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EVIDENCE

**Tuesday, February 5, 2008**

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**Chair**

**The Honourable Shawn Murphy**

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• (1110)

[English]

**The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)):** At this time, I'd like to call the meeting to order.

I want to welcome everyone here. *Bienvenue à tous*. On behalf of the committee, I especially want to extend a welcome to the witnesses.

Today, pursuant to the Standing Orders, we're dealing with chapter 5, "Keeping the Border Open and Secure - Canada Border Services Agency" of the October 2007 report of the Auditor General of Canada. The committee is very pleased to have with us today, representing the Office of the Auditor General, Hugh McRoberts, assistant auditor general, accompanied by Gordon Stock, principal; and representing the Canada Border Services Agency, we have Alain Jolicoeur, president. *Bienvenue Monsieur Jolicoeur*. We have Stephen Rigby, executive vice-president, and also accompanying him is Cathy Munroe, director general of programs and operational services directorate. Again, welcome everyone.

I understand, Mr. McRoberts, you're going to give an opening statement on behalf of the Office of the Auditor General, and I invite you to give your opening statement now.

**Mr. Hugh McRoberts (Assistant Auditor General, Office of the Auditor General of Canada):** Thank you, Mr. Chair, for inviting me to discuss chapter 5 of our October 2007 report, "Keeping the Border Open and Secure", an audit of the Canada Border Services Agency.

With me today is Gordon Stock, principal of the public safety team responsible for this audit.

The Canada Border Services Agency has a wide-ranging mandate. Every year it allows 96 million people to enter Canada and it approves the entry of \$404.5 billion worth of imported goods. Its 12,800 staff provide a full-time presence at 148 border points and a limited presence at a further 1,121 locations across Canada.

[Translation]

This was our first performance audit looking specifically at the agency since it was created in December 2003. As such, we examined those areas of the agency that focus on its expanded mandate. The areas included the border functions of three legacy organizations—customs from the former Canada Customs and Revenue Agency, immigration from Citizenship and Immigration, and animal and plant inspection from the Food Inspection Agency. Added to this was the agency's expanded mandate in national security.

[English]

This expanded mandate requires the agency to facilitate the flow of legitimate goods and people while also supporting national security and public safety priorities. We found that the agency and its predecessor organizations had been refining their risk management approach to border management for more than a decade, but they did not have an integrated risk management framework in place.

Border management can be characterized as a number of sequential layers of protective measures. However, without an integrated framework, a weakness that is encountered in one area is not recognized and mitigated through additional evidence in the next layer of protection. For example, we found that containers that were not scanned before they arrived at the port of entry were not subject to additional procedures or examination to bring down the risk to an acceptable level. The committee may wish to ask the agency about the progress it has made in its risk management approach to managing the Canadian border.

[Translation]

We found that the agency does not have a risk-based model to determine the resources required for all ports of entry and modes of travel. For example, the decision to choose people and goods for further examination upon arrival at a port of entry is based on an assessment of risk indicators by border services officers. However, the overall rate of examinations is based mainly on the capacity of personnel and availability of equipment.

We also found that the reason to refer individuals and shipments for further examination is not fully communicated to those officers doing the secondary examination, and results of the examination are not always documented. Without this information, the agency does not have the information it needs to determine whether it is appropriately matching the level of examination activity to the level of risk.

[English]

The agency now receives considerably more information on travellers and shipments in advance of their arrival than it did five years ago. It is one of the few border service agencies to use automatic risk scoring systems to analyze advance information and to target higher-risk people and goods for additional examination.

However, the agency has not systematically examined whether these tools have improved its ability to identify national security risks or prevent the entry of prohibited goods or people. We found that the border service officers perceived weaknesses with these systems and relied on more traditional examination methods. The agency recognizes these weaknesses in the new systems and is working to improve them.

In recent years, the agency has developed a number of pre-approval programs to speed the entry of lower-risk people and goods. The agency cannot currently prevent someone from enrolling in these programs when intelligence information suggests that a person poses a higher risk, but it may carry out additional monitoring. We found, however, that even with this monitoring, the agency did not have processes in place to ensure that net risk levels were reduced to low.

[Translation]

We found that the agency has successfully used specialized inspection equipment to make high-value seizures at ports of entry. However, we noted that the agency had not linked the use of this equipment to its assessment of risk. Further, not all individuals and shipments that were identified as high risk—and referred for further examination—were actually examined at ports of entry, and explanations for not performing additional examinations were not documented.

[English]

From our work, there are three overriding factors that we would like to bring to the committee's attention. Together, these factors would allow the agency to respond quickly to a changing risk environment.

I have already mentioned the first factor, the need for a robust integrated risk management approach to border management.

The second factor is the need for random examinations, which are an excellent control, as they are the one type of examination that cannot be beaten by those who wish to go undetected. In our audit, we found that random examinations were often the first thing to be cast aside when workload increased.

The third factor is the need to document the results of all examinations, not only to have a record of decisions made but to serve as a foundation to measure performance and determine where there is room for improvement.

Without combining these three factors, the agency is reacting to a changing environment instead of managing it.

Mr. Chair, thank you. This concludes my opening statement. We'll be happy to respond to the committee's questions.

• (1115)

**The Chair:** Thank you very much, Mr. McRoberts.

I understand, Monsieur Jolicoeur, you're going to give the opening remarks on behalf of the agency. The floor is yours.

**Mr. Alain Jolicoeur (President, Canada Border Services Agency):** *Bonjour.* Thank you.

Chair, members, and representatives of the Auditor General, thank you for the opportunity to provide the CBSA's perspective on the Auditor General's report.

I'd like to introduce my colleagues: Stephen Rigby, executive vice-president; and Ms. Cathy Munroe, the director general of the operations branch.

First, it's important to understand the critical role of the border in ensuring both security and prosperity. The border plays a dual role of facilitation and security. Smart and secure borders keep criminals and other dangerous elements out and allow for efficient border support of immigration, trade, and tourism.

[Translation]

With thousands of trucks, boats, aircraft and travellers going across Canada's borders every day, it goes without saying that our agency plays a vital role in ensuring access to the Canadian economy. Here is an overview of what goes across the border every day: 17,000 trucks and 260,000 travellers. Further, over \$70 million in taxes are collected every day and cross-border trade totals over \$1.9 billion every day.

[English]

While we must be vigilant against dangerous people and goods, we must also ensure that the border is a gateway to prosperity, not a cumbersome checkpoint that hurts our economy.

The genesis of the CBSA was a very rare occurrence, where a new organization was created overnight by putting together pieces of three different organizations with a new mandate. The formation of a 13,000-person and \$1.5-billion organization is a huge and complex undertaking. We've built this organization while operating on a 7/24 basis in a post-9/11 environment, with ongoing demands for new border services and significant resource pressures. In spite of these pressures, we are confident that our people and processes make Canada's border among the most secure and efficient in the world.

We have made significant progress in establishing the agency. CBSA is now a more mature and stable organization and has achieved some significant results in 2006-07, including over 10,000 weapons seized, 500 of which were firearms; 9,000 drug seizures, valued at over \$400 million; and the removal of over 12,000 inadmissible persons in 2006, including 2,000 for reasons of criminality.

[Translation]

Clearly all nations, including Canada, cannot guarantee absolute safety against border threats. CBSA processes an average of 97 million travellers every year and approves the entry of over \$400 billion in imported goods annually. It is impossible to stop and check every individual and every piece of merchandise.

Therefore, our focus must be on risk management. Over the past four years, the CBSA has developed a robust and sophisticated border management regime with a scientific approach to risk assessment and detection.

• (1120)

[English]

CBSA risk management is multi-layered. Our operations are based on three fundamental strategies: pre-approval programs to facilitate low-risk people and goods; advance information on what and who is coming to the border to identify high or unknown risk people and goods; and then turning this information into intelligence using sophisticated science and technology-based risk assessment systems.

[Translation]

CBSA is now engaged in huge and complex initiatives that will further transform and modernize border management, including deploying new science and technology such as biometrics for identifying trusted travellers, and sophisticated detection technologies for radiation; arming border officers and eliminating situations where they are working alone; working with U.S. counterparts in ensuring that the western hemisphere travel initiative is implemented as smoothly as possible and does not impede travel and cross-border trade.

But our work is far from being done. Integration is not fully completed yet. There are still many finishing touches to apply.

[English]

The Auditor General's report highlights areas where we need to, and will, make progress. The CBSA concurs with all the recommendations in the AG's report, which are indeed consistent with our ongoing actions and future plans.

A comprehensive action plan has been developed to address all of the recommendations, and actions have already been taken and completed, in some cases. As I said, we agree with the Auditor General that we can and must do better. Implementing her recommendations will enhance our ability to manage risk and improve border operations.

