



House of Commons
CANADA

Standing Committee on Transport, Infrastructure and Communities

TRAN • NUMBER 006 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Thursday, March 5, 2009

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Chair

Mr. Merv Tweed

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•(1540)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good afternoon, everyone.

Welcome to the Standing Committee on Transport, Infrastructure and Communities, meeting number six, pursuant to the order of reference of Friday, February 13, 2009, Bill C-9, an act to amend the Transportation of Dangerous Goods Act, 1992.

Joining us today are, from AC Global Systems, Stephanie Mitchell, and from L-1 Identity Solutions, Dick Spencer, John Conohan, and Alan Brousseau. Welcome.

I apologize for my lateness. I'll ask you to begin. You have about seven minutes to make a presentation, and then we'll go to questions.

Please begin.

Mrs. Stephanie Mitchell (Executive Assistant, AC Global Systems): I'd like to thank the committee for inviting AC Global Systems to be a witness at this session. We hope that the information I provide today will be useful to you.

AC Global Systems is a research and development company in the business of providing vehicle security and safety through GPS tracking and vehicle slowdown technology. We have a patent-pending product for the consumer and commercial transport market. It offers full fleet management and vehicle slowdown technology to the commercial sector, and it offers stolen vehicle recovery with vehicle slowdown technology to the consumer market.

On page 2 of my brief, you will see a graphic that demonstrates how AC Global Systems' vehicle slowdown technology will work in the real world. We also have a video demonstrating our technology that can be viewed on our website. I have provided the address at the end of my reference material.

Through our research, we have found that since 9/11, the Federal Motor Carrier Safety Administration of the U.S.A. has continually researched ways to improve safety, security, and efficiency in the trucking industry. Today I will give you an overview of a few reports that have been conducted to provide more information to the U.S. Transportation Security Administration on tracking systems, vehicle disabling technologies, vehicle shutdown technologies, and driver authentication technologies.

Large and small trucking companies that have adopted these kinds of technologies in their fleets were interviewed. They agreed that they provided peace of mind to their managers and made the drivers

feel safe and secure, not to mention that there were monetary savings.

One trucking company interviewed mentioned a situation in which a truck carrying \$5 million worth of pharmaceuticals had been stolen.

Another company that had adopted VST technology had a hijacking situation. The driver was able to send an alarm to dispatch and notify them that something was wrong. Once it was determined by law enforcement that the driver was not in danger, the vehicle was shut down, and it was recovered with the cargo intact. The savings were estimated to be \$250,000.

In 2005 the United States Congress was deliberating legislation to encourage HAZMAT truck operators to equip their vehicles with tracking capability. The Transportation Security Administration awarded a grant to the University of Virginia to develop a recommended concept of operation and design for a national HAZMAT truck tracking system. Four teams, of 10 to 11 graduate students each, addressed this. Their reports contained a cost-benefit analysis and recommendations for system requirements for the deployment of a centralized HAZMAT trucking system for 2010.

In 2007, SAIC, a large research house in the U.S., was hired by the U.S. Department of Transportation and the FMCSA to write a report entitled "Vehicle Immobilizing Technologies: Best Practices for the Industry and Law Enforcement". Twenty-eight commercial, off-the-shelf technologies were studied. Six of the companies were Canadian.

Field operational tests were conducted. They consisted of two parts. The first phase focused on vehicle shutdown technologies and on demonstrating shutdowns by dispatch and law enforcement. It also demonstrated the use of geo-fencing, which is a virtual boundary on a geographical area. If a boundary is crossed, an event is triggered, such as deploying the vehicle slowdown technology on board. The second phase of this field operational test focused on vehicle disabling technologies and driver authentication technologies. Both phases of the testing were conducted on trucks and buses.

All the information they collected resulted in a best practices list for vehicle immobilizing technologies. The report presented a concept of operations for the use of vehicle shutdown technologies, providing an appropriate protocol for avoiding inadvertent activation and procedures to be followed before activation. It also provided a list of organizations that should be involved in coordination to ensure safe vehicle slowdown.

The report stated that the primary conclusion of the study was that the industry favours an approach that focuses on theft prevention.

Adoption of these advanced security measures also has insurance benefits for trucking companies that are not able to self-insure. An insurance company that was interviewed stated that the underwriters could take an aggressive approach rather than a conservative one in estimating risk for companies that have adopted these kinds of technologies.

In 2008, the same group, SAIC, was hired by the TSA to continue their research using the best practices criteria from the 2007 report. AC Global Systems, of Trail, B.C., was part of this study and gave a field operational test.

- (1545)

This report is classified SS1 and is not available to the general public. It was our understanding this more in-depth report was being done to further push ahead the arrangements of a centralized tracking centre in the U.S. for all HAZMAT vehicles. We were told the money to create this kind of centralized tracking system had been set aside by the U.S. government.

It has now been announced that in the fiscal year 2009, the trucking security program has made available \$7.7 million for implementing security improvement measures deemed valuable by the Department of Homeland Security, the primary focus being on the purchase, installation, and enhancement of equipment and systems related to tractor and trailer tracking systems. Additionally, the tracking security program will provide funding to develop a system for DHS to monitor, collect, and analyze tracking information and develop plans to improve the effectiveness of transportation and distribution of supplies and commodities during catastrophic events such as Hurricane Katrina.

The U.S. economic stimulus act of 2008 has been extended into 2009 and provides tax incentives to purchase vehicle shutdown and tracking technologies. Although it does not relate to HAZMAT, the committee may be interested to hear that GM has announced it will introduce a vehicle slowdown technology on more than one million 2009 GM vehicles in the U.S. and Canada. They hope this slowdown technology will prevent a vehicle from being an instrument of harm. OnStar Slowdown will help take high-speed pursuits out of the equation, as well as the probability that a stolen vehicle will be crashed during a chase.

