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Chair

Mr. Merv Tweed

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•(0915)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Thank you, and welcome to part two of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to Standing Order 108(2), we are studying aviation safety and security: security concerns.

Joining us today, from the National Airlines Council of Canada, are Ms. Laura Logan, chair of the security and facilitation subcommittee, and Lorne Mackenzie, the vice-chair.

Welcome. I understand you have a presentation. When you're done with that, we'll move into questions and answers.

Whoever wants to take the lead, please proceed.

Ms. Laura Logan (Chair, Security and Facilitation Subcommittee, National Airlines Council of Canada): Thank you, honourable members of the committee, for the opportunity to appear before you today to talk about aviation security.

Before I begin, I would like to note that the National Airlines Council of Canada's safety experts appeared before this committee on April 15 to present our views on aviation safety, so today we will speak to you exclusively about security.

I am Laura Logan, chair of the NACC's security and facilitation subcommittee as well as director of security systems and regulatory at Air Canada. I'm joined today by Lorne Mackenzie, who is vice-chair of this subcommittee as well as WestJet's director of regulatory affairs.

I would like to note that we are appearing before you today on behalf of all NACC member carriers: Air Canada, Air Transat, Jazz Air, and WestJet.

[Translation]

Aviation is a global business and, by definition, airlines operate in the jurisdictions of multiple governments. We would like to encourage the Government of Canada to continue to strengthen its use of the inter-government networks and ICAO when developing aviation security policy and requirements.

The coordination must be more than philosophical or skin-deep. Minor differences and requirements can significantly increase costs and disruptions, without adding any security value. The NACC's member airlines recognize that safe and secure air travel is a critical priority for all Canadians, and it is vital to our national security at large.

[English]

We also recognize that the human and financial resources dedicated to aviation security are not unlimited, though new and emerging threats require continued vigilance and innovative thinking. For that reason, we strongly advocate a comprehensive approach to screening that makes more efficient use of current capabilities and includes more than just technology at the checkpoint. The technology is useful, but it is not foolproof. As such, we strongly support the announcement by the Minister of Transport to pursue and develop a behavioural screening training policy.

Currently every air traveller, except for selectees identified by the TSA or on an exceptional basis by the carriers, arrives at the screening point as an unknown and is assumed to pose an equal risk. Yet in reality, information on the passenger is already accessible. The carrier has data about each passenger as provided during the booking process. The government has intelligence that can be brought to bear, including, for example, on those passengers who have NEXUS cards and who can be considered lower-risk or "known", and additional information can be detected through behavioural observation.

This information can be combined to differentiate passengers who pose higher risks from those who pose lower risks so that screening efforts can be redeployed to maximum benefit.

Screening must be viewed as a holistic process that draws on multiple information streams to assess the risk posed by the individual. Relying on a one-size-fits-all, technology-based screening checkpoint with a random component is neither foolproof nor cost-effective.

[Translation]

Best practices in other jurisdictions have shown significant success with behavioural screening which, I stress, is not racial profiling. This technique, in which highly trained detection officers question and observe travellers throughout the screening process, is considered by the NACC to be an effective and cost-efficient method of detecting suspicious behaviour without compromising individual privacy.

It is well known that Israel is considered a leader in behavioural assessment procedures, and as such, the NACC recommends that the Committee may wish to give further scrutiny and analysis to the methods used in that country.

● (0920)

[English]

The NACC fully endorses the comprehensive review of CATSA announced by the Minister of Transport as an opportunity to ensure Canadians are getting the best security value for their dollar. We believe this review should look at all aspects of the organization: its structure, its mandate, and whether or not the current administrative governance model is the best way forward to allow it to deliver on its mandate. To this end, it is imperative to ensure a structure that allows for meaningful and transparent consultation with primary stakeholders and system users such as air carriers.

In the ever-evolving world of aviation security, we believe it is legitimate to periodically step back and conduct a thorough review of the system and examine best practices and structures in other jurisdictions. It is entirely legitimate to, in the course of a review, question whether an aviation security agency, which in turn subcontracts the actual screening and security service provision at airports to third party firms, is a cost-effective system of administration, and whether such a structure fosters the level of front line service delivery Canadians expect and rely on. One of the key tenets of any aviation security review must be the evaluation of efficiency and effectiveness in delivering security screening services.

[Translation]

Moreover, the December 2009 Delta Air Lines incident, which called for increased security screening on U.S.-bound flights, demonstrated the need for robust and ongoing contingency planning by Canadian aviation security authorities, including CATSA. Indeed, the incident revealed that current global security threats require that CATSA's operating model be in a better position to respond more quickly to change and to seek new opportunities to make aviation security better, smarter and more cost-efficient.

Additionally, the NACC recommends that regular consultation with stakeholders be formally implemented to ensure coordination on new and ongoing measures, and to promptly trouble shoot and resolve throughput issues.

[English]

Since the tragic events of 9/11, aviation security has become intrinsically linked to public safety and the war on terror. We all have a stake in the effectiveness of aviation security, and the Government of Canada must recognize that ensuring safe and secure air travel is a public good and needs to be funded accordingly. Indeed, unlike in other transportation sectors, the cost of air transport security is reflected directly in the traveller's ticket, because it is the air traveller who bears the cost of the Canadian Air Transport Security Authority, CATSA.

According to the U.S. Transportation Security Administration, in fiscal year 2009 the TSA's aviation security budget of \$6 billion U.S. was funded as follows: 63% was funded through appropriations; 30% was funded through air travellers; and 7% was funded through the air carriers.

A comparison with the U.S. funding approach is particularly relevant. As other witnesses have stated before this committee, decisions taken by the TSA impact the security requirements of other nations, in particular Canada's given our shared geography and the

fact that Canada is one of the busiest aviation access points into the United States.

Our government has stated, and rightly so, that Canada must be harmonized with the U.S. in terms of continental security. However, when we look at how aviation security is funded in both countries and what that means to the air traveller, the disparity is flagrant. For example, on a return Boston-to-Paris flight, an air traveller in the United States will pay a \$5 security charge. In contrast, a passenger flying Montreal to-and-from Paris will pay a \$28 security charge.

As the TSA continues to develop its security policy and requirements, the bulk of those requirements are being provided from general government revenue. In effect, as Canada adopts new measures, given our user-pay model, we are effectively asking Canadian consumers to compete with the U.S. Treasury.

● (0925)

[Translation]

In an era where governments around the world are responding to new and emerging global security threats by demonstrating a firm commitment to aviation security funding, does Canada's 100% user-pay model still make sense?

The NACC strongly believes that aviation security is a matter of national security and that air travellers should not have to shoulder the absolute cost of measures meant to safeguard all Canadians from potential threats. The Council therefore recommends that the Government of Canada establish an aviation security funding model that reflects its shared benefits, is sustainable in the long term, is better aligned and harmonized with a North-American model, and provides for greater input from stakeholders through transparency and consultation.

[English]

We are not advocating that the state assume 100% of aviation security costs. What we are saying is that the current model is not sustainable. If the user-pay principle is to be the dominant approach, then we need to look at new ways to implement this policy.

For example, airport ground rent brings in approximately \$300 million per year, which now goes to general revenues. What about directing these funds, which are generated by the aviation industry, toward the cost of aviation security?

In closing, I would like to reiterate the unconditional commitment of NACC member airlines to provide their passengers with the highest levels of safety and security. We believe aviation security is a matter of national security and requires increased funding, coordination, and oversight from the Government of Canada.

Thank you.

The Chair: Thank you very much.

Mr. Dhaliwal.

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

Thank you, Mr. Mackenzie and Ms. Logan.

As you mentioned earlier, the air travel security charge is paid into a consolidated fund. It goes into the general revenue and not particularly into CATSA. Do you believe that this is a form of tax on passengers?

