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Chair

Mr. Larry Miller

Standing Committee on Transport, Infrastructure and Communities

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•(0845)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I'd like to thank our witnesses and welcome them here today.

We have, from the National Airlines Council of Canada, Mr. Marc-André O'Rourke, executive director; Mr. Samuel Elfassy, senior director, corporate safety and environment, Air Canada; Captain Scott Wilson, vice-president, safety, security and quality, WestJet; David Deveau, vice president, safety, quality and environment, Jazz Aviation; and Captain Jacques Mignault, senior director, safety, quality and security, Air Transat.

Thank you, gentlemen, for being here.

I understand, Mr. O'Rourke, that you're going to lead off.

Mr. Marc-André O'Rourke (Executive Director, National Airlines Council of Canada): Good morning.

Thank you to the committee for the invitation to appear here today as part of a review of the Canadian transportation safety regime. We really do appreciate the opportunity to discuss our experience with the transportation of dangerous goods and the implementation of safety management systems, SMS for short, as it relates to aviation in Canada.

As the chair mentioned, my name is Marc-André O'Rourke. I'm the executive director of the National Airlines Council of Canada, NACC.

The NACC is a trade association that represents Canada's major airlines. Our members are Air Canada, Air Transat, Jazz, and WestJet.

[Translation]

We make sure that air travel is safe, sustainable and competitive by working with the government and industry stakeholders to implement policies, acts and regulations that support a world-class transportation system that is essential to Canada's economic growth and prosperity.

[English]

Many of our council's activities are undertaken by our subcommittees, which represent the combined expertise of our member carriers. Our subcommittees, namely safety, flight operations, and maintenance and engineering, work together to maintain and enhance world-class safety standards.

Given SMS's systematic approach, it's very important to note the collaboration and information sharing between all areas of an airline,

from the actual operations to all the support functions. SMS is the concern not only of safety departments, it's a company-wide shared responsibility.

Today I'm joined by representatives of our safety subcommittee, who will share their expertise with you in a few minutes. They are Samuel Elfassy, senior director at Air Canada; David Deveau, vice-president at Jazz Aviation; Captain Scott Wilson, vice-president at WestJet; and Captain Jacques Mignault, senior director at Air Transat.

NACC member airlines directly employ over 43,000 people and carry more than 50 million passengers a year. Together, our members serve more than 60 Canadian communities. They represent 87% of the domestic traffic and 64% of total airline traffic in Canada.

Most importantly, our members' deliberate and unwavering commitment to safety is ingrained in everything they do. Nothing is more important to our members than making sure the passenger gets to his destination safely.

Aviation is the safest mode of transport. Today, modern aviation is safer than it has ever been before. This achievement is not the work of chance. It's the result of a comprehensive and systematic approach to safety taken by the industry.

To the NACC airlines, safety is not just a matter of following the rules. Safety is about proactively managing risks and hazards that go well beyond the minimum requirements established by civil aviation authorities. Safety is the foundation that truly underpins the way an airline is run.

Our carriers have embraced the principles of safety management systems and embarked on a journey which brought about significant and meaningful enhancements to the safety culture that already existed. It's important to note that SMS is internationally recognized by the safety and aviation communities as the most advanced approach to mitigating and ensuring a proper and safe aviation system.

At the outset, I think it's important to take a minute to describe what SMS really is. An SMS system is a holistic approach where policies, processes, and systems are used to proactively identify, mitigate, and eliminate safety hazards and risks. It means that every activity an airline engages in, whether it be the actual flying of the aircraft, the maintenance of the engines, or any of the literally thousands of steps it takes to get from point A to point B, each of these activities is designed in a way that eliminates or reduces the potential for error or accident.

• (0850)

Today I can state unequivocally that transformation toward an improved safety culture has taken place at all levels of our member airlines. From the front-line employees to management to the most senior ranks, our members are fully engaged. This company-wide commitment to safety—again, it's company-wide and all departments are involved—and accountability is a hallmark of an SMS framework.

I would like to be very clear about the fact that the SMS implementation does not mean that airlines are policing themselves with no government inspection or oversight. SMS is a partnership whereby airlines are required to implement even more sophisticated oversight systems than ever before.

No one within the industry is advocating that the oversight and continued surveillance functions have become redundant. On the contrary, certification and oversight activities of Transport Canada are more important than ever and are essential parts of Transport Canada's role.