Most of the movement of goods from Canada to the United States is by truck. If the trucking industry intends to continue to drive throughout the United States, they will be forced to install these technologies. If these kinds of forward-thinking security measures are taken in the trucking industry, lives will be saved and damage like that caused in the Oklahoma City bombing may be preventable.

The Olympic effort in Vancouver would be well served by implementing cost-effective vehicle shutdown technology and GPS tracking on all trucks working on Olympic venues. This could easily reduce if not eliminate the nightmarish threat of terrorists using a vehicle as a weapon.

In conclusion, AC Global Systems would like to make the following recommendations to the committee: that Canada develop a parallel tracking system for HAZMAT shipments like that proposed by the U.S. government. It is imperative that the Canadian government develop transportation safety and security regulations that will harmonize with U.S. regulations including the mandating of vehicle shutdown technology and driver authentication technology.

There must be an incentive package for the Canadian trucking industry that is similar in monetary value to the U.S. incentive package. Canadians can compete with their American colleagues if there is a level playing field. The American trucking industry has had financial incentives in place for two years, so Canada must act quickly to bridge the gap. There should be a grant structure for research and development companies that are Canadian-based to pursue this vital safety and security technology. Tens of millions of dollars have been spent in the U.S. researching transportation safety and security since 2001.

On behalf of AC Global Systems, I would like to thank the committee for allowing me the opportunity to testify before you on this vitally important subject.

I'll be happy to answer any questions you may have.

The Chair: Thank you, Ms. Mitchell.

Who is going to speak? Please proceed.

Mr. Alan Brousseau (Executive Vice-President, International Enrollment Services, L-1 Identity Solutions): I will start.

Thank you very much, Mr. Chair.

[Translation]

I would like to thank the standing committee for allowing me the opportunity to testify today.

[English]

My name is Alan Brousseau, and I'm the executive vice-president for international enrollment services at L-1 .

I have brought Mr. Dick Spencer with me today from our Nashville office, who is a senior vice-president and has extensive experience in HAZMAT security clearance programs similar to the one that's being proposed or contemplated in Bill C-9. I also have with me Mr. John Conohan, former RCMP officer, who's an expert in security clearances and criminal history background checks in Canada.

Our company, L-1 Identity Solutions, specializes in many different areas of identity management and security, and we typically do so by employing the use of biometrics. Biometrics include such items as fingerprinting, facial recognition, and iris scan technologies. Our company specializes in creating solutions, typically for government agencies that are seeking to mitigate the risks associated with security threats, and providing them with the tools necessary to protect their assets.

We have a lot of experience in providing government agencies with logistical expertise in terms of rolling out programs that would credential or enroll applicants for security clearances. I think the most relevant experience that we, and specifically Mr. Spencer, will speak to you about today is called the hazardous materials endorsement program, sponsored by the Department of Homeland Security, the Transportation Security Administration agency.

We also have experience in other similar federal U.S. programs, such as the transportation workers identity card, which is a credentialing program at all port facilities across the U.S., and HSPD-12, which is a credentialing program for all federal employees across the U.S.

We're here today to share with the committee some of our experiences in the HAZMAT program in the United States. The HAZMAT program involved collecting applications, enrolling, and fingerprinting over 800,000 truck drivers across the U.S. It's been going on for about three years, if I'm not mistaken. We also have a few friendly and constructive suggestions on how to perhaps strengthen the bill and strengthen, obviously, the objectives of the bill that you folks are discussing today.

On that note, I'll turn the floor over to Mr. Spencer, who will provide you with some insight on HAZMAT. Mr. Spencer is from Nashville, Tennessee, so he has a bit of an accent. If he's speaking too quickly, please ask him to slow down, and he's promised not to use the word "y'all".

• (1550)

Mr. Dick Spencer (Senior Vice-President, L-1 Identity Solutions): Thank you, Alan.

Mr. Chairman and committee members, thank you for the opportunity.

In response to the events of September 11, 2001, the U.S. Congress passed legislation requiring all transport workers who wanted to haul dangerous goods to undergo a security threat assessment. The security assessment conducted by the Department of Homeland Security's Transportation Security Administration, TSA, required jurisdictions to collect and submit biographical and fingerprint data on transport workers to determine their eligibility to transport dangerous goods.

In the United States, as Alan said, the act is called the HAZMAT program, and we are the contractor for TSA. They selected us in November 2004 to run the program, and the following components are included in the program that very much relates to your legislation that we are seeing here today. The components include a fingerprint-based, background-check program on all transport workers who want to haul hazardous materials, hazardous goods. The fingerprints are collected on a nationwide electronic fingerprint network and submitted to the FBI for them to run a criminal background search. The FBI, in turn, sends the fingerprint results of the criminal history search to the TSA, to allow them to conduct their security threat assessment. It also includes an electronic hazardous materials application in which biographical data are collected on all transport workers and submitted to the TSA. This biographical data includes citizenship documentation as well as employment background.

The program also includes a toll-free service centre, where transport workers can call in between 8 a.m. and 9 p.m., eastern time, and talk to a live operator and get their questions answered about the program. It includes a website that is operational 24 hours a day, seven days a week, where transport workers can log in on their own and enrol for the security clearance program. It includes fee collection.