Ms. Laura Logan: Yes, the position of the NACC is that this is essentially an additional tax on air travellers. Through the initial years of CATSA's operation, there were additional funds collected through that charge above and beyond what CATSA required. Those went into general revenue; they were not put aside to fund the charges as the CATSA charges came up. From our perspective, it would have been nice if that money had been put aside to pay upcoming CATSA bills as opposed to being taken into general revenues. So it is seen as being a tax.

Mr. Sukh Dhaliwal: So this is a tax, and when the government increases the fees, it increases the taxes.

You mentioned that there was surplus money going into the consolidated fund. Can you tell us how much that amount was?

Ms. Laura Logan: I'm sorry; I don't have that number offhand. I think it was at least \$100 million, but I don't have the exact number.

Mr. Sukh Dhaliwal: Are the security fees different when we take a bus, or travel by train? Is it a similar model that they're adopting there for security?

Ms. Laura Logan: There is no security on buses and trains. There is no screening. There is no—

Mr. Sukh Dhaliwal: And no security fee or anything.

Ms. Laura Logan: No. There's no requirement for them to have guards, and search, and do everything else that we have to do.

Mr. Sukh Dhaliwal: So when you say the U.S. is charging \$5 and in Canada from Montreal it's \$28, what is it that makes a difference, and how can we bring our security fees, our tax on Canadians, in line with the situation in the U.S.?

• (0930)

Ms. Laura Logan: It goes back to the point that was raised, that 63% of the funding for the TSA comes from general revenues, and it is seen as being a cost to the government to provide that service. Only 30% comes from the air travellers, and 7% comes from the carriers. We feel that the sharing of the expenses under that model is much more representative of an appropriate balance of the benefits.

Do you want to comment?

Mr. Lorne Mackenzie (Vice-Chair, Security and Facilitation Subcommittee, National Airlines Council of Canada): Yes.

Furthermore, when you think that the charge that you're paying is actually funded by the U.S. authorities, that same authority is the one driving the security protocols and initiatives. What we see from the Canadian side is that the Canadian traveller is paying for whatever additional charges—for example, for the body scanners. Those charges will be paid for through the travellers, whereas in the U.S. format, the government funds them. That's where the difference of the \$5 and the \$28 comes from.

Mr. Sukh Dhaliwal: You mentioned body scanners. There's a Canadian company that has come up with body scanners that cost about \$100,000, compared with ones produced by other countries

that range from \$500,000 to \$2.5 million, but this one is not approved by security.

Would you like to comment on that?

Mr. Lorne Mackenzie: I'm sorry; I'm not familiar with the variety of scanners and the assessments. I wasn't involved in that process at all.

Mr. Sukh Dhaliwal: Ms. Logan?

Ms. Laura Logan: I have heard of that technology, and it definitely sounds interesting. It's something that would be very nice to have the government take a look at, because it's not only reported to be cheaper, but actually more effective and a faster process. I would really encourage looking into it.

That's where we need the Government of Canada to step in and take a strong role, because with the ICAO standards and the intergovernmental coordination that happens, one of the stumbling blocks is in the recognition of acceptable technologies. Some of the other governments have not been as willing to look at other technologies and improve them.

For example, if we were to use that model at a screening point for pre-clearance flights that are going to the United States and that screening were not recognized and accepted by the TSA using that technology, they would declare our passengers arriving in the U.S., who have been screened using that technology, "unclean." We would then have to bring the passengers into a different area of the terminal, escort them out to the public area, and have them re-screened to TSA standards.

That's an area in which coordination between governments on recognition of new technologies and new approaches across governments is so important. As a passenger, you don't want to be screened on one flight, make a connection, and have to be screened again before the next one, and then before the next one. We are trying to drive the governments, the authorities, and regulators not necessarily to harmonization in which everything is identical but to a scheme of mutual recognition whereby they recognize the equivalency of different approaches and models in delivering an equivalent level of security.

Mr. Sukh Dhaliwal: Isn't that happening not only in Canada and the U.S. but throughout Europe as well?

Ms. Laura Logan: Yes.

Mr. Sukh Dhaliwal: You're looking at a global model, then.

Ms. Laura Logan: Yes.

Mr. Sukh Dhaliwal: At the Ottawa airport, I notice that they have a line for NEXUS cardholders. Do you believe this has made any difference in fast-tracking the process, or is it just a gimmick?

Ms. Laura Logan: I think it's too early in the process to really see differences happening at this point. It's an approach that we support in differentiating the screening that is required for the different travellers based on the risk they pose.

As I said, there are some people who can be seen to be posing higher risks, for some reason; there are some who can be seen to be posing lower risks, for some reasons. People who have submitted their information to the government and have gone through the NEXUS program, we believe, can be seen as being lower-risk. However, CATSA has not been forthcoming to the carriers with what the differences are going to be in terms of screening for those passengers, and the lines haven't been operating long enough for us to get a good view of whether or not the passengers are getting through those lines in a more expedited fashion.

• (0935)

The Chair: Thank you.

Monsieur Laframboise.

[*Translation*]

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

First of all, I would like to extend my sincere thanks to you, Ms. Logan and Mr. Mackenzie, for agreeing to appear before the Committee. Your brief is quite explicit and I believe that, given your responsibilities for security, Ms. Logan—you are the Director of Security Systems and Regulatory—you are especially qualified to be making these recommendations.

I must say that, personally, I have had questions and doubts in my own mind for some years now with respect to the way CATSA operates—first of all, because it deals with private subcontractors. I see that you addressed this in your brief. I have doubts about this because, in the specifications I was able to review, nowhere does it say that the private company should be prepared for all eventualities, including all kinds of unexpected events.

In fact, we realized in December that we did not have the necessary staff to meet the requirements issued by the United States. We were told point blank that they had to ask for help from the police, the RCMP and other police forces. The fact is that they did not have enough staff to get the job done. So, that is a concern, and it means that every time there is a threat, whatever may happen, we will again be facing huge lineups. And while that is happening, the airline industry gets a bad reputation.

As I understand it, what you are asking for is to be directly involved. I guess you would like to be consulted? Please explain what exactly you are looking for.

Ms. Laura Logan: We would very much like to be partners in the process, because in the airline security business, there are lots of stakeholders: Transport Canada, CATSA, which is responsible for security screening, air carriers, airports, and several different police forces. Depending on the airport, it could be a municipal or provincial police force or the RCMP which is responsible for surveillance. There are also customs officers, as well as the Canadian Security Intelligence Service. So, there are many different stakeholders. We need to work in partnership in order to ensure an optimal response to any situation that may arise. Rather than one group being on the sidelines, and there being a single response, we would like to be consulted. It is possible that air carriers could do a little more in terms of the way they prepare or process passengers, in order to shorten waiting lines. And Transport Canada may want to

change the regulations that CATSA is required to follow, in order to minimize requirements.

As for the events of December 25, all of Transport Canada's requirements were a direct result of regulations issued by the TSA in the United States. Therefore, Transport Canada really did not have much flexibility. At the same time, we were in almost daily contact with the TSA immediately following the event, to explain to authorities that their decisions had practically halted transborder flights with Canada. The fact is that they were almost all suspended, which was unacceptable.

Some air carriers from Europe, Asia and South America were also affected and complained. However, Canada was affected more than the other countries by the new measures implemented following the events of December 25.

We worked with the TSA and were able to find ways of achieving an equivalent level of security and screening, but with fewer problems. That is why, starting on January 20, we were able to change our procedures so that it would no longer be necessary to search 100% of passengers. We had found other approaches.

The work continued and by April 8, there had been further improvements in terms of requirements and the way they had been set by TSA and Transport Canada—again, to improve things even more.