Thank you, and I look forward to our discussion.

**The Chair:** Thank you very much, Mr. Jolicoeur. *Merci beaucoup.*

We'll try the eight-minute round initially, starting with Mr. Wrzesnewskyj, followed by Mr. Laforest.

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** Thank you, Chair, and thank you, witnesses, for appearing before our committee.

My question is to the Canada Border Services. There was a highly touted initiative last year by the Minister for Public Safety, Stockwell Day, to provide handguns for our border security officers. What is the actual number of handguns in this initiative?

**Mr. Alain Jolicoeur:** The initiative provides for arming 4,800 officers of our organization.

**Mr. Borys Wrzesnewskyj:** So 4,800 officers with handguns. What is the cost to date of this program, and what is the most recent projected cost to provide handguns to our border security officers?

**Mr. Alain Jolicoeur:** Mr. Chair, I believe the cost for the first part of the exercise, and we are still in that first part, is \$101 million. The cost over the 10-year period for arming, training, and equipping our officers, and replacing those who will need to be replaced in that period of 10 years, is, I believe, \$780 million.

**Mr. Borys Wrzesnewskyj:** So we're fast approaching a billion dollars for not quite 5,000 handguns. My goodness, that's approaching \$200,000 per handgun.

Just out of curiosity, was this initiative one of the priorities the department gave the minister? I've taken a look at some of the other initiatives, to provide integrated information systems, which have been completed, etc.

Was this an initiative that was generated from your department or from the minister's office?

• (1125)

**Mr. Alain Jolicoeur:** Mr. Chair, whenever we have a new minister in any organization in the public service we provide them with options for different initiatives, and that was part of that discussion on options for securing the border.

**Mr. Borys Wrzesnewskyj:** At that time, did it have a price tag of \$780 million attached to it?

**Mr. Alain Jolicoeur:** The cost evaluation for this initiative was developed in that period, yes.

**Mr. Borys Wrzesnewskyj:** It would have been tremendously helpful when it was first announced by the minister if he'd levelled with us about what the actual cost of this initiative of Mr. Stockwell Day's would entail.

Let's move on to some of the details here. I understand from the auditor's report that 21% of so-called "lookout" subjects enter into Canada without being referred from primary to secondary inspection. That's one out of every five people who have been flagged. I find it difficult to understand how it would be possible.

Then further on I read that even though \$150 million—I guess less than one-fifth of what's been put into low-tech revolvers—has been invested into automated systems, IT systems, it's at a point where CBSA does not monitor the effectiveness of the system. In fact, most of our border security officers have to rely on their own judgment. In the Auditor General's report it says they have to rely on their own judgment.

**Mr. Alain Jolicoeur:** Mr. Chair, this question is very important to us. What the Auditor General is referring to is the way our first model for risk assessment was used by our targeters in the organization. It is a fact that we need some additional training of our targeters to optimize the use of those systems, but this is the first model. We are already at the fourth model, whose performance is a lot improved over that first model. The system is called TITAN. We've looked at TITAN 1, and now it's used by our targeters. We are already at TITAN 2, and we have already developed TITAN 3 and TITAN 4.

We admit that we need significantly more training so that our targeters are able to use that additional information, but when you make the point that they just rely on their judgment, that's the situation everywhere in the world. And that was the situation in Canada, where decisions were made one by one. Now we've gone way beyond that, and the example we put forward is now copied by other countries.

**Mr. Borys Wrzesnewskyj:** Just so I understand, more than one out of every five flagged individuals actually get into the country without secondary inspection. Per year, in hard numbers, what does that translate into? Are we talking about thousands of individuals? You said nine-million-odd. How many of those individuals are flagged, and what does that 21% translate into when it comes to hard numbers? How many people who shouldn't be in this country are potentially in the country?

**Mr. Alain Jolicoeur:** Mr. Chair, I'd be very concerned if one out of five flagged individuals in our system were not referred to secondary. I'm sorry, I really don't think that is the case.

**Mr. Borys Wrzesnewskyj:** That's in fact what the Auditor General's report tells us, so it's of even graver concern that the Auditor General's report would have found that one out of every...21% of those individuals flagged... The exact wording would have been that immigration lookout subjects did not go to secondary.

The fact that you haven't read the report—you've said that you concur with everything in the report and that you will improve—yet the fact that you haven't decided to address this particular issue—

• (1130)

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** On a point of order, will the honourable member please refer to the section he is talking about, so we can follow?

**Mr. Borys Wrzesnewskyj:** I hope my time has been stopped as I address this point of order.

**The Chair:** It's section 5.84.

Go ahead, Mr. Wrzesnewskyj, and I point out that you only have about 30 seconds left.

**Mr. Borys Wrzesnewskyj:** Okay.

Finally, we'll return to this particular subject, but I have other concerns. I've heard from officers that perhaps individuals flagged by INTERPOL could get on an airplane, be on a list—noted at Heathrow—arrive in Canada, and since many people have dual or triple passports these days, all they have to do is switch their passports and they can get through primary without being flagged. Could you answer that?

Also, something that I have found perplexing, and it's perhaps really low tech, but it's common sense. Virtually every country in the world has separate lines for the citizens of their countries, as they enter primary inspection, and separate lines for non-citizens. In this post-9/11 world, why wouldn't we have done something as simple as that?

**Mr. Alain Jolicoeur:** Mr. Chair, the member has made quite a few comments—

**The Chair:** I realize that.

**Mr. Alain Jolicoeur:** —and I'll try to capture them rapidly.

I have read the Auditor General's report many times. Indeed, I said that I agree with all of the recommendations and will repeat it as often as you want.

The question of the percentage of lookouts that would be missed by officers is a question of training. There is no doubt in my mind, zero doubt, that we don't miss one-fifth of the lookouts. The report and the procedure referred to a sub-area, and we can discuss that, but that would not be a proper projection in the whole universe of lookouts.

You made a point about the question of exchange of passports. This is a serious concern, and we have procedures in place to ensure that people come with the right passport. We have rovers and employees who are in the area where the exchange could be made. We also have something that's unique and that other countries, including the United States, would like to do: we have migration integrity officers in airports all over the world, in 39 countries. They basically work against that phenomenon. We have had success; we intercept more than 5,000 people every year who are trying to come in using these mechanisms. So we are doing that, and we are training our people so they can be better at doing that.

Your last point was on separate lines. I get that comment often, and when I travel and come back I make that comment myself. We discussed it, and we've tried it many times. Most of the time we've had to get out of it because the ratio of Canadians and non-Canadians in big airports is changing very rapidly; therefore, it is turning out to be less efficient to do it that way. But we will explore it again. We are actually doing it at Vancouver International Airport with the help of the airport authority, who are putting some resources into doing traffic management, because you need to adjust the flow of traffic very rapidly when you do that.

**The Chair:** Thank you very much, Mr. Jolicoeur.

*Monsieur Laforest, huit minutes.*

[Translation]

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Thank you, Mr. Chairman.

Good morning and thank you for being here.

When I read the Auditor General's report on how the services of the Canadian Border Services Agency are generally organized, I got the impression that there is no integration with regard to the various areas in which you work. Perhaps I'm mistaken, but there seems to be one strategy for airports and another for ports, and yet another for land crossings. There are different strategies for small ports and for big ones, for small airports and for big ones. There is nothing to pull all these areas together. In saying this I am referring to paragraph 5.19 of the Auditor General's report, which says that the strategic plan you developed in 2007-2008 is incomplete.

The main risks were not integrated into this strategic plan. Of course, if the main risks are not integrated, you cannot evaluate or even identify what needs to be done to prevent those risks. The implementation plan is not in line with the overall strategic planning. I would like you to comment on this.

•(1135)

**Mr. Alain Jolicoeur:** Mr. Chairman, that observation is important and fair. If you look at risk management, the strategic planning for an organization is targeted planning based largely on each area, rather than planning which is completely integrated. This is an important aspect of the Auditor General's report and we are working on it.

However, in each area, the planning is fairly solid now as regards specific problems, including contraband tobacco, or other issues such as illegal activities in airports. Our most recent risk analysis model is without a doubt state-of-the-art. We are world leaders in that regard.

However, something important is missing, and that is our ability to deploy resources from one area to another in a planned manner and based on a risk analysis approach which is completely integrated into the organization. This was one of the main points raised by the Auditor General. We expect our next strategic plan, not the one which will be presented in a few months, but the one after that, to be based on what the Auditor General recommended.

**Mr. Jean-Yves Laforest:** So what you are basically telling me is that we are doing well in each specific area. You compare yourself to other countries, but I think you would agree that your system would be much more efficient if planning were integrated and all elements were in correlation with each other.

