

House of Commons CANADA

# **Standing Committee on Transport, Infrastructure and Communities**

TRAN • NUMBER 010 • 3rd SESSION • 40th PARLIAMENT

**EVIDENCE** 

Tuesday, April 20, 2010

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, everyone. Welcome to the tenth meeting of the Standing Committee on Transport, Infrastructure and Communities. Our orders of the day are pursuant to Standing Order 108(2), a study of aviation safety and security pertaining to security concerns.

Mr. Jean, on a point of order.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Mr. Chair, all parties have been speaking just generally, but I want to apologize in advance for any situation or any information that I may have brought forward that would have been in any way inappropriate with Mr. Kennedy's breach of privilege. I don't know if that's the case, or if you've found that yet, but I want to make sure that I apologize in advance if there has been any breach by me. I certainly erred on the side of caution to not bring that forward, and I want to make sure that all members are aware of that.

**The Chair:** Thank you. I have reviewed those comments. Your apology is gratefully accepted. If there is any other comment, perhaps we can leave it until the end of the meeting and we can proceed with our witnesses today.

Joining us today from the Canadian Air Transport Security Authority are Mr. Kevin McGarr, president and chief executive officer, and Mr. Ron McAdam, general manager of new technology.

Welcome. I'm sure you have been briefed about presentations, so perhaps you can proceed, and then we'll move to questions.

Thank you.

Mr. Kevin McGarr (President and Chief Executive Officer, Canadian Air Transport Security Authority): Thank you, Mr. Chairman.

Bonjour. I am Kevin McGarr, president and CEO of CATSA. Joining me today is Ron McAdam, CATSA's general manager of new technology. We are pleased to be invited here today to speak with you and to answer any questions you may have.

The attempted bombing incident at Christmas is a stark reminder of how the events of 9/11 created an unprecedented global awareness of the link between air travel and terrorism. In Canada, this attempted attack on our close neighbour underlined the need for continued vigilance on our own home front.

Since 9/11, CATSA has been working to protect the public by securing critical elements of the air transportation system. As outlined in the CATSA act, we do this by delivering effective,

efficient, and consistent security screening services that are in the public interest.

The December 25 incident, along with other recent acts at attempted terrorism, serve to remind all of us of the importance of aviation security and the continuous need for vigilance and preparedness in the face of impending threats.

I'd like to take a moment to provide you with some of the most recent advancements we have made in aviation security.

In the area of pre-board screening, we have deployed multi-view x-rays across the country, installed full body scanners in all class 1 airports, networked walk-through metal detectors in Canadian airports for data collection to help with improved passenger throughput, and hired more oversight officers to better monitor screening officer compliance and performance and ensure consistency.

For hold bag screening—that is, the checked baggage—we have been continuously evaluating the latest explosive detection equipment in a new testing facility that significantly enhances CATSA's ability to evaluate new leading-edge technology and helps us to maintain international security compatibility.

[Translation]

We are exploring ways to further secure the critical restricted areas in airports, including the screening of non-passengers, and are currently finishing construction of a vehicle checkpoint at Vancouver International Airport.

On a broader level, we have improved our communications with passengers through the launch of a new user-friendly website and mobile site, launched a passenger campaign based on extensive research to help target our efforts to specific types of travellers and their needs, and improved the consistency of airport signage across the country.

[English]

As I consider where we are now and our recent upcoming activities, it is not without considerable pride. In the last eight years, CATSA has undergone huge growth. We have moved from establishing operations to maintaining those operations and, more recently, to improving them. We have shifted from reacting to threats to undertaking proactive planning action, because we now have the stability and expertise in place to move in that direction.

It is a shift where our continuing efforts to use resources more efficiently will lead to better throughput of passengers; where those efficiencies, combined with improvements in customer service, will result in higher satisfaction levels among the travelling public; where better compliance with our standard operating procedures will produce consistency across the country; and where continuous efforts to strengthen our relationship with Transport Canada and our screening contractors will ensure ongoing respect, trust, and openness.

### **●** (0910)

### [Translation]

We're getting there. With the recent deployment of full-body scanners, we have added an additional layer of security that provides us with higher detection capabilities, while, at the same time, improving our customer service by giving air passengers who don't want to be physically touched during a search an alternative option.

We have also embarked on a new trusted traveller trial, Nexus, in partnership with the Canada Border Services Agency, Transport Canada and airport authorities. The Nexus program, a joint CBSA and U.S. customs border protection initiative, is designed to expedite border clearance for low risk, preapproved travellers into Canada and the U.S.

An added benefit is that, in Ottawa, Nexus card holders are now able to use a designated screening line. We are currently looking at the potential to expand this to other airports. This represents a concrete step toward risk-based screening.

Transport Canada and CATSA share the same idea that, by focusing on the higher-risk traveller, we can achieve greater efficiencies with better targeted resources.

### [English]

Along those same lines, we are at the planning and development stages with our passenger behaviour observation program. It's a proactive initiative that looks at behavioural indicators to help identify deceptive activities being undertaken to circumvent security measures before any threat can be carried out. Our number one priority continues to be striking the right balance between keeping planes secure while providing the best in customer service.

Internally, we are adopting a regional model of organization to improve our service delivery and oversight. This involves bringing the people responsible for service delivery closer to front line operations and ensuring that there is flexibility to respond to local needs.

We are committed to implementing a rigorous performance measurement program to ensure that our operations are the most effective they can be. The only way to truly reach excellence in operational efficiency is by measuring how we are doing, focusing on what we do best, and fixing what we can do better.

The announcement of long-term funding for CATSA in the latest budget will go far in moving us in this direction. We can now plan and invest for the long term, maintain our core mandated activities, and improve the effectiveness and efficiency of our programs with the certainty that this investment brings. At the same time, we will be preparing to implement the recommendations stemming from our strategic review. These include options to streamline our operations and enhance the cost-effectiveness of our activities to make the best possible use of resources afforded to us by Canadian taxpayers.

If the crisis stemming from December 25 taught us anything, it was that we as an organization need to be able to manage change better. As we take this into account and transform the way we do business, know that we are taking on this challenge openly and willingly. We are committed to change because we know that it will take us where we want to go, it is in the best interests of Canadians, and it is critical to our continued success.

### [Translation]

Our most recent challenge—the 2010 Vancouver Olympic and Paralympic Winter Games—provided us with an opportunity to experience change on all levels as we stepped outside of our usual arena to demonstrate the best in aviation screening services to the world

I am proud of the hard work and outstanding efforts put forth by CATSA employees, our partners in the aviation industry, and by the screening officers who worked on the front lines ensuring that all visitors who travelled by air—to and from the Games and elsewhere across Canada during this period—experienced excellence in aviation security.

## • (0915)

# [English]

CATSA will build on that momentum as we move forward with a renewed commitment to delivering world-class aviation security to Canadians in the most effective and efficient way possible.

Thank you.

The Chair: Thank you very much. You're right on time.

Mr. Volpe.

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

Thank you, Mr. McGarr and Mr. McAdam.

I'd like to pick up on several themes.

Mr. McGarr, where does your mandate begin? Is it on the airport site or in the borders beyond the airport site?

**Mr. Kevin McGarr:** CATSA's mandated activities are restricted to the designated security line within the airport site.

**Hon. Joseph Volpe:** So the policies on doing off-site security clearance before people actually approach the airport is something that Transport Canada would be responsible for—not you.

**Mr. Kevin McGarr:** It is not currently part of CATSA's mandate to do anything outside the airport environment.

Hon. Joseph Volpe: I see that you have legal training as well.

You have said that the issues related to last Christmas afforded you the opportunity to focus, streamline, and better assess where you need to go. As a result, you got 44 full body scanners at a cost of \$11 million. But CATSA had planned for that beforehand, had it not?

Mr. Kevin McGarr: CATSA had been working over the past two years with Transport Canada to pilot this technology. We had done extensive testing of the technology well in advance of the events of December 25, and it was in our plan to move forward with the acquisition of this technology. That plan was accelerated by the events of December 25.

**Hon. Joseph Volpe:** So you had several companies bidding on the opportunity to give you the best of the equipment available and that which was being projected. Is that what you're telling us?

**Mr. Kevin McGarr:** No, sir. Prior to December 25, and as of December 25, there was only one company that was able to meet the requirements of CATSA for imaging technology.

**Hon. Joseph Volpe:** But if you were just experimenting and trying out systems, would you not have been able to find other companies to provide you with the same kind of imaging you required under the circumstances that prevailed in Canada?

**Mr. Kevin McGarr:** We were not able to identify any other company that met the performance levels we were looking for.

**Hon. Joseph Volpe:** Are you telling me that Mr. McAdam is prepared to say that this is the only company that meets the highest standards in the world?

Mr. Kevin McGarr: I won't speak for my colleague, but he certainly—

Hon. Joseph Volpe: He's the technical expert, so I'm just wondering.