In the United States the fee to conduct the security threat assessment is paid by either the transport workers themselves or their employer, and the fee is \$89.25. This fee includes the FBI criminal history fingerprint search. It includes the TSA's threat assessment fee for all the work they're doing to conduct the security assessment on each applicant, and it includes the contractor's fee to collect the fingerprints, the application, and to do all of the entire network around the United States. It also includes this very important thing, and that is network security. In order to ensure the privacy of data on every transport worker and to help prevent identity theft, our network includes data encryption for all data, whether at rest or in transit.

Of all the keys to implementing this program, one of the most important was to eliminate or prevent unintended consequences. And with that in mind, TSA instructed us as a contractor to consult with the industry, with all state jurisdictions, and with the trucking industry, such as the federal motor carriers that Stephanie mentioned, the American trucking associations, and each state jurisdiction to make sure that the program met all the needs of each jurisdiction in enrolling their transport workers in the security program.

To date, we have enrolled over 800,000 truck drivers who are hauling hazardous materials in the United States. To date, our information is that maybe only about 5% or 10% of these individuals have been prevented from transporting hazardous materials from the criminal history search because of their backgrounds. But in the words of the TSA themselves, this is maybe 40,000 transport workers who will not be allowed to transport because of their backgrounds, and it is protecting Americans and the families that we serve through the transportation system.

• (1555)

Mr. Alan Brousseau: Thank you very much, Dick.

The Chair: Are you finished?

Mr. Alan Brousseau: I have a final wrap-up and a quick recommendation. Of course, if there are any questions, feel free to interrupt.

Dick has spoken about security clearance vetting, and that's really at the heart of why we're here today. In the U.S., a criminal history search is typically done by fingerprints. It's the most secure method of doing the criminal history search.

We have a specific recommendation to the committee to perhaps provide some clarity on what the committee intends to define as a security clearance. It seems that in the legislation, section 27.1, the intention is that there's some sort of vetting process of individuals who are transporting these hazardous materials, but there's no real definition of how that should take place. We strongly promote that the committee consider defining a security clearance as involving a fingerprint-based criminal history search.

Thank you very much, Mr. Chair and honourable committee, for taking the time to listen to us today.

We are very happy to answer any questions you may have in terms of the technology behind such a system or the logistics behind enrolling people all across a very large continent, especially people who are travelling and transporting goods every day. Obviously we're very happy to speak to you more about what's involved with a criminal history search in Canada.

The Chair: Thank you very much.

Mr. Volpe.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Thank you, Chair.

Thank you, gentlemen and lady, for coming and sharing your experiences with us.

As you know, the committee is looking at the transport of dangerous goods and amendments to the act. One of the things we have been told should be of great concern to us, of course, is the impending security issues that are raised by a world event in Vancouver, or the lower mainland, in one year's time. I'd like to address my questions in that context to both Ms. Mitchell and Monsieur Brousseau, to whoever it is who speaks English with a French accent.

Our concerns initially were as follows, and maybe Ms. Mitchell might attempt this one at first.

Transport basically involves two issues: one is the vehicle itself and the other, of course, is the driver. From your experience of the homeland security defence and the United States—I guess all of the states, but more from the federal government's perspective—which of the two is it that they're focusing on in greater detail?

• (1600)

Mrs. Stephanie Mitchell: I would say that it was the tracking of the vehicles. The tracking centre seems to be what a lot of the studies are focused on at the moment. Vehicle slowdown is also a future

federal requirement. They have provided money to these companies to start implementing that in the hope that trucking companies will comply and they won't be forced to mandate, or once they have mandated, most trucking companies will have complied with vehicle shut-down and GPS tracking.

Hon. Joseph Volpe: What happens if they don't have that?

Mrs. Stephanie Mitchell: Eventually it will be mandated.

Hon. Joseph Volpe: If our trucks attempt to cross the border and they don't have the same kind of technology—

Mrs. Stephanie Mitchell: We won't be able to cross the border if we don't have that implemented on our tractor-trailers. If they're not interchangeable from Canada to the U.S., we won't be able to bring our vehicles into the U.S.

Hon. Joseph Volpe: You're telling us indirectly that we have to have it and it has to be the same kind of technology that the American side of the border will accept.

Mrs. Stephanie Mitchell: There is what they call "open-source GPS tracking". For example, Qualcomm does not have open-source, so they would never allow other GPS tracking systems to exchange data information. However, we are looking at providing open-source, so that we can interface with other tracking systems and provide information easily both to the U.S. and Canada.

Hon. Joseph Volpe: If I understood you correctly, you said that there were 28 such companies that were studied, and of those 28, six were Canadian. Should I draw from these numbers that these 28, including those six Canadians, are the ones that would be acceptable in an architecture that says this is the kind of system that is validated for taking vehicles across the border?

Mrs. Stephanie Mitchell: Yes, the 28 companies that they researched had to meet specific criteria. Off the top of my head, I can't remember what those criteria were, but all 28 companies had to meet whatever was laid out to be part of the report. They are looking at specifics for the technology.

Hon. Joseph Volpe: Fire trucks don't meet those criteria, and I believe there were five of them.

Mrs. Stephanie Mitchell: Yes.

Hon. Joseph Volpe: If they don't meet the criteria, then that technology will not permit their trucks to cross the border.

Mrs. Stephanie Mitchell: That is my understanding, yes.

Hon. Joseph Volpe: Now, I'm wondering if I could just piggyback on that, perhaps to Mr. Spencer or Mr. Brousseau.

The second element is, of course, validating the driver. You indicated that you have some 40,000 to 80,000 drivers who are not validated for transporting dangerous goods, notwithstanding the fact that some of the vehicles they would be driving would already have been validated because they met the criteria—I believe they have to have three of the five criteria before they're validated.