• (0940)

Mr. Mario Laframboise: In fact, it was you, the airlines, who applied pressure.

Ms. Laura Logan: We were very much involved. We were in contact with these people practically every day.

Mr. Mario Laframboise: You should have been included in the process right from the beginning.

Ms. Laura Logan: Yes. In terms of procedures, we all have our own perspective and expertise. When decisions are made without our having been consulted, we often have the sense that we could have improved the process.

Mr. Mario Laframboise: Don't be afraid to say there are too many levels. Personally, I find that there are too many where security is concerned. You have made some interesting suggestions. For one thing, you have pointed out that Canada's airlines are paying the entire cost. And you gave us the example of the United States, where 63% of the cost is defrayed by the government. You also talked about ground rent, but there it is the airport authorities that benefit. For years now, they have been asking for the option of making investments elsewhere than in security. There is always a stakeholder who wants money to do something other than what should be done, which is ensure passenger safety. This has become a major problem. Experts have told us that using body scanners takes 45 seconds per passenger. If there are 400 passengers, we are talking about five hours. It has to be quicker than that.

Ms. Laura Logan: That's the reason why we want to identify passengers who present less of a risk. That way, fewer passengers will have to be checked using a body scanner. That could be reserved for people who really require that level of screening. Triaging passengers would enable us to carry out an appropriate search based on the level of risk associated with each passenger. We believe that would be a much more effective approach.

Mr. Mario Laframboise: You—

The Chair: Thank you, Mr. Laframboise.

Mr. Mario Laframboise: Okay.

[English]

The Chair: Mr. Bevington.

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

Thank you very much for your presentation. We've had quite a number of them, different people talking about different security systems.

I note that you're familiar with the Israeli system; you've had direct contact with them. They have a "trusted traveller" card. They're saying that 50% of their travellers are registered with that card, and I think that's something that we don't see with the NEXUS system. What percentage of travellers right now would have NEXUS cards?

Ms. Laura Logan: They just announced that they had gotten to, I think, 400,000 registrations. So out of 33 million Canadians, it's still a very small percentage.

Mr. Dennis Bevington: But of the travelling public on your airlines, it would probably be in the neighbourhood of...4%?

Ms. Laura Logan: It would be a single-digit percentage.

Mr. Dennis Bevington: Yes.

Are you familiar with how the Israelis do their trusted traveller card?

Ms. Laura Logan: I'm not familiar with the specifics.

Mr. Dennis Bevington: Well, we had some witnesses saying that it was a very straightforward, machine-driven process that turned these cards out quite easily. I wonder what the NEXUS procedure is like.

Are you familiar with the NEXUS procedure?

Ms. Laura Logan: Yes.

Mr. Dennis Bevington: Is it difficult?

Ms. Laura Logan: Yes.

Mr. Dennis Bevington: So the 400,000 people have to invest a good deal of time and effort to get a NEXUS card?

Ms. Laura Logan: Yes, there's quite a series of forms that you have to complete, as well as submitting your passport and a lot of personal information that is then reviewed by CBSA. Then you get called in, you pass an interview with a CBSA agent, and after paying a fairly significant enrolment fee, you get your card.

Mr. Dennis Bevington: So this is a typical Canadian system, then; we've established that the Canadian system is over-bureaucratized.

Ms. Laura Logan: Yes. It's a heavy system.

Mr. Dennis Bevington: The U.S. is providing this \$5 security charge, and you're saying that's about 38% of their cost.

Ms. Laura Logan: It's 30%.

Mr. Dennis Bevington: So it would be about \$15 to go... They can provide the security for a flight to Paris at about half the cost we can; yet, if you did the risk analysis for a U.S. flight versus a Canadian flight, would you say that the risk was higher on a U.S. flight?

• (0945)

Ms. Laura Logan: Based on intelligence that's floating around, yes.

Mr. Dennis Bevington: So why is there such a differentiation between the cost of providing security in a higher-security zone like the U.S. versus in Canada? What's intrinsically wrong with our system that has driven these costs right through the roof?

Mr. Lorne Mackenzie: I think that's kind of what's driving our interest to do a review. Obviously there are better efficiencies and more cost-effective approaches to this. We're hoping that through a review we can find out what those systems are, to take out, for example, inefficiencies and get to a more level playing field so that we can have similar costs to the traveller.

Mr. Dennis Bevington: Do we have a problem of the "sacred cow" syndrome in Canada, that we get this technology in place and...? I went to a conference yesterday and heard this symposium where people talking about the fact that...and Transport Canada was saying, well, once we get the technology in place, we have a hard time getting rid of it.

Is that what's happening with security here, that we've made choices and now we can't back off from those choices, that we have a very difficult time in withdrawing from what we're doing and getting into more cost-effective methods?

Mr. Lorne Mackenzie: I think there's been a heavy emphasis on technology, which tends to be capital-intensive; there's a sense to continue that trend. I think by stepping back and looking at other systems that perhaps are more efficient and more effective, we can say this is a chance for us to look at the structure, the mandate, what CATSA's role is, and adjust accordingly. It's not something that you cannot change. It's something that will take some time, but it's not that you are—

Mr. Dennis Bevington: Are we in danger as well, because of our pattern of behaviour so far as an organization, that by adding on the behavioural stuff we're just going to add another layer on top of what we have and add more expense to what we're doing, rather than stepping back and saying asking what is a good system for Canada?

Mr. Lorne Mackenzie: The goal is to shoot for the latter—to step back and say that maybe it is an additional piece, but it would be a comprehensive review, ensuring, I have to add, that the stakeholders are involved so we're not in a silo doing a parcel of particular initiatives, but we're all on board with what we're going forward with.

Mr. Dennis Bevington: Do you think that's possible? Within the confines of how you've dealt with Transport Canada—you're probably very experienced in dealing with Transport Canada over many years—do you think Transport Canada is equipped to make changes?

Mr. Lorne Mackenzie: Through consultation, absolutely.

Mr. Dennis Bevington: You're confident.

Mr. Lorne Mackenzie: I am confident that we can do that over time.

Mr. Dennis Bevington: Well, it's heartening to hear that.

And that's no reflection on the political administration of Transport Canada.

Studies were done recently on the impact of cellphones on airport aviation equipment. What were the results of those studies?

Ms. Laura Logan: That's actually an aviation safety issue, so that's outside our area of expertise.

Mr. Dennis Bevington: You're not interested in passenger communication on board an aircraft as a security issue? It's simply not a security issue?

Ms. Laura Logan: We have to resolve the safety issues and whether or not they pose conflicts with the communications the pilots are using on the aircraft. Once that's resolved, and it looks as if we're going to be opening that up, if that happens, then we would be looking at it from a security perspective, but at this point it's premature.

The Chair: Mr. Richards.

Mr. Blake Richards (Wild Rose, CPC): Thank you both for being here. Obviously, as partners in this whole process with the two major airlines in Canada, I know you're a big part of this process as well, and we sure appreciate that and appreciate you being here today.

Obviously, all around this table, there are people who are some of the highest users of your service. I'm from Alberta, so I do spend a fair bit of time in airports and in the air, going back and forth to the riding each week. People are well familiar with that fact, and I'm quite often asked if I'm sick and tired of all the security lineups and that kind of thing. People who travel understand that it's an issue for travellers.

One starts to recognize people at the airport every week who are also frequent travellers, and I often think about the time and effort involved for businesses and some of the productivity that can be lost as a result of long wait times in an airport, or long delays there.

Obviously, safety is a very important issue for air travellers and we want to make sure we're ensuring that, but in the process, we want to make sure we're being very efficient as well.

I have kind of a two-part question, to a degree.