There was another, more specific thing which struck me when I read the report, and it appears in paragraph 5.50 of the Auditor General's report which deals with containers. It says that 934 containers were loaded without authorization in the last two fiscal years. Those are details and I don't want to know how... But it says that only 21% of these containers were then examined. How can that be? I would like to understand how, in light of an approach based on risk management, it is that all containers loaded without authorization were not searched. It seems logical to me that when containers have been loaded without authorization, they all should be examined. You probably have an answer to that.

**Mr. Alain Jolicoeur:** Mr. Chairman, container examination has changed over the past few years. Four years ago, the approach we took was quite individual. The number or proportion of containers that we were able to examine had not changed very much for many years. What did change, however, was the capacity to select those containers that we wanted to examine more closely. This is now a two-level examination. For the first level, the examination is conducted with the assistance of VACIS equipment which scans 3 to 4% of all containers per year. For the second level, which is a more in-depth examination, we open and empty the container. This procedure is very costly, not only for our organization but also for the importers, who have to pay for a good portion of the expenses.

The system that we implemented, which enables us to decide in advance whether a container can be loaded onto a boat or not, gives rise to two concerns. First of all, there is a significant terrorist risk and there is a need to obtain information from the importers. We also have to involve the people who are responsible for transporting the merchandise. Occasionally, because of this system, containers are not loaded onto the boats when we have not been able to obtain all of the required information.

And now for your question. In most instances, this information is available before the container arrives. Once the container has arrived, certain information may still be missing, information which should really be verified. But such information is not necessarily missing for all containers. Indeed, as I mentioned, we really have to manage our risks. So each decision made locally deals with containers that we want to take a closer look at. A good proportion of these containers should be examined, but not necessarily just those ones.

•(1140)

**Mr. Jean-Yves Laforest:** Does this 21% also apply to the other containers that you have already authorized?

**Mr. Alain Jolicoeur:** No, it's much higher.

**Mr. Jean-Yves Laforest:** You therefore examine approximately 5% of these containers more closely.

**Mr. Alain Jolicoeur:** In a ratio of five to one, if I consider the 21%—

[*English*]

**The Chair:** Thank you, Mr. Laforest.

Mr. Sweet, you have eight minutes.

**Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC):** Mr. Jolicoeur, I read from the Auditor General's report, on page 8 at paragraph 5.10, that there are only two other countries that use automated systems. Which are the other two countries?

**Mr. Alain Jolicoeur:** Mr. Chair, we had a meeting in Canada about two months ago of the most advanced countries; there were five. Of the five, only three already had in place a system similar to ours—and I would say again, not quite as good as our latest version—and they were New Zealand, which has copied our system, and the United States. The other two countries, which were building one, are the U.K. and Australia.

**Mr. David Sweet:** One of the things that I see consistently in this report is that it's not just the collection, although there are some deficiencies there, but the bringing it into an aggregate picture that's really the challenge for you. Is it the same challenge in the other two countries as well, in dealing with the automated systems?

**Mr. Alain Jolicoeur:** Honestly, I'm not sure. I don't want to mislead the committee. I would answer as the Auditor General would answer: I don't see any evidence. I have not myself seen such an integrated plan. I won't go so far as to say it doesn't exist, but I've not seen it.

**Mr. David Sweet:** Also, page 20, in line with a question that was asked earlier, says there's a PAXIS system that scores level of risk for individual travellers. The Auditor General's report stated that of 22 million passengers, only 16 million were actually scored through the PAXIS system. Has that been corrected now?

**Mr. Alain Jolicoeur:** Mr. Chair, this business of risk-scoring passengers is a bit more challenging for us than risk-scoring containers. Again, we are leading the pack of two or three countries doing that, but the picture is slightly different there. Four years ago, when we started, we were at 0%. The information for risk scoring is called the personal name record. We were at 0%; we moved to 6% in the first year and gradually improved over those four years. We are now at about 82%. We are aiming for 100%.

In the other part of the system, which is advance passenger information, we are already at 90%. It involves developing systems with airlines so that we can directly access information in their databases. It's a bit complex, requiring negotiations and systems development, but we're getting there. We're not there yet, but we're getting there.

• (1145)

**Mr. David Sweet:** I wanted to lead into this next question. On page 34, at 5.85 and 5.86, the Auditor General's report clearly says you're having a significant problem with the airlines giving you clean data. It seems 36% of it is flawed and you have to scrub it yourself.

Are you planning on having some kind of penalty for airlines that don't provide you with advance information appropriately?

**Mr. Alain Jolicoeur:** Yes, Chair. We do have a system we call AMPS, the administrative monetary penalty system, that we can use to apply pressure. We will need to do that.

I can only say we are progressing. It's not as easy as it sounds. In some cases it's not necessarily only a problem with airlines, because formatting questions need to be resolved.

The simple answer is yes, we will apply additional pressure.

**Mr. David Sweet:** On page 15, 5.31, there's another concern because 223 smaller airports are unstaffed. Right now, or at least at the time of the report, there wasn't any cross-referencing of the general aviation data from the data that was submitted to you voluntarily from those arriving at those airports.

Is that being cross-referenced now, so that we're clearer that people are being honourable and declaring themselves?

**Mr. Alain Jolicoeur:** I think, and I may be wrong, you are referring to small airports and private planes, ensuring we can reconcile the information we have of planes arriving in Canada with some areas where we don't get the information. We have developed an arrangement with Nav Canada that will be put in place this year that will allow us to make that reconciliation, if that is what you're asking.

**Mr. David Sweet:** That's correct. Nav Canada has the general aviation data the Auditor General had an issue with. So that's being dealt with.

Another thing that cross-references to the.... My concern, if some of the issues still exist that the Auditor General pointed out, is that CANPASS and NEXUS are two programs people pay a fee to join, but the benefits they receive seem to defy logic, as the Auditor General points out. Maybe you can explain it. On page 14, it says CANPASS members who are in a private boat program can call ahead and be let through if no customs officers are there.

Apparently those of higher risk who are not members can phone when they arrive, but the Auditor General said more than 93% of the boaters who reported to the agency by telephone did not see an agent either.

My concern is twofold. One is obviously for security. The second is it's only going to be a matter of time until CANPASS and NEXUS members begin to hear about that and ask why they would pay this fee and do this? Could you explain that circumstance to me, please.

**Mr. Alain Jolicoeur:** Yes, and at some point I'll ask for help from my colleague, Madam Munroe.

It is a difficult area. We've been discussing these programs with the United States CBP, our equivalent organization in the U.S., in the Department of Homeland Security. The drive for the marine NEXUS program, the main thing here, has really been coming from the U.S., which believes it's a proper way to risk manage these situations. We have to think of the border as being 8,500 kilometres long, if you add the Alaskan one too. And you can talk about the lakes, the rivers, and everything. We have to have a risk management approach to these. The U.S. believes, and we've had very many discussions on this, that by risk managing it this way we reduce breaches overall—but we don't reduce breaches to zero.

The only way to have a secure approach to these large areas, where we basically cannot be, would be to have armies of people, border patrols or police, all over the country. Without them, we have to risk manage the situation.

As to your other question on NEXUS vis-à-vis non-NEXUS, well, there are different places where NEXUS can go where others cannot, but I'll let my colleague comment on that.

• (1150)

**Ms. Cathy Munroe (Director General, Programs and Operational Services Directorate, Canada Border Services Agency):** Just to clarify this, we have instituted a number of measures to help mitigate risk in these areas. These include working with our colleagues, such as the RCMP and U.S. border agencies, and so on, to undertake various projects and to exchange information and do what we need to do to target areas where we can focus our efforts. We also have targeted teams that go out and do unexpected verifications, if you will, in specific locations for a period of time, allowing us to collect data to do risk assessments on these various areas, as well as to provide a deterrent effect.

So it's not simply limited to the number of people who report in—but, obviously, as Monsieur Jolicoeur has indicated, we can't be everywhere.



In terms of the report-in for the NEXUS and CANPASS participants, we do have additional locations available above and beyond the regular reporting locations for these members. Certainly, because there are a lot of border communities and boaters, tourists, and so on, who use these programs, these locations are of benefit to them because they don't have to travel quite so far to report in.

**Mr. David Sweet:** Thank you.

**The Chair:** Thank you, Mr. Sweet, Ms. Munroe, and Mr. Jolicoeur.

Mr. Christopherson, for eight minutes.

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you very much, Chair.

Thank you all for being here today.

I want to begin by referring back to your opening statement. You said on page 3, "Therefore, our focus must be on risk management". So you're making it a priority, and yet the Auditor General has pointed out that in using these automatic risk-scoring systems—which apparently not that many countries are using yet—you didn't have any systemic method of determining whether or not they were actually working.