**Mr. Kevin McGarr:** He is, and I'm sure he will repeat that L-3 was the only company that met the requirements the corporation had set out

**Hon. Joseph Volpe:** So you dealt with L-3 from the very beginning, and only with L-3?

Mr. Kevin McGarr: I'll allow Mr. McAdam to give you the technical answer, but that is not quite exact, sir.

**Hon. Joseph Volpe:** You had other companies demonstrating their technology to you before you made a decision to go to L-3?

**Mr. Kevin McGarr:** We had evaluated the potential of other companies prior to going to L-3. That is it exactly.

**Hon. Joseph Volpe:** When you say you were evaluating their potential, did you do it in a contained environment or did you go in situ to see how they worked?

**Mr. Kevin McGarr:** On this point, I'd ask my colleague to respond. He led the evaluation of the technologies.

Hon. Joseph Volpe: There's a simple answer, I guess.

Mr. Ron McAdam (General Manager, New Technology, Canadian Air Transport Security Authority): Good morning. My name is Ron McAdam. It's a pleasure to be with you here this morning.

If I can give you a little bit of a sense of what my job is within CATSA, it might illuminate how we look at technologies by their

very nature and how new technologies are brought into to our business, into the—

Hon. Joseph Volpe: Mr. McAdam, I don't want to be rude—and you'll excuse me if I appear that way—but I had opportunities to go and see some of these things in situ myself, so I am familiar with them. I just want to know whether you actually went in situ or whether you did the evaluation in a contained environment here in Ottawa

Mr. Ron McAdam: Okay.

To answer your question, though, I will refer to a whole notion of what the imaging technology is, because some of this is misunderstood to a point. There are three types of technologies. One is active—

**Hon. Joseph Volpe:** No. The three types of technologies are the ones that you buy, the ones you think about buying, and the ones that people want you to buy. They all produce a particular result which you have determined you want.

I'm familiar with the process. I just want to know whether you actually went on site or had people lobbying you to pick a particular product.

**Mr. Ron McAdam:** No. We look at all the different technologies. We understand the technologies very near in and further out—

Hon. Joseph Volpe: So this one was the best one?

**Mr. Ron McAdam:** We looked at the technologies that would fit in the Canadian model of screening. So the x-ray backscatter—

Hon. Joseph Volpe: So this would have been the best one?

Mr. Kevin McGarr: This was the best one on the market available at that time. We did review other ones—

**Hon. Joseph Volpe:** But you'd been testing this for, I think Mr. McGarr said, a couple of years?

Mr. Kevin McGarr: Since 2008.

**Hon. Joseph Volpe:** So from 2008 until 2009, which is only a year or a year and a half, you'd made a decision that L-3 was the only company that could meet the strictest standards available in Canada.

I'm assuming—and I always assume the very best about everybody—that we have the safest environment for air travellers. We can't talk about "whether this" or "whether that", but if somebody comes here, he or she can be assured that it's a secure travelling environment.

So again, L-3 is the only company that can provide you with the highest standards of screening?

**Mr. Kevin McGarr:** L-3 was the only company that could provide us with the standard of screening that we had requested.

Hon. Joseph Volpe: No others came forward?

Mr. Kevin McGarr: None did at that time, sir.

The Chair: I'll have to stop it there.

Monsieur Laframboise.

[Translation]

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

Thank you for appearing before our committee, Mr. McGarr.

Personally, Mr. McGarr, I cannot congratulate CATSA. Allow me to explain. One of your major responsibilities is preboarding. In December, there was one incident in the United States, after which there were endless delays as passengers waited to be screened. It is your responsibility to anticipate these kinds of situations. It is obvious that, if terrorists wanted to disrupt air travel, they would do so during peak periods, that is, during the Christmas break or other holidays. But you were not ready.

You are asking for additional funding, which is all very well and good, but the fact remains that your obligation is to provide the service, and to ensure that passengers do not have to wait endlessly in line before boarding their plane. That is your responsibility. You hire subcontractors. In the contracts you have with them, are there any provisions dealing with extraordinary situations, when extra staff have to be hired, and when you have to ensure that passengers receive adequate service and can board their flights in a reasonable time? The fact that organizations such as yours take an enormous amount of time to provide service to passengers when there is one glitch is the thing that is killing the air travel industry. As a result, it is inevitable that people will criticize Canada's airline system.

So are you ready to deal with these types of situations?

**●** (0925)

Mr. Kevin McGarr: Yes, sir. We are more ready now than we ever were

We experienced a situation which required a lot of additional work. New security measures had to be put in place. We had to ask for help from the police and the Canada Customs and Revenue Services Agency. Those organizations gave us a remarkable degree of support. We also were able to meet the security requirements of the additional measures.

However, I agree that we had to deal with several challenges in meeting those requirements. This did not happen without bumps in the road. It was during the holidays, when a great many people were traveling, and at a time when many of our agents were deployed in British Columbia for the Olympic Games. Nevertheless, we met those requirements and protected the safety of all passengers traveling in Canada.

**Mr. Mario Laframboise:** Nevertheless, Mr. McGarr, passengers were not happy. The people who were caught up in the chaos were not happy.

The problem I have is that you are asking us for additional money. The government has decided to increase fees for passengers. Please correct me if I'm wrong and put my mind at ease, but my impression is that we will invest even more money, that there will be more bumps in the road, and that passengers will face huge delays again.

All the fuss, Mr. McGarr, is because you are asking for more money and because you are in a reactive mode. Earlier, you said that you wanted to be proactive, and that you were proactive. But that's not true. You are reactive, as you were in December. You are asking for money. The government's response is to increase fees. I am not convinced that passengers will be satisfied if something else happens. That's the problem.

**Mr. Kevin McGarr:** If there is another incident like the one that happened at Christmas, we will certainly face new challenges. However, we will be in a better position to deal with the situation. We have learned...

**Mr. Mario Laframboise:** Your job is to prevent these things from happening, and not to react to them. Your job is to anticipate these kinds of situations.

You are telling me that you are better prepared to deal with a situation like the one that occurred in December. But when there is another incident, you will be unprepared, and you will ask us for more money to solve your problems.

This is why we are in a difficult situation. Your job is to prevent these things from happening.

**Mr. Kevin McGarr:** We have accepted that challenge. I assure you that I feel that we are looking at all kinds of possibilities.

I would like to draw your attention to the measures we had to put in place. Unfortunately, this required an enormous amount of time. We were required to physically search every person and to search everything each passenger carried with them. Of course, these searches had to be done properly and, unfortunately, that took a lot of time. Our priority was to do it properly.

We had other challenges, such as the physical space available to us and the number of available agents. This is why, since the incident, we have had to prepare for situations like that.

Mr. Mario Laframboise: That is what I was saying at the beginning, Mr. McGarr.

The problem is that you are dealing with private agencies and that you do not have enough staff. You yourself said that the problem is due to the lack of available agents. It is your job to conduct these searches. If something else happens, you need more people. You have to be able to call on additional resources, but you were not able to do so. I am not sure that you are going to be ready if a similar situation happens. So that's my problem. You are stuck with contracts with private agencies. These contracts were probably poorly negotiated, since you were not able to deal with that type of situation. And that's what all the fuss is about, Mr. McGarr.

**●** (0930)

**Mr. Kevin McGarr:** I don't think there's a problem with the current contracts. We believe we have struck the right balance between the resources we will need to face new challenges and the resources we want to keep with our contractors. We need qualified, trained, certified and designated resources. We also believe we have struck the right balance concerning the resources we need, given the type of environment we must operate in.

**Mr. Mario Laframboise:** Given the delays we are seeing... [*English*]

The Chair: Merci, Monsieur Laframboise.

Mr. Bevington.

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

Thanks to the witnesses for coming here today.

In retrospect, what we saw in the events in December was a failure of communication on the part of intelligence agencies in dealing with a particular individual. It is clear through the evidence that this individual had been identified. Really, this whole situation in December could have been prevented by the sharing of information and intelligence on that particular individual.

Is that your assessment of the situation as well?

Mr. Kevin McGarr: From the limited knowledge I have of it, I don't disagree with your statement.

**Mr. Dennis Bevington:** So now we've made decisions about technology, about increasing our physical search infrastructure on a particular pre-screening line at the airports, for a threat that really could have been solved by intelligence. We made a decision to protect through technology, whereas, really, the threat occurred because of a failure to share information.

So I'm just wondering, in order to understand how to spend our resources in order to provide safety and security at the airports, what's your threat assessment process?

**Mr. Kevin McGarr:** The first point I'd like to make is that the testing, utilization, and integration of imaging technology into the security screening environment was under way well in advance of the events of December 25.

Mr. Dennis Bevington: But our minister said in a statement after the event that he was up all night making a decision about implementing this technology. That doesn't sound like something that was well planned or well thought out. It sounds like something that was done at the very last moment—to decide to buy the equipment and install it over the Christmas season.

