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Chair

Mr. Merv Tweed

Standing Committee on Transport, Infrastructure and Communities

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•(0905)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, everybody.

I regret that we're not starting exactly on time. We do have guests here today, and it's important that we move forward.

I need approval from the committee. We've had a request for a media person to attend with cameras. Normally that request is made 24 hours in advance. It wasn't, so we need approval from the committee to allow that to happen.

Is everybody okay with that?

Some hon. members: Agreed.

The Chair: Okay.

Secondly, I want to read something into the record, more just for the history. It will allow the committee to refer back to the reports from previous sessions. Basically, we would refer to the motion that the evidence and documentation received by the committee in the second session of the 40th parliament, the study we did on safety management systems, be allowed to be brought forward as part of the discussion.

Okay, with that everything is good.

We welcome our guests today to the Standing Committee on Transport, Infrastructure and Communities. Pursuant to Standing Order 108(2), we are studying aviation safety and security.

Joining us today are Mr. Marc Grégoire, assistant deputy minister of safety and security; Ms. Nicole Girard, director of policy and regulatory services, civil aviation; Mr. Don Sherritt, director, standards, civil aviation; and, by request, Ms. Yaprak Baltacioglu asked if she could....

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): A point of order, Mr. Chair.

We received the first notice of meeting, and Mr. Martin J. Eley, Director General of Civil Aviation, was supposed to be present. Yesterday at 2:49 p.m., we received a revised notice of meeting, which indicated that Mr. Martin J. Eley would not be present. I asked Madam Clerk why and she said he had to attend a conference in Montreal. I also asked Mr. Grégoire why, and he told me that Mr. Eley was sick.

This is important, Mr. Chair, because on the issue of pilot fatigue, Mr. Eley made some comments to the CBC regarding the fact that Transport Canada had not taken into account the recommendations of a report, a study conducted in 2001. So I would like to know why Mr. Eley is not here today, and I would like him to be summoned to a future meeting, Mr. Chair.

[English]

The Chair: I'll defer to the deputy minister for response, please.

Ms. Yaprak Baltacioglu (Deputy Minister, Department of Transport): Thank you very much, Mr. Chairman.

I appreciate the member's concern. Mr. Eley would have been here if he could. He's in the hospital and won't be out for a while. We will keep the committee informed as to when his health will be fine.

The Chair: Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Okay.

[English]

The Chair: Okay. We'll open the meeting.

I understand there will be a brief presentation and some comment, and then we'll get to questions as quickly as possible.

Madam Deputy Minister, proceed, please, and thank you for attending today.

Ms. Yaprak Baltacioglu: Thank you, Mr. Chairman.

Again, thanks to the committee for accepting last-minute witness changes.

We would like to deliver short opening remarks. My colleague, Marc Grégoire, who is responsible for safety and security in Transport Canada, will deliver our opening remarks.

Briefly at the outset, however, I believe the transport department was last in front of this committee in November. We're very pleased to be here to report on our progress since then, because a lot has been done since November. My colleagues and I are pleased to be here to expand on that.

My second point is that this is about the safety of Canadians and Canadian travellers. We are very much interested in hearing the views of the committee, receiving the recommendations, and hopefully acting on them, because in safety we cannot compromise and we must always strive to make it better for Canadians.

I'm going to turn it over to my colleague.

Mr. Marc Grégoire (Assistant Deputy Minister, Safety and Security Group, Department of Transport): Thank you, Yaprak.

Mr. Chair, you have already introduced our other members, who gracefully accepted to replace Martin Eley at the last minute.

Our appearance today coincides with the international high-level safety conference that Mr. Laframboise mentioned, which is being held this week at the International Civil Aviation Organization headquarters in Montreal. I was there yesterday and so was the minister.

Our purpose at the conference is to help enhance aviation safety at a global level, promote the international recognition of the Canadian civil aviation program, and engage in concurrent aviation safety issues with our international partners.

[Translation]

The conference began yesterday and the minister addressed the delegates at the end of the first day of talks. The minister, Mr. Baird, confirmed his commitment to aviation safety and security. He also underscored the importance of our airline industry to the Canadian economy and defended our position on the international scene.

The ICAO continues to recognize Canada's leading position when it comes to air transportation safety. The ICAO also recognizes that Canada is a global leader in the development and implementation of safety management systems, or SMS. Globalization has prompted the industry to question past practices and provided an opportunity to propose improvements for the future. We continue working closely with our international partners to harmonize rules as much as possible.

• (0910)

[English]

In fact, at this week's conference Canada was one of the few selected states invited to present a paper on the status of the development of Canada's state safety program. I have copies of this paper with me for the committee in English and French.

As I indicated when I spoke to you in November, ICAO is currently developing a standard and recommended practice for a state safety program. Canada already has the main elements in place, the regulations, standards, guidelines, and education to promote a safe and harmonized aviation system. We anticipate that when the ICAO standard comes into effect, Canada will be well placed to meet this requirement.

I would now like to give you an update on what's happened since I last appeared before the committee in November to discuss the subject of aviation safety, in particular safety management system implementation.

[Translation]

The associate assistant deputy minister, Gerard McDonald, and I have travelled across Canada and held group discussions with inspectors—our inspectors—and their bargaining agents, giving them the opportunity to share their opinions on how to go about implementing safety management systems in the future.

A total of 21 sessions were held in the regions and four were held here in Ottawa. Furthermore, Martin Eley, director general of Civil

Aviation, met with most Civil Aviation employees across the country, not only the inspectors at headquarters, but also in the regions. The comments received were positive and I was very encouraged by the response from the unions and constructive dialogues held with them.

We are taking action to respond to the issues and concerns that were raised. We have made some adjustments to continue moving the program forward. We will continue to listen to these groups and make other adjustments as needed. We are determined to improve the already high level of security, thanks to SMS implementation.

The large commercial operators have finished implementing the SMS, and the information gleaned from their experience will help fine tune the plan for the next phase, namely, implementing the SMS in small commercial operators. Based on comments from inspectors and the aeronautics industry, Transport Canada has changed the implementation schedule for the SMS, giving smaller operators at least another year. This will allow us to fine-tune the procedures and documents, and will allow us to give inspectors updated training.

[English]

Inspectors play an important role and have several key oversight responsibilities, including determining the effectiveness of a company's SMS, verifying compliance with regulatory requirements, and measuring the effectiveness of corrective actions taken by the company. Inspectors carry out planned and unplanned surveillance. The tools they use to conduct these activities include inspections, audits, validations, and assessments. As a result of these activities, the Civil Aviation Organization can establish whether the company should be subject to routine monitoring, enhanced monitoring, enforcement, or certificate action.

Although inspectors have already been trained, updated training to reflect the changes to procedures is under development. A request for proposal for the development of surveillance procedures training was awarded on March 4. The design and development phases will be completed by June 1, with a pilot course being delivered later that month. Following any necessary revisions further to the pilot course, course delivery to all our inspectors will commence early September 2010.

• (0915)

[Translation]

We take our supervision role very seriously. Approximately three-quarters of the budget allocated to aviation safety is dedicated to supervision activities. These activities are conducted in accordance with established policies and procedures, and they were updated in February to clarify what is expected of inspectors.

Furthermore, the world is watching us. Other countries continue to draw inspiration from our experience and consult us for advice on how to implement SMS. Canada is part of the safety management international collaboration group, which was created last year to foster a common understanding of the principles and requirements of SMS, as well as how to implement them within the entire international aviation community.

[English]

As you can tell, a lot of work has been done and we're continuing to make improvements to an already very solid system. I'm confident that this work will go a long way towards improving the understanding of SMS by our employees and the public. The bottom line is that Canadians can be confident in the aviation safety surveillance program.

Aviation safety has received some negative attention in the media in the last year, which ultimately has had an impact on public confidence. This is unfortunate, because these reports have often contained incorrect, misleading, or outdated information. The real story in the Canadian aviation industry is that every day things go very right.

[Translation]

In 2008, there were 12% fewer accidents than in 2007. There were 251 accidents in 2008, compared to 284 in 2007. That is a record low. The 2008 accident rate, 5.7 accidents per 100,000 hours flown, is the lowest in the last 10 years. These statistics are a crucial factor in maintaining public trust, which is an important element of the decision-making process for the program.