So from the beginning, I'm having some trouble understanding this. You are claiming that risk management is your focus, your priority, and yet something as obvious as having a system to review how effective an automated system it is—especially when it's not used across the system—doesn't seem to me to match up with what you are saying. It's almost as if you are saying this, but it wasn't there in reality.

Could you comment, please?

**Mr. Alain Jolicoeur:** Certainly.

The introduction of new technology like that, a new system to manage risk, is something that needs to be planned very, very specifically. In this case, it is true that in the first couple of years we were not good at collecting information in two areas. One of them was the specific results obtained by the machine; the other was creating a sample or another parallel area where, say, containers would have been opened randomly or people referred randomly, and we measured the extent to which we were doing this better than a random result.

We have done this now. Following the visit of the Auditor General, we now have a system that collects that information. Version four of our risk-scoring machine actually integrates that information; we don't even have to input it. It compares the results and gets additional information. Not only that, but a portion of it uses artificial intelligence to do something that no human being could do, to combine the risk indicators in different ways based on what you've been saying, based on past information and past results.

So that's significant progress, but it's true that at the first level, with the first package over the first two years, we didn't do enough of that. But you need that as well. You need a bit of a time period to justify what—

•(1155)

**Mr. David Christopherson:** I don't want to be nitpicky about this, but I have one more question before I leave it.

You talked about how much planning has to be put in place before you put in a system like that. Again, since risk management is so important, I'm having trouble understanding how you failed to put in place what would seem to be an obvious part of any new risk management process. Was it just bad management, bad planning? What was it?

**Mr. Alain Jolicoeur:** No. I believe we have developed it in the proper way, but I believe we are at a step now—

**Mr. David Christopherson:** I'm sorry, sir, again I don't want to focus a lot on it—and this will be my last time—but I'm just trying to understand how you could miss something so obvious, when risk management is what you're all about. You talked about how much planning you had to do and how important it was, and yet you didn't put in the most obvious thing: does it work?

**Mr. Alain Jolicoeur:** I don't agree with you, but I agree that we need to measure. What I'm saying is you need a bit of time to be able to do that measurement. Maybe we can disagree on when exactly it should have been started, but I have already reported to the committee on the result of that risk analysis.

**Mr. David Christopherson:** Thank you.

Further to that, you had a transition team in place. The Auditor General has noted that you dissolved that, I believe, after about six months, and you devolved or evolved the work to vice-presidents. Why the change?

**Mr. Alain Jolicoeur:** As I said in my opening statement, Mr. Chair, when we were created, we were created out of pieces of three organizations. There was absolutely no overhead, no corporation, no organization for a chair, no communication, audit, or planning. There was nothing. So for the first six months I had to create some sort of a SWAT team to keep us basically changing the wires in our house while the power was on. So we had to create the organization and still run 24/7 and deal with all of those challenges at the border, the in and out.

We had those thousands of men and women trying to protect the country. We had to do something. After six months I was surprised that we had been able to attract senior people to take these positions, to create a structure. So the challenge was moved from that task force to the real structure of the organization, but it was the same agenda, the same purpose.

**Mr. David Christopherson:** I want to raise an issue of security again.

The Auditor General has pointed out on page 13, in 5.24 and 5.25, that in applying the two pre-approval programs—customs self-assessment, CSA, and free and secure trade, FAST—that you checked the company in terms of a security clearance, but you didn't do the employees. That seems to be a major gap. Can you explain why that is and what you may be doing about it?

**Mr. Alain Jolicoeur:** The comment made by the Auditor General makes reference to how it is done by our sister organization, CBP in the United States, which goes to that additional step we have not put in place.

Our program was developed in pre-9/11 mode. We admit that we could have a tighter program. Actually what we've done is this. I went to Brussels with our colleague from the U.S. and we sold to the whole community of border organizations across the world a new approach to trade facilitation and a way to secure trade around the world, which included something called the authorized economic operator. So we have developed some sort of a standard for that very business.

I'm pleased to report that in June this year we will have achieved mutual recognition with the United States. We will be the first or second one to have achieved this. Therefore, our program will be exactly the same as the U.S. C-TPAT program. The extent to which verification will be made before an importer can be put on that list and be stamped as fit for C-TPAT will be the exact same thing on both sides. I agree, it has required a lot of action on our part to reach that point, but we're going to be able to celebrate that mutual recognition in June. They will accept our verification.

• (1200)

**The Chair:** Thank you, very much, Mr. Christopherson.

**Mr. David Christopherson:** Thank you, Mr. Chair.

**The Chair:** Mr. Hubbard, you have eight minutes.

**Hon. Charles Hubbard (Miramichi, Lib.):** Thank you, Mr. Chair.

When we look at the concept of trying to manage risks, I would assume that when we recognize the trade problems, the economic arrangements that we have with the United States, and their concerns with terrorism and so forth, our major concern really has to be the North American continent and which dangerous people would come to Canada or what dangerous goods would be delivered here. We have to protect ourselves so we'll not be seen as a conduit to attacking our neighbour to the south. I would think the Americans would be watching that very closely.

With the various agencies you work with internationally—and you talk about the systems you have—I would think that you would have a highly automated system to hear from other countries, and if a ship or a plane were leaving a certain destination for Canada, your people would get advance warning of a possible problem. Are you satisfied that within your budget and with the equipment you have and the software available to you, you have an adequate program that gives you fast information to be able to deal with possible problems before they actually arrive, or when they do arrive, in Canada?

**Mr. Alain Jolicoeur:** Mr. Chair, the question of advance information has been at the centre of our organization since we created it. What we essentially put in place, with the help of partner organizations from within Canada and from other countries, is a multi-layered approach. We basically try to stop the threat before it comes to the continent. I must say our partners in the U.S. are very comfortable with that approach. They have a similar approach, and whenever possible we do it jointly.

In our case, it involves working regularly with other border organizations in very many countries in the world. It includes having CBSA officers deployed in very many airports all over the world to do interception. It includes the deployment to ports in other countries of our CSI program people to ensure that containers of real concern

are scanned. It involves receiving all that information that we have discussed before.

Regarding airlines, we don't have it all. Your question was whether we are satisfied. We're not quite there, but we've moved a long way. We are getting information on containers from freight forwarders and carriers and importers, and we're getting the ability to reconcile it. Behind it we have the risk-scoring mechanism that digests all that, and behind that we have the normal thing that everybody has, which is officers, who, day in, day out, are looking at people and goods and ensuring that the country is protected.

We have created that multi-line, multi-border approach just to ensure that we are basically more secure.

**Hon. Charles Hubbard:** With so many agencies...even within the United States they talk about silos. They don't work together. I do not mean to offer you a problem for this morning, but do you relate to your minister certain agencies out there that do not give you the information that would be of benefit to you? Is that a dialogue you have occasionally with the minister, to say—and I won't name any one in particular—certain agencies are not cooperating with Canada and with your organization?

**Mr. Alain Jolicoeur:** Regarding the discussions with the minister, first, they would normally be in the context of the portfolio and how we work together. I mean the Canadian agency involved with security. Regarding the work with others, the minister is involved in our discussions with the U.S. and the different systems we have in place to share information. Beyond that, we are also working with other countries.

The problem—

• (1205)

**Hon. Charles Hubbard:** I only have so many minutes.

If something should ever happen, are there records of the minutes that you would have had with the minister to point out problems that might be problems for Canada? Is there a dialogue there? Is there a record between your agency and the minister to indicate the areas where he, as a minister, should be doing further work with his colleagues internationally?

**Mr. Alain Jolicoeur:** I have conversations with the minister on security questions regularly. But I can tell you that I don't think of or see a place where obtaining the information, other than from a logistics perspective, is a problem. The limit to the exchange of information is always a legal limit. Second, and less importantly, are technical limits.

**Hon. Charles Hubbard:** Your budget, you indicate, is \$1.5 billion, and you indicate that \$100 million is for firearms. You also indicate that it's going to cost probably \$700 million or \$800 million. With that, I would think, you must have a promise of money in the future for that same project.

Firearms are a major problem, and I see in your report that you say you only seized 500 firearms, but you seized 10,000 weapons. With respect to firearms on the streets of Toronto, they say you are doing a very poor job of keeping those firearms out of our country. That must be a concern to you, and hopefully you're making some progress with that.

I'm concerned about the 10,000, what you call, weapons. Are these personal weapons, like knives and swords, or could they be...? For example, there are various crude weapons that can bring down aircraft today. What types of weapons are you indicating you've seized? Are they a danger to our nuclear plants? Are they like self-projected missiles, which they use in the Middle East today? Are they weapons coming to our borders that are a danger to our aircraft? What types of weapons are we talking about when you say 10,000?