What happens in the event that a Canadian driver, not part of your system, comes across the border?

Mr. Alan Brousseau: Transport Canada has a program in place right now to facilitate the flow of trucks across the border, the FAST program. We don't have a lot of information about the FAST program since we're not involved in it. I'm not entirely sure if there's even a security-clearance portion in the FAST program as opposed to just a pass that let's you go across the border quickly.

•(1605)

Hon. Joseph Volpe: Let me ask Mr. Spencer, then, do individual states have to answer the same question that I've just asked? For example, if a truck has to cross from Tennessee into the adjacent state—and I don't think that's Ontario, it's probably another one—do they face the same problem? Do they have to get validation in both states?

Mr. Dick Spencer: No.

To go back to your original question on the HAZMAT endorsement, if the drivers don't have the HAZMAT endorsement on their commercial driver's licence, the companies prevent them from hauling hazardous materials; therefore, they cannot even be on a vehicle that has been used for hazardous materials or dangerous goods.

As long as a driver is just transporting into other states, that HAZMAT endorsement from the state that issues their driver's licence is good. However, if they change residences from one state to the other, then they have to go through a process of transferring that hazardous materials endorsement, and the state they've moved to could have an entirely different set of regulations. They might have to go through the security threat assessment once again, even though they've previously done it in their home state.

Hon. Joseph Volpe: So if a driver from Alberta, Canada, goes across the border to British Columbia and then tries to get across the border into Washington State, what would happen? Would they be asked to leave the vehicle behind?

Mr. Dick Spencer: Well, in the first case, from one province to the other, it would depend upon how you structured the legislation and how the provinces here would mitigate that.

In terms of coming into the U.S., I can't speak for the future, but at the current time as long as they meet the FAST program regulations, they're allowed to transport.

The Chair: Mr. Laframboise.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you.

I'll give you the time to prepare for the interpretation. There are some minor differences between the United States and Canada, including the fact that we have two official languages here in Canada.

My first question will be for you, Mr. Spencer. I know that a program is in effect in the United States as a whole, that all carriers must have their licences and meet standards for the transportation of dangerous goods, but I need some clarification with regard to the definition of dangerous goods.

You said that 800,000 truck drivers had to obtain this authorization. But how many truckers are there in total in the United States?

[English]

Mr. Dick Spencer: There are three million commercial truck drivers in the United States. Once the hazardous material program was instituted by TSA, many of them decided not to go through the process to haul hazardous materials. About 30% of all commercial drivers have applied for the HAZMAT endorsement. Those who did not can only carry regular goods, non-hazardous goods. They have to conduct the security threat assessment and apply for this program to haul hazardous materials. So most of the nation's truck drivers, commercial drivers, are not hazardous material qualified.

[Translation]

Mr. Mario Laframboise: Mr. Brousseau, you're familiar with the Canadian act. With respect to the definition of dangerous goods, are the dangerous goods contemplated or not contemplated the same here as in the United States?

[English]

Mr. Alan Brousseau: I apologize, my French is not very good.

The definitions are very similar. What's considered a hazardous material in the United States, things such as chemicals, fuel transportation, many of those things are similar to the definition of dangerous goods in Canada. So I would consider the terms "hazardous materials" and "dangerous goods" as being very similar, very close to being the same.

•(1610)

[Translation]

Mr. Mario Laframboise: My next question is for Mr. Conohan. You're the person responsible for your company in Canada. Fingerprints are the solution you're proposing for identification purposes. Here we have a Charter of Rights and Freedoms, which is another difference between us and the United States.

Is there another way of doing this, or are fingerprints the only option? Have you had the opportunity to analyze this question?

[English]

Mr. John Conohan (Vice-President, Canadian Enrollment Services, L-1 Identity Solutions): My machine isn't working, but I think I understand the question.

Is there another choice besides fingerprinting for those drivers? Yes, there is. There are two methods by which a person can obtain a criminal background check in Canada. One is through a name check, name and date of birth, and the other is through fingerprinting. In Canada, I think the name-check process is used more than fingerprinting now. In the last two years the RCMP has initiated an electronic fingerprint process, where they receive fingerprints electronically, and we believe that's going to be the way of the future.

Fingerprinting will definitely give you a more accurate reading of the person's criminal history, as opposed to a name check only. A criminal can be travelling on two or three different IDs, and a fingerprint is the most accurate method.

[Translation]

Mr. Mario Laframboise: Mr. Brousseau.

[English]

Mr. Alan Brousseau: As Mr. Conohan had mentioned, in Canada there's a reliance and a misconception when the security clearance is done. Of all security clearances done in Canada outside of PWGSC, with their top-secret types of clearances, your reliability status clearances, for the most part, at the government level, 95% are done by name checks. Of all criminal history searches done in Canada, outside of law enforcement doing a criminal investigation, 95% are done through the CPIC system, which is operated by the RCMP and is a repository of criminal offences attached by names and dates of birth.

The name-check system is, in our humble opinion, inferior to the fingerprint system simply because people have different aliases and people change their names. As a very easy example, a woman who gets married and decides to change her name, when she's asked to go for a name check and date of birth check, which name should she be giving? Because there's only room for one name. So the name-check system is fraught with the opportunities for fraud and mistakes because data is entered many times, from when it's collected to when it's passed off to the RCMP. They enter it into a system, so there are keying errors that can happen with the names and dates of birth, which will obviously present false results.

The fingerprint system, as you're all aware, when you get arrested you get fingerprinted and—

The Chair: No, we don't know that.