Where was the threat assessment out of the particular incident so that the decision-makers could understand where the threat was coming from and make qualified decisions about the implementation of very intrusive technology into this particular security line?

Mr. Kevin McGarr: I certainly cannot speak for the minister, but I do want to repeat that we had been testing this technology with Transport Canada since 2008. We do believe...and the threat assessments that have been conducted do identify the existence of non-metallic objects that could be a threat to aviation security. We recognize that the options for detecting non-metallic threats require either a physical search of the passenger or the use of imaging technology. We have—

• (0935)

**Mr. Dennis Bevington:** Okay. Of those two choices you had, which, in the end, is more likely to show the non-metallic object on a person: a personal search or the particular body scanner that you picked? Which is more certain to come up with the answer that you want?

**Mr. Kevin McGarr:** Personally, I believe they have an equal opportunity to detect a non-metallic threat on a person's body. The—

**Mr. Dennis Bevington:** I'm sorry to interrupt, but we only have about a minute left, and I have a lot of questions. I could spend hours talking to you, I'm sure.

Let's roll back a bit to 9/11, when the incident happened that changed the nature of aviation security. Access to the cockpit was changed. When you changed the access to the cockpit, you made

very strict rules about access to the cockpit. Did you go back and reassess what you're doing with aviation security based on the fact that the access to the cockpit is denied? Has that been done?

**Mr. Kevin McGarr:** We have participated in threat assessment exercises, through Transport Canada and security agencies within the government, that have been done subsequent to the hardening of the cockpit doors. That is exact.

**Mr. Dennis Bevington:** What was the conclusion drawn from those threat assessments? Did the threat of taking over a plane and creating a weapon from a plane change at that point in time?

**Mr. Kevin McGarr:** The threat did change once the cockpit doors were hardened, but there are—

**Mr. Dennis Bevington:** Did that play out in your security development from that point on? Did you then say, okay, we have a different situation here, so how do we approach security now? Is that the process you followed?

**Mr. Kevin McGarr:** As the environment changes, that environment is considered when doing threat analysis, absolutely, and we have changed our approach. Every time new technologies or new security measures are put in place and the dynamic changes, our response changes appropriately.

**Mr. Dennis Bevington:** So did you then consider that knives and guns and small metal objects... Once you hardened the access to the cockpit, did that change the nature of the threat with those particular small metal objects? If you can't take over the plane, you can't create the situation that you had with 9/11.

**Mr. Kevin McGarr:** Within our mandate, the security screening that is done by CATSA screening officers is to interdict items that are on a prohibited items list from entering the restricted area. Knives and objects like that are still on that list and it is still our mandate to interdict the entry of those items into the restricted area.

**Mr. Dennis Bevington:** So a pair of scissors is an important item to you in terms of your threat assessment once the cockpit doors were hardened; is that still correct? I'm just trying to understand the rationale. We went through a process with 9/11 where we had a knee-jerk reaction to aviation security.

Now what we need to do is understand how to spend our money to ensure that we do have a safe system, and I just want to understand that threat assessment. When you change things, do you go back and look at what you're doing?

Mr. Kevin McGarr: We certainly look at the operational impacts of it. We do not make up the list of prohibited items. That is done by Transport Canada. We operate within the regulatory framework that Transport Canada has put in place, and within that framework, if CATSA is instructed to interdict certain objects from entering the restricted area—

 $\boldsymbol{Mr.}$  **Dennis Bevington:** You're really not responsible, then, for threat assessment—

The Chair: Thank you. I have to end it there.

Mr. Richards.

**Mr. Blake Richards (Wild Rose, CPC):** Thank you so much for being here today to share your expertise in this particular area.

It is a well-known fact that air traffic in Canada has declined significantly in the last 10 years or so. It isn't much of a coincidence that the steepest plunge in that frequency of air traffic occurred in the year following September 11, 2001, with the terror attacks that took place on that day.

I guess that trend has only recently started to show some signs of recovery, but we're still nowhere near the totals from before 2001. I'm sure the recent volcanic activity has not done anything to improve that either, but September 11 really was a game changer for the world in many ways, not the least of which was for our aviation system and the security that surrounds it.

Restoring the confidence of Canadians in air travel has meant that as governments we've had to respond with new comprehensive security measures and other measures to counter the reality we face from terrorist threats. I think Canadians have two concerns when they're going through airport security. One of those is in regard to ensuring that they are safe and feel safe on the airplane they are about to board. The other one is that they often face long lineups at security, and they want to make sure that, in ensuring their safety, they're not unduly delayed.

I think some of the most recent measures taken to deal with both of those issues would include the full body scanners that are being installed at the major airports and the development of passenger behavioural programs to identify suspicious or erratic behaviours. I'm wondering if you could speak to those two measures.

First, in your opinion, what is the effectiveness of the full body scanners and of the observation of individual behaviour? Secondly, how much better do the two measures work when they're used in concert? Do you see any weakness inherent in one of the measures that's sufficiently covered off by the strengths of the other measure?

• (0940)

# Mr. Kevin McGarr: Thank you.

First, with respect to the full body scanners, the full body scanners have proven to be an extremely effective technology for detecting items on a person. The alternative, or the primary method, of detecting non-metallic threats has always been a physical search. The introduction of the full body scanners has been brought forward in order that passengers may choose.

The use of the scanners is 100% voluntary. Passengers have the choice between submitting to a physical pat-down search or using the technology. The reception of the technology by the travelling public has been very positive.

The vast majority of Canadian passengers prefer using the technology to a physical search. They find it less invasive, especially in the manner in which we have integrated the technology into our screening operations, whereby the person viewing the image has no opportunity to see the person related to that image, and the officer at the screening portal who sees the passenger has no access to the image of that passenger, which is being monitored in a separate room out of the view of the passenger.

So we feel that the technology is very effective and that the way it is being used is being very well received by the travelling public and has increased the level of comfort and efficiency of our operations.

With respect to passenger behaviour observation, we have undertaken the development of a passenger behaviour observation program with a firm specializing in this area. We believe this will allow us the opportunity to identify passengers who demonstrate indicators that they wish to deceive the security screening process, and it will allow us to ensure that these passengers receive the secondary screening measures currently in place, be it the physical search or, if they choose, the use of the full body scanner. Again, it will be their choice.

Using these technologies in concert allows us to be far more efficient in the allocation of resources, and we'll do that without giving away an iota of the effectiveness of the security screening. In my opinion, the full body scanner is just as effective as the physical search conducted by a screening officer. Joining the two programs will allow us to be more efficient without losing any effectiveness—we will actually gain effectiveness—and will increase the comfort of Canadians travelling with our air transport system.

(0945)

Mr. Blake Richards: I'm glad you touched on the aspect of a choice between the searches and a full body scanner, because that's an important element of this. It certainly is a measure our government brought forward to try to make sure we're providing security but also decreasing delays.

But there are obviously some privacy concerns around the full body scanners, which I think you've addressed quite well in your comments, certainly in regard to the fact that there is a choice for people to go with that method or the others, and then with some of the safety mechanisms built into it, such as you've outlined, to ensure privacy. That's important. I'm glad you outlined that.

The Chair: I'm going to stop it there.

I'm sorry, Mr. Richards, we're just past the seven minutes.

Ms. Crombie.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you, Mr. Chairman.

Mr. McGarr, you said that a physical search was just as effective as a scanner, so why spend \$11 million?

**Mr. Kevin McGarr:** To offer an alternative to the physical search that is equally effective, more efficient, and allows for greater throughput at the screening checkpoint.

Mrs. Bonnie Crombie: Thank you.

You've been evaluating L-3 since 2008, yet we use the events of December 25 as an excuse to purchase the scanners. Is that correct?

**Mr. Kevin McGarr:** No. The acquisition of imaging technology was part of CATSA's plan. I would say to you that the events of December 25 accelerated that plan.

Mrs. Bonnie Crombie: So was it good timing for an announcement?

**Mr. Kevin McGarr:** It was a circumstance that brought to light the need to acquire this technology as soon as possible.

**Mrs. Bonnie Crombie:** I'm also confused as to who precisely is responsible for awarding the contract to L-3. Was that CATSA or was that Transport Canada?

Mr. Kevin McGarr: No, it is CATSA. Mrs. Bonnie Crombie: It's CATSA.

Do you regularly or have you ever before awarded a contract to one single supplier?

Mr. Kevin McGarr: Yes, we have.

Mrs. Bonnie Crombie: In what circumstance?

**Mr. Kevin McGarr:** Quite often the technology that we require for our operations is provided by one sole supplier. In order that technology be deployed in the airports, it has to be technology that has been placed on an approved products list that is maintained by Transport Canada.

Mrs. Bonnie Crombie: Are there Canadian firms on that approved product list?