**Mr. Alain Jolicoeur:** Mr. Chair, we have not seized, that I'm aware of—I'm sure I would be—missiles or those kinds of weapons. We've seized firearms and knives, and there is a whole category of weapons that I would call knives, in general, but they have all kinds of weird shapes.

In terms of our results, you're right, illegal use of weapons in this country is a big concern. We're doing better. We are investing more in that. Our seizures of firearms in the last year have increased by close to 20%. Our seizures of weapons in general at the border over the same period have increased by more than 200%. So we can show significant results.

**The Chair:** Thank you, Mr. Hubbard.

Mr. Fitzpatrick, you have eight minutes.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** When I look at the mandate, you have lots of competing interests here. If you're 100% on one, you may be destroying the commerce that goes on between the United States and Canada. So there has to be some smart thinking going on here or we're going to have problems.

From an industry standpoint, it would seem to me that it would have made immense sense a long time ago to have had ISO standards in place for the security of container cars. I would assume that if they were in place, we would take that into account in our risk assessments for containers. Is something like that happening in the world of commerce?

**Mr. Alain Jolicoeur:** There are different initiatives that are occurring. The most important one for us is the framework being put into place by the World Customs Organization. That would allow us to have a list of authorized operators or organizations in the business that are safer. We're doing that with the U.S. We are implementing that in Canada, as I said, so we can track and know who has touched that container and where it's coming from and so on. So that's very important.

There are other initiatives with regard to how they are sealed. They could be electronically sealed. I saw some very interesting projects in Argentina that seem to be working. So this is something we are exploring to guarantee that whoever puts something into that container and whatever is put into that container at point A, it is the same when it reaches point B. It looks simple, but it's—

• (1210)

**Mr. Brian Fitzpatrick:** Thank you. I think you've satisfied my concern that there is work being done in this area, because it seems to me it has a lot of potential and should be fully exploited or optimized.

I'm assuming that on initial inspection at the border, on primary inspection, a combination of three things would be occurring. One would be some sort of objective risk assessment that's taking place.

There has to be some profiling of people who would fall into higher-risk categories than others would, and some knowledge on that.

Another part of the criteria would be a random selection process. If somebody beat the profiling system, you could maybe pick them up in the random selection.

The third one—I don't want to underestimate it, because I know experienced police officers and people in the field and so on—would be called human judgment, based on experience, gut feelings, and so on.

Would it be a fair comment to suggest that the people at the border are using all three of these criteria in assessing people who come to the border?

**Mr. Alain Jolicoeur:** Absolutely. If somebody wants to know why they have been referred to secondary, for example, the answer is exactly the one that you have given.

The system may force somebody to go to secondary because of one zillion combinations of reasons, but all having to do with what we have in our system. It could be random. The report from the AG made the point that in airports, on occasion, we have turned the valve of random too low, occasionally to zero. We have corrected that, because it is a concern.

The third one you flag is quite important. There are today more, slightly more, referrals made in that third category, where an experienced officer judges, from the kind of reaction they are getting from a passenger, "Hmm, there's something...."

**Mr. Brian Fitzpatrick:** Thank you very much.

Another area I want to pursue is relevant to my constituency. I have a lot of people who are in businesses that rely upon American citizens who travel to Canada to fish and hunt, who are tourists in the area and so on. I've encountered a problem in my riding with border issues pertaining to Americans.

The profile that typically shows up is some American 63 years of age who, back when he was 19 years of age, was charged with impaired driving. There doesn't seem to be any consistent pattern for treatment of these individuals at the border. Some are turned back. Some believe they are pardoned under the state system, but our border people don't seem to accept that concept. In some cases, they allow them in on paying a cash payment at the border. It's not a bond. I mean, they don't get the money back, they just make a cash payment. And this has caused a lot of difficulty. I've had lots of complaints in my riding from people who are affected one way or another on this issue.

Is this an issue that is relevant to your department? Are you trying to deal with it? Because on a risk assessment system, I really don't see where this should be a priority at the border, this sort of concern.

**Mr. Alain Jolicoeur:** Yes, I recently looked at this question again, because I was getting a few more complaints than in the past.

Let's look at the numbers first. The first point that's made—not here, but it's one I get all the time—is that we are turning more people away for that reason, for driving under the influence. But no, we are not. In terms of the people who are turned away, the numbers on that kind of thing are reducing as opposed to increasing.

Now, we're working with the law, with IRPA, and the law is fairly specific about admissibility into the country. Anything that is criminal makes one inadmissible to the country, if you are not Canadian. There are a few things an officer can do to deal with that... of course, the difference being is that it's illegal in Canada and not in the United States.

• (1215)

**Mr. Brian Fitzpatrick:** Well, I would say that we should apply some common sense in this area. I don't view these people as being high-risk people or criminal in nature. Every one of us probably has something in our closet, if you really want to get that nitpicky on things, that could really cause a lot of problems both ways on the border. So I don't see these people as being a threat to national security or anything. And I don't understand why a payment would resolve the problem either. I mean, a non-refundable payment.... It's a head-scratcher.

I want to deal with one other issue. Just for my own information, at the border with the U.S., when a person enters the Canadian border customs office, are they on Canadian soil or U.S. soil at that point?

**Mr. Alain Jolicoeur:** Coming to Canada?

**Mr. Brian Fitzpatrick:** Somebody entering from the United States; are they on Canadian soil or U.S. soil?

**Mr. Alain Jolicoeur:** They are on Canadian soil when they come into Canada. All of our offices are on Canadian soil.

**Mr. Brian Fitzpatrick:** The reason I'm raising the issue—and I know there are legal technicalities involved—is that, to my understanding, the United States honours the well-recognized international protocols dealing with refugee claimants. I guess a lot of people in Canada are a little bit taken aback that people would come from other countries, land in the United States, come to our border, and then claim refugee status at our border when the United States has fully honoured the international protocols on dealing with refugee claims.

How does our border agency deal with those issues today?

**Mr. Alain Jolicoeur:** Up until very recently, Mr. Chair, we had in place the safe third country agreement with the United States that, for very many categories of refugee seekers, allowed us to do exactly what you suggest we should be doing—that is, if they come first to the United States, they can make their claim there.

There was an important court decision that reversed that and basically removed the safe third country agreement. The government is appealing that decision at the moment. We were able to obtain a stay of procedure. Therefore we can maintain our operation until we get a decision at the appeal level. Then we'll see what happens.

**The Chair:** Thank you, Mr. Fitzpatrick.

Before moving to the second round, I have a question for you, Mr. Jolicoeur. It's a general question on reporting to Parliament and the whole concept of accountability.

First of all, I preface my remarks by saying that I appreciate that you deal with an extremely complex and challenging agency with 97 million visitors and \$404 billion in goods coming across the border every year. No one expects you to search every person or examine all

goods. It has to be based upon a risk management model, and you have to balance the competing objectives of security on the one hand and continued prosperity on the other hand.

The Auditor General has identified what I think most members on this committee consider to be significant shortcomings in your whole risk management model. However, I read your performance report for the 2006-07 year. It's 94 pages in length. It's very long and elaborate. But the bottom line is that everything in that department is simply tremendous. It's great.

I'll just quote if I may, talking about commercial risk assessments:

The ACI program is based on the concept that the transmission of electronic commercial data allows the CBSA to better assess the risk of conveyances and goods before their arrival in Canada. To enhance its risk-management capability, the CBSA developed and implemented an automated Commercial Risk Assessment System to screen ACI in order to identify high-risk shipments before they arrive at our border.

Building on the success of Phase I of the ACI program, which was implemented in the marine mode in 2004, the CBSA expanded the ACI model to the transborder marine and air modes as part of Phase II. Phase II was fully implemented in June 2006.

Since the implementation of Phase II, there have been ongoing enhancements and refinements to the Commercial Risk Assessment System to support the Agency's ability to respond to emerging threats to health, safety and security of Canadians.

Then we go about the awards that you've won. There's no mention at all, Mr. Jolicoeur, of the challenges the agency faces, the risks you have every day, the resources that you don't have to complete your mandate, and the shortcomings that were identified on the part of the Auditor General, which, of course, you've agreed to.

I ask my question as a parliamentarian, and I address my question to you as an accounting officer. With all due respect, and I say this with the greatest respect, because your department has an extremely difficult task ahead.... You merged the three components, the three departments, and you're in transition. People expect that trade is increasing and that the volume of people is increasing, and we're dealing with the "gotcha" mentality if there is a problem and you hear about it. But if there are one million or three million people crossing a day, you don't hear about it.

But going back to the performance report, my question is, do you think it's based in reality? Why is it prepared—and I'm not signalling at you. The 78 agencies, the 22 departments in Ottawa do this, and they've done it for years. Does it serve any purpose at all for me as a parliamentarian? Would you be happy sitting down yourself as the accounting officer doing a 15- to 20-page report and giving us the straight goods as to the agency you are charged with?