Transport Canada works hard every day to ensure that Canadians continue to have confidence in flight safety every time they fly.

[English]

Thank you, and we look forward to answering your questions and receiving your suggestions.

The Chair: Thank you very much.

Mr. Volpe.

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

[Translation]

Thank you, Ms. Baltacioglu and Mr. Grégoire, and thank you to your colleagues, Ms. Girard and Mr. Sherritt.

[English]

As you know, we've been wrestling with this for a while. When I first came to this committee, Monsieur Grégoire was sitting at the back and watching as one of his colleagues—I guess the person who preceded him in the spot—tried to navigate through some of the questioning by committee members, especially those on the opposition side. Even though I'm not a great believer in the role of personalities in good procedures, it struck me then that personalities were getting in the way of a solution. It would appear that at least one of those irritants is now out of the way.

So, Monsieur Grégoire, I'm just wondering whether I'm on the right track here. Have we established a different approach from where we were going, or is it a different system from what we were talking about a mere 18 to 24 months ago?

Mr. Marc Grégoire: I think it's fair to say that over the last year, starting in February 2009, when we were completing implementation of the last phase of SMS for major airlines flying into Canada, and since I have really paid more attention to this specifically, we have heard many complaints from our inspectors. Many of them were

saying that we had perhaps not paid enough attention to what they had been saying. Since the fall we therefore decided to pay more attention and listen more carefully to what our own inspectors and our own internal unions had to say. We have over 800 inspectors in aviation and over 1,500 inspectors in the safety and security group, and our workforce has to buy into SMS.

When we were listening to those comments in the past, I guess we had thought the inspectors were opposed to the concept of SMS, but by listening to them and having a dialogue with them, especially over the last few months, we realized that was not the case at all. All our inspectors do buy into the concept of SMS, but they do have difficulties with some aspects of its implementation. This is why we have made changes to the implementation of SMS.

• (0920)

Hon. Joseph Volpe: You will recall, Monsieur Grégoire, that it was simply an issue of people not listening. What you're saying is really quite encouraging, so let me compliment you.

The other issue was whether we had enough inspectors on site. The last time we had this discussion in this committee, there was some difference of opinion about whether we were going to have a full complement of those inspectors or whether we were going through a transition period that I think some people would describe as downward, while others would say upward.

Has the department now filled that full complement of inspectors, without which an SMS system would not be practicable?

Mr. Marc Grégoire: We have not yet completed the staffing of all the positions, but it is being done now. I have asked Martin Eley and the national civil aviation management team to proceed with the staffing of all those positions. Martin and I have agreed on a timeline for this. What's being done now is that 60 of those positions are being staffed on an urgent basis, hopefully before the summer, and the rest will be filled by August 2010, so we hope to have staffed all of those positions by the end of the summer.

Hon. Joseph Volpe: I haven't had a chance to take a look at the full aspects of the budget implementation bill. Will I find the resources for that in the budget implementation bill?

Mr. Marc Grégoire: Civil aviation, over the last many years, as I have said here before, required more money than was allocated in their A-base budget. However, as long as I can remember, since 2002-03 the department has always recognized this and has always given the additional money that was needed by civil aviation. That is approximately \$10 million, or just short of \$10 million.

We have a new deputy now; I have made her aware of those requirements, and everything is in line to seek those additional resources for the coming year as well. We have strong support for this from internal management in the department.

Hon. Joseph Volpe: I notice that the language you're using for the SMS is different from what we have used in the past. If I copied it down correctly, it's now "aviation safety surveillance program". Is that a reflection of a targeting of what you want to do in terms of the audit process, or is it just a different direction?

Mr. Marc Grégoire: No, it's not a different direction, but what we also realized last year in that process, which for me began last winter, is that in our messaging we didn't pay enough attention to our oversight role, both internally and externally. Some people, both outside and within the department, thought we were bailing out of it, that we were getting out of that role, which is not the case at all. As a result, we want to put more emphasis on our surveillance role and on the activities we do for oversight. That role is extremely important. It always was important, and it always will be important. It's not a change, but it's a change in communications, if you want.

Now, that being said, in the last year, because of all of the work that was being done in the SMS assessments, we haven't done as much in surveillance activities as we would have liked to, but certainly that will change over the next three years, starting immediately.

The Chair: We will go now to Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise: Thank you, Mr. Chair.

During your presentation, you mentioned that you were here in November, when you gave a presentation on the safety system. That is true, you spoke to us about the improvements that had been made.

However, you failed to mention that since November, we have learned from a report released by the Transportation Safety Board of Canada that 12 airplane accidents that led to 28 deaths were caused by pilot fatigue. I am not sure if you are aware that you failed to mention that, but I think this shows a problem.

Upon listening to, looking at and reading the statements by Mr. Eley, director general of Civil Aviation, we learned that Transport Canada received a report in 2001 that recommended adjusting pilots' schedules based on their circadian rhythms. Mr. Eley said that Transport Canada never followed through on those recommendations. He admitted that the recommendations did not elicit much interest at the time and they were not part of Transport Canada's priorities. What he said is important.

Was Transport Canada focusing too much on safety management systems, when it should have been paying more attention to pilot fatigue? That would be a reasonable conclusion, based on what Mr. Eley said.

You had some other concerns, besides pilot fatigue, which is troubling. Indeed, you are telling us that you are the global leader in safety management systems. I have already had the opportunity to tell you that we thought you wanted to reduce costs by handing this management system over to private enterprise. You have since changed your position. You just told us that you will be putting more emphasis on your oversight role over the next few years, but I cannot help but think you have overlooked a big part of safety, namely, pilot fatigue.

Please try to reassure me.

● (0925)

Mr. Marc Grégoire: Pilot fatigue is something we take very seriously. I have been with Transport Canada for a very long time, and that issue was studied and analyzed extensively from 1980 to 1990. After over 10 years of communication and meetings with air

carriers and pilots' associations, we created the regulations that are in place today.

I believe those regulations have helped reduce the number of accidents. We analyze every accident and read all the reports released by the Canadian Transportation Safety Board. Priority is always given to TSB recommendations. The TSB has not issued any recommendations related to pilot fatigue since 1995. The TSB may have noted fatigue as one factor contributing to an accident, but not the main cause. Just last week I spoke to the Transportation Safety Board's chair and asked her if she had any other concerns. Perhaps you would like to invite her here to speak to the committee. It is not the TSB's top priority, which is why it was not included in the list of the nine main factors they want us to focus on.

That being said, we now recognize that the regulations governing pilot scheduling could be improved and we have introduced a system to review those regulations. To that end, we plan to use a system we developed thanks to the studies cited in the *Enquête* program, first for mechanics and then for pilots. A working group will be meeting in June, I believe, to begin work on reviewing different hours, primarily, and the impact of circadian rhythms on pilots' schedules.

Mr. Mario Laframboise: I am glad to see you recognize that today, Mr. Grégoire. All the same, Transport Canada produced a report in 2001, which you decided to ignore. Mr. Eley told us so. You tell us that the Transportation Safety Board of Canada has never made such a recommendation, but your own department commissioned a study that recommended you take action on this.

We have just been through a saga with Toyota. If you wait until accidents happen before taking action, you will have a problem, because you need to be ahead of the game. The worst is that you were out front in 2001. You decided to move on to other things and abandon the fatigue file. That was Mr. Eley's statement. I am not going to repeat it all, because he is not here to defend himself, but that is what he said. How can you assure us that you are going to take action?

● (0930)

Mr. Marc Grégoire: We have already announced it, and the minister announced it himself: we will have a working group in June. That is a few months away. We could come in and give the committee an update then.

Mr. Mario Laframboise: And what do we say to people who have had accidents and people who have lost loved ones in accidents caused by fatigue? Do we say we're sorry? Is that what we do?