In fact, under an SMS approach, Transport Canada oversight is much more rigorous and meaningful. SMS adds a layer of safety to what is already the safest transportation industry in the world.

SMS increases oversight by utilizing even more sophisticated risk management techniques, including enhanced two-way communication and data trending. SMS is applied on top of existing safety and quality tools.

The SMS process is not just a general review of procedures and data as it has been suggested by some. SMS includes digging into specific areas of safety to find evidence of what has been done to address these issues.

Airlines must show Transport Canada that they have: one, identified the root cause of a potential problem; two, taken corrective and preventive measures; and three, verified the effectiveness of those measures. SMS seeks to find unknown risks which is far beyond what a regulator on-site inspection can ever do.

However, for oversight to remain effective, it too must evolve. The goal of SMS is to move to a proactive state of safety, a more assertive role in which the air carrier collects and analyzes data to understand the hazards and the safety barriers needed to avert possible negative outcomes.

Any suggestion that air travellers have been exposed to a higher risk as a result of SMS is completely irresponsible and unfounded. It bears repeating that safety is of the utmost importance to our members and their individual and collective safety records speak for themselves.

I'd like now to turn briefly to the issue of dangerous goods, because I know it's also a focus of the committee's review.

As with other modes of transport, the transportation of dangerous goods by air is governed by the transportation of dangerous goods regulations. These regulations incorporate, by reference, the International Civil Aviation Organization technical instructions. These instructions establish the rules for the safe transport of dangerous goods by air, both within Canada and internationally.

It's important to note that the transportation of dangerous goods is highly regulated by a robust and sophisticated international framework. The aviation industry and our members are committed to the proactive and continuous improvement of its standards, processes, and training requirements with respect to transporting dangerous goods by air. NACC members are actively involved in the ongoing revision and updating of the international standards.

• (0855)

[Translation]

To conclude, I would like to reiterate that safety is an absolute priority for the council and its members. Our airlines continue to be strongly committed to improving the safety management system because we know that aviation safety can only be ensured through constant vigilance.

Of course, we are willing to work with Transport Canada, this committee and other stakeholders to ensure the ongoing excellence of aviation safety in Canada.

[English]

I would now like to give an opportunity to the members of our safety committee to briefly introduce themselves. As you will see, we have brought with us today representatives who are well placed to discuss issues dealing with SMS implementation and the transportation of dangerous goods.

Thank you very much. *Merci beaucoup.*

The Chair: Gentlemen, we have some time if you have any comments.

Mr. Deveau, do you want to go first?

Mr. David Deveau (Vice President, Safety, Quality and Environment, Jazz Aviation, National Airlines Council of Canada): Thank you, ladies and gentlemen.

As Marc-André mentioned, it's not only a privilege but a good opportunity for us to appear today and help inform the dialogue around the topic.

As mentioned, I'm David Deveau. I'm the vice president of safety, quality and environment for Jazz. I also have the privilege of being the chair of the safety subcommittee for NACC with these dedicated and respected folks who are at the table here. I'll mention that I'm also the chair of the safety council of a U.S.-based regional airline association. I mention that because it provides perhaps a unique perspective of SMS from outside of our nation and how it's seen by other countries as well.

One of the things you'll find about aviation safety professionals is that they're very passionate about the topic, and I hope that we can provide some value here.

In terms of a few comments, just to open up, I'd like to be quite blunt, if I could, with respect to SMS and how it's viewed, I think, by many colleagues in this realm. It's very much a set of basic principles and concepts that are not new, in fact, and are based on quality management and organizational management sciences. In terms of its effectiveness, I must respectfully but bluntly say that questioning the value of an enterprise system like SMS is really not a rational argument by those who are informed about what SMS actually is. If I can draw a parallel akin to a financial management system or a human resources management system, it's a sophisticated, structured program based on very sound principles. Really, there's no other way to view its impact on aviation but as an evolution of what was already a very strong safety basis certainly in Canada.

As I mentioned, with respect to the perspective that others may have on SMS, I have to be very clear that when I talk to colleagues in the United States in particular, and even overseas, Canada's aviation safety system is considered to be the best and safest system on the planet, frankly. Indeed, I know that they collaborate and discuss SMS and what's happening in Canada both with operators and with Transport Canada.

