontario town.

The Chair: But at least you have one that is within a three- or four-hour drive, instead of having to go 10, 12, or 14 hours. At least do that.

If you look at Canada Post, they offer services in areas where they don't even break even, but they use the fact that they can make a profit in other areas to offer service. It's fine that you have to break even, but you are also there to offer a service, and it is a very high demand service in my area. That is why I'm pressing you on this.

I also want to tell... I don't know if it was Mr. McDonald, but I think it was. The last time you came before the committee, the answer I got was you need to have safes because it's very high security. I checked, and we do have banks, and they do have safes, so we can have that kind of security in northeastern Ontario. And I think we can supply you with the kind of staff you need.

I'm going to leave it at that, because I'm sure you're not going to give me an answer now, but I'm hopeful that you'll look at that in your plans. It makes sense.

Mr. Gérald Cossette: Madam Chair, we are looking at eventually changing the model we have. As I said before, as we proceed with technology and the capacity to process from everywhere in Canada, that option remains available.

The Chair: Make the decision sooner rather than later.

Thank you.

We're going to take a short break and then we'll get back if we decide to have a subcommittee on future business.

• (1105)

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Why don't we just e-mail the press release?

The Chair: Okay.

I'm going to adjourn the meeting.

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