• (1220)

**Mr. Alain Jolicoeur:** Mr. Chair, I'll give you my personal opinion on that. I stand by everything that was written in that report. Everything you've read and said is true.

Now your question is fundamentally, as a parliamentarian, what should you get and what would you like to get? I sit on a few boards. Everything is a-okay. The report I get on the other side now tends to have a significant portion about risks in Sarbanes-Oxley and everything.

I've been at Treasury Board for many years feeding Parliament, and I can say honestly that I really believe there has been a significant improvement in reporting to Parliament, reporting on results, etc. It's a tough thing to do, but there has been some progress. I understand the frustration.

I think the piece that I normally see and otherwise that you should be expecting to see—again, my personal view—is a more elaborate section about risk. I do not mean risk as we've discussed it here—not programs—but overall corporation risk. I believe we could do better. I can certainly do what I can here to try to improve what we submit to Parliament. But I would say that's a piece that tends to be missing. I'm not talking about CBSA in particular. I'm talking about the job you have to do.

**The Chair:** The next round is four minutes, colleagues.

Mr. Holland, you'll have four minutes.

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

Thank you to the witnesses.

I share many of the concerns that have been brought up. One of the concerns I have is that there's a lot of money and attention being put into the area of border security; in fact, there will be \$1 billion spent on arming border officers in the next 10 years. But we know there are a lot of competing priorities for those dollars.

The Auditor General's report raised a number of concerns. Mr. McRoberts, I haven't heard you to this point, but the Canada Border Services Agency agreed with the recommendations that were found in the audit. You've heard what they've had to say today, and I'm wondering whether your office has been satisfied with the implementation of the recommendations to this point and the action taken by CBSA.

**Mr. Hugh McRoberts:** Thank you, Mr. Chair.

At this point, we have not had a chance to systematically examine the implementation, but we have been encouraged by the very positive reception the agency has given to our recommendations and to the commitments, as indicated by the president in his remarks today, to implementing them. But it will be some time before we turn back to look at what has actually happened and do a status report—

•(1225)

**Mr. Mark Holland:** To match words with action and to see how those have actually translated. Okay.

This question goes back to the CBSA representatives. As the results for secondary examinations are not recorded, I'm wondering how you accurately determine whether or not CBSA is referring the right people for further examination.

Could you just talk a bit about that?

**Mr. Alain Jolicoeur:** At the time the audit was done, we had already dealt with part of the solution to that problem. That is to create a feedback loop just in airports—that's the only place where we were ahead of the game—that would allow the people at the primary inspection line, the people at secondary, and management to measure performance from that perspective: the quality of the referral to secondary.

We discovered that the system was not used properly. That's a question of training and guidelines that had to be put in place. But we're okay at the moment there.

There are other places where we need that feedback loop to be established, and we will need a bit of time to get all of the benefit that could be gotten out of that feedback. But we are doing it.

**Mr. Mark Holland:** Just on the issue of training, you've mentioned that in order to deal with the number of flagged individuals who are allowed into the country, there's going to need to be additional training provided. Obviously that's an area of real concern, because there's some expediency needed in the resolution of that concern.

Could you go over for us your training plan and how long you think it will be before we can be in a position to address that problem?

**Mr. Alain Jolicoeur:** With respect to the most critical area—the one that I believe you are flagging, the work of targeters—all of the analysis has been done. We have recently had a workshop of the key people to put in place and start the development. I believe the training itself is in a few months, but I'll ask Madam Munroe.

**Ms. Cathy Munroe:** We have several pieces of the training in place right now. What we don't have is a fully integrated national model that makes sure they're all complementary and that any gaps are filled in. They're in the design phase right at the moment. The plan is that this would roll out over the course of this next year. It would probably roll out in phases, I think—phases of testing and that sort of thing.

**Mr. Mark Holland:** Thank you.

I know Mr. Wrzesnewskyj had some questions too.

**The Chair:** You're over your time. We'll get to Mr. Wrzesnewskyj later on.

Mr. Lake, you have four minutes.

**Mr. Mike Lake:** I'm going to step slightly outside the scope of the study here, if I may, and take advantage of the fact that you're here to ask a question on behalf of many of my constituents who sometimes have concerns with the level of customer service—the way they're treated—when they come across the border into Canada. At times, they would say that it borders a little on harassment.

I understand that the role is such that obviously there's a level of authority and a seriousness to the role. But in terms of balance and training for the folks who are working at the borders in these very difficult positions, do they get some form of customer service training? Maybe you could just speak to that for a second.

**Mr. Alain Jolicoeur:** They definitely do as part of our original training package for all officers. They spend weeks in our training centre in Rigaud. We also have additional training with officers where there would have been some specific problems. We get complaints regularly, as you do. The role of our officers is a very, very difficult one. Nobody is happy to be sent to secondary inspection and to be searched. So that is difficult. But every time we have a complaint, it is reviewed, we have notes, and we respond to these cases. On occasion, we do the wrong thing; often we do the right thing. But every one of these complaints is reviewed.

Cathy, did you want to add anything?

•(1230)

**Ms. Cathy Munroe:** Sure. I can just tell you a few of the components that are in the training today in response to things. We train on interviewing techniques, and we include with that things such as, if you're dealing with refugees, what that may mean in the type of treatment. We give training, for example, on victims of violence who may come to the border, children travelling alone, those sorts of things.

We build those components into the training that's given at our training centre, and there's also an in-service component that takes place when they get back to the port.

**Mr. Mike Lake:** Okay.

In Mr. McRoberts' opening statement, where he's talking about pre-approval programs, he says:

The Agency cannot currently prevent someone from enrolling in these programs when intelligence information suggests that they present a higher risk, but it may carry out additional monitoring.

I don't totally understand that statement. It seems to me that the whole point of the program is to be able to weed out the higher-risk people and have lower-risk people who can go through on a pre-approved basis. Can you elaborate on that for me?

**Mr. Alain Jolicoeur:** Yes. There is a question of our legal ability to use intelligence when we make such decisions. I'll let Mr. Rigby respond.

**Mr. Stephen Rigby (Executive Vice-President, Canada Border Services Agency):** When the program was originally developed, we looked at the whole question of what information we would look at in terms of establishing the risk assessment. We did take legal advice that intelligence information would be difficult for us to use in denying applications that were put forward.

That said, however, we have, in the last little while, tried to enhance our monitoring processes so that if we do see something from an intelligence point of view, and I think our colleagues from the Auditor General's office have pointed this out in the chapter, we try to ensure that when these people are looked at in a subsequent year—so-called re-risking, as we do it—they continue to be a low risk in all other categories.

The other point I might make is that we're in the process of looking at the NEXUS program with our colleagues in the United States, and we're going to revisit the whole question from a legal point of view as to whether we can or cannot use intelligence information in the future.

**The Chair:** Thank you, Mr. Lake, and thank you, Mr. Rigby.

*Monsieur Lussier, vous avez quatre minutes.*

[Translation]

**Mr. Marcel Lussier (Brossard—La Prairie, BQ):** Thank you, Mr. Chairman.

Mr. Jolicoeur, we discussed the budget and the number of employees. What is the revenue of the agency?

**Mr. Alain Jolicoeur:** The agency brings in approximately \$27 billion per year.

**Mr. Marcel Lussier:** How do you react to the union's comments that customs officers are tax collectors and not people responsible for the security of the country?

**Mr. Alain Jolicoeur:** In addition to the balance we have to strike between the security and prosperity of Canada, we have three basic responsibilities: security, facilitating trade and collecting revenue, which is a significant responsibility. Twenty-seven billion dollars represents the amount of money it takes to fund post-secondary education in Canada. This is not a responsibility that we can abandon overnight.

**Mr. Marcel Lussier:** All right. Of the 9,000 drug seizures made at the border, could you break down the percentage made by canine detection, by the customs officers and by electronic detection?

**Mr. Alain Jolicoeur:** I could provide you with this information later on. I do not know the figures off by heart. Perhaps my colleagues know them.

**Mr. Marcel Lussier:** I am particularly interested in finding out whether or not we need to improve canine detection. We have a very limited number of dogs. I would also like to know how much it costs to make 3,000 seizures using canine detection, for example? How much does it cost to run the canine detection program? Has your department done any efficiency studies of this type?

**Mr. Alain Jolicoeur:** Yes, last year we did a complete assessment of our canine detection program. The results are available on our website, but I would be pleased to share these results with you. From the standpoint of a return on investment, this is a very beneficial program. The results speak for themselves.

•(1235)

**Mr. Marcel Lussier:** Do you intend to broaden the passenger list requirements to include buses, trains and cruise ships crossing our borders, as is the case for planes?