Mr. Alan Brousseau: I didn't mean it that way, Mr. Chairman.

The fingerprint system has proven to be extremely reliable in terms of comparison and is really the best way to determine whether the person in front of you has a criminal record or not. If they present false ID you will never get a criminal history return from that individual.

[Translation]

Mr. Mario Laframboise: Ms. Mitchell, you're proposing a monitoring system. You're not at that stage in the United States. A monitoring system is not mandatory under the act. We're working on it. Have I correctly understood?

[English]

Mrs. Stephanie Mitchell: Not yet. However, the studies that have been conducted have been for the U.S. government, because they intend to implement one as soon as 2010.

The Chair: Mr. Bevington.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair.

Thank you to the witnesses. It's a subject of interest.

I want to stick with the legislation, because of course we're really only dealing with very simple legislation here, transport security

clearance. There hasn't been any delineation of the direction the regulations would take. But more appropriately, what we're concerned about is the scope of what's entailed here. A legal case is going on right now about transport security clearances in Canada. There's some concern about matters: invasive questions about personal matters, past criminal convictions, credit history, past travel, employment, education, and those types of things.

Mr. Spencer, of the five to ten percent of the people who were rejected, how would you characterize their rejection? Was it criminal offences?

● (1615)

Mr. Dick Spencer: A very large percentage have criminal histories that caused them to be rejected. I should point out, however, that when a transport worker is initially rejected by TSA they have the full ability to appeal and to challenge that decision. They involve their state jurisdiction in that process to see if they can mitigate the situation, to see if there was incorrect information and so forth. A very large percentage—and I'm not going to say 80% or 90%, but I believe it is very high, at least 80%—was due to the criminal history this man or woman had and therefore is disallowed to transport.

Mr. Dennis Bevington: Is there any analysis of a security risk vis-à-vis criminal records? Has there been any sense that criminal records are the appropriate place to look for terrorists and for other people such as that?

Mr. Dick Spencer: It has been said you can only gauge what a person might do in the future based upon their past. That's really the only thing the criminal history search can do: whether it's name-based or fingerprint-based, the criminal history in itself is what they use.

Mr. Dennis Bevington: What percentage of those rejections would you think would be for minor offences under the Criminal Code, such as perhaps a drug offence or something of that nature?

Mr. Dick Spencer: I don't know the definition of minor offence, but 50 million sets of criminal fingerprints are in the criminal history of the FBI; 50 million Americans have a criminal history, and it's not jaywalking. These are criteria felonies. Therefore when a felony offence is pulled up on the FBI's criminal history and transmitted to TSA, then they mitigate that risk. And they do not share with us or anyone else that we know of exactly everything they do. In some cases they go to the extent of interviewing friends and relatives of the transport worker to see what kind of person they are. So they go very deep besides just the criminal history background.

Mr. Dennis Bevington: Would there be rejections on the basis of personal history examination as well?

Mr. Dick Spencer: TSA does all the accepting or rejecting, and we provide the data to them only. They do not share with us every way they reject transport workers from hauling hazardous materials, but our understanding is that could be a part of the security threat assessment judgment that TSA vets in their decision-making.

Mr. Dennis Bevington: What percentage of crimes in the U.S. are drug-related? Possession of—

Mr. Dick Spencer: I don't know.

Mr. Dennis Bevington: That might be a way to determine the percentage you're dealing with. The process you're describing is one that's singularly.... If you don't have a criminal record, then you're not a security hazard. If you don't show up with your fingers on a card, you're not going to be given much analysis in terms of security risk.

Mr. Dick Spencer: However, what you just said about them going further with their vetting process other than just.... Just because there's a clean criminal history doesn't mean they'll be allowed to transport hazardous materials. They have other vetting processes. That's only one piece of the puzzle.

• (1620)

Mr. Dennis Bevington: What happens to the materials and the information on those people who are rejected? Is it still held by the FBI, by the agencies that...?

Mr. Dick Spencer: If there's a criminal history, the FBI keeps that data. If there is no criminal history, the fingerprints are purged. They never appear again. They're not kept on file.

Mr. Dennis Bevington: You mean the fact that the person was rejected is not kept on file?

Mr. Dick Spencer: No, if they were rejected, it's kept on file.

Mr. Dennis Bevington: Okay. So if you're rejected for a security clearance, for a transport clearance, you may find that will come back to you later on because that's on your file. If you're looking for any other kind of reference later on as a person, as an individual that may play against you.

Mr. Dick Spencer: I don't know if TSA is allowed to share that with other agencies.

Mr. Dennis Bevington: Our understanding is it's been shared with other countries. Is that the case?

Mr. Alan Brousseau: From our understanding, we're not involved in the vetting process or the approval process the TSA operates. The TSA has stated publicly as part of its program objectives that the information is not—

Mr. Dennis Bevington: Admissions received in the course of proceedings in CSIS that personal information collected from employees and provided to CSIS during the background check process, which goes on to the United States, could be disclosed to foreign governments in certain circumstances.

Mr. Dick Spencer: I think that means they're a threat, if they're considered a threat.

Mr. Alan Brousseau: I don't think we're here to provide testimony or evidence in terms of what happens at the TSA. That's not the key area of expertise for us. If you have a criminal record, it's on file permanently in Canada as well as the United States. The FBI holds criminal history information. That's its job, the same with the RCMP. It's responsible for holding that criminal information.

Whether the TSA keeps information of rejection or non-rejection is not within our purview of the program. We don't have access to that type of information. Our understanding is that it is not. Once the endorsement decision has been made by the TSA, it's sent to the state, which decides. The state licensing department that issues driver's licences makes the decision on issuing the visa credential or not. So it's not really within our area of expertise as to what happens with that information.