Mr. Kevin McGarr: For many different technologies, yes, there are

Mrs. Bonnie Crombie: Okay.

Let me just change tacks for a second, if I may. Did anyone from L-3 Communications or their representatives here in Ottawa meet with you prior to awarding the contract? If so, who would that have been?

**Mr. Kevin McGarr:** L-3 is a long-standing provider of technology to CATSA. We have been buying technology from them since the organization was created. They supply a large component of the explosive detection systems that we use for hold bag screening.

• (0950)

**Mrs. Bonnie Crombie:** Do you meet with them regularly, or their representatives, and who would those representatives be?

**Mr. Kevin McGarr:** The local representative in Ottawa for L-3 is a gentleman by the name of Ian McNaughton, I believe. We have met with a number of people from the company.

**Mrs. Bonnie Crombie:** Have you ever met with David Angus from Capital Hill Group?

Mr. Kevin McGarr: Have I ever met David Angus? Yes, I have. Mrs. Bonnie Crombie: With respect to airport security?

**Mr. Kevin McGarr:** Mr. Angus represents clients in that domain. Yes, that is exact.

**Mrs. Bonnie Crombie:** When would you have met with Mr. Angus to discuss airport security?

Mr. Kevin McGarr: I do not....

**Mrs. Bonnie Crombie:** Would that have been in 2008 or 2009 or 2010?

**Mr. Kevin McGarr:** I would imagine I have met him in 2008 and 2009. I don't believe...I have yet to meet him in 2010.

**Mrs. Bonnie Crombie:** Are you aware that he only registered as a lobbyist for L-3 Communications security and detection systems in February of 2010?

**Mr. Kevin McGarr:** I'm not surprised by it at all; I meet Mr. Angus for a number of his clients.

**Mrs. Bonnie Crombie:** Which other clients do you discuss with Mr. Angus?

**Mr. Kevin McGarr:** His main client in meetings with me has always been... I'm drawing a blank on the name of the company, but they work with...

Mrs. Bonnie Crombie: Are you aware that-

Mr. Kevin McGarr: I'm sorry. It's RYCOM. It's RYCOM that worked with the biometrics that we have in the...

**Mrs. Bonnie Crombie:** Let me just move on quickly, because I think I'm running out of time.

Are you aware that the *Ottawa Citizen* described Mr. Angus and the Capital Hill Group—and Mr. Angus in particular, who is a former Brian Mulroney staffer—as the most successful lobbying firm at arranging contracts with cabinet ministers on behalf of his client? Would you agree with that assertion?

**Mr. Kevin McGarr:** I have never had any knowledge of the assertion. I have no knowledge as to the scope of his activities.

The Chair: Monsieur Laframboise.

[Translation]

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

Mr. McGarr, I would like to come back to passenger services. You asked the government for additional funding, which you received. As mentioned earlier, the government decided to increase fees for passengers. This means that ticket prices will go up. You told us that one of the problems in December was that there was not enough staff. You admitted this. So you asked the government for money to buy additional equipment. You told us that, with body scanners, people could choose to be physically searched or scanned. What guarantees do we have that, in the case of another incident, an adequate level of service will still be provided, and that there will be no endless lineups?

Mr. Kevin McGarr: I believe that the organization we have put in place will allow us to respond quickly and appropriately to any event that might arise. We have strengthened our regional structure to ensure that the people directly involved in delivering services are located as close as possible to the places where these services will be provided. In my opinion, the organization we have put in place, and the planning we have done so far, will allow us to meet any threats with which we may be faced.

Will we have all the necessary resources in place the same day a new regulatory obligation is imposed? Probably not, but I am convinced that we will be able to put in place any emergency measures that will allow us to meet our obligations to the traveling public.

**Mr. Mario Laframboise:** You say that you will probably not have all the necessary resources in place the same day. Why not? Is it lack of staff? Is it lack of flexibility?

**Mr. Kevin McGarr:** I imagine that we might be dealing with threats we have not yet faced. This might require a technology that we still do not have today. So, with the time needed to buy it...

• (0955)

**Mr. Mario Laframboise:** The fact remains that, the last time an incident occurred, you conducted physical body searches. This is not new technology. People have been searched since security has existed

Mr. Kevin McGarr: However, this security measure required a lot of time per passenger. In some cases, this led to long lineups which went out the door. Agreed, there was not enough space or staff, and this situation lasted until we were able to work with airport authorities, airline representatives and the regulatory agency to find a solution that worked well. Today, I can tell you that the new measures put in place for flights going to the U.S. are working very well, and that the lineups are not excessive. I believe that Canadians are receiving the level of service they are entitled to.

Mr. Mario Laframboise: Until the next incident happens.

**Mr. Kevin McGarr:** We will call upon all of our resources to find solutions to deal with any such incident.

[English]

The Chair: Merci, Monsieur Laframboise.

Mr. Maves.

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

Gentlemen, I represent Canadians, and they're the ones who pay the bills. I'm really curious. Have you put together a cost analysis per passenger and compared it to other countries? Have you looked at modelling any other country that has been successful in their airport security, such as Israel? I think those are two questions that need to be answered here.

Also, have you looked at ways to provide the security at a lower cost, making sure that your processes are effective but also efficient?

Mr. Kevin McGarr: Yes, and if I may, I'll address the question of efficiency first.

Last year CATSA conducted a strategic review of its operations. We identified opportunities for efficiency, which were reflected in the budget of 2010. We will be making changes to our operations to achieve the efficiencies that we identified through the review process.

This is an ongoing commitment that the corporation has. We want to consistently deliver service in the most efficient and effective way possible.

We have monitored and we do monitor very closely our cost per passenger and our cost structure. Where possible, we also try to validate the efficiency of our operations with partner organizations around the globe.

CATSA was instrumental in creating the International Forum for Security Screening in Aviation, which regroups representatives from countries around the globe. This is, I would say to you, probably the number one item at all of our meetings: to exchange information to ensure that we are as efficient and effective as possible—

Mr. Colin Mayes: Excuse me. Could I just interrupt you for a minute?

Would you be able to supply this committee with a graph or information regarding the cost per passenger in Canada compared to some of the other countries that have an active air transportation—

**Mr. Kevin McGarr:** Unfortunately not, sir; we are unable to get that information from a lot of the other countries. It's information that is very difficult to get.

What we are striving to do...and we have an initiative ongoing currently with New Zealand, where we are trying to create key performance indicators that will be common to us in order that we can benchmark ourselves with international partners. There's also an initiative on the U.S. side to do that with all of our technologies. So we're moving towards that, but it would be premature to tell the committee that we in fact possess those numbers today. They do not exist for us, unfortunately.

• (1000

Mr. Colin Mayes: Mr. Chair, do I have more time?

The Chair: Yes, you do. You have one minute.

**Mr. Colin Mayes:** As for the passenger behavioural analyses or programs you have, I see that as almost as important, if not more important, than the body scanners. I never have any problems at the airport; I fly often enough that I know what I need to take off my person so that I can walk through the traditional scanners without a problem.

So really, the issue for me is the passengers themselves. Have there been any studies done or any information gleaned on how we can better identify those who may be a threat?

**Mr. Kevin McGarr:** Yes. We have worked closely with officials from Israel and with Transport Canada, mainly, and we have visited the facilities in Ben Gurion. We are aware of their programs.

We have already started the development of a passenger behaviour observation program that will allow us to identify behaviours that would indicate a requirement for secondary screening for some passengers. This is very much in line with what is commonly referred to as the Israeli approach, if you will, where we do want to create a shift away from looking for objects towards looking at passengers who demonstrate indicators of a malicious intent.

The Chair: Mr. Volpe.

Oh, we are past the time. Thank you very much.

With that, I'll thank our guests for today. I lost track of the time.

Thank you for the information. I'm sure we'll be hearing from you in the future.

Mr. Kevin McGarr: Thank you, Mr. Chairman.

**The Chair:** We're going to take a brief two-minute break and then we'll invite our next guest up to the table and continue.

<u> </u>	(Pause)	
•	()	

● (1005)

**The Chair:** Welcome back to part two of our meeting. Transport Canada is now with us.

Mr. Marc Grégoire, assistant deputy minister, safety and security group, and Laureen Kinney, director general, aviation security directorate, welcome again to our committee. We appreciate your attendance.

Mr. Grégoire, if you have any opening comments, go ahead. Then we'll move right to questions.

Mr. Marc Grégoire (Assistant Deputy Minister, Safety and Security Group, Department of Transport): Good morning. Thank you very much for inviting us again. It's always a pleasure.

Maintaining a secure aviation security regime is a key component of Transport Canada's mandate, and we're working with our partners, such as CATSA, in doing so.

Ongoing domestic and international intelligence reports confirm that civil aviation remains a favoured target for terrorists globally and that Canada remains a possible target. The seriousness of this target was underscored throughout the world and here at home on December 25, 2009, when a terrorist attempted to detonate an explosive on a flight between Amsterdam and Detroit.