**Mr. Alain Jolicoeur:** Yes, Mr. Chairman.

**Mr. Marcel Lussier:** Do you have the required organization to manage such lists? I am familiar with your registry system which keeps track of the expenditures of travellers who cross the border. It was not easy to find an individual who had travelled six months earlier, etc. Have you improved your computer system?

**Mr. Alain Jolicoeur:** Mr. Chairman, as Mr. Lussier said earlier, our risk analysis system, which will be fed by these new information sources, does not give a great deal of priority to purchases made in the United States compared to issues pertaining to drugs, weapons and terrorism. As far as that is concerned, this is not a system that will help us a great deal.

**Mr. Marcel Lussier:** That's fine.

[English]

**The Chair:** *Merci beaucoup, monsieur Lussier.*

Just to finalize that line of questioning, there was an undertaking given there by you, Mr. Jolicoeur, regarding the breakdown of drug seizures. Can you file that information with the clerk of the committee? The clerk will distribute it to all members.

**Mr. Alain Jolicoeur:** We'll do that.

**The Chair:** We'd like it in two weeks. Is that sufficient time for you? Yes? Thank you very much.

Mr. Lake, you have four minutes.

**Mr. Mike Lake:** I'm going to continue my line of questioning from last time with Mr. Rigby, if I may.

I want to get some clarification on this pre-approval process. Someone applies for pre-approval. We identify that they're a risk through the process, but because of legal concerns we approve them anyway. That then entitles them to less monitoring when they come across the border in the future.

Is that accurate?

**Mr. Stephen Rigby:** No. The way the process works is that they essentially have to apply to both countries. Both countries pursue their own individual risk assessments. Ours is based on individual information that we seek from their applications; we establish their risk based on that.

The point has been made, I think, that the Americans will on occasion use intelligence information that is available, and they may or may not use it as part of the establishment of their risk.

In our case, the position we take, on the basis of legal advice, is that to deny something on the basis of intelligence information would not be legally defensible. That said, we have recognized that it's probably time to take another look at this, and we are going to do that.

We do, however, as a matter of course now—it's something we've implemented recently—make a note that there may have been something brought to our attention as a result of intelligence information, and when we do subsequent risk assessments, we will continue to check whether or not anything untoward has happened with regard to that member, whether or not they represent low risk in all other aspects of their membership.

**Mr. Mike Lake:** But once they have the pre-approval...

First of all, how long does the pre-approval last for?

**Mr. Stephen Rigby:** Basically, when you get a NEXUS membership, it lasts five years.

**Mr. Mike Lake:** Okay, for five years. How much less monitoring is there, coming across the border, when you have a NEXUS membership?

**Mr. Stephen Rigby:** We re-examine the risk for each member every year.

**Mr. Mike Lake:** But it is not at the border; it is just re-examined in the background through intelligence.

**Mr. Stephen Rigby:** That is correct. It is done through information.

**Mr. Mike Lake:** I was going to go on to that next, because it says that the agency now receives considerably more information on travellers and shipments in advance of their arrival. I imagine this is the intelligence you're talking about.

**Mr. Stephen Rigby:** I think what we're talking about there is the information that comes to us either through our ACI process or through API/PNR, in the case of passenger travel by air.

**Mr. Mike Lake:** Okay. Do you ever revoke NEXUS privileges?

**Mr. Stephen Rigby:** Yes, we do.

**Mr. Mike Lake:** How often does that happen?

•(1240)

**Mr. Stephen Rigby:** I don't have that information, but I can get it for you.

**Mr. Mike Lake:** Okay. I'm going to just step to a different question.

It also says in paragraph 5 of Mr. McRoberts' statement:

However, the overall rate of examinations is based mainly on the capacity of personnel and availability of equipment. We also found that the reason to refer individuals and shipments for further examination is not fully communicated to those officers doing the secondary examination.

I don't really understand that. You've identified an issue there, and then it's referred for secondary examination, and there's no communication as to why that is. Could you maybe explain why that would be the case and why the gap in communication is there? It doesn't seem like this is related to the whole integration question. It seems like this is just pure communication within a specific border crossing. Why would it be the case that there wouldn't be that simple communication?

**Mr. Alain Jolicoeur:** If I may, on this one, this is the exact same point we discussed earlier vis-à-vis the necessity of the loop between primary and secondary, those loops of information that are being put in place. What happens is that at the secondary examination they will have access to the same information. So if somebody is being referred because of a random question or referred because of a lookout question, that information will be available at the secondary examination.

The third component was not, and we are basically working on that.

Cathy, do you want to comment?

**Ms. Cathy Munroe:** Yes. Depending on the type of referral, because there are many kinds, it could be that the description may not be as elaborate as might be beneficial for the officers. So it is about the level of detail in the information. I think that is part of what that was referring to. As Mr. Jolicoeur said, it is closing the loop in terms of what was found and what happened and feeding that back into the process for the next time.

So while a referral will be made, and will be made for a particular reason—and there are a variety of reasons—the level of detail that may have been given may not have been as fulsome and as useful to the officer as it could have been.

**The Chair:** Thank you, Mr. Lake. Thank you, Ms. Munroe.

Mr. Christopherson, you have up to four minutes.

**Mr. David Christopherson:** Thank you. Do I have four or five, Mr. Chair?

**The Chair:** Four.

**Mr. David Christopherson:** Thank you. That will give me time for one line of questioning.

There was a letter recently published in the *New Brunswick Telegraph-Journal* from the executive director of the Atlantic Provinces Trucking Association. He was speaking to the surcharges that are charged if a vehicle has been pulled over for any kind of inspection.

I have a number of questions. There seems to be an element of unfairness, to the extent that if you randomly choose that vehicle and it goes into the inspection territory, or whatever happens, there are added fees for that, and those fees are passed on to the people who have packages inside that truck. They have no way of knowing ahead of time whether those additional fees will be charged. They have no way of knowing that there may be an additional delay. It's just the luck of the draw, and there seems to be an inherent unfairness to that. Can you speak to that for me, please?

**Mr. Alain Jolicoeur:** Most of the complaints we are receiving about fees at the moment come from the new system that was put in place by the U.S. I just wanted to put that in context.

For people and containers coming to Canada, there are, on occasion, fees, such as the one you describe, for instance. If we open a container in Halifax or in the Atlantic, there'll be a cost of about \$1,000, I believe, to the carrier. It is linked with bringing the container to where we want to have it and emptying it. I may be wrong on the number, but there is a cost.

Of course, in moving to doing more measurement and doing more random sampling so that our system is stronger, as was suggested, properly, by the Auditor General, we'll have to deal with that question. But there is indeed a cost, a cost to the organization and a cost to the carrier. If we were to change the system to charge nothing to carriers for these operations, then there'd be a need for an additional appropriation.

**Mr. David Christopherson:** Here's my difficulty. I appreciate what you're saying, and those are the theories that apply when there's a user fee. The user fee is usually predicated on an individual's wanting a certain service or program, whatever, so the individual chooses to have that and pays the money.

In this case, there are 10 trucks lined up, and I'm one of the unlucky ones who gets chosen. Now I'm out a minimum of \$1,000. If I have a small vehicle, that could be my whole day's profit—if I've done absolutely nothing wrong, there's nothing amiss, yet fate grabbed me. What if I get grabbed again next week? I'm out another \$1,000.

I don't understand this business. You're being checked for security—you haven't done anything yet, we're just doing our job—and you're going to start ponying up for being unlucky enough to be pulled out of the line.

Do you appreciate that there seems to be a prima facie case of unfairness here?

• (1245)

**Mr. Alain Jolicoeur:** I understand the point you're making. The Customs Act is such, though, that it's the responsibility of the carrier of the merchandise, of the goods, to present them to the customs office. The costs that we are talking about here are exactly that, for the presentation, basically bringing in the containers and opening them. It's not money that we take; it's the cost.

**Mr. David Christopherson:** I understand, but the guy behind me didn't have to pay it. I've had to do this two weeks in a row, and never has anything been out of line. Yet I keep getting nailed. Where's the fairness? Why isn't there an overall fee given where everybody pays, like we do with most other security services? We all pony up a little bit, and whatever we need, we use, and it's there.

This business of randomly... Really, it's like all of us sitting here, saying, "Well, Shawn, you're out \$1,000 this week, and we'll all meet again next week to see who wins the lottery." I don't understand the premise of why you lose money for doing absolutely nothing wrong.

**Mr. Alain Jolicoeur:** The other way to look at it is that some people gain money by not having to present.

But I agree with your point. This is something we should look at. But it would involve somebody paying for that operation one way or the other. Either it's spread to everybody—

**Mr. David Christopherson:** I appreciate that, but something a little more fair than this seems to be what you should look at, and I hope you will.