Mr. Marc Grégoire: No, just listen. As I said, we take all the Transportation Safety Board's recommendations very seriously. In the case of the accidents mentioned on the *Enquête* program, the Régionnair accident at Sept-Îles, for example, the recommendations did not mention fatigue. Both recommendations concerned the ban on approaches when ceilings are too low. That is where Transport Canada put its emphasis and the regulations were changed. In the program, the pilot admitted voluntarily that he had greatly exceeded the allowable number of working hours. A pilot in the industry is permitted to work 120 hours per month. The pilot admitted that he had flown for 181 hours that month.

The Chair: Thank you, Mr. Laframboise.

Mr. Bevington.

[*English*]

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

Thanks to the witnesses for coming here today again. We're very pleased to have you in front of us on this particular issue.

Last fall I asked a question in the House on aviation safety, and the Minister of State at the time wanted me to apologize for bringing up the issue of aviation safety. He said the system was very secure. That's not the attitude of the minister's office now.

Where has the direction come from? Has it come from the department, saying that we need to adapt the systems we're using, or has it come from the political bosses down to you? Where has the action come from?

Ms. Yaprak Baltacioglu: Let me just start the answer to that question. First of all, our aviation safety system in Canada is secure. As my colleague has indicated, our accident rates are low, although I must say that every accident is one too many.

With regard to our inspectors and work with the unions, all initiatives have come from the department. Our minister—and I can speak for myself, since I've been here eight months—since my first briefing with him on these issues, has been very diligent in making sure we do the right things and we improve our systems and processes.

Mr. Chairman, I believe the honourable member is aware of a number of announcements we have made over the past few months regarding aviation safety. Not all of them are related to what is on the agenda today, SMS, but he has heard from his colleagues, he has heard from the stakeholders, he has heard from us, and he has taken action.

Mr. Dennis Bevington: So the department fully supports the move out of safety management oversight by Canadian business jets? You fully support backing off from the implementation of SMS for small-sized carriers, in the 704 range? That is fully bought into by the department?

Ms. Yaprak Baltacioglu: Sir, we're here. We're the department. We are fully supportive of taking the regulatory oversight functions back from the Canadian Business Aviation Association.

Let me just be very clear, however, that we have put a freeze on the implementation of SMS for small business aviation, for small planes, basically. That is, we have put in a one-year pause because

we heard from our inspectors on the ground, as well as from the people we're regulating, that the system wasn't ready. We took that into account, and that's what we have done.

• (0935)

Mr. Dennis Bevington: You've been engaged in developing this system for what, a decade?

Ms. Yaprak Baltacioglu: I believe so.

Mr. Dennis Bevington: So now it's only in the last six or eight months you've decided that feedback from the people who are actually doing the work on the ground is required? Wasn't this process set up in a fashion that provided ongoing feedback from the people who are doing the work for you, the safety inspection?

Ms. Yaprak Baltacioglu: I'm sure that the department, on a regular basis, works with the front lines. I can speak for myself and for my colleagues here that we have decided it was important to take stock, and that's what we have done this year.

I believe the committee will support a department that is evolving, and that is improving its processes, and that is trying to do the best thing for the safety of Canadians.

Mr. Dennis Bevington: Okay. When we talk about surveillance—because this is an interesting new word, and I hadn't heard it in the vocabulary, as my colleague pointed out—knowing that the work we're concerned about is the oversight, does this mean that with the large carriers, for instance, you'll be going back to systems where you will actually have operational audits, where you will actually go on the ground with the companies on a random basis to determine their adherence to the systems that they have laid out for themselves?

Mr. Marc Grégoire: The bottom line is yes. However, we're not necessarily using the same vocabulary that you just mentioned. But we will do all of those activities, and that's what I tried to explain in the introduction, that certainly some of you and some of our inspectors thought that we were out of that business, and that's because we were in the implementation phase.

I certainly reassured—and Gérard did the same—all the same inspectors we met that this is not so and that we will continue to do that. Risk management will play a key role, and the risk analysis and more data analysis on the safety practices of airlines. Not knowing exactly what it will be in the future, I asked the team in Ottawa, certainly for the major airlines, to tell me what component of traditional oversight would we do in the coming year, and it turned out to be approximately 30% of traditional inspection work, if you want. Some of it will be unannounced, ramp inspection and others.

Mr. Dennis Bevington: My understanding in talking to industry is that their sense is that they don't want to see this go back this way. Do you have a conflict with the industry in terms of ensuring that they understand that you will be engaged in more complete oversight in the future?

Mr. Marc Grégoire: That's certainly the message we passed to all industry members we met. But certainly this misconception was not only among our inspectors but also among some portion of the industry. It is clear that they will see us, but again on a risk basis.

A company that is operating very safely, while we will oversee and do some monitoring of their operation, will not see us too often. A company that has unsafe practices will have us in their face far more frequently.

When I was there yesterday during the various ICAO presentations, ICAO indicated that in the way they are moving forward to audit various countries they will use exactly the same process.

Mr. Dennis Bevington: Will you consider an anonymous tip line?

The Chair: Thank you.

Mr. Richards.

Mr. Blake Richards (Wild Rose, CPC): Thank you very much.

Thank you for being here today on this very important issue.

I think I'm going to pick up on a portion of Mr. Bevington's questioning. One of the things I have discovered is that when you want to know how something you're doing is working or whether it's being implemented properly you should talk to the people who were involved with it, whether it is people who were involved in implementing it or whether it is people who were affected by it.

I come from a very agricultural riding. When I want to know what is going on in agriculture, I go talk to farmers. I also have a lot of tourism in my riding, and when I want to know what's happening in the tourism industry, I go speak to people who are operating the various tourism products. I think you get the idea that the most important thing is to determine what the effects will be on those people directly affected by the changes being made.

I would like to just hear a little bit more from you in terms of what you've done, and what you plan to do going forward, in terms of consultation and speaking directly with those most affected. Obviously they are the inspectors and the people who are actually on the ground involved in implementing changes, but also those who will be affected by them, the operators.

What have you done in terms of consultations? What is your plan going forward with that?

• (0940)

Ms. Yaprak Baltacioglu: Thank you very much for that question.

I will start, and my colleague who's the responsible ADM will expand on the consultations and discussions that he has held.

Since I started as the Deputy Minister of Transport, I have crossed the country at least once, if not twice. Every time that I have been in one of our regions, I have spent time with our inspectors without any management present. So that's what I have been doing. Now we are going to take that to the next level. We're instituting an advisory group of inspectors to the deputy minister, so we will have our front-line inspectors as advisers to me so that I get to actually hear the front-line issues and the concerns as they hear them. We feel that this is an important avenue for our front-line staff to have access to senior management.

We have been working with the unions. Our union meetings are not only at the specific branch and responsibility area level, but department-wide. Our executive group meets with the unions, all our unions, now every four months. Actually, this afternoon we're having our meetings with the unions. We met with them previously, I think, in the last couple of months. So an enhanced engagement with our unions is important.

Regarding the industry, we work closely with industry within the rules and within the clear understanding that we are the regulator and we regulate them. However, safety is not the responsibility of just one party. It is the responsibility of the government, it is the responsibility of industry, and it is the responsibility of the travellers. We have to make sure that all these pieces come together so that Canadians have the best safety in the world.

Maybe my colleague can give you a sense of what he and his staff have done, but also the general conclusions that he has brought home.

Mr. Marc Grégoire: Thank you, Yaprak.

First of all, if I go back to both of your questions, we have communicated extensively over the last ten years both with industry and our inspectors. But what we haven't done enough is perhaps distinguish the role of the inspector, or the oversight role, versus the SMS philosophy. What we realized in the past year is that everybody bought into the concept of SMS, the philosophy of SMS, but the issues were all around the actual implementation of it or the role of the department within SMS.

I should have said that one of the factors that helped me understand this is when I read the listeriosis report and I tried to make analogies between what happened in the food sector versus what we were going through. The bottom line is that implementing a safety management system is a major cultural change both for our employees and for the industry.

I was an inspector in the department. I started a long time ago as an inspector. I value the work of our inspectors tremendously, and like you, I agree on the importance of going on the ground to listen to the concerns of those affected, both our inspectors and the airlines.