Indeed, the fact that this incident occurred over Canadian air space illustrates that Canada is not immune to terrorist attack. This is but the latest reminder that terrorists are continuing to seek new ways to bypass the measures we have in place.

Transport Canada's efforts in aviation security go back many decades, since Air India in particular. Also, September 2001 was another key milestone in Canada's aviation security program, and the government has made major investments in aviation security.

In total, the government has allocated over \$4 billion since 9/11 towards this goal. We improved the system and closed important gaps by creating CATSA to ensure consistent screening at Canadian airports. We reinforced cockpit doors on commercial aircraft. We established an inflight security officer program, run by the RCMP. We implemented biometric restricted-area identity cards at airports. We strengthened our oversight and inspection regime.

[Translation]

More recently, in budget 2010, the government announced \$1.5 billion for CATSA and Transport Canada to enhance Canadian aviation security with advanced technology, more screeners, and improved programs. Budget 2010 also allocated \$37.9 million over two years to secure a key sector of Canada's aviation system by implementing a comprehensive air cargo security program.

We have been working very hard to help accelerate the implementation of these enhancements in light of the December 25, 2009 incident and the impact that new security requirements have had on travellers and industry, although the US measures have now been modified and impacts are much reduced.

The line-ups and wait times we saw at our airports following the December 25, 2009 incident illustrate the challenge that we face in striking the right balance between security and efficiency, or in other words, the challenge of maintaining security while limiting the social and economic costs attached to security measures. This is particularly true in times of crisis. We must always remember that the aviation system is widely integrated. We must meet international obligations under the international civil aviation organization. This is

essential if we want to allow our aviation industry to compete on an even playing field and to maintain unfettered access to important destinations like the United States.

Nonetheless, we recognize that having passengers line up for hours at airports for screening is not sustainable, as it damages the aviation industry, results in lost productivity and unacceptable inconvenience for Canadians, and ultimately impacts our economy.

**●** (1010)

[English]

The good news is that CATSA is rolling out more efficient and internationally compatible screening technology. They are continuing to study their processes and develop new approaches, as we heard this morning, including the trusted traveller pilot project currently under way at the Ottawa airport. Another example, which was also discussed at length, is the installation of full body scanners at major Canadian airports.

We are also actively working on new ways to improve the system and bring down the costs. One great example is exploring the possibility of integrating passenger behaviour observation into the screening processes. By focusing our efforts on potential higher-risk passengers, we expect to improve screening effectiveness and at the same time potentially target our resources where the benefits are the greatest.

[Translation]

However, as we make the screening process more secure, we recognize that terrorists may shift their focus to other "softer" targets at the airport. That is why we are in the process of establishing regulatory requirements for airports to develop security plans aimed at addressing the full range of risks facing their operations, including outside the restricted areas where the public and passengers may congregate.

We are also actively engaged with our international partners to improve the security of the global system. Over the last four months, Transport Canada and Public Safety have participated in a number of regional ministerial meetings on aviation security in Mexico, Japan and Nigeria. We are also allocating funding to build capacity in countries that need our help to meet these important security requirements.

[English]

As I've tried to illustrate, Transport Canada's approach to aviation security is based on continuous improvement. We welcome and appreciate input and suggestions from international and domestic partners, and we have, to the extent possible, incorporated the recommendations of various studies over the past few years.

In particular, we look forward to the committee's comments and suggestions that may come forward from your study of aviation security as we move on a variety of fronts and in the face of many challenges. We will continue our commitment to ensure the safety and security of passengers while maintaining the efficiency and competitiveness of Canada's aviation industry.

Thank you.

The Chair: Thank you very much.

Mr. Volpe.

[Translation]

**Hon. Joseph Volpe:** Thank you, Mr. Grégoire and Ms. Kinney. [*English*]

Monsieur Grégoire, since the announcement of December 25-26, almost all the new measures for security have been lifted; for secondary screening, for carry-on luggage, they've have all been eliminated. Does that mean that the mere promise of 44 new body scanners accomplished the job?

Mr. Marc Grégoire: I should say that not one single measure will ever do the job. In security, we have an approach that is multi-layered; sometimes we like to compare it to peeling an onion. So we have technology, we have sharing of information, and we have processes in place—

**Hon. Joseph Volpe:** So they've all been successful is I guess what you're telling me.

I want to go back, if I may, to the questioning I had for the people from CATSA—who have all gone, yes?

From what Mr. McGarr said, and what you just said, I gather you monitor CATSA fairly closely. Is it an accurate assessment that there is this constant flow of reciprocal information and supervision in order to make the thing a seamless web?

Mr. Marc Grégoire: Yes, it is.

**Hon. Joseph Volpe:** Now, are you aware that there were other imaging systems and companies that could provide the standard we would demand as Canadians, such as Smiths Detection, Brijot Imaging Systems, Farran Technology Ltd., Intellifit, and ThruVision? Yet none of them were consulted on this.

Mr. Marc Grégoire: We leave the technology acquisition to CATSA. We approve performance. CATSA decides on which manufacturer they're going to use, so we have no involvement—

• (1015)

**Hon. Joseph Volpe:** You weren't aware that there was only one supplier that they were dealing with?

**Mr. Marc Grégoire:** We have seen other equipment providers; some of those are perhaps not as well tested from a health perspective. For instance, the backscatter equipment radiates more waves than the one that was chosen, but again, we are not involved directly in the choice of equipment. CATSA is a crown corporation and it's their mandate to buy the equipment. We have no influence, if you will, on this.

**Hon. Joseph Volpe:** You're satisfied that the 44 scanners and the \$11 million cost to acquire them would be sufficient to meet the needs of Canada. Forty-four scanners is quite a number.

**Mr. Marc Grégoire:** Yes, but they have far more screening lines in Canada, so it's not impossible that in the future we would like to have more of those scanners.

**Hon. Joseph Volpe:** Well, can I follow that up for a second? Because a moment ago, you said that we have a commitment to national security on the aviation safety side, and that we've spent, as a government, about \$4 billion over the course of, what, nine years.

But now we're going to spend another \$1.5 billion. That's how much is committed. That's a 37% increase over something that's already working. You have to help me through this, Mr. Grégoire, because the \$1.5 billion will acquire another 60,000 scanners.

**Mr. Marc Grégoire:** No, I don't think that CATSA... CATSA is working now to develop their corporate plan.

**Hon. Joseph Volpe:** So if it's not going to go to 60,000 scanners, because we don't know where to put them...

**Mr. Marc Grégoire:** No. The bulk of that money is operating money. The budget of CATSA—

**Hon. Joseph Volpe:** So just a second, Mr. Grégoire. If it's not going to go to scanners... We were just treated to an hour's dissertation on how great they are as part of the thin layers of the onion. If it's not going to be used for scanners...let's say that they use just half of that amount of money, for personnel, for research, or for people who are actually going to do the operations.

Right now, CATSA has about 6,000 screening officers, I believe. Well, on an annual basis, they'd be able to hire another 7,500 people at \$40,000 apiece or 3,750 people at \$80,000 apiece. What are they going to do with that money? Have they told you?

Mr. Marc Grégoire: Oh, yes.

Hon. Joseph Volpe: Oh. Okay.

**Mr. Marc Grégoire:** But that money is not necessarily in addition to what they are spending now. Last year, for instance, their budget was around \$600 million, but their A-base, if you will, the zero-base budget they have in the fiscal framework is, I think, \$234 million.

They cannot operate at \$234 million, so the money they are getting is money that will allow them to operate for the next five years and thereafter. It's not to acquire tons of equipment. There is a very small amount of capital investment in that amount.

**Hon. Joseph Volpe:** There's a notional commitment of about \$300 million a year every year for the next five years. That's something that Canadians are going to have to pay for; they're going to be taxed for it. They're going to do it with a new airport security fee charge, so if they travel, they pay. If they don't travel, they don't pay.

From your perspective, is that money going directly to CATSA's operating line, or is that going into the consolidated general revenue?

**Mr. Marc Grégoire:** The revenues are going into the consolidated revenues, but every year, the Department of Finance gets the OAG to analyze the revenues they get from this versus the expenditures. There has been a promise that over a five-year period there would be a balance between the revenues and the expenditures. But some of the expenses are not for CATSA; part of our own budget comes from those revenues. The—

**Hon. Joseph Volpe:** So there's not really any indication that the money going into the consolidated general revenues is actually going to go for national security. Because I think I heard you and Mr. McGarr tell us that all of the things are pretty good so far and that they had provided a plan, after two years of study, that would have been satisfied by an \$11-million, 44-machine acquisition project.

Now I'm hearing you tell us that the \$1.5 billion is going to go to the consolidated general revenue, but along with a "promise". I think that was the word you used.