I can tell you our systems are flexible enough to do anything this government or this committee would want to do. So if there is a complete purging of all information, it's a very simple chore to do. I know that when we take fingerprints in Canada for criminal history background checks, we do not keep the information any longer or use the information in any way other than sending it to the RCMP, and we only keep it as long as the RCMP tells us to keep it. We are more than happy to purge that information as soon as possible.

The Chair: Mr. Watson.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair, and thank you to our witnesses for appearing here today.

Of course, we are discussing Bill C-9, proposed amendments to the Transportation of Dangerous Goods Act, 1992. I think we've entertained a lot of discussion about things that are not in the bill. You'll have to forgive me if I'm a little wary that some of the recommendations for strengthening the bill might have some benefit to your own private interests.

I want to draw attention back to the actual bill itself for some of your comments on the bill if I could. First, let me ask about your familiarity with The Transportation of Dangerous Goods Act, 1992. Do you have strong familiarity with it, some familiarity with it?

Mr. Alan Brousseau: I have some familiarity with it, and I've obviously reviewed the amendments to the bill.

Mrs. Stephanie Mitchell: I have reviewed it as well.

Mr. Jeff Watson: So you're familiar, in the original bill, with emergency response assistance plans, for example, and how those are deployed in the transport of dangerous goods.

Mr. Alan Brousseau: I focus my studies more on the area in which we are experts, which is really security clearances. We don't do emergency planning, nor do we offer those services or any kind of assistance in that area.

• (1625)

Mr. Jeff Watson: Okay. It makes it somewhat difficult to ask for your commentary about the amendments to the bill.

Mrs. Stephanie Mitchell: In my review I saw portions that spoke of keeping track of vehicles. As one suggestion, we believe that needs to be more strongly worded or research needs to be done to be able to make the tracking available and mandated by the government. And, as well, the U.S. is going to mandate that.

Mr. Jeff Watson: Concerning the provisions around security clearances for the bill, do you support those provisions in Bill C-9?

Mr. Alan Brousseau: We most definitely do. We think that proposed section 27.1, which mandates the need for security clearance, is an important part of the bill. We fully support that. All we are asking is for some consideration on a definition of what a security clearance is. It's not defined in the act itself, it's not defined in the amendment, and quite honestly it's not really defined clearly in any piece of legislation in Canada.

Typically, legislation is written that requires some form of security clearance, but there is rarely any discussion in the regulations as to what's involved with a security clearance.

Mr. Jeff Watson: In your opinion, what impact will the proposed amendments in Bill C-9 have, for example, on national security? How will it impact the particular industry you're involved in? Could you comment on that?

Mr. Alan Brousseau: Our business is related to identity management, security of information, and personal information. So we see this being a positive step and really one that is in lockstep with the thinking of today's government to provide a more stringent method of vetting people for criminal histories.

We work with the RCMP on name checks. We work with the RCMP on fingerprints as well, so obviously there's an impact directly to our business, or it could be an impact directly to our business. At the same time, Transport Canada right now is a leader in the government in providing security clearances, and their preference has been to use fingerprints. So I don't think we're straying far from where Transport Canada has been going for the past five years.

Mr. Jeff Watson: Would you care to comment as well?

Mrs. Stephanie Mitchell: Obviously if slowdown is mandated, that's good for our company. However, it's something that the U.S. government is mandating as well, so in that sense it's important that Canada consider what the U.S. is doing, because if it's not in harmony with the U.S. standards and regulations, that prohibits our trucking companies from going into the United States and transporting those goods.

Mr. Jeff Watson: You'll forgive me, but you're talking about things that are not in the bill. Fair enough—I understand where you'd

like the bill to be going—but I was asking for your commentary on how the amendments that are actually being proposed affect your industry.

Mrs. Stephanie Mitchell: Again, I did read the bill. However, it's not passed yet.

Mr. Jeff Watson: I think I'm finished. I don't know if anybody on our side wants to share time with me.

The Chair: You have one minute.

Ms. Lois Brown (Newmarket—Aurora, CPC): I wonder, Mr. Brousseau, if you have any recommended wording for the definition. Obviously that would be part of regulations, but you're making suggestions on making clearer definitions for the wording. Do you have some recommendations that you could provide to us?

Mr. Alan Brousseau: I don't have any right here with any specific language that I could provide to you. Really, it's this concept of what is a security clearance—it's a very broad phrase. We would propose that for the criminal history portion of a security clearance, which I assume would be an integral part of a security clearance, the committee consider fingerprints as being the method for vetting individuals to see if they have a criminal history.

Ms. Lois Brown: So that would work.

One of the things that we have great concerns about, as Mr. Volpe was speaking of earlier, is what's happening in Canada in a year. We've got the Olympics to consider. Obviously, security is going to be a major concern for what goes on in those games. We have to be prepared for that. I think that looking at this bill is one of the responses that our government is having to ensure that we're providing the proper security for people who are attending.

We are going to be having goods and materials provided to us from the United States. I'm sure that some of the things that are going to be provided, if it's in provisions for the individuals who are going to be at the games, won't be hazardous, obviously, but there will be fuel and all kinds of things that are required, some of which may be coming from the United States. So there's a need for us to have something in agreement.

If we were to put your definition into our regulations, as you're proposing—and maybe this is a question for Mr. Conohan—would that work in tandem with what the United States is doing right now? They're ahead of the game. They've been on top of this more quickly than we have because of the circumstances. Are we going to be working in tandem with the United States to see this happen? And would a definition of “fingerprinting” resolve the issues for border issues in particular?