In terms of the air carriers, smaller operators and airlines, we have held a lot of conferences on the subject. We have gone around the country with SMS sessions, inviting, in some cases, 300 or more participants. These are owners and operators of companies learning how to implement SMS in their company.

In regard to the fact that we're slowing down the implementation of SMS, we are doing it mainly to catch up with our own inspector workforce, to bring them the appropriate training and tools to do their job, but I've heard from many air carriers that they're sorry about the delay because they're anxious to be regulated under regulations 703 and 704.

• (0945)

Mr. Blake Richards: Often when we make changes like this, they are obviously very important changes, but we sometimes can forget about smaller organizations, smaller companies, and the effects that it can have on them. When government imposes certain things on organizations and companies, the cost, on a percentage basis, to comply with certain things can be quite onerous on smaller companies.

What have we done specifically to deal with that? How are the smaller organizations affected, and what thought has been given to that?

Ms. Yaprak Baltacioglu: We always know who we're regulating. We have to understand their circumstances and their realities.

However, because we're talking about aviation safety, certain things are not particularly negotiable. Safety of the passengers on an airplane is not particularly negotiable. How we approach them, how we regulate them, I think there could be flexibility in the system. But if a company is going to operate airplanes, they have to account for safety. That's where we're coming from.

I think Mr. Sherritt has some things to add.

Mr. Don Sherritt (Director, Standards, Civil Aviation, Department of Transport): One of the advantages of delaying it is that it has given the associations an opportunity to become more engaged. What we're seeing is associations like ATAC are starting to work with their membership and are coming up with common tools, combining their resources. I think that's quite encouraging when you start to see the associations starting to step up to the plate and starting to work with the regulatory requirement and their members to try to add value and to make the road easier for their membership.

The Chair: Thank you.

Mr. Dhaliwal.

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

Good Morning, Deputy Minister and associates. Welcome to the committee.

The Union of Canadian Transportation Employees suggested to the committee that we establish an independent aviation whistleblower office. Do you agree with that?

Ms. Yaprak Baltacioglu: I'm sorry, I'm not exactly sure of the question. Are you asking whether we would support a whistleblower office?

Mr. Sukh Dhaliwal: An independent aviation safety whistleblower office.

Ms. Yaprak Baltacioglu: The government already has whistleblower legislation with a commissioner, and there are avenues for government employees to go to.

However, my view of management is that I'm hoping that before it comes to whistle-blowing, we have systems and processes in our department so that my colleagues who are the managers of the safety and security program and I, as the manager of the department, get to hear from our own people. That's why I mentioned I am having this

inspectors advisory group to meet with me, so I hear these things. That's an important issue.

Now, if the issue is whistle-blowing with regard to what is happening in the aviation industry or specific companies, a whole culture change needs to happen. This is not really about whistle-blowing; it is about companies being open and transparent about having a safety incident and taking steps. We want people, we want the companies to come forward. We want to know if they're having safety issues, because if everybody is worried about getting in trouble with the regulator and hiding the problems, then we're not going to have transparency in the system.

I believe in 2008 we got reports of 1.8% more incidents from the aviation industry. This is a small step, but it is showing that the system is starting to change. Companies are letting us know when they're running into problems, so we are fully aware of what's going on in the industry.

So there are two sides to the.... I answered both your questions, but I don't know if I...

• (0950)

Mr. Sukh Dhaliwal: But contrary to this, we also heard from the International Association of Machinists and Aerospace Workers that mechanics have been disciplined for upholding safety rules against the will of management. Do you believe that's happening, and what has been done about situations like that?

Mr. Marc Grégoire: Yes, of course it is happening, but it should not happen. And I think I testified here a few years ago on that situation, more specifically with rail companies, where we had done an SMS assessment and found out that what we're supposed to have in a company, which is a non-punitive reporting system, a system in place for all employees to report issues and problems as they find them, a system that says that the company must deal with every one of those issues, was not in place.

And this is part of the assessment we do in aviation. So whenever we do an SMS assessment of an airline, this is one of the components we look at. And if a company does not have that, then they don't get a good mark for their SMS assessment and they must correct it.

With companies where that works, the companies have told us they have seen a significant increase in internal reports of issues. And at the same time, many companies told us that while they have seen an increase in reports, they have also seen an increase in morale, because that builds more confidence between the employees and the companies, and that's the way to go to improve safety.

Mr. Sukh Dhaliwal: I also met with the employees from Air Canada. They were saying that Air Canada is going to outsource their maintenance in the coming years to other countries in the developing world. Do you see a negative impact when it comes to our standards here in Canada?

Mr. Marc Grégoire: The company must meet all Canadian standards, and if they outsource, they must still meet all TC safety standards. So for us, there is no difference, as long as the service provider meets the standards. This is why it's also so important to work within the framework of ICAO and to push for better standards throughout the world.

The Chair: We'll go to Monsieur Laframboise.

[Translation]

Mr. Mario Laframboise: Thank you Mr. Chair.

I want to return to the question of fatigue, Mr. Grégoire, because it is just too important.

The 2001 report recommended that you take action on this issue. I return to Mr. Eley's statement about the fatigue study: "The decision was made at that time not to move forward on the conclusion of those studies."

You told us earlier that over the past decade you have communicated a lot with people in the industry and your own inspectors. You have been working, but in the past 10 years there still have been 12 fatigue-related accidents that caused 28 deaths. You are saying that the Transportation Safety Bureau has never made a recommendation. You also told us that in the Sept-Îles case, the pilot admitted he had been working for 18 consecutive hours.

In the past 10 years, have you never heard talk about the fact that there is an active system in this industry to falsify logbooks in order to conform to the rules? You have seen what is happening. Many pilots have told us that they falsified their logbooks. Are you trying to tell me that you have never heard of scheduling problems or tampering with logbooks in this industry?

Mr. Marc Grégoire: I am not prepared to say that it never happens, but obviously, when such cases are discovered during logbook inspections, we take the appropriate steps to apply the law. As for knowing whether the problem has been the same in recent years as it was during the previous 20 or 30 years, I can tell you that it was not the case at all. I was a pilot in the industry myself, in the late 1970s and early 1980s. At that time, there was a very serious problem with flying hours. That problem was corrected when the regulations were implemented in 1995. Most pilots respect these regulations. Some pilots disobey them and falsify their logbooks, but the same problem can turn up in road or rail transport, where there are also regulations on working hours. It is very difficult to detect, but sometimes someone will blow the whistle on a co-worker. It is also possible to detect falsification during a thorough inspection.

• (0955)

Mr. Mario Laframboise: The fact remains that in 2001 a report indicated that there was a problem. You say you believe, in the light of your personal experience, that there was no problem. But there was one. That is what the Transportation Safety Bureau tells us.

Your director of civil aviation tells us that Transport Canada decided not to bother with this issue. That is a choice you made, but the result was that, within the safety management system you set up, people did not take this situation very seriously. In fact, it was not a priority for your department. In theory, the SMS should also cover any problems related to maintaining logbooks, shouldn't it?

Mr. Marc Grégoire: No one has ever brought any problems with pilot logbooks to my attention.

Mr. Mario Laframboise: And yet, theoretically, the SMS should take care of that. Ensuring that pilots obey the law should also be part of each company's activities.

Mr. Marc Grégoire: I agree with you completely. I don't think it is necessary to keep on eternally wondering what happened in 2001. As you said, the department believed it wasn't a priority. In spite of everything, the department did the work and the research and recommended that the industry use the tools it has made available on its Internet site. The department then said that it was going to review the regulations thoroughly and would set up a working group in June. It is useless to ask why this wasn't a priority. It wasn't a priority at the time, but now it has been decided that it is a priority and it must be dealt with quickly.

Mr. Mario Laframboise: So, you don't want me to ask you any more questions about it. I will stop asking questions, then, Mr. Grégoire.

Mr. Marc Grégoire: No, you can ask questions, Mr. Laframboise, but I can't give you any better answers.

[English]

The Chair: Just before I turn to Ms. Brown, could you tell me if it's possible for a pilot to work for two companies at the same time?

Mr. Marc Grégoire: Yes, it is.

The Chair: Okay. Is there a registrar for that?