● (1020)

[Translation]

When you were speaking in French, I believe you said something about a promise. A promise is worth much more than a tax. A tax is reality. A promise is a future philosophy.

[English]

Are you telling us that CATSA is going to have to negotiate every year with Transport Canada, and the transport minister is going to have to negotiate every year with the finance minister, to get access to some of that \$1.5 billion that's going to be raised on the backs of travellers? Is that what you're telling me?

Mr. Marc Grégoire: No. That is not what I am saying—

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

**Mr. Brian Jean:** Yes. I'm holding on to every word Mr. Volpe says with bated breath, but there's some feedback from a BlackBerry that keeps bouncing back. I think it might be the one sitting right beside Mr. Volpe's mike. As a result it's interfering quite a bit—for me anyway.

Maybe you could just move that to the side.

**Hon. Joseph Volpe:** [Inaudible—Editor]...single-sourced. I will just put it over to one side.

The Chair: Thank you.

**Hon. Joseph Volpe:** [Inaudible—Editor]...an arm's-length relationship.

The Chair: Mr. Grégoire was responding.

Could I ask that your response be brief?

Then we'll go to Mr. Gaudet.

Mr. Marc Grégoire: Yes, I'll be very brief. Hon. Joseph Volpe: I think he already said no.

**Mr. Marc Grégoire:** No, no...but, Mr. Volpe, let me explain. I'll be very brief. The revenues are going into the fund. The projected revenues—from Finance, that is—over the next five years are \$3.2 billion. The forecasted expenditures over the next five years are

\$3.2 billion. So the projected revenues and the projected expenditures balance over five years.

The lion's share of that goes to-

Hon. Joseph Volpe: Mr. Grégoire—

The Chair: We have to go to Monsieur Gaudet. I'm sorry.

[Translation]

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

Good morning to our witnesses.

I ask strange questions. You said that you reviewed CATSA's operations. Is CATSA fulfilling its mandate?

**Mr. Marc Grégoire:** A few years ago, an expert panel was mandated to undertake a complete review of CATSA. The minister at the time had mandated this group of experts to entirely review the Canadian Air Transport Security Act and CATSA operations in order to make recommendations. This panel made many recommendations, a number of which were implemented. Others are underway.

Despite this, the minister said he wanted to once again review the effectiveness of CATSA and have consultations to see what could be done to improve operations. The minister made this announcement last month.

**Mr. Roger Gaudet:** Earlier, Mr. McGarr said they were acting according to the regulatory framework. What is the regulatory framework?

**Mr. Marc Grégoire:** Regulations are developed by Transport Canada. The Aeronautics Act grants the minister the power to make regulations and security measures which remain secret. CATSA must comply with all of the regulations we establish and which are based on international standards adopted by the ICAO in Montreal.

Mr. Roger Gaudet: Okay.

My question is more political than that. With respect to what happened last December, do you shoulder the blame, or Transport Canada, or should CATSA be held responsible?

Mr. Marc Grégoire: No. What happened...

**Mr. Roger Gaudet:** You're telling me that CATSA complies with the framework established by Transport Canada. If the people at Transport Canada are responsible, we reprimand them. If it is the people at CATSA, we reprimand them.

I want to know who is responsible for what.

Mr. Marc Grégoire: In this case, the responsible agency —and I am not sure you can reprimand it—is the Transportation Security Administration in the United States. It is a part of the United States Department of Homeland Security. Following the terrorist incident of December 25, that administration decided that, as of the evening of December 25, 100% of passengers on flights to the United States, regardless of their point of departure, would have to be subjected to a secondary search. The Americans have changed this policy on a number of occasions. They changed it at the beginning of January. So, we had to comply, when the TSA...

**●** (1025)

**Mr. Roger Gaudet:** But is it Transport Canada or CATSA that has to comply? Earlier on, Mr. McGarr was saying that his agency was responsible for security issues. He never referred to Transport Canada. I'm going to be frank with you. If you take the blame, you are going to get it.

**Mr. Marc Grégoire:** I do not want to get it, but I have to take part of the blame. When the TSA imposes measures on other countries, we must, as a state, ensure that flights to the United States are screened as the Americans require.

In this case, we translated the American security measures into Canadian ones, which generated additional work for CATSA on flights bound for the United States. It quickly became clear that CATSA was not in a position to take on this additional workload. To help with the volume of passenger traffic, we issued restrictions on carry-on baggage. In fact, we completely banned carry-on baggage for approximately two weeks. Around mid-January, the Americans had changed their policy and allowed a little more flexibility, but not enough to eliminate carry-on baggage restrictions. As a result, to manage passenger traffic and comply with American demands once more, we loosened our restrictions to allow for one piece of carry-on baggage per person. Finally, two weeks ago, on the Wednesday after Easter, the Americans once again relaxed their policy, which allowed us to completely eliminate the restriction on carry-on baggage. The conditions are now the same as those for other flights, domestic or international.

Mr. Roger Gaudet: In that case, Mr. Grégoire, why would Transport Canada not advise travel agencies, Air Canada, that sells tickets directly, Air Transat or the other companies? How is it that passengers are not informed about the special requirements at the time they buy their plane ticket? It would be easy enough to do. Customers need to know what they may and may not do. Even ministers are sometimes stopped for carrying a bottle or something. I am not saying that to offend the minister. It has happened to me and it happens to everyone.

**Mr. Marc Grégoire:** Every day this winter, as of December 26, we had...

**Mr. Roger Gaudet:** It does not have to be in the newspapers. There are people who travel once a year. In some cases, it might be the first time an individual has ever traveled and he or she may not know what to bring.

**Mr. Marc Grégoire:** We had teleconferences with people from airline companies and with airports to advise them of changes every day...

**Mr. Roger Gaudet:** I'm not referring to KLM, Air Canada, Air Transat and other companies. I'm referring to travel agencies, in other words, companies that sell people tickets to Florida or Puerto Rico or anywhere.

**Mr. Marc Grégoire:** Currently, the Internet is our preferred place to post our list of prohibited objects. You can find the list on Transport Canada's website.

**Mr. Roger Gaudet:** Those are easy answers, Mr. Grégoire. Does everyone have access to the Internet? In our area, even though we are not far from Montreal, 70% of people do not have the Internet.

Stop talking to me about the Internet. The Internet does not reach everyone.

 $\mathbf{Mr.}\ \mathbf{Marc}\ \mathbf{Gr\acute{e}goire:}\ \mathbf{I}\ \mathbf{think}\ \mathbf{travel}\ \mathbf{agents}\ \mathbf{are}\ \mathbf{quite}\ \mathbf{well}\ \mathbf{aware}\ \mathbf{and...}$ 

**Mr. Roger Gaudet:** You should fine travel agents who do not provide this information. I travel and I have never received a list of prohibited objects. My wife plans our trips.

**Mr. Marc Grégoire:** Mr. Gaudet, we advise passengers to check with CATSA, which publishes the information on its website. We do so as well, as do airline companies. If you do a quick search on any website, and I personally have consulted a number of them, you will see that all major airlines publish the list of prohibited objects. Over the holidays, as the instructions changed, the information changed on a daily basis.

The Chair: Thank you, Mr. Gaudet.

• (1030

**Mr. Marc Grégoire:** If there is anything else we can do to improve communications, we will certainly consider your recommendations.

[English]

The Chair: Mr. Bevington.

Mr. Dennis Bevington: Thanks, Mr. Chair.

Thanks to the witnesses.

Mr. Grégoire, you've been here a number of times. I always enjoy your presentations.

The previous witnesses said that CATSA doesn't deal with threat assessment. Is that strictly within the hands of Transport Canada, then, in regard to determining what the threat is and what the likely best response is? Or is it passed on to an international agency? Do you control that decision-making?

**Mr. Marc Grégoire:** We don't control everything about it per se, but we certainly are an important player in the development of threat and risk assessments.

Mr. Dennis Bevington: So there are other people involved.

**Mr. Marc Grégoire:** There are other people involved; for instance, the Department of Public Safety, the RCMP, CSIS—and CATSA, because they do attend our exercises.

**Mr. Dennis Bevington:** We conducted an aviation security forum last February. I have to thank our Liberal colleague for working with us on that. I think it was very successful.

But one of the issues that came up and that really strikes me as being important here is that the witnesses said the system here is too fragmented. I'm very concerned that with some of the things you have said already we're going to create even more fragmentation.

You're talking now about the airport authority taking on the responsibility for security around the airport. We have CATSA that's doing the front line and the pre-screening. Then we have whole bunch of other people who are determining different things about the passengers, whether that is the RCMP or whether that is CSIS, in terms of the secure flight list and who takes care of that. Even within this government, it's not you; it's Public Safety Canada.

Is it correct that all of those agencies are now engaged in the security around an airport?