First, you mentioned some of our strategies and initiatives we're undertaking as a government. You mentioned the behavioural screening and talked in a fair amount of detail about that. You very briefly touched on the new body scanners, but I didn't hear a lot about that. I just want to hear some of your thoughts on that

technology and whether you feel that has been, and will be, an improvement.

Secondly, what else can be done, or what else would you see as ways we can improve, not only safety but the efficiency through which we move people through airports?

That's a concern for Canadians. They want to know they're safe. They want to know that when they travel they're safe. They want to know that we're ensuring their safety. But they also want to make sure that they can get through that security lineup as quickly as possible.

So what can we do to find that balance? What more can be done?

● (0950)

Mr. Lorne Mackenzie: Allow me to address the scanners first.

First of all, I'm sure I can speak for Air Canada and the other NACC members when I say that we would not fly if we felt there was any security risk. We have confidence in the system, that they are screening to the point where we're satisfied that there are reasonable security levels.

In terms of the scanner itself and whatever new technologies may be coming, we're all for increased throughput and we would like to see technology be part of that strategy, particularly the newer levels that have less invasive, more efficient throughput, those sorts of things. That's a win-win, where you can maintain or enhance the level of security and increase the throughput.

The fact of the matter was that after the December event in the U.S., if we wanted to continue to fly to the U.S., we had to meet the U.S. measures. Keep in mind that scanners are just specifically for flights to the U.S. It was a necessary step toward ensuring security for our trips to the U.S., to continue services.

I'd like to think that if we could all step back and look again at the global network and ask, what's effective and what's efficient, and take a more methodical approach to it rather than a reactionary response, we'd find that we'd get more effective technology in place in the long run. It speaks to the behavioural analysis and that sort of thing.

The second one was....

Ms. Laura Logan: It was about the efficiency.

That's where we were talking about using other information and other approaches so that the screening doesn't happen strictly at the checkpoint.

If it happens throughout the process and we have information fairly early on in the process, we can build systems. They're not existent now in the Canadian context, but it's possible to develop systems that will allow us to screen from earlier in the process than just at the checkpoint. Then we can stream people through—to the point that has been brought up by numerous members.

We're using the technology for those people who need it, not for everybody. So those delays are not felt by everybody, and therefore, the queues actually become shorter for everybody. The idea of having a random component is valuable, but relying on random as the only determinant factor as to whether you get that additional screening we feel could be improved upon and is not an optimal situation. So if you were to use more of the intelligence and the information that we have about people and what we can observe about their behaviour, you could stream them—high-risk, low-risk—and use those technologies more effectively.

Mr. Blake Richards: On a follow-up to that, programs like NEXUS are the kinds of thing you're talking about there. Obviously something needs to be done to encourage increased participation in that, but you would say that...

Ms. Laura Logan: Yes, we support that direction.

Mr. Blake Richards: Okay.

One other question I have for you, then, is in relation to the security checkpoints. Obviously you see it every time you go through the airport: there are always people who inadvertently have packed something, whether it be nail clippers or whatever it might be. I had it happen to me one time. I had received a gift, some stationery for my birthday, and I was taking it either from here to Alberta or from Alberta to here, I forget which. Regardless, I was taking it, and inadvertently there was a letter opener in there. It totally slipped my mind. I didn't even think of it. And so I had that confiscated. You see it all the time.

Obviously there has to be millions of dollars in products that are confiscated at the airport every year at the security checkpoints. I'd be curious about your suggestions or ideas on what might be able to be done to improve that. There must be some alternative. It seems like it's a pretty wasteful way of dealing with that.

Are there any alternatives you would suggest in terms of that?

Ms. Laura Logan: CATSA does have a program in place. It's not highly publicized, but just before the entry of these screening points—I'm not sure if it's everywhere, but I've definitely seen it in Toronto—if you have an item that is inappropriate for travelling but you want to maintain ownership of it, they have little mail envelopes and you can essentially mail it back yourself and get it home safely that way. We do encourage people to make use of those types of programs.

There are some jurisdictions where they have programs where you can put something aside and then pick it up later when you come back. I don't think that is really viable with the volumes that we have going through in Canada. If you have a very small airport then that might be a possibility, but certainly for major airports that doesn't work.

It's probably continued education and awareness, and giving people an opportunity to say they had an “oops” moment and letting them mail it to themselves or get it back home so they can keep track of it.

The problem is with the items that are not going to go well in the mail, such as liquids.

● (0955)

The Chair: Thank you.

Ms. Crombie.

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

Thank you to our witnesses for appearing today.

I want to let you know that I too worked for Air Canada. It helped me pay my way through my undergrad, as a matter of fact.

On Tuesday I expressed some frustration at being the lucky winner of the frequent flyer random screening program. I wanted you to talk about that, if you could.

You seem to be advocating more heavily for the behavioural screening, but also I think the approach the government has taken, or will be taking, I think, in the future, is a layered approach: partial behavioural, leading into some of the technical, the body scanners, etc. Do you want to make a comment on whether you think the body scanners are a good use of money, and give your opinion of the layered approach?

Ms. Laura Logan: We fully support the layered approach. All security measures consist of layers. Some are known to the public, some are not. That's why the actual details of the security measures are distributed to the airlines in confidential documents, because there's a lot that we do behind the scenes. So layers provide a structure where it can be at the same time less invasive, because each layer doesn't have to be quite as obtrusive, yet when you put them all together you have a better system. So we fully support that direction.

We do believe that body scanners provide an improvement on the level of security provided, certainly over walk-through metal detectors. There are threat items that will be detected by the body scanner that would not be detected by the walk-through metal detector.

But as we've said, we would like the government to layer their program such that we are able to triage passengers so that the ones who are going through the more intense screening are the ones who have indicated a higher risk for some reason, or supplement it with a small portion of random as opposed to the larger reliance on random that we have at this point.

Mrs. Bonnie Crombie: I'll give you an opportunity to comment, but it seems like such a no-brainer to go to the behavioural screening. Why haven't we been using it until now? As you indicated, we certainly gather a lot of intelligence about people even before they reach the counter. Somehow is that not assembled and reaching the critical checkpoints? Why haven't we been using it until now?

Mr. Lorne Mackenzie: Part of the reason is that in Canada we tend to be more conservative, and there's a sensitivity to the behavioural—

● (1000)

Mrs. Bonnie Crombie: Some of us are Liberal.

An hon. member: Hear, hear!

Mr. Lorne Mackenzie: So I'd say it's evolving, and we're moving in that direction, but it leads to your point about the prohibited items. There's a trend away from bad items toward bad people. We're looking less about the nail clippers and more about the behavioural piece and saying that maybe there's some demonstrated behaviours that suggest a person might be a higher risk than a lower risk.

To go back to your point about the frequent traveller secondary screening, I witnessed a similar experience on the way in, where an elderly gentleman was going through a double secondary with two pat-downs and two walk-throughs. What we're seeing here is an inefficient application of resources. It should be less on a person such as you, who are frequent travellers known to the carrier, known to the industry, versus somebody who is unknown and not a frequent traveller.

Mrs. Bonnie Crombie: Why hadn't we adopted that approach until now?

Mr. Lorne Mackenzie: I honestly believe it's evolutionary. Keep in mind, 9/11 changed the industry forever. This recent event in December changed the industry forever. The environment we operated in 10 years ago is so different from today, we're essentially evolving to catch up to the new world that we're living in today.

Mrs. Bonnie Crombie: So how would that work? Perhaps you could explain it to us. We get to the counter, we're frequent flyers, presumably we do the same routes every week, and other individuals on business travel presumably have the same routes or similar routes every week. Would there be a little check mark somewhere on their boarding card so that when they present it to the screening authorities, they're known frequent flyers, safe travellers, less of a risk, and they wouldn't go through the secondary pat-downs? Is that how that would work?