Mr. Marc Grégoire: If you do so, you're supposed to report to both companies the number of hours you have flown, so that both will make sure you don't exceed the maximum allowable hours you can fly on a daily, monthly, 90-day, and yearly basis, as per the regulations.

The Chair: Okay, thank you.

Ms. Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you, Mr. Chair, and thank you to our witnesses for being here.

Prior to my election a year and a half ago, I worked in the health and safety industry. Our company provided consultations on health and safety to many of Canada's largest companies, including in the manufacturing industry, forestry industry, and food industry, given that everybody has incidents. Our area of focus was on return-to-work programs and on providing companies assistance with workers compensation, basically in any province. However, over the time that we've been in business, we have seen a real evolution in safety—and it's an issue of safety management, because it's a matter of risk assessment in whatever industry you're in. For example, we've seen a change in the medical system, as we now engage ergonomists, kinesiologists, and physiologists, all of whom are involved in the return-to-work process.

However, what has always been the case is that it's been an incident, or sometimes a catastrophe, that brings our services in the door. What a company has to do first of all is an audit of the system it has in place, an assessment of its compliance with the regulations, and then constantly to do that review and audit process, so the company is constantly improving.

I guess my first question for you deals with the point that the change in the medical system that we've seen is also happening in technology. There's an evolution going on in the aviation industry as well, where companies must always be doing their assessments, coming into compliance, reviewing their processes and putting in place new ones. So I wonder if you could speak, first of all, to how technology is changing this for the aviation industry.

Second, how is Transport Canada ensuring that SMS is being followed properly, given that, as in the health and safety area, there are any number of providers who put together manuals or documentation to meet the regulations? How is Transport Canada doing that constant assessment of the industry to ensure that is in place?

• (1000)

Ms. Yaprak Baltacioglu: Mr. Chair, the honourable member is correct about changes in regulatory approaches and about the evolution all systems in the world have been going through.

In aviation, technology is a critical element in terms of ensuring safety. As technology improves, human error is reduced. However, incidents and accidents in aviation are also because of human error, organizational error, and environmental issues. We have found that prescriptive regulations don't always ensure safety, because you can't anticipate everything. You can't say that you have to do only A, B, C, D, E, and F. There are other things. What if there is a G?

The theory behind SMS is exactly what you have said: It is to ingrain safety as a culture in an organization in its day-to-day operations. It's very important to be clear. I don't think I'm saying anything new to this committee, which has done a lot of in-depth work. SMS is not about having no government oversight. It is about proper government oversight. It is about using our resources in the weakest areas. It is not about deregulation. It is about smarter regulation. It is not about self-regulation by industry. There is a role for the industry to play, but oversight is extremely important.

In that context, as we are looking to implement SMS, that is an important thing to remember. When you're putting in place new systems and new procedures, sometimes telling the whole story is forgotten. I think that's something we hear from the industry, but we also hear it from our own staff.

Marc, would you like to add something on technology?

Mr. Marc Grégoire: I'll just add a few points.

I was thinking of hiring you when I heard your question.

First of all, on technology, there are two points. We have depended largely, over the last 50 years, on technological improvements in aviation to improve our safety record. For instance, when the jet engine was brought in to replace the old propeller large aircraft, the accident rate was reduced significantly. What we find now is that we think we are almost at the end of the technological

improvements. We need to focus far more on human factors, on the analysis of risk, and as you mentioned, on more proactive analysis of what could happen to prevent accidents rather than on why accidents have happened. This is really key in the implementation of SMS within industry.

The Chair: Thank you.

We'll go to Mrs. Crombie.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you very much.

I just want to welcome our guests and let you know that I'm a little bit new to this committee.

I want to know exactly what you're doing differently that will make it safer for Canadians to fly. From that, what are you auditing that's different that will improve safety for Canadians?

• (1005)

Mr. Marc Grégoire: What we did before was strictly look at how a company was or was not meeting the regulations. If they didn't meet some regulations, we would give them fines or time to make corrections so that they would meet them. That, in a nutshell, is what we used to do before.

Mrs. Bonnie Crombie: So this is a strategic change in your approach.

Mr. Marc Grégoire: Yes, but we started that change many years ago. The regulations for large air carriers were implemented in 2005. Now all major carriers are under the new regulations. That means that when we go into a company now, not only do we look to see if they meet the regulations, but we measure the safety culture within a company. We look at how they assess their risk. What mechanism do they use to assess their risk? How do they implement changes? In a nutshell, this is what we do.

As I said before, we make sure that they have a non-punitive reporting system. We have to do interviews with many employees and managers in the company, which we never did before. We just looked at files and inspected a few components. We're going more deeply now.

Mrs. Bonnie Crombie: Are you looking at data collection or outcomes?

Mr. Marc Grégoire: We're looking at both. Actually, analysis of data will help us focus our inspection activities.

Mrs. Bonnie Crombie: We've agreed with SMS in the past, but we also acknowledge that there has to be proper oversight. Do you feel you have the proper number of inspectors in place?

Mr. Marc Grégoire: Well, once we get to full staff... We still have some vacancies. We feel we have what we need now, given the comment that I made earlier today, which was that we believe we need more than what is in the A-base budget for civil aviation, but the department has given us this additional amount over the last seven or eight years now.

Mrs. Bonnie Crombie: What's the timeline for implementation to get it up to the level you need to be at?

Mr. Marc Grégoire: Our original timeline was 2015. This is still the advertised date, but we want to iron out all the difficulties before we progress. For instance, we have now delayed implementing SMS for at least a year in certain areas, such as the smaller carriers. For now, SMS is a regulation for large carriers—that is, those using aircraft carrying more than 20 passengers—airports, and the air navigation system.

Mrs. Bonnie Crombie: What differences do you expect between the large and the small carriers?

Mr. Marc Grégoire: With the small carriers, first of all, it's the number. While we have a limited number of large air carriers, we have a very large number of smaller carriers. For smaller carriers we have to clarify, as your colleague mentioned before, and we have to tailor the SMS regulation to the size of the carrier.

We also want to provide the appropriate tools to our inspectors before we make the transition.

Mrs. Bonnie Crombie: As a result of the new system, do you foresee an increase in reports of safety issues from companies?

Mr. Marc Grégoire: Yes, this is what we foresee. It is certainly what we hope, because this is what will help in being more proactive about improving safety.

Mrs. Bonnie Crombie: The new system is non-punitive. That's agreed, so what retribution is there should a company not comply?

Mr. Marc Grégoire: We can suspend their certificate, for one thing. If a company does not comply with SMS, we have a number of enforcement tools. The harsher one is to suspend their certificate.

Mrs. Bonnie Crombie: For me, the bottom line is really whether the new SMS system will make flying safer for Canadians. Can you give us your assurances?

Mr. Marc Grégoire: The short answer is that the only reason we're implementing SMS is to save lives and improve safety.

The Chair: Thank you, Ms. Crombie.

Go ahead, Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

There are a couple of things I want to clarify. First of all, my understanding is that ICAO, the International Civil Aviation Organization, speaks for the aviation industry in the world. Is that correct?

• (1010)

Mr. Marc Grégoire: Yes, that is correct. There are 190 member states.

Mr. Brian Jean: As an international body, do they endorse SMS as the way forward for the aviation sector?

Mr. Marc Grégoire: Not only do they endorse it, they actually impose it on their member states. All member states must implement SMS now; they must all have started the process in 2009. We are, of course, more advanced than the vast majority, but all member states must implement SMS for international operations.

Mr. Brian Jean: In fact I've read somewhere, although I'm not sure where, that Transport Canada is actually the world leader on the implementation of SMS, and that ICAO looks at it as setting the bar for other countries to follow. Is that correct?

Mr. Marc Grégoire: I think we are among the leaders now. Other countries—Singapore and Hong Kong, for instance—have implemented SMS as of now; other countries are starting the process and are not as advanced, but we are a member of an international group of leaders helping others to move on faster.