Thank you.

**The Chair:** Thank you, Mr. Christopherson.

Thank you, Mr. Jolicoeur.

Mr. Wrzesnewskyj, four minutes.

**Mr. Borys Wrzesnewskyj:** Mr. Jolicoeur, in your opening statement you said that you fully subscribe to the findings of the Auditor General. In paragraph 5.84 she stated that the National Risk Assessment Centre found 21% of its immigration lookouts from January to March 2007 were not referred for further examination.

In your previous answer you seemed to call into doubt that finding. Is the Auditor General wrong in her finding, or were you just unaware of this particular fact?

**Mr. Alain Jolicoeur:** Mr. Chair, my comment was with regard to the comment of the honourable member that one out of five, or 20%, of the lookouts are missed. This is simply wrong.

Now you are focusing on the specifics of what the Auditor General has found with regard to FOSS in that period of time. I don't deny that. I don't deny it's a problem, but it's not that we're missing one-fifth of all lookouts.

**Mr. Borys Wrzesnewskyj:** In that specific timeframe she did a random check, it appears, just like you do random checks, and she found that in that three-month timeframe one of every five people who were red-flagged were getting into the country without a secondary check taking place. You've just acknowledged that's disturbing.

Could you provide this committee with hard numbers, whether from your offices or the National Risk Assessment Centre, for 2006 and 2007, on how many of these individuals have gotten in, so we'll actually have a clear understanding of what this comprises?

**Mr. Alain Jolicoeur:** With due respect, Mr. Chair, I still disagree with the way it was presented, but I'll be glad to provide the information we have on the number of lookouts that would have been missed.



**Mr. Borys Wrzesnewskyj:** Thank you.

Coming back to this—so far—\$780 million program to put 4,800 handguns at the disposal of border security officers, could you provide this committee with a breakdown of how we've ended up in a situation where guns that cost a couple of hundred dollars—I would assume—are in fact costing the taxpayer \$162,500, to date, for what's projected, per revolver in this particular program that's a priority for the minister, Stockwell Day?

• (1250)

**Mr. Alain Jolicoeur:** Mr. Chair, I'll be happy to provide a breakdown of the cost for the arming program. I would say that the cost is obviously not just the cost of buying the firearm itself, which is about \$500. The cost involves hiring people, developing trainers, removing people from the front line, and training them for three weeks. You will get a full breakdown.

**Mr. Borys Wrzesnewskyj:** I was quite encouraged also when you previously stated that you have ongoing and close consultations with the minister, especially on major decisions on policies, such as that involving the handguns.

A year ago there was something that was quite unprecedented in Toronto. Canadian Border Security officers went into classrooms in a number of grade schools and high schools and grabbed students, children of undocumented workers, and held them as a means to get information or to find their parents. This was found to be quite shocking.

Did you consult with the minister prior to this initiative being taken last year? If not, was it just rogue officers who decided to take the initiative on their own?

**The Chair:** I'm going to rule that out of order. The communications between the accounting office and the minister really aren't part of the mandate of this committee. But I would like the accounting officer to elaborate on that particular incident that Mr. Wrzesnewskyj mentioned.

You are out of time as well, Mr. Wrzesnewskyj.

**Mr. Alain Jolicoeur:** I'll say that with the more than 100 million interactions with Canadians that our officers have every year, we don't speak to the minister before each of them. It would be impossible and unnecessary.

I think you are referring to two incidents that were in the paper everywhere during that period, I believe last year—two incidents in which our organization was blamed for going to schools.

You describe it as our officers going into classrooms, but that's not the case; it's not factual. We didn't go into classrooms.

In one of the incidents, where we were trying to locate an individual, indeed one of our officers went to the principal's office to check the record, to be able to identify the location of a person whose child was at that school.

In the other incident, the mother of the child involved asked us to take her there to get the child out of school so that he would be with her at the end of the day, as she had been arrested. Those are the two occasions.

Following that, we changed our procedure to ensure that our officers would not go to schools unless it was a matter of national security and with the approval of a senior manager at headquarters.

I think the right thing was done on those occasions after this.

**The Chair:** Thank you, Mr. Wrzesnewskyj.

*Merci beaucoup, monsieur Jolicoeur.*

Mr. Lake, the final questioning goes to you for four minutes.

**Mr. Mike Lake:** Mr. McRoberts, it seems there may be a difference of interpretation of paragraph 5.84 between Mr. Wrzesnewskyj and Mr. Jolicoeur. Could you comment on what you're trying to communicate in it to see whether we can get some clarification?

**Mr. Hugh McRoberts:** What we were doing was reporting the result of an analysis that was done by the department's own National Risk Assessment Centre. It was looking over the period, and it divided the population into types of referrals.

One type were referrals for customs lookout. There was some reason to believe they were bringing in something of a commercial nature that they ought not to bring in. They found that 13% of those were not picked up for further examination.

Also, there were immigration referrals. There, they found that 21% during that period were not referred for further examination. Again, that's from the department's own analysis.

• (1255)

**Mr. Mike Lake:** So where's the miscommunication coming from? It does sound as though Borys has a point there. I just want to clarify with Mr. Jolicoeur, what's the difference in the interpretation?

**Mr. Alain Jolicoeur:** We have to go into what lookouts are. There are different categories of lookouts. My colleague Mr. McRoberts, from the Auditor General's office, is referring to the FOSS system. The FOSS system is a database managed by the Department of Citizenship and Immigration that has information about people who at one point or another tried to become a permanent resident in Canada or came to Canada and obtained a visa from overseas. I shouldn't use a number, but it's probably 160,000 names, a huge database of people, with all kinds of information.

The lookout system that we have in place and that we want our officers to focus on is not an old database. It's something that is regularly updated. We regularly put in our system a list of people, a much smaller list of people who we as an organization want to stop. It's a lookout. Beware. This person is coming in, or we believe there is a reason for that to occur, so beware. And every morning, people on the front line have discussions and are made aware of that critical thing.

So that focus is important. When we say the system is telling us that we should stop someone, then we go to the broader universe. Yes, we have information in the database on very many people, but they may not be at the level of concern that we would have in our own lookout system.

**Mr. Mike Lake:** So we're talking, basically, about two different categories of lookouts.

**Mr. Alain Jolicoeur:** One thing the Auditor General pointed out is that we need to, and actually have, redesigned our lookout system to be clearer about those things. For instance, there are other databases with the police, such as CPIC, that we want to integrate into our system. But we have different kinds of lookouts, different categories of things.

If somebody is in our system on the customs side because one day they had three bottles of wine rather than two, that's a different level of concern. It would be in our system, it would be flagged, but it wouldn't be a lookout. We won't call our officers one morning and tell them, "Worry about that person; if that person came with three bottles one day, be sure that you stop them." It's a lower priority.

**The Chair:** Thank you, Mr. Lake. That concludes the questions.

I have one housekeeping matter, Mr. Jolicoeur. In your opening comments, you made reference that a comprehensive action plan has been developed to address all the recommendations, and action has already been taken, and in some cases completed. Could you file that with the committee, please?

**Mr. Alain Jolicoeur:** Certainly.

**The Chair:** Now I'm going to ask whether Mr. McRoberts or Mr. Stock have any closing comments.

Mr. McRoberts.

**Mr. Hugh McRoberts:** Thank you very much, Mr. Chairman.

Again, to come back, I think the commitment from the Border Services Agency to deal with the recommendation is encouraging. The ones that we view as critical are, essentially, starting at the basics and developing a solid database of randomization, because that's really essential to both performance assessment and to refinement of the risk models; and secondly, a proper recording of

the results. If those two things are done, the data will be there to enhance and refine the integrated risk framework. So we will be looking very carefully in the future, with the very real expectation that those are going to finally get done.

**The Chair:** Thank you, Mr. McRoberts.

Monsieur Jolicoeur, do you have any closing comments you want to make?

**Mr. Alain Jolicoeur:** No, thank you. We agree with the essential points made here, and we will implement those.

Thank you.

● (1300)

**The Chair:** If there's nothing further, then, on behalf of all the committee members, I want to thank you very much for your appearance here today. It has been an excellent meeting.

Mr. Jolicoeur, I want to thank you and all the people who work for your agency for the very important job you do on behalf of all Canadians.

Colleagues, we are meeting again on Thursday. That meeting is in camera. We're dealing with reports. We're going to start off with the Barbara George report, then the EMS report, then the report on the correctional services ombudsman, and then the report arising from the work done by Jack Stilborn. We're also going to discuss and approve the minutes of the steering committee.

That's Thursday at 11 o'clock. I look forward to seeing you all then.

This meeting is adjourned.

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