Mr. Lorne Mackenzie: The NEXUS card would be a good example of that. You show your card, you go through biometrics, you're known. The opposite, particularly for the U.S., is that you're a "quad S" on the boarding pass, where you're identified as somebody who requires something additional. So that will expand to make it more streamlined for the majority of travellers.

Mrs. Bonnie Crombie: Some people feel the NEXUS card is very invasive into their personal lives—you reveal much personal information that stays with authorities for long periods of time—and so are reluctant or resistant to going with a NEXUS card. I guess it's the next step for all of us frequent flyers, to obtain a NEXUS card.

Mr. Lorne Mackenzie: I think the principle there is that if you're willing to, quote, "sacrifice" that information to the service provider, in return for that you get expedited screening or expedited services through screening. It's not to suggest that you're going to get a reduction in secondary, etc., but the theory is that if you're willing to provide that information, in return you're going to get an expedited program.

Mrs. Bonnie Crombie: I wanted to ask a question as well about the contracting out of the scanning and screening. Ms. Logan mentioned it in her presentation. These firms are always contracted-out; they're third-party firms.

Is that the same way it's done internationally—for example, in the U.S.—and is this the approach you recommend?

Ms. Laura Logan: In the U.S., all the screeners are TSA employees. It does a couple of things. It allows them to be more flexible in moving people around from area to area if they need to search, because it's one workforce. It also provides a career path for those screeners to see themselves moving somewhere else, which is one of the issues that we see with the CATSA model: these people are brought in through entry-level positions and essentially do not have a career progression within their company. That's it and that's all. They can get to be a point leader at the screening point, but that's as far as they can go. With the TSA model, you are in the TSA, and it does provide further progression.

On the international front, there's a combination. Some of the services are contracted out and some of them are employees. I'm not aware of another that is entirely contracted out.

Mrs. Bonnie Crombie: Do you feel they receive the same sort of training here in Canada, given that they're third-party contractors, as they would in the U.S. as TSA employees?

Ms. Laura Logan: Yes, from a training perspective we see it as being equivalent.

Mrs. Bonnie Crombie: It's equivalent; it's just sort of a lack of commitment. I wonder about the ability to staff for those peak periods. For instance, there's always the 8 a.m. or 9 a.m. Monday mornings and back at about five o'clock, six o'clock Fridays. Are they given the same ability and flexibility to staff at those peak periods?

Ms. Laura Logan: I believe they are. The TSA may have more flexibility in their ability to move people from one area to another in a time of need. If there was an incident in one area of the country, they could reassign people from one to the other. With CATSA, if they have one security provider in one airport and a different provider in another airport, they can't move them between because of the contract.

• (1005)

The Chair: Thank you.

Monsieur Laframboise.

[*Translation*]

Mr. Mario Laframboise: Ms. Logan, I would like to continue to talk about this, because it is important that we understand your message. Certainly, I want to be sure I understand it. We are talking about the user pay system and the fact that CATSA deals with sub-contractors. That means that there is a lot of pressure to consistently select the one who charges the least. That is also the case for the industry, which does not want to pay. It is a spiral where everyone is seeking to pay as little as possible. Unfortunately, security costs money. If you compare the Canadian system—which aims for the lowest possible cost and relies on the user pay principle—to other systems used around the world, you can only conclude that Canada's case is quite exceptional.

Ms. Laura Logan: I believe the charges passed on to our passengers are the highest in the world. That is really a problem for our passengers, because it is an additional cost for them. That has an effect on tourism in Canada, because it is becoming more and more expensive to come here, to travel in Canada and see the country. It is an additional cost. The difference between \$5 and \$28 is not huge; we're talking about \$23. However, if a family of four wants to take a number of flights, the cost starts to go up pretty quickly. I believe this whole cost structure has an impact on passengers, tourism and industry in Canada.

Mr. Mario Laframboise: Yes, absolutely. On the one hand, there is a desire to keep costs as low as possible so as not to affect business, but the lower the costs, the less is being invested in security and the more we use private sub-contractors, with whom we inevitably sign contracts.

You are right to say that their pension funds must not be the same as government pension funds. The issue is long-term training and security. Some private companies are successful, but others are less so. The government should have started examining the national security issue a long time ago.

Ms. Laura Logan: That's why we would like there to be behavioural and other kinds of analysis done, because it can sometimes be as effective, and occasionally more effective, than the technology. That kind of analysis is almost always expensive. Rather than investing in replacing evermore costly technologies over a number of generations, we should be designing another model, which is more balanced and will lower security-related costs. We can deliver a better product without having to make passengers pay more.

Mr. Mario Laframboise: That is why the official from Israel said that they do not use body scanners. Furthermore, there is only one agency—not five—controlling security throughout the airport. They use behavioural profiling and this has allowed them to save huge amounts of money. Of course, they also have a process for preferential customers. Over here, it is NEXUS. And that is understandable.

However, I cannot see the day coming... And here I am appealing to my Conservative colleagues, who obviously support private enterprise. I have to admit that all of this started with the Liberals. Indeed, the Liberals began the process. At some point, the entire structure will need to be thoroughly reviewed. If we start making people pay, we had better be sure that they are paying for real service and that we are not skimping on security. What does that get us? It gets us where we were on December 25, when there was nobody left; there was no staff. Security companies had not made provision for that. Inevitably, you start losing money, your customers are dissatisfied and there are long lineups in every airport across the globe. That is what happened on December 25. That's hard to beat! The CEO of CATSA told us that it was the same thing all around the globe.

•(1010)

Ms. Laura Logan: That's why we are asking that the CATSA review take an in-depth look at structure and management issues. Is that really the best way of operating or can it be improved?

[English]

The Chair: Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you. I'll be sharing my time with Mr. Mayes.

I have just one question. I've heard from a lot of people that NEXUS cards are difficult to apply for, and they're very invasive. I have to tell you, I applied for a NEXUS card, and I must be the only person in Canada who thinks that it was a pretty simple process.

I've been hunting since I was probably eight years old. I know that comes as a bit of shock, but when I was 16 I had to go and get a safety firearms course. Then I had to fill out forms. Every five years or so, I have to fill out forms for a weapon. I have to tell you, to be able to hunt in this country takes the most invasive process I've ever seen about anything. Every five years they renew it. They do background checks on ex-wives and things like that.

Quite frankly, I was surprised at how easy the NEXUS card is compared to the firearms card, especially considering what we saw happen with 9/11. You couldn't cause that much devastation for that many people in probably three weeks with a modern weapon in Canada.

So I'm wondering, are we moving towards a system where we would have one card or one biometric database that would enable you to get on planes, trains, and major transportation automobiles, cross borders, enter Parliament Hill, go to courthouses, and things like that? Are we moving towards a system of biometrics or a single card or some sort of system where there will be one central database and you're either an A level security, B level security, or C level security, and that will give you certain entitlements from there?

Mr. Lorne Mackenzie: I can't speak to where we're going. Hopefully that will come up in our review. I have heard of similar programs like that in Australia, and I understand it's relatively effective.

I think the premise is quite reasonable in that you take your time and energy, provide all of that data, you get your NEXUS card for, I believe, five years now, and that makes you a trusted traveller. You reap the benefits of that when you fly on commercial carriers in North America. There are cards of course that are expandable to the global environment, and I believe the Canadian government is working on a few.

In terms of the scope of this discussion as to where security is going, I can't speak to whether that's going to be the trend, but I can certainly see the value of having that trusted traveller program expanded, absolutely.

Mr. Brian Jean: And moving towards biometrics?

Mr. Lorne Mackenzie: I think biometrics is becoming a best practice, absolutely.

Mr. Brian Jean: Thank you.