Mr. Brian Jean: I had a chance to speak to one of the airline operators just in the last couple of days. They advised me that their crew of safety specialists grew exponentially to 50 or 200 from ten just four or five years ago. I can't remember how many they said, but the number of people within this larger airline organization who deal with safety now—safety management, safety forms, and making sure that safety is intrinsic in the organization—has actually exploded. Is that what you're seeing in the implementation of safety management systems across the aviation sector in Canada?

Mr. Marc Grégoire: That is a very good point, Mr. Jean, and it is what we like to hear from airlines. As safety was the domain of a safety department before, with SMS, safety is the business of everybody in the company. So more people should get engaged and contribute to improving safety in the airline.

Mr. Brian Jean: That leads to my next line of questioning. You've delayed the implementation of SMS on the 703 and 704 small carriers, as well as on the business aviation sector. Are there any other sectors of the aviation industry in Canada for which you're considering a delay of the implementation of SMS?

Mr. Marc Grégoire: We haven't delayed the business sector per se; we're withdrawing from the delegation we have given. This is not related to SMS per se. On 703 and 704 we're delaying to give more time to fix the problems and issues we have found. We have not made a decision to delay any other sector at this time. I guess the biggest sector that's going to come next is the manufacturing one. Some companies like Bombardier and Bell Helicopter are well advanced in the implementation of SMS, so for them it's only a matter of a trigger when the regulation comes in.

Mr. Brian Jean: What would that 703, 704 group include?

Mr. Marc Grégoire: The 703 includes all the carriers that use airplanes that carry one to nine passengers, and the 704 carries from 10 to 19 passengers. I don't have the number of carriers, but together they constitute the majority of air carriers in this country.

The 705 carries 95% of all the paying passengers in Canada, so that is why the 705 crowd is the most important for the safety record on a statistical basis.

Mr. Brian Jean: Does this 703, 704, and 705 group include all of the aviation sector in Canada, or are there flying schools or other organizations that are included in other areas where it's being delayed?

Mr. Marc Grégoire: The 702, flying schools, and specialties like air spray types of operations are delayed as well.

Mr. Brian Jean: Okay.

•(1015)

The Chair: That's all your time, Mr. Jean.

Mr. Volpe.

Hon. Joseph Volpe: Thank you very much. I'll be sharing some of my time with Mr. Dhaliwal.

It just struck me, Mr. Grégoire, that as you've delegated some of the responsibilities for aviation safety to the major carriers, and then presumably down, as we establish a culture of safety—in the language of Ms. Baltacioglu—you'll eventually delegate in that area as well.

What kinds of measures are you going to maintain in the transition period as you essentially enforce a different management style on the aviation companies? That's really what you're talking about.

Mr. Marc Grégoire: First of all, I need to clarify. You mentioned delegation to large air carriers. We're not delegating anything to large carriers; we're making them more accountable. It goes back to the theory of the safety management system. You can only make major improvements in the safety area if the boss of the company becomes accountable for implementing safety and making it part of all of the management systems of the company. That's why we have come up with the concept of an accountable executive, where the CEO of a company, in the vast majority of cases, is accountable for safety in his or her company, so he or she can make sure the culture change is being implemented.

Hon. Joseph Volpe: Perhaps I am still guilty of a certain skepticism that is required of all members of Parliament. I realize that what you're talking about is not delegation but partnership. In that partnership of getting the companies to adhere to a new culture of safety first, in the establishment of a management psychology, if I could just by way of illustration go back to the issue of pilot fatigue, you said earlier that it is one of the factors—one of nine factors—but it is not a dominant factor. One of the issues that a frequent flyer like many members of Parliament around this table will encounter is that of pilots who are going from one place to another, and time is not calculated as flying time, but it's clearly not rest time.

So I'm wondering whether, in the transition from a unilateral regulator to one that acquires a partner, you have in your plan a system that monitors a bit more closely the factors that impact on pilot fatigue—indeed, some would say even on the fatigue factor associated with flight attendants not doing their first job, which is to ensure that there is safety onboard.

Mr. Marc Grégoire: You raise many points in your question, Mr. Volpe, so if you allow me—

Hon. Joseph Volpe: I don't have much time, Mr. Grégoire.

Mr. Marc Grégoire: Yes, yes.

First of all, again, I made some corrections on delegation, so I'll do it again on partnership. We're not partners with the industry. We work in partnership in certain areas, but we're the regulator of the industry. I think that is a very important point.

Secondly, on fatigue, what we have in our flight and duty time is precisely that. It's not only the flight time, but it's flight and duty time. So if a pilot reports to work in the morning at six o'clock and his departure is only at ten o'clock because of a variety of delays, and then he starts his route and he's delayed in various places, he can only work 14 hours, starting at six o'clock in the morning. Now, other countries, on the contrary, use the hours of flight in a day, but here, for now, we use flight and duty time.

I think all of the points that you mentioned can and should be considered by the committee, by the working group of CARC that will be looking at pilot fatigue in June.

The Chair: You have ten seconds. I'll come around one more time.

Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise: Thank you, Mr. Chair.

I have here a job posting from the Internet, for a Boeing 737 captain. This offer was from a Canadian company and was for the period from November 1, 2009 to the end of April 2010.

Is it true that many Canadian companies employ foreign pilots in the winter?

•(1020)

[*English*]

Mr. Don Sherritt: Through lease arrangements or lease agreements, there is a possibility to deal with seasonal peaks. They will bring in additional aircraft, and with those additional aircraft, on occasion, they do bring in crews to operate the aircraft. But when they do that, the aircraft has to be operated in accordance with not only the regulations where the aircraft is registered, but at the same time they have to respect our regulations. So in essence what they have to do is meet the most stringent of our regulations, plus the most stringent requirements of the other country's regulations.

[*Translation*]

Mr. Mario Laframboise: Do we have an inspection system to verify the qualifications of these pilots and ensure that they obey our regulations?

Do forgive me, Mr. Grégoire, but I want to talk about fatigue again. Are the pilots' logbooks inspected?

Mr. Marc Grégoire: Mr. Laframboise, if you agree, I would rather provide that information in writing because it is a field I am not at all familiar with.

Mr. Mario Laframboise: You are agreeing to provide that information, and if possible, the number of pilots employed?

Mr. Marc Grégoire: It is hard for us to find that out. The airlines would know that. I will agree to send you the regulations about these pilots and tell you how those regulations are applied.

Mr. Mario Laframboise: Thank you, I have no further questions. [English]

The Chair: I would ask that you actually send it through me and I'll distribute it through the clerk's office.

Mr. Marc Grégoire: Yes, of course.

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

Hon. Joseph Volpe: No, it's a clarification. It's perhaps to help Mr. Grégoire and the rest of the committee.

It was my impression that what we were going to do in a subsequent meeting is actually have people from stakeholders and companies, etc., and that the members of the department would be present so that they could, if need be, respond to challenges. I'm wondering whether Monsieur Grégoire is going to be one of those people who comes in. He could present those to the committee through you.

The Chair: I also know that the department has contacted my office and the clerk's office to see what their position would be, whether they would be at the table or as guests to be brought forward. I see no problem with them either being at the table or being in the crowd to come forward and answer as issues arise.

Madam Baltacioglu.

Ms. Yaprak Baltacioglu: Mr. Chairman, we're not exactly sure what the schedule of the committee is. You hold many meetings.

We do have staff in the room when the committee meets because it's important for our department to hear what the views of the parliamentarians are. However, given that you're going to have many witnesses, it might be a little bit easier on us if you hear your witnesses, and then once there's a compilation of the issues, we will be more than happy to come back. You will have us all back and we will be happy to answer and have a debate with it, because this is not an area where the solutions are simple. It's a continuous improvement issue.

We will be happy to come back once you have done your deliberations and heard from the witnesses. We would be better prepared. If the committee is comfortable, we would prefer to approach it that way. That's partly because different groups will have different views at every committee meeting that you hold, but it is important for the department to engage with the committee in a holistic manner, taking consideration of all of the views out there. You hear all sides of the story and we have to do what's right and manage all of the issues.

The Chair: Thank you.

I think it's fair to say that obviously if an issue comes up from one of the meetings that needs to be addressed immediately we'll certainly contact the department for that answer.

Mr. Bevington.