**Mr. Marc Grégoire:** I would say that we work extremely well together. I have travelled a lot around the world on the subject of aviation security. I have not seen a single country—

**Mr. Dennis Bevington:** You may at the top end, but when you get down to the airport and you have a variety of people who report to a variety of other people in that particular airport, how do you maintain some kind of cohesive security system when they are all reporting to different people? That's the ground that we were very interested in.

You do not personally, in Transport Canada, deal with safety. Security is dealt with at the airport by the people there. The confusion that is created by this multiple responsibility for security in our system was clearly identified by the experts at that forum as being one of the major problems that we have with security in Canada and also as a major problem in increasing the expense of security. Is that a fair assessment of what's going on here?

**Mr. Marc Grégoire:** I am not sure that I entirely share in that statement, but I have to agree with you that this is the opinion of some people, and we certainly would like to change that opinion. One of the ways that we think would help in that respect is to have this regulation on an airport security plan that will also impose a formal security committee at the airport level, to formalize, if you wish, some of the informal linkages that we have today, and to make sure that all the parties involved are speaking to each other and are collectively—

Mr. Dennis Bevington: But let me take another example of what you're doing just lately. You've gotten out of providing the policemen at the airports. You're saying that you're no longer going to supply the policemen for individual airports. So now what's going to happen? Are we going to have a variety of police agencies working at our airports? Who is going to be in charge of those people? Is it going to be a private security firm? Is it going to be different police organizations across the country?

Right now, at least we have the RCMP consistently at every single policing opportunity at these airports: is it not a good thing to continue that? What you've done, actually, is put that particular system in jeopardy again by splitting it up.

**Mr. Marc Grégoire:** The RCMP was pulled out of the airports as airport police, starting in 1996. This varied from airport to airport. It was spread out over a few years. I was in the Quebec region of the department when they were pulled out of the Montreal airport. The armed police now at the Montreal airport are not the RCMP; they are the Montreal police. The armed police at Toronto are the Peel police of Toronto. Some airports elected to contract the RCMP.

What was announced is quite different. In 2002 we gave grants to airports to help them in the aftermath of 2001. We helped them to pay for additional armed police at airports, but they were already, as I've said—

• (1035)

**Mr. Dennis Bevington:** So what you're telling me is that the police service at our airports is not consistent across the country?

**Mr. Marc Grégoire:** It's offered by different corps of police, but that is not a specific problem.

**Mr. Dennis Bevington:** Well, for the Montreal police, how well are they integrated into the system? Because you've seen that aviation security requires an integrated system. It requires people who understand the nature of it. How well are the Montreal police integrated into CSIS? Is there a better relationship between them and, say, the RCMP, which have direct linkages with CSIS?

**Mr. Marc Grégoire:** I think they are well integrated as a source of information with all of those organizations. On the local site, in Montreal, for instance, there are communications daily, I would say, between the Montreal police and the airport management, especially the director of security of the Montreal airport.

It would be the same throughout. These police don't work in isolation. They work as groups. They meet regularly, and they do exchange information regularly, including, for instance, when we do background checks for airport employees. These police corps are consulted.

The Chair: Thank you.

Ms. Brown.

Ms. Lois Brown (Newmarket—Aurora, CPC): Thank you, Mr. Chair.

Bonjour, monsieur Grégoire. Merci de votre présentation ce matin. That's the end of my French.

Thank you for being here. Thank you for the discussion this morning.

I am constantly amazed at the creative minds that are always looking for new ways to injure and destroy people. There was an economist some years ago from Austria, by the name of Schumpeter, who talked about the theory of "creative destruction" and how new technologies always take away the need for the old technologies. I think his prime example was the automobile and how it took over from the need for carts and horses.

I think about the constant change of technology that's going on in our airports to keep Canadians safe, and how, in many ways, many of the capital expenses that you may have made a very short time ago have now been overtaken by the need for new technologies because of the destructive minds that are out there imposing this on you in reality. So I'm very interested, because we've talked about a lot of the capital costs for the mechanical technologies that need to be purchased, but we haven't really explored a whole lot about this new behavioural study that's going to be done at the airports.

I wonder whether we could talk about that a little bit here this morning. Could you talk about this behavioural screening program and where we're at in that development? When do you expect the program to be in place? Do we have any idea of the costs that are anticipated? Behaviour analysis is a very complex area of psychology. Is this a new career path for psychologists? Is this an area that our universities are going to have to address in their curriculum? Can you speak to this?

**Mr. Marc Grégoire:** Unfortunately, I cannot answer all of your questions, and there were many of them.

We have been in the security business for a long time in Transport Canada, but more so after the Air India bombing. For many, many years, the approach internationally has been to treat everybody the same and to get everybody through the same screening process. But because our equipment is sophisticated and our processes are complex, and because terrorists are still interested in aviation and still trying to be extremely creative in finding gaps in the system, we think we have to better focus the efforts on people who might represent a higher risk.

The difficulty is how to choose the people who would then be subject to more rigorous screening. You can do that by doing behaviour analysis or, like some other countries would say, by characterization of passengers. But you have to do this in such a manner—and it's the same in every country we're discussing—that it will not ever be seen as profiling.

For instance, in Israel, they do passenger behaviour analysis, and Israel has to be careful, politically speaking, themselves. They have over two million people of Arab origin within Israel and they could not be perceived to screen only Arabs and not to screen Jews. So if we ever start such a program in Canada, it has to be based strictly on behaviour.

But there are a number of things that can be done to determine if somebody should go through additional screening. The way it's done normally is just by looking at people and their behaviour, but also by asking a few questions of people, by asking them where they're going and what are they doing. Also, document analysis can tell a long story on how to do that.

A few years ago in the United States, the Transportation Security Administration started a pilot project at Boston's Logan airport. That project was successful, so they decided to train a large number of behaviour detection officers. I think they have 600 to 900 now in place—let's leave it in that range—wandering around the screening point to see who should be selected for additional screening. The principle is that everybody is going to go through the first line of screening, but those behaviour detection officers would help detect those people in need of a secondary search.

Today in most countries the secondary search is strictly random. In Ottawa, for instance, you walk on the carpet, and if the arrow is to the left, you've been selected for a secondary search. But we think there are more intelligent ways to do that, and that's through behaviour detection analysis. That's why the government has decided to invest in the design of the program and the design of a training program, but the government has not decided yet to fund the establishment of such a program.

• (1040)

Ms. Lois Brown: How many other countries are currently using this?

**Mr. Marc Grégoire:** There are not many countries using this now, but there are many countries considering using it.

**Ms. Lois Brown:** How many airports in Canada would be implementing a behaviour analysis program?

**Mr. Marc Grégoire:** Well, that's premature because we don't have the program now. But for whatever we do, we always put our attention first on the eight major airports of Canada. They carry

above 85% of the passenger traffic in Canada. We call those the class 1 airports. From east to west, these are: Halifax, Montreal, Ottawa, Toronto, Calgary, Edmonton, Vancouver, and—I think I missed one—Winnipeg.

Ms. Lois Brown: Yes, Winnipeg.

Thank you very much.

The Chair: Thank you.

Ms. Crombie.

Mrs. Bonnie Crombie: Thank you, Mr. Chairman.

Mr. Grégoire, you were responding to my colleague Mr. Volpe's question, and I just want clarification. CATSA is to receive \$1.5 billion over five years from the air travellers security charge, but you indicated that there will be \$3.2 billion over two years. Could you clarify for me which number is relevant and accurate?

**(1045)** 

**Mr. Marc Grégoire:** Yes, certainly. CATSA already has \$234 million in the fiscal framework, so if you take that over the next five years, that will give you an amount. CATSA received an additional amount of \$1.5 million in accrual money. All the dollars in the budget are in accrual dollars.

Mrs. Bonnie Crombie: That's billion, right?

Mr. Marc Grégoire: Billion, yes. Excuse me.

Transport Canada does receive a small share of that amount, as does the RCMP. So if you add up all of those, you will get \$3.2 billion over five years. On the ATSC increases that were announced by the Department of Finance, if you calculate them using the forecast of passengers over the next five years, it will get you \$3.2 billion in the fiscal framework. So what the government is saying is that the forecast expenditures will equal the forecast revenues, so that no money from the revenues of the ATSC will be used for anything else but aviation security.

Mrs. Bonnie Crombie: Correct.

Mr. Grégoire, how will passengers and consumers respond to this new tax on them?

Mr. Marc Grégoire: I'm not sure I understand the question.

**Mrs. Bonnie Crombie:** Well, this will be regarded as a new tax on passengers flying, and what will it be for the individual? How much will this new tax cost each individual?

**Mr. Marc Grégoire:** Well, the one-way ticket for domestic is going to be \$7.48, I understand, including the—

**Mrs. Bonnie Crombie:** From all airports? Or just some airports? A flat tax?

**Mr. Marc Grégoire:** It's a departure tax for screening. For domestic, it's \$7.48. For the round trip, it's \$14.96. For transborder, if you're going to the U.S., it's \$12.71.