The Chair: Mr. Mayes.

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

Thank you to the witnesses.

As you know, our government is trying to maintain an acceptable level of security in a cost-effective way, in a way that will not impede a timely and efficient movement of passengers.

One of the questions is what is an acceptable level of security? We have to determine that before we can actually put in the various initiatives to provide that. Of course, there are different layers now, whether it's the trusted traveller or NEXUS card, behavioural screening at airports, or the body scanners. They're all different levels. It's more the implementation of how we do those things that I think is important.

I was quite interested in your comment that:

It is entirely legitimate to, in the course of a review, question whether an aviation security agency, which in turn subcontracts the actual screening and security service provision at airports to third party firms, is a cost-effective system of administration....

That statement almost says that you would prefer to see it run by a government rather than contracting those types of services out. It's kind of interesting, because my colleague here provided me with some information on what they're doing in New Zealand, and there's a large international contractor out of the Netherlands called QuinTech. They are providing security for countries such as Australia, China, Finland, Germany, Malaysia, U.K., and the U.S.

I'd like to have a few comments of why you would think that it would be better that the Government of Canada provide that security at the airports, with manning and implementing the various levels of security, compared to contracting that out.

•(1015)

Ms. Laura Logan: It's a complex thing. Our statement is not strictly a negative reflection on contracting out. Contracting out has its place, and certainly, as Air Canada is an international carrier, we do use contract security services in some of our stations around the world. Where we have one flight every couple of days, it does not make economic sense to have employees on site. We can use the employees of other carriers or service providers under contract, and we fully recognize that is a viable model.

What we're looking at here is the total split. There are a lot of what we find are excessive costs associated with the administration of CATSA, and that's part of what we would like to have looked at. It's not just to say the administration is there and that's a given and let's focus on the costs of the subcontracting; we need to look at the way the administration works and the way that the two go together.

So we don't have, necessarily, hard and fast views on where that should go, but we think it is something that merits additional review and analysis through the CATSA review process.

Mr. Colin Mayes: But there still needs to be that oversight, I think, by the Government of Canada, and....

Ms. Laura Logan: Yes.

The Chair: I have to go to Ms. Crombie now.

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

Through you, Mr. Chairman, I'm wondering, with regard to the comment Mr. Mayes made about what is an acceptable level of security, if the witnesses wouldn't turn that around and ask what is an acceptable level of risk that we're willing to endure.

Mr. Lorne Mackenzie: Yes, it's truly a risk assessment, and a full risk assessment would be required to determine what an acceptable level of risk would be.

Mrs. Bonnie Crombie: I wanted to ask you about CATSA's mandate and the government's. We talked about the need for a review. When was the last time there was a review of CATSA and its mandate?

Ms. Laura Logan: There was the CATSA flight plan study that was done a couple of years ago that looked at the way that CATSA was working at that point. But the world has continued to evolve, and the threats and the demands that are put on CATSA and the way that CATSA has continued to deliver its services have also evolved significantly since that point. So we fully support that it is timely to take another look at it.

Mrs. Bonnie Crombie: So how would you recommend that their mandate be altered?

Ms. Laura Logan: I don't think we want to comment specifically with a recommendation, other than to be involved in the discussion on where that goes. The mandate of providing passenger screening and checked-bag screening is definitely something that is necessary, and whether that's done by a crown corporation or another structure, we would like to be involved in the discussions on that.

One area where the CATSA mandate is potentially in question is their involvement in cargo screening, because at this point all of the costs associated with cargo screening are borne by the carriers directly.

Mrs. Bonnie Crombie: What is your assessment of CATSA's ability to fill its mandate currently?

Mr. Lorne Mackenzie: I was just going to add an additional comment.

In the flight plan review that was conducted, it was important to note that while the consultation was excellent, they stated up front that budget-slash-funding issues would not be discussed. So it was not completely a fulsome review. It sort of targeted the tactical pieces.

Mrs. Bonnie Crombie: That must inhibit their ability to perform their mandate, though, if they don't feel they have fulsome resources.

Ms. Logan mentioned best practices in other jurisdictions. Is there anything that you would suggest we can bring to Canada?

Mr. Lorne Mackenzie: The reference to behavioural is an example. What we're looking at is more of a global approach. There are going to be elements of other programs—Israel has come up as sort of a leader in that area—that we can consider as part of that review and say what components, if not all, are going to be practical and applicable to Canada's environment. While I don't want to cite a number of specific examples, those other approaches would be things that we'd like to consider in the review.

The Chair: Mr. Dhaliwal.

Mr. Sukh Dhaliwal: Thank you.

I carry this NEXUS card, and it says the issuing authority is U.S. A. Why would it be so? Why can't Canada issue this NEXUS card when we are going through all the security here?

• (1020)

Ms. Laura Logan: I'm not an expert on the NEXUS program, but I note that it is jointly managed between the Canada Border Services Agency and the U.S. Customs and Border Protection group. So I think they're both issuing authorities. It depends which form you fill out or which route you go through, but it's an equivalent program that is managed jointly between the two governments.

Mr. Sukh Dhaliwal: Okay.

You said that you would not like to see customers being subject to racial or ethnic profiling by the security. Are you aware of any? I get some calls that complain about CATSA. One of the senators, in fact, has come forward and has mentioned to me issues like that.

Are you aware of any situations like that?

Ms. Laura Logan: No. We obviously get comments and questions about it, but to the best of our knowledge, the CATSA processes are random. They're designed to be random, and that's what happens.

As the other member mentioned, she got put through the special process. My family and I all go through it. I've been through every secondary method there possibly is. I get chosen on a random basis very regularly.

The Chair: Thank you.

Mr. McColeman.

Mr. Phil McColeman (Brant, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

I'm a visitor to this committee, as you can see, just filling in, but there are a lot of connections to some of the other parliamentary responsibilities and work that I'm personally involved with on the public safety and national security committee in studying the efficiencies of CBSA and the process of our border crossings in terms of similar parallels, I would say, to queues at significant border crossings, the amount of time it takes to get through security at the pillboxes, the border agents, and some of the techniques and increased security we've had to face.

As many of you now know—at least where I'm from, which is southwestern Ontario—going into the United States can be something where, as you're travelling towards the border, you're actually listening to the time backups at the border. I'm sure we're all quite familiar with that. But it strikes me that there are a lot of similarities.

As a private business person throughout my life, I want to drill down on this efficiency question. In a lot of ways, when the government does a program, as we have, we have a great many inefficiencies. I'm interested in your comment on the administrative side of this program. Are you suggesting that, through a review, that review, in your mind, might expose a lot of efficiencies that could be realized on the administrative side? Is it administration-heavy?

Ms. Laura Logan: From our perspective, yes, it is, and we think there's opportunity for improvement.

Mr. Phil McColeman: It strikes me that this is the tendency as programs develop and as time goes on. These things become little empires unto themselves and they get bogged down with all kinds of issues, including labour management relations and all that goes along with that. So I'm not advocating that there isn't a place for the government to play a role, but as we evolve, it seems to me that these issues relate in a lot of ways to the security issues, which are really in their infancy stages as you develop them.

I'd like to have your perspective on whether that's an accurate description. When you look at some of the agencies that have been around for a long, long time, at how they've evolved and what has happened to them when they're government-run, I would be interested in your perspective. Have you looked at those parallels? Have you looked at efficient management, efficient delivery of services, and increasing security at the same time? That's what we're driving at in our committee work with the CBSA, because we see that with the existing resources. They can do a much better job, in a much more streamlined way, without having to throw more money at it.

• (1025)

Mr. Lorne Mackenzie: If we can find those efficiencies and reduce the cost, we're all winners, in that sense, without jeopardizing the level of security. Again, I'm pushing for this review for the purposes of finding out where the inefficiencies are.