Mr. Dennis Bevington: I want to go into this culture of SMS and how it's going to apply. You've delayed the implementation with small operators, but in essence.... In my discussions with the large

operators in the industry, I understand how a large-volume company with many employees can establish a culture of safety and maintain it. But at a certain level within the aviation industry, wouldn't it be safe to say that you want a common culture of safety? When you're dealing with small carriers, the standards that the small carriers have to carry.... They don't have the ability, the time, the opportunity to establish a culture on their own. They rely on Transport Canada to provide a certain amount of leadership on how safety standards are going to be maintained in their industry. Is that not the case, and is that not going to be the case going forward, with small carriers in Canada as long as we can look forward?

• (1025)

Mr. Marc Grégoire: Certainly, yes. But it's not only our role to help industry, because we are the regulator, after all.

We certainly need to provide some help, certainly we need to provide material—lots of documentation—to help them get started. We're also working with their associations, whether it be, as Don mentioned earlier, ATAC or the Helicopter Association of Canada or AQTA. We're working with them so they can help their smaller members follow the course.

Mr. Dennis Bevington: You know, this is a competitive business, as well. What I understand from talking to small operators is that in many cases they appreciate the inspectors because inspectors provide professionalism to their staff as well. This is not a one-way street where inspectors are considered to be a hindrance; they're also considered to be very important to the development of each individual small company and how it deals with safety. Isn't that the reality of the inspection system that we've used in Canada for many years, very successfully?

Ms. Yaprak Baltacioglu: We totally agree. Of course the inspectors have a big role to play, and we understand our leadership role in terms of instilling a safety culture in the aviation industry, small or large. That being said, the government resources and the government energy are not sufficient to ensure a safety culture in the aviation industry. Everybody who repairs an airplane, builds an airplane, flies an airplane has a responsibility to make sure their passengers are safe. That's what we're saying. But we do agree with the honourable member: of course we have a big role to play.

Mr. Don Sherritt: I think your point about culture is extremely important. Regardless of the size of the company, the company needs to make its business decisions. They need to make decisions about their operation, regardless of the size. Making those decisions, and really what the culture is all about, is having the awareness of what hazards or risks are associated with their particular operation. It's the proprietor of the company who is best positioned to make those determinations. When they're making business decisions and making alterations to their organization—bringing on a new aircraft, changing the way they're handling stores, procedures—it's having an understanding and awareness that that change may in fact have an impact on their operation and they need to make that consideration.

Mr. Dennis Bevington: This is why I go back to pilot fatigue. Here, quite clearly, the operators of these small operations know what they're doing with their pilots. If they're allowing this situation to occur where over and over pilots are taking advantage of the rules, moving past where they should be in terms of their involvement in flying on a particular day, in a month, in a year, that's a problem. Because the business decisions get in the way of the safety decisions.

So to say that you're going to create a situation where safety culture takes away from the culture of business survival, which is the case so much in small aviation across this country, I think that's a bit naive.

• (1030)

Ms. Yaprak Baltacioglu: Well, we're hoping that flying unsafe airplanes is really not a good business.

Mr. Dennis Bevington: There's a certain culture in the industry of flying, as well, where pilots are of the superman variety. This is the reality of it. I've dealt with small-carrier fliers my whole life through my experience in the north. This is what it is. Now you're saying that it doesn't exist within those companies, that you don't need to ensure that right across this country the small carriers have a consistent culture of safety that takes precedence over business decisions.

Ms. Yaprak Baltacioglu: I'm sure that the honourable member is really not saying that this culture is a business culture and that's okay and the government has to kind of oversee them.

I think we're saying the same thing. I think we're saying yes, there are cultural issues, especially among the smaller operators. However, a lot of them actually operate very properly. There's a role for the government, but the culture overall is going to have to evolve, and that's what we're working towards. We agree with the honourable member if that's.... I think that's the general sense of his comments.

The Chair: Thank you.

Mr. Mayes.

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

Just to follow up, I like that term “prescriptive regulation”. This is a big country with many regions, and there are challenges with climate and isolation. Isolation might challenge, for instance, recruitment of inspectors. I appreciate the department going across country and getting some input. I'm sure that's been valuable.

As far as the issues in maybe more the isolated parts of Canada, have you heard any specifics about how to address that so that with these standards, which I recognize cannot be compromised, there is some ability for some of these more isolated areas with climate issues that have been able to work with the department?

Mr. Marc Grégoire: It's very important that Transport Canada ensure that the regulations are enforced throughout the country, and that includes the north. I understand that the situation, the weather sometimes and all of that, is more difficult in very isolated areas, but we must make sure that it is safe for people to fly in and out of those isolated places, as it is safe to do from big cities. Our inspectors regularly do oversight activities with those small operators that go in and out of those small, isolated places.

Mr. Colin Mayes: To follow up on what Mr. Bevington said, I always remember a few bush pilots I knew in the north. They used to say there were a lot of bold pilots, but not many old bold pilots. I think that is a good indication that they recognize they have safety issues not only for their passengers but for themselves to adhere to.

Concerning the number of inspectors available for this oversight, what action has the ministry taken for recruitment? Once again, I want to get to the challenges, maybe, in some of the more isolated areas for recruitment.

Mr. Marc Grégoire: The recruitment is actually being done at the local level by our Transport Canada offices across the country. What we have discussed with the civil aviation management team is the importance of getting rid of the vacancies we have now, because it has left a perception that we were reducing the number of inspectors, and that is not so.

I understand that 19 inspectors were hired during the winter. In total, we plan to hire more than 60 before the summer, and the rest of the inspectors by the end of the summer, by August 2010.

• (1035)

The Chair: Mr. Dhaliwal.

Mr. Sukh Dhaliwal: Thank you, Mr. Chair.

Under the SMS, companies provide substantial data to Transport Canada. Is any of this data verified for how reliable it is?

Mr. Marc Grégoire: Actually, the data is not given to Transport Canada. It has to be analyzed by the airline itself, first and foremost. We go into the company to look at how the data is analyzed, but the company remains proprietary to the data.

I should mention that it is a trend now to try to share safety information, including between countries. This was discussed at the high-level safety conference in Montreal yesterday. As part of finding new ways to improve safety for the future, it is important to find mechanisms and ways to share safety data so that when we find solutions to a problem we can share that solution elsewhere and it's not repeated.

Mr. Sukh Dhaliwal: When we look at safety violations, is Transport Canada aware of any major safety violations with the large carriers within the last two years, and if so, why did it not prosecute?

Mr. Marc Grégoire: Excuse me, could you explain the acronym that you're using?

Mr. Sukh Dhaliwal: Have there been major safety violations by major carriers in the past two years, and if so, why were they not prosecuted?

There was the example of Air Canada refueling in the U.S. while the engine was running, with passengers on board. Could you comment on situations like that?

Mr. Marc Grégoire: I will just comment on the philosophy behind our enforcement policy with regard to SMS companies, or companies regulated by SMS.

The philosophy is that if a company breaks a rule or a regulation and it is found that this is what happened, we want to give them a chance to analyze the root cause of this happening and to implement something to make sure it won't happen again. Generally speaking, before we go in and give an enforcement action, give a fine, or take action against a certificate, we want to give the company a chance if the mistake was done in a good manner, not in a bad manner.

That said, if we find out that the rule was broken in a negative manner, or wilfully, we will go in and take appropriate enforcement action.

Mr. Sukh Dhaliwal: So do you write up any negative situations, the ones you talk about, and the actions that—

Mr. Marc Grégoire: There were a number of situations. Every year we do a lot of enforcements. In fact, we publish all of those enforcement actions on our website.

We did suspend the certificates of operation of a number of carriers. In other cases, we gave 30 days notice of suspension, which means that we gave 30 days notice to a company to give them time to make the appropriate corrections. If they make the appropriate corrections, then we cancel this notice.

Mr. Sukh Dhaliwal: Do you have certain procedures in place for revoking operating licences now?

Mr. Marc Grégoire: Do we have what? Excuse me...?

Mr. Sukh Dhaliwal: I mean, are certain procedures in place to revoke operating licences?

Mr. Marc Grégoire: Yes, there are.