**Mrs. Bonnie Crombie:** And what will consumers get for this new tax?

**Mr. Marc Grégoire:** They will get a good screening at the airport and their baggage—

Mrs. Bonnie Crombie: You give good screening, do you?

Some hon. members: Oh, oh!

**Mrs. Bonnie Crombie:** Okay, I'm just going to change tack for a minute because I do have a lot of questions I want to sneak in.

What's the radiation exposure to consumers with the scanners?

**Mr. Marc Grégoire:** I'm told the radiation exposure is about 50 times less than a cellphone.

Mrs. Bonnie Crombie: Fifty times less for a cellphone?

**Mr. Marc Grégoire:** Fifty times less than a cellphone, and that's why I keep my BlackBerry—

Mrs. Bonnie Crombie: That's 500 times bigger than a cellphone.

So for people like us who travel perhaps 50 or 60 times each year, round trip, do you think the exposure is minimal?

Mr. Marc Grégoire: Well, I'm not a doctor, but Health Canada thinks there is no health issue whatsoever—

**Mrs. Bonnie Crombie:** Now, what if you were sick and undergoing chemotherapy or radiation already—

Mr. Marc Grégoire: There is no x-ray.

**Mrs. Bonnie Crombie:** No, I understand, but would there be any further impact to, say, a woman receiving breast cancer treatment? Would that increase her risk? Would that change the risk?

**Mr. Marc Grégoire:** Again, I will only speak to the machine selected by CATSA. That's the one that was analyzed by Health Canada. There is no health issue at all with this machine. There are no x-rays. I have to emphasize that, because for some manufacturers that Mr. Volpe mentioned, they do emit x-rays, but this one does not.

**Mrs. Bonnie Crombie:** We want to go back to this selection process in selecting one contractor, in one second, but first I want to ask you, were cultural sensitivities considered in the decision-making process? Obviously some cultures pride themselves on their modesty and having to go through a full body scanner would be regarded as very intrusive.

**Mr. Marc Grégoire:** Because of those sensitivities, we left the machine as an alternate choice; it's between the machine or the patdown if you are selected for secondary screening.

**Mrs. Bonnie Crombie:** Actually, I was travelling with my three children and we were selected for secondary screening—

The Chair: I have to stop you there.

Mrs. Bonnie Crombie: —so I'm not sure if that was a good use of resources.

Thank you.

The Chair: Monsieur Gaudet or Monsieur Desnoyers.

[Translation]

Mr. Roger Gaudet: Thank you, Mr. Chair.

Mr. Grégoire, earlier on, you did not clarify things to my satisfaction and I would like you to do so.

Is Transport Canada responsible for CATSA?

• (1050)

**Mr. Marc Grégoire:** CATSA reports to Parliament through the Minister of Transport. The Minister of Transport, Mr. Baird, delegated this responsibility to Minister Merrifield.

**Mr. Roger Gaudet:** A little earlier, you said you had responsibilities for CATSA. So Transport Canada does not have responsibilities for CATSA?

**Mr. Marc Grégoire:** Yes. We regulate the way in which CATSA operates. We enact the regulations that they must comply with.

For instance, if we decided today that they have to carry out secondary searches on 100% of passengers, they have to comply. In that sense, yes, of course, we have a very significant responsibility.

**Mr. Roger Gaudet:** So let me ask you directly: are the people at CATSA doing their jobs?

Mr. Marc Grégoire: I think they are.

What I have not yet mentioned is that we also have inspectors who do infiltration tests on the system across the country. It can be at search points, with luggage or elsewhere in airports to check access points.

So, as regards the work of the people at CATSA, we have inspectors who anonymously attempt to bring prohibited objects through and who check to see whether they are detected by CATSA screening officers.

Mr. Roger Gaudet: Do you have the results of those inspections?

Mr. Marc Grégoire: Yes, we get the results often.

Mr. Roger Gaudet: Are they positive or negative?

**Mr. Marc Grégoire:** For security reasons, we never discuss those results in public.

Mr. Roger Gaudet: Could you not send them to us in writing?

**Mr. Marc Grégoire:** No. They are secret documents and we cannot discuss them in public.

Mr. Roger Gaudet: So, what happened last December 25...

Mr. Marc Grégoire: On December 25...

Mr. Roger Gaudet: Wait, let me finish, I know what happened.

If a similar incident occurred, would we use the same strategy here in Canada? My question is simple. We know what the problems are but never the solutions. We find the solutions when things blow up in our faces.

Mr. Marc Grégoire: Listen, for a number of years now...

**Mr. Roger Gaudet:** We have been talking about this for a long time. There were the attacks of September 2001. A lot of things of this kind have happened in airplanes. Why is it that since 2001 we have not yet found a solution? In September 2011, it will have been 10 years.

Mr. Marc Grégoire: I have to say two important things at this point.

First of all, it was an exceptional measure on the part of American authorities that stretched out over several months, from early January until two weeks ago, the Wednesday after Easter, April 6 or 7, I have forgotten the exact date. It was impossible to predict that the Americans would come up with a measure like that.

That said, Canada is not the only country to have suffered. Canada suffered more because of the high volume of passengers traveling between our two countries. Every day, there are between 500 and 550 flights leaving Canada to go to the United States. That is 1,100 flights in both directions. Twenty-one million passengers travel to the United States every year.

Nevertheless, those who traveled to European countries, England, France, Germany or even Mexico, were affected by the chaos. There were endless lineups everywhere because no authorities in any of those places were ready to conduct secondary searches on 100% of passengers and to search hand luggage. No one was ready for that. Airline staff everywhere and authorities in various countries had to take exceptional measures to absorb the additional workload. All countries indicated to the United States how much difficulty it caused.

[English]

The Chair: Merci, Monsieur Gaudet.

Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Grégoire and Ms. Kinney, for coming today.

I only have two minutes, so I want to zero in on what I'm interested in, and that is productivity. I know there's—

**(1055)** 

Mr. Dennis Bevington: Point of order, Mr. Chair?

The Chair: We have Mr. Bevington on a point of order.

**Mr. Dennis Bevington:** Mr. Chair, are you going to have time to give us a report on your deliberations?

The Chair: I did that at the start.

**Mr. Dennis Bevington:** I didn't hear that. I heard you say that you accepted an apology. I didn't actually hear what the apology—

The Chair: Basically, what....

Excuse us.

I did review it, and I asked Mr. Jean to make a formal apology, which you asked for at the last committee meeting, and I—

Mr. Dennis Bevington: So you agreed there was a breach there.

The Chair: I agreed that it was very grey and required the apology you asked for.

**Mr. Dennis Bevington:** Well, yes, because the apology I heard was that "if there's something that I did, I would like to apologize for it". I didn't hear what... So we did have a breach of the—

The Chair: It would have come into question—absolutely.

**Mr. Dennis Bevington:** Okay. So we understand that happened. I mean, I'm making that point and I asked for the apology because I think that sometimes in the heat of debate we can do things that are not correct, and in fact, as well, through political pressure sometimes, we do things that are not appropriate.

Mr. Chair, I think you can attest to that as well.

What I wanted to come out of this incident, which has occupied a fair amount of the committee's time for this particular privilege, is that we need to very clearly lay out what is acceptable and what is not acceptable, and that we need to work with each other to ensure these things don't happen in the future.

The Chair: I think we all have to be very careful with the information and how we deal with it.

Mr. Watson, on the same point of order.

**Mr. Jeff Watson (Essex, CPC):** Just very briefly, Mr. Chair, there are two things.

One, of course, is that your conclusion was that it was questionable whether something happened and therefore, in the interest of erring on the side of greater caution, the apology was required. I want that to be clear for the record.

Secondly, it may be instructive for us. I don't know how we can develop a process for discussing a potential brief such that we don't create further breaches along the way. Maybe that's something you can consider with some suggestion to the committee, or that the committee could take up at some future point, but creating a process whereby we can do that without creating further problems or even venturing into grey areas would be instructive.

The Chair: Thank you for that intervention.

Mr. Volpe, on the same point of order?

Hon. Joseph Volpe: Yes.

I was here for the apology. I thought we had dealt with it. But this is an indication of the kind of mess that we get into, because we are towards the last set of questions about some very serious issues with respect to aviation expenditures and how those expenditures are made. We were in the process of dealing with a single-source contract that, in our view, compromises the whole program with respect to national security, and here we are, talking about a question of privilege to eat up that time.

I'm sorry that we got to that point, Mr. Chairman, but it looks like we're going to have to relieve ourselves of the opportunity to get officials to address some of these issues for us, issues of substance.

An hon. member: [Inaudible—Editor]...point of order.

The Chair: Thank you very much.

With that, I'm going to adjourn the meeting and thank our guests for attending.

I'm sure we'll see you back here in the near future.

The meeting is adjourned.



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