I hearken back to the day when our carriers did the security. There was a vested interest in making it efficient, cost-effective, and obviously security-effective. Those premises should apply under whatever regime, whether it be federal or private. So we'd like to see that type of efficiency built into whatever model comes out of the review.

Mr. Phil McColeman: I hope I have a bit more time, Mr. Chair.

From a first-term MP's perspective, as I see things work, I think this is a direction we have to take. We have to stop thinking that we just need to add more staff and more staff to take care of the need.

I want to switch gears to what my colleague Mr. Jean was driving at in terms of a "common standard" card, something that does the pre-screening and moves the security back—away from the airport, really, in your case, or, in our case, away from the border. The intelligence that our law enforcement community has about people, way before they ever even decide to travel...and how you integrate that into something. One of the things that a number of jurisdictions are working on is an enhanced driver's licence, as an easier way, perhaps, to get that information about the individual and put it into the process of getting a driver's licence. It may not equate to an interview through the NEXUS process, but at least it gives you another layer before they even make a decision to travel.

Do you see anything coming down the line or anything in best practices in other jurisdictions that, to your minds, our government can learn from?

Mr. Lorne Mackenzie: My initial comment is that we have to remove a lot of barriers. There's some sensitivity about sharing information. Those kinds of regulations need to be adjusted to accommodate a more global approach. If each of the 50 states in the U.S. is doing an enhanced driver's licence, it's clearly not workable. I mean, we have all the provinces and the various territories. If you can work towards convergence and talk your way to mutual acceptance, whereby you start to work together as a team, then I think those synergies can be developed.

The Chair: Thank you, Mr. McColeman.

Just before we go into our final round, one issue that I think keeps coming up is the limit of what people are prepared to give up for security reasons as opposed to for their rights. Has there been any kind of study or any surveying of passengers or of customers that might shed some light on this?

I'll use the example Ms. Crombie used. We fly a lot, and yet we subject ourselves to all of this simply because that's what we're asked to do. If you object, then obviously you get a different reaction. That, I think, is what happens when customers are frustrated and respond accordingly.

Is there anything out there, any document or anything, that would suggest that customers are willing to give up this and this—provided they get “this” on the security side?

Ms. Laura Logan: Given that the security programs and requirements have all been driven by the governments, whether in the case of passports, NEXUS cards, or enhanced driver's licences—those types of things—there's nothing I'm aware of that has been widely circulated within the public concerning people's willingness to give it up. But I think, based on our experience of seeing passengers work through the various processes, there is a willingness to give up a certain amount of personal information if there is a corresponding reassurance that the information will be treated with ultimate discretion by the authorities who get the information and by those private companies who receive the numbers afterwards. If, for example, we're trusted with passport information from all of our passengers who travel internationally, we have to treat that information with the ultimate in discretion, and passengers depend on us to be doing that.

To your point about enhancing cards and using that information, if more information were going to be passed to the carriers, we would have to treat it with discretion, but we would also request that there be consistency in the formats. Each province has a different format for their driver's licence number, and that's a nightmare for us, for systems. And then the passports are different. From a carrier perspective, to be able to capture that information, if those types of programs were to be put in place, and then effectively use it would become extremely expensive and difficult for us, unless standards were put in place right from the beginning.

So while we support those types of programs and that type of discussion coming forward, it has to respect the public's need for privacy and for control of information. It also has to be put in such a way that it can be used in an economically viable manner by the companies involved.

● (1030)

The Chair: That is the challenge. It might be something that everybody who flies gets surveyed on, based on their experience. It may be a question that you'd recommend they ask. You don't attach a name to it or anything; it's just a consumer who has a point a view.

Ms. Laura Logan: I'll kind of turn it around and say that it might be appropriate for the government to survey through the various government contact points. As private carriers, we do not want to be collecting that type of information and doing that type of program.

The Chair: And yet you survey us on a constant basis.

Ms. Laura Logan: Yes—on those items where we are in control and can hope to improve the service.

The Chair: But again, we're asking you to provide us with some help in forming policy, and I'm just encouraging—

Ms. Laura Logan: Yes. We would definitely be involved in the development and the questioning of the process.

The Chair: Wonderful.

We'll have one more round, with four minutes each.

Mr. Dhaliwal.

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

All of us in this room are more likely to be frequent flyers and to have plans like Aeroplan. Is any of the information from those plans ever shared with the government?

Ms. Laura Logan: Absolutely not.

Mr. Sukh Dhaliwal: But are you suggesting that it should be done in the future for security purposes?

Ms. Laura Logan: No. What I was saying is that I don't think it is appropriate for private companies to be collecting that type of personal information, making those assessments. We would encourage that this type of program be run by the government, but developed in such a way that it could be leveraged to provide benefits to the passengers in an easy way.

With the NEXUS program, if we were to be getting your NEXUS number ahead of time so that we could indicate on the boarding pass that you're a NEXUS card holder, and you could be streamed earlier in the process that way, it's a possibility that we could look at. But we would have to have consistent ways of getting those numbers in consistent formats throughout the various programs that are involved.

Mr. Sukh Dhaliwal: But you would have to keep that information up to date. Even being a member of the “super elite” part of Aeroplan, when I go to one of your lounges, although you mention on the bottom that I'm a super elite member, even your own employees look for that card. So what use is it to put that there? How would you be able to say that the information you carry is up to date?

Ms. Laura Logan: I'm not exactly sure what they're doing with the lounges in that regard, but I think they want the number because they want to try to track which passengers are using it more, in order to be able to better tailor the products.

•(1035)

Mr. Sukh Dhaliwal: You mentioned that you don't share information with other countries or other agencies. But now the U. S. is asking for information when a flight will be travelling over the U.S. and the airline will have to provide that information to U.S. authorities.

Is that true, and if it is, do you have any concerns about it?

Ms. Laura Logan: Yes, it is true. There are APIS programs—advanced passenger information systems—in place with a number of countries, where we have to provide specific data elements about the passengers. Canada has APIS, so we have to transmit the APIS information at the time of departure of the flight. That information is typically your name, date of birth, gender, and passport information.

The requirements are spelled out in law, and each country that has an APIS requirement has to put in their legislation the requirement for carriers to do this. There are very strict controls about how it's done and where it's done.

You asked whether we share Aeroplan information or anything that is provided under that guise. No, we absolutely do not. We make public disclosures when the APIS information has to be disclosed. We tell you that it is collected for government and customs purposes.

The overflight provision for secure flight is on the books within the U.S., but it is not in place at this point. We have been in discussion with various government departments within Canada to make sure that the Canadian public is made aware of the requirements when and if this is actually enacted, so that the Canadian public is aware that it is happening.

The Chair: Thank you.

Mr. Laframboise.

[Translation]

Mr. Mario Laframboise: We talked about security-related costs earlier, but the \$28 charge is on top of the airport improvement fee, is it not? That's quite a lot of money.

Ms. Laura Logan: A number of charges are added to the cost of the ticket, including taxes, but the airport improvement fee is set by each individual airport. They vary enormously. Some airports do not impose a fee. However, at other airports, the fees are very high. And the security charge is added on to that.

Mr. Mario Laframboise: I am from Mirabel. As you know, there is a saga underway involving Mirabel and Dorval, but the fact remains that the Plattsburgh airport is quickly becoming the biggest competitor, because the charges—

Ms. Laura Logan: — are much lower.

Mr. Mario Laframboise: You can see that with respect to security. The charge is \$5, as opposed to \$28. There probably are no airport improvement fees, are there?

Ms. Laura Logan: No, you're right. Also, the lineups are shorter. After December 25, we saw a lot of passengers going to the United States, crossing the border by car and taking a plane from there. Particularly for flights between New Brunswick and Maine, Quebec and Vermont or New York, Ontario and Michigan or New York, Vancouver and Seattle. That was happening across the country. We noticed lower traffic volumes.