•(1630)

Mr. Alan Brousseau: There are two issues you touched upon there. The first is a cross-border issue and making sure that what we do here, especially for those individuals who have to go across the border, is similar to what the United States is doing. Mr. Spencer explained to the committee that fingerprints are the only method that is accepted by the TSA for criminal history search vetting. We propose that if the same were done in Canada that would go a long way to aligning the interests of both countries.

The other issue you touched upon was security for the Olympics. Again, security clearances are mandated in lots of legislation. They are never defined, or very rarely defined. They are defined for immigration purposes, where we require people to go get fingerprinted, as opposed to just doing a criminal history search. So the whole notion of a criminal history search needs to be explored not by this committee but by the government at large and really defined along the lines of what they're trying to accomplish in protecting people. In some instances maybe a name and date-of-birth check is perfectly acceptable. For higher-risk categories, perhaps there should be a fingerprint check to make sure that the person's not giving you fake ID or using an alias. You want to make sure that person is there. That would be, obviously, the most secure method of ensuring that somebody who you're entrusting to carry fuel or what not does not have a criminal record.

The Chair: Mr. Dhaliwal.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Thank you, Chair.

I would like to welcome the panel members to the committee.

I'm very pleased to note that Ms. Mitchell is from my home province. One of your community activists and a friend of your community, Dan Ashman, always calls me and updates me on the issues that you face.

You say you're based in Trail, right?

Mrs. Stephanie Mitchell: Yes.

Mr. Sukh Dhaliwal: How big of a share will a company like yours have of the industry in North America?

Mrs. Stephanie Mitchell: Currently, our tracking systems are on 500 vehicles within Canada. Worldwide, our tracking system is used on over 300 vehicles in 55 different countries. Our VST, our vehicle slowdown technologies, are going to be in production within the next 45 days.

As I stated at the beginning, we're a research and development company, so as far as our market share is concerned, we hope it will be quite large in a few months.

Mr. Sukh Dhaliwal: Okay.

And my question to all of the panel members is this: Could you describe an incident that has occurred in the past that was a security breach in the trucking industry and that your technology could have saved?

Mr. Dick Spencer: The good news is, I cannot think of one incident that has occurred in the transportation of dangerous goods since the inception of the hazardous materials program in November of 2004. So while we do not, as we've talked about here today, see

the actual results of the history or the searches and the vetting, it is our opinion that the program has helped keep America and Americans safer because of the vetting process before a person is allowed to haul materials. I think the proof of that is we have not had one major incident involving a transport worker using hazardous goods to bring harm to the United States.

•(1635)

Mr. Sukh Dhaliwal: On the other issue, when Ms. Mitchell is saying government should be a force of good in companies like yours, we already are cutting down on the research and development and people are already moving to the U.S., to work at U.S. companies. What are your experiences in dealing with government departments such as Western Economic Diversification Canada to see if government is willing to help companies like yours?

Mrs. Stephanie Mitchell: We've been involved with the NRC, the National Research Council, and the SR and ED tax credit. However, the NRC regularly runs out of money to provide for research and development companies. And because research and development is where a lot of the money goes before your product goes to market, it's hard to continue that research and development.

I was able to find statistics on research and development as it pertained to the oil and gas communications. However, I was not able to find statistics as it related specifically to safety and security technologies.

Mr. Sukh Dhaliwal: Have you made efforts to contact the WED, Western Economic Diversification Canada, particularly when it comes to your project? And if you haven't made those efforts, why wouldn't you make them?

Mrs. Stephanie Mitchell: Again, I'm not 100% sure on why we haven't made those efforts. We obviously should.

Mr. Sukh Dhaliwal: That's fine.

Why would you like the government to get involved? It's a private enterprise. All you're doing is providing this technology to the private companies that are doing business in Canada in a free-enterprise world. Why would you like the government to be part of the decision-making in this particular technology?

Mrs. Stephanie Mitchell: I made a comment earlier today that I felt that the easiest market for us to enter was the U.S. because the studies had been done in the U.S., because governments were looking at mandating these kinds of technologies, and they have made those mandates. That's not to mention the fact noted in my brief about the amount of money that is lost annually—\$5 million throughout the pharmaceuticals was lost in one stolen vehicle.

Mr. Sukh Dhaliwal: You said you have the ability to track all HAZMAT trucks at all times. Are you convinced that you have 100% coverage in Canada, even in remote areas, with technology like this?

Mrs. Stephanie Mitchell: There's GPS tracking that's provided through cell and satellite. Satellite obviously is more expensive, but that would take care of covering the remote area.

The Chair: Monsieur Gaudet.

[*Translation*]

Mr. Roger Gaudet (Montcalm, BQ): Thank you, Mr. Chairman.

I have a few questions for Ms. Mitchell. The table I have before me reads: "From High Speed to No Speed", that is to say from high speed to zero speed.

Could the government provide assistance to truck drivers or businesses? Your system seems good, but it must be quite costly.

[*English*]

Mrs. Stephanie Mitchell: Actually, we feel that our system has quite a low cost compared to those that are out there at the moment. I'm not sure which part of it you're referring to. Are you referring to the call centre? Are you referring to the product itself, or to the monthly fees?

[*Translation*]

Mr. Roger Gaudet: Is it costly for the whole thing, for installation and communications within the system?

• (1640)

[*English*]

Mrs. Stephanie Mitchell: Yes, it's costly. It would be a large cost to a fleet, especially a large fleet, because they would have to outfit all of their vehicles.