As a matter of practice, in most cases we issue a press release when the certificate is suspended.

Mr. Sukh Dhaliwal: Is it a preventive measure, or is it happening after the safety violation occurred?

• (1040)

Mr. Marc Grégoire: Normally it happens after, but it can also happen as a result of an audit that we do within a company. It can happen as a result of a special audit that we do after an accident, for instance. There are a number of factors that could trigger enforcement actions on our part.

The Chair: Thank you.

Monsieur Laframboise?

[*Translation*]

Mr. Mario Laframboise: I'd like to explore what Mr. Dhaliwal said a little more.

Statistics are important, since we know the unions will also be appearing before us.

In November, the Federal Pilots Association told us that no incidents had been reported by the major carriers since 2007. You talked about accidents. At the beginning of your presentation, you mentioned some figures: 284 accidents in 2007 and 251 accidents in 2008.

First of all, what is the difference between an incident and an accident? Why have the companies reported no incidents since 2007

while, before the SMS was created, the inspectors reported incidents?

Second, what volume are we talking about? You said there were 284 accidents in 2007 and 251 in 2008. How busy was air transportation? Was there an increase or decrease in air traffic from 2007 to 2008? That is all I want to know.

Mr. Marc Grégoire: I always like to give you the information right away, but I don't have the figures on traffic volumes right here in my head. We will get back to you with the best possible data on traffic in recent years.

Mr. Mario Laframboise: And you'll send it to the chair?

Mr. Marc Grégoire: We will get it to the chair, of course.

I'm having trouble understanding the other question.

Mr. Mario Laframboise: It's about the difference between incidents and accidents.

In November, the people from the Federal Pilots Association told us that no incidents had been reported by the major carriers since 2007. Yet, when the inspectors were doing more work in the field, incidents were reported involving the major carriers. Through the SMS, they try to deal with it internally—you talked about that earlier. Why have they not reported any incidents?

Mr. Marc Grégoire: I'm having some trouble answering your question, Mr. Laframboise. With the coming of the SMS, we would normally expect an increase in the number of incidents reported. That is what we see. We have the Civil Aviation Daily Occurrence Reporting System, the CADORS, and I don't think there has been a decrease since 2007.

Mr. Mario Laframboise: I'm sorry; I was mistaken in my question.

They said that the carriers have not had to report a single incident, even though the number of incidents had increased. They have not had to make reports. Why not?

Mr. Marc Grégoire: They have to make reports. I really don't understand this, and it is the opposite of what I just told you.

If people in a company report an incident, they have to explain to Transport Canada how that incident was dealt with by using their SMS. If a company reports something, whatever it is, from maintenance to operations, the rule is that there must be an explanation of how it was dealt with, what risk analysis was done, and what measures were established to avoid a recurrence. That is what the SMS is all about.

Mr. Mario Laframboise: I will have an opportunity to question representatives of the Canadian Federal Pilots Association. Thank you.

[*English*]

The Chair: Mr. Jean.

Mr. Brian Jean: Thank you, Chair.

Mr. Grégoire referenced a working paper that was presented by Canada for the International Civil Aviation Organization with some conclusions, and I have a copy of that in both official languages to table to the committee, if I may, just for their interest. It has some conclusions, etc., if I may give that to the clerk.

Being one of the people who has been around this table for about five years talking about SMS, over the last year it appears we've seen some changes. We've seen some changes in the direction of the department. Certainly the deputy minister has alluded to some changes the department's going through as far as the implementation of SMS. First, I wonder why. I know the deputy minister has been there, I think, eight or nine months now.

Secondly, what has the department done over the last nine months in relation to the inspectors, the deputy minister? How many inspectors have you had discussions with? What kinds of working groups have you had, and how are you going forward from this stage as a result of those discussions with the inspectors?

I'd like to know how many you've consulted and how many stakeholders in the industry itself.

• (1045)

Ms. Yaprak Baltacioglu: I believe upwards of 500. There have been 21 sessions dedicated to SMS all across the country. My colleagues, Mr. Grégoire and Mr. McDonald, have gone across the country, and so have I.

It's important to stress that they did these sessions in small groups, because we can have 500 people in one room and we can't really have a debate. The tenor of the conversations with our inspectors was to listen to them, because they are on the ground. They know what's happening on the ground with the operators. They have a sense of how these things are being implemented.

As my colleague said, what we heard is that all our inspectors, all the industry, and all our unions agree that if anything is going to improve the safety of the flying public, that is a very good thing. What we heard is that as we're implementing SMS, we have to make sure our inspectors have the right tools, the right training. Government oversight is absolutely clear, and how it would be implemented is clear, so we are clarifying all those things. We are moving on the training modules, as my colleague has said.

We have changed our approach to our unions. They are our partners in this. There has been new management. Just to clarify, Mr. Martin Eley has been in his job as director general of civil aviation for less than a year, or maybe—

Mr. Marc Grégoire: In May.

Ms. Yaprak Baltacioglu: In May he will be on the job for one year, so he has brought about a lot of changes in terms of the approach to his staff, which is a very welcome change.

We're really focused on filling the vacancies. We have heard it from the unions. We have heard it from our inspectors. Having the right resources, the right amount of resources, is critical. We're filling 98 vacancies in the process and we have been working with the aviation industry on a regular basis. The department has many contacts with industry, with small operators, large operators, so those are all the things we have been doing.

Mr. Brian Jean: It sounds as if, as a result of your consultations, the meeting with 500 inspectors in your 21 sessions, you've decided to make some changes based on a bottom-up discussion on what needs to be done to make it safer. Is that correct?

Ms. Yaprak Baltacioglu: It's correct. I don't think any organization that is disconnected from its front line can be a successful organization, and that has been stressed to us by our minister, but to me as the deputy and Mr. Grégoire as the assistant deputy minister responsible, that is a critical issue for us.

Mr. Brian Jean: And you've got a working group now that's been established, and you're going to continue with that working group to continue the dialogue?

Ms. Yaprak Baltacioglu: I believe that engagement with the front line cannot be a one-shot deal. Our expectation, my expectation of the assistant deputy minister who reports to me, is that he and his colleagues will be out of Ottawa, on the ground, talking to our staff on a regular basis for years to come. No change at such a large organization with professional staff will take hold appropriately if the management is not out there close to their front line.

I will continue to go out and talk to all the staff of Transport Canada, but also the stakeholders. The group that has been established for me is not a working group. It is an advisory group of inspectors. That's an opportunity for the inspectors to tell their deputy how they see it from their own perspective. It's an important issue for me to have a sense of the front line as well.

Mr. Brian Jean: Thank you.

When people ask me about SMS I often refer back to when my family was in the service industry. My father always used to say that everybody is empowered to stop something that isn't right. I try to explain to people that is how I interpret SMS. I often think that when I'm stranded in an airport or on an airplane, the reason I'm there and stranded is because somebody has been able to make that decision and stop us from taking off until it's safe.

Is that too simple, or is that the way you would describe it to the public as well?

• (1050)

Ms. Yaprak Baltacioglu: I think you're right on.

The Chair: Mr. Volpe, do you have a closing comment?

Hon. Joseph Volpe: Thank you very much.

I thank the deputy minister and her staff as well.

I guess one always tries to end off on a positive note. It's really quite difficult to be angry about issues when one sees what the deputy and her staff have done today, in giving an indication that there has been a change in at least perspective, if not direction. I say that in a very positive fashion. In the back of my mind I recall that the department already had in its possession the results of studies that addressed some of the issues, especially those related to one we've talked about at some length: pilot fatigue, how it fits into a safety management system, and how to establish that culture.

I look forward to getting some of that information Monsieur Grégoire has for us. I think the skeptical MP in me will probably want to ask questions then about why it took us so long to have this change in direction and approach, welcome as it is.

The Chair: Does anyone have a final comment?

Ms. Yaprak Baltacioglu: Mr. Chairman, we will offer to come back after you have heard all of your witnesses. When the committee wants to ask us further questions, after being enlightened by all of the things you will hear, we will be happy to come back to have a further discussion.

Thank you.

The Chair: Thank you very much. We appreciate your time today.

The meeting is adjourned.

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