Mr. Mario Laframboise: One of the reasons is that we take time to adjust. You were saying earlier that you were not involved in the discussions. It costs passengers less to go to our neighbour's country. Also, they already have security measures in place. So there is less waiting time. And, even though you have to go further away, you probably end up saving time. That is the reality. That is why we have to take a good look at the entire system, right?

Ms. Laura Logan: Yes.

Mr. Mario Laframboise: Thank you very much.

[English]

The Chair: Mr. Bevington.

Mr. Dennis Bevington: Thanks, Mr. Chair.

I want to go back to the sacred cow discussion. There was some interesting evidence that was presented by an Israeli security fellow about the fact that Israel flies, of course, directly to the United States, but in Israel they don't uphold any liquids requirement. Yet they have access to the U.S. market.

What's holding us up from getting off this liquids issue?

Ms. Laura Logan: The liquids issue is one that is truly a global approach to a problem. What happens with the Israelis who fly into the U.S. is that they must fly into an international terminal, where they will then go through the customs proceedings. If they want to make a connecting flight, they will then have to pass through re-screening. If the passengers have the liquids, they will have them confiscated at that point.

What makes it so important for Canada to be completely aligned with the U.S. requirements is that we have the pre-clearance arrangements, whereby you clear American customs in Canada and then arrive as a domestic flight in the U.S. If you're making a connection to another flight within the United States, there are no customs formalities, and there's no additional screening.

Mr. Dennis Bevington: The Israelis, who have the gold standard system, do not consider liquids to be a hazard on an aircraft.

•(1040)

Ms. Laura Logan: No, because they're doing the screening for “bad people” as opposed to the “bad things” approach. They're going through the profiling; they are going through studying the intent of the passenger before they travel.

Mr. Dennis Bevington: Could it be that they use sniffers as well, trying to locate explosives rather than hard metal objects, which they control through the double-locked cockpit doors? They have a system of preventing metal objects from being used on a plane for bad purposes, which means they're really only concerned with explosives?

Ms. Laura Logan: They're concerned with explosives and people with negative intent.

Mr. Dennis Bevington: That's right. Would you agree that their approach is pretty practical and sensible?

Ms. Laura Logan: It appears to be, in their environment. I think it would be appropriate for us to study it more and see what lessons we can learn from there and bring into the Canadian environment that are appropriate for us.

Mr. Dennis Bevington: Now, when you subcontract security, you're subcontracting....

I saw the presentation yesterday from the \$16-billion-a-year company—L-3, I think it was—that deals with a lot of the security. The expanding business model of corporations says that you have to keep expanding your business. If you're in security and you have a limited number of airports to deal with, how do you expand your business? Is it through—

Ms. Laura Logan: Evolving the products and selling new ones.

Mr. Dennis Bevington: —administration, or through...?

I'm trying to get to your argument as to why it would be more effective for the government to go back into security. Is it because of that expanding business model?

Mr. Lorne Mackenzie: We're not suggesting that the government goes back. We're just saying that is an option to be considered.

What we're looking for is the best bang for our buck. We want to find the most efficient cost-effective approach. It may be government; it may be privatized. We're not sure what that looks like. The review is to find out what the best approach is.

We're saying that today's model isn't sustainable, because the user is paying, and as we increase security costs, that is just going to go up and up. Comparatively, as we see in other models—for example, the U.S.—the current model is not sustainable in Canada.

The Chair: Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

I've been listening to what you've been saying. Obviously the partnership chain is very important in aviation generally, but we always seem to come back to the same thing—or, if I can say it so bluntly, you come back to the same thing—and that is, ultimately, CATSA. That's what I keep hearing, anyway, that the administration might be too heavy.

In a study of CATSA and a revamp of it, I'd like to know what your opinion is. If you were in charge—I know I'm asking you to put yourself out there—what would you study about CATSA and the implementation of the strategy?

Right now, we're talking around a lot of things. We've talked about how Israel's approach is “bad people”, and how North America's approach is “bad things”. But if you're going to revamp a security methodology, which is what I would put it as, it's a very serious thing. We probably can't do that at this stage, especially because it's a culture now, I think, in essence.

What would you examine in CATSA to make efficiency improvements over the entire system? What would you change, or at least what would you study to make recommendations on change?

Ms. Laura Logan: I know that a lot of our comments have focused on CATSA, but I think the review would have to look at the screening process in totality. So it would have to involve Transport Canada and the screening philosophy and approach that's used and how that then gets delivered through CATSA, or a revised model of CATSA, or whatever it happens to be. I don't know where that would be, but I think it would be very good to look at what we are screening for, what we are trying to achieve with passengers, with

their carry-on baggage, with their checked baggage, and decide whether the cargo screening even gets put on the table for that.

I think that sort of philosophical review has to happen and then drive looking at the way that CATSA is set up and organized and where the resources and the money are being invested in delivering the services, and do we need to reallocate? Can we possibly cut in some areas to bolster other areas? Are there some areas that really need enhancement and others that we can do away with completely?

We have questions, but we don't have a lot of answers about how CATSA spends their administrative money, because there's not a lot of transparency for the carriers as to what's happening within there. We see hints and glimmers, but the true facts we don't know.

So instead of just focusing on CATSA, I think we should be looking at what is the philosophy, how are we going to do that, and then how do we best allocate the resources that are available?

• (1045)

Mr. Brian Jean: If I can reiterate, then, what you're suggesting is that we, first of all, look at the philosophy itself behind what motivates the screening process; and secondly, look at the implementation. Then we try to refine it through better management processes and some more transparency to those people who are already secured to look at that transparency in the aviation sector. Would that be fair?

Ms. Laura Logan: Yes.

Mr. Brian Jean: Thank you very much.

The Chair: Thank you.

We have a point of order, but before that, unless it's in relation to our guests, I would thank them for their participation today. It has been very valuable information. Thank you very much. Please feel free to visit or move out.

Now I'm going to go to Ms. Crombie on a point of order.

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

We have been advised or informed that Toyota is alleging that the documents sent to us from Transport Canada are incomplete and that there are certain documents that would assist us in putting perspective into...complete information, shall we say. So I am going to request that the clerk write to Toyota Canada or to Transport Canada and request that the missing documents be sent forthwith to the committee.

The Chair: Mr. Jean.

Mr. Brian Jean: After translation.

The Chair: Okay. We will ask that they send the committee the complete documentation, translated.

Mr. Bevington, same point?

Mr. Dennis Bevington: No, a different point.

The Chair: A different point of order?

Mr. Dennis Bevington: No, it's just a request. We had some indication that a review of aviation security was done. Are we going to get a copy of that report? That was indicated at a previous meeting. I'll have to go back in the records to get the exact reference.

The Chair: Do you remember by whom?

Mr. Dennis Bevington: If you'll just review the records—

The Chair: If you contact Bonnie through the....

Mr. Dennis Bevington: —it's in one of the documents that was submitted a couple of meetings ago. But definitely there was mention of a document that we should look at.

The Chair: Okay.

Any other comments?

All right. The meeting is adjourned.

Oh, I'm sorry, although we've adjourned, I'll mention that we are going to La Pocatière. The schedules will be sent out to you if you'd

said yes. It's on May 25, the Tuesday when we come back from the break week.

Mr. Bevington.

Mr. Dennis Bevington: I'm just trying to confirm the NDP participation. It may be Mr. Rafferty.

The Chair: You'll let Bonnie know?

Mr. Dennis Bevington: Yes, as soon as I know.

The Chair: But we are going ahead with it, so plan your trip.

Thank you.

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