[*Translation*]

Mr. Roger Gaudet: Have you contacted the government to ask it to assist truck drivers or businesses that need this system to transport dangerous goods?

[*English*]

Mrs. Stephanie Mitchell: For support in developing this in the trucking industry?

[*Translation*]

Mr. Roger Gaudet: Yes.

[*English*]

Mrs. Stephanie Mitchell: We have not.

With GM coming into the market with a slowdown product, they will be developing a greater understanding and recognition of that kind of product into the market.

[*Translation*]

Mr. Roger Gaudet: Have you made contact with the persons responsible in the United States?

[*English*]

Mrs. Stephanie Mitchell: Yes.

[*Translation*]

Mr. Roger Gaudet: Are they in favour of your system?

[*English*]

Mrs. Stephanie Mitchell: Yes.

[*Translation*]

Mr. Roger Gaudet: Are they prepared to subsidize you?

[*English*]

Mrs. Stephanie Mitchell: They are ready to provide the trucking companies themselves with grants and contributions to in turn pay us to put this into practice.

[*Translation*]

Mr. Roger Gaudet: Thank you.

Mr. Spencer, earlier you said that, in 5% to 10% of cases, truck drivers could not transport dangerous goods. Is that calculated on the basis of three million truck drivers or 800,000?

[*English*]

Mr. Dick Spencer: Out of the 800,000 applicants to haul hazardous materials.

[*Translation*]

Mr. Roger Gaudet: Thank you.

[*English*]

The Chair: To wrap up, Mr. Mayes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

I'd like to direct my first question to Madam Mitchell, if I could. I want to follow up on what Mr. Godin said. With regard to incentives by the U.S. government to help implement security measures with the GPS systems, reported here it says \$8 million. I don't know if that's the accurate figure, but if it is, and we just finished hearing that there are three million truckers, and I would assume there are at least 1.5 million trucks, that's a lot of money.

The first question I'd like to ask is what is one of these systems installed in a truck worth, roughly? And Is that incentive really a large amount?

Mrs. Stephanie Mitchell: Our product can be installed for \$500 to \$1,200, depending on options. That is obviously only one of the grants that has been awarded and one of the ways of funding the installation that the U.S. government has provided.

Mr. Colin Mayes: Thank you.

My second question is to Mr. Brousseau. You mentioned that many countries do not have an actual definition in their acts with regard to security clearance protocol. Would you say that it isn't because of what they neglected to do but rather because they put those protocols in ministry policies rather than in an act because of the challenges that you might see with regard to the Charter of Rights?

Mr. Alan Brousseau: I don't think there are any charter issues. I'm not here to speak about the charter issues and I'm certainly not an expert on the charter issues.

Our experience has been that neither in the act nor in regulations is a security clearance clearly defined. Really, all we're looking to do is to make sure that if somebody wants a security clearance, those people who are tasked with making the decision on whether the person gets that clearance or not have the best available information provided to them. In no way do we promote or speak about an individual who has a criminal record being barred from doing something. That's not our decision. Those are the decisions of you folks, as well as the regulators. All we're here to do is to provide those people making the decisions with a full, complete, and accurate picture of who the individual is and what they have done, nothing more than that. The decision after that falls upon you individuals, again.

• (1645)

Mr. Colin Mayes: Could I follow up a little on that?

Mr. Alan Brousseau: Sure.

Mr. Colin Mayes: On the implementation of this initiative by U. S. Homeland Security, was there any individual who actually appealed to the court, concerned about their right?

Mr. Alan Brousseau: Has there been anybody who has appealed to the court with respect to the determination of the TSA on whether they're vetted or not?

Mr. Dick Spencer: If they were denied, do you mean?

Mr. Colin Mayes: Not if they were denied, just the fact that they had a right not to comply.

Mr. Dick Spencer: Not on this program. In the U.S. there have been several attempts by various agencies to prohibit certain types of background checks, but not on this program, that we're aware of. In fact, the industry—American Trucking Association, the regional motor carriers association—got on board that the criminal background check, being fingerprint-based, was probably the best-case scenario to allow the government to conduct proper security assessments.

Mr. Colin Mayes: Thank you very much.

The Chair: With that, I will thank our guests today. Again, I think the seeking of information is always good, and I know you have provided us with lots to think about, so I appreciate your time.

For the committee members, on Tuesday we'll go into clause-by-clause. I know that amendments have been submitted. We'll deal with them on Tuesday, and I'm hoping we can complete the clause-by-clause on Tuesday. If it takes an extra five or ten minutes, we'll take that to do it.

Mr. Bevington.

Mr. Dennis Bevington: Will we be going back into the steering committee to look at the agenda as we move forward?

The Chair: I was thinking probably about next Thursday. If we had clause-by-clause done on Tuesday, then we would have a planning session for the week that would allow us to contact witnesses and bring them in for the following week.

Mr. Dennis Bevington: I'm a bit concerned. When I talked earlier we had some agreement with the parliamentary secretary about dealing with the criteria for the infrastructure programs, evaluation. We're fast moving to the probation report period, and we haven't done that.

The Chair: I think the rule of the committee traditionally has been that we would deal with government bills as they come out of the House. I think at the planning committee we can certainly determine a day for that.

Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Besides, Mr. Chair, it's a Liberal-NDP probationary period, so we really don't have to worry about anything.

Mr. Dennis Bevington: You didn't get that?

The Chair: Okay, I will commit that it will be on the agenda.

Mr. Dennis Bevington: We have not put the Conservative-Liberal coalition on probation.

The Chair: Thank you.

The meeting is adjourned.

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

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

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