For us, and speaking for Jazz, what SMS has done is it has provided a framework to increase the sophistication of what we have always done in aviation with additional tools and has created a much more integrated way of managing risk within the organization. There are many focus areas that SMS has brought for airlines, including a very important focus on organizational culture, a shared culture of safety, so that it's every single person in the organization who shares the accountability to ensure that risk is identified and managed properly.

It also focuses very carefully on organizational factors. If you were to step back in time, you would find that the focus on safety, in general terms, including aviation at a certain point, was very much about the individual and perhaps what the individual didn't do or whether there was error involved. SMS creates a need for us to examine what the organization is doing: systemic issues, root causes. Again, I've used the word "sophistication", but it really has brought a new layer of sophistication to what we do. It really has done this. Again, speaking for Jazz in my case, it's provided a road map for us to improve on, again, a very strong basis of safety.

With respect to our interaction with the regulator, it has also changed that in a very positive way as well. Although we continue to see the direct surveillance and inspection activity, our interactions and our work with the regulator is frankly much more meaningful than it has been in the past. There is a much greater expectation on airlines under an SMS program that we must demonstrate to the regulator. Certainly if the committee is interested in hearing some more examples on that, I'm happy to expand on that.

I did want to just open up with those initial comments to offer the perspective of one airline.

• (0900)

The Chair: Thank you, Mr. Deveau.

Mr. Elfassy, do you have any comments?

Mr. Samuel Elfassy (Senior Director, Corporate Safety and Environment, Air Canada, National Airlines Council of Canada): Thank you, Mr. Chair.

It's a privilege to be here before you this morning.

I'll provide a brief background on my role at Air Canada. I've been with Air Canada approaching 27 years. I've had the privilege to serve as the senior director of safety, environment and quality. I've also served within the airline over the course of those years with in-flight operations and in other areas. I've also been fortunate to have sat in on a number of working group sessions and meetings over the years with Transport Canada in the early development and then ongoing promulgation of the rules associated with SMS. So I have the benefit and the luxury of recalling and understanding what the spirit and the intent were during the early regulatory development.

The scope and responsibilities and the accountabilities that I have across our profile speak mostly to the oversight that we have as a department within Air Canada. We're operationally independent, reporting to Mr. Calin Rovinescu, who's our president and CEO, as well as reporting to our board of directors for safety oversight as well as environmental oversight. The operational independence is quite important because it allows us to view independently across the organization the ongoing effectiveness and management not only of our safety management system, but our environmental management system as well as our occupational health and safety management system.

That role is to test monitor the effectiveness of our SMS through the various reporting procedures and address the safety hazards that the organization faces.

I'll also echo David's comments relative to how we're regarded within the industry on an international level. I have the luxury of sitting on various committees across various associations, both at IATA and the Airlines for America, as an associate member. Our safety management system is regarded as one of the most robust and rigorous performance-based systems out there. In fact, some international theatres don't have a regulatory requirement for SMS, so we're often sought out for our expertise.

Outside my professional life, I chair a hospital board in the city of Toronto. I mention that because over the years, given our expertise associated with the implementation of SMS, we're finding that we're crossing the boundaries and assisting other safety-sensitive sectors with how to apply the principles of safety management systems to benefit their organizations and reduce adverse outcomes. It's quite an exciting period of time because others are benefiting from our knowledge and our experience, and they are coming to us for that.

To David's point, our interactions with the inspectors within Transport Canada have evolved. I don't want to say on a regular basis, but quite often during the quarter, it is not uncommon for us to invite inspectors to sit in on our management review process which is quite rigorous. It goes through many layers. They have sat in on our corporate safety board where we report to our CEO. They're invited to participate in those meetings as we look to discover our hazards and report to our management team on our risks and our safety profile.

I will leave my comments at that, and we'll appreciate any questions you might have that are associated with our experience.

Thank you.

• (0905)

The Chair: Thank you, Mr. Elfassy.

Mr. Wilson, please speak briefly.

Captain Scott Wilson (Vice President, Safety, Security and Quality, WestJet, National Airlines Council of Canada): Thank you very much, Mr. Chair.

I thank the committee for welcoming us here today. It's a great honour and privilege to be able to share our experiences on the implementation of safety management systems here in Canada.

I'll give you a bit of background on myself. I've been 13 years with WestJet and a little over 20 years in the industry, primarily in flight operational roles, prior to taking on this role in the safety, security, and quality side for the past three years.

From a WestJet perspective and a greater NACC perspective—I won't touch on some of the technical details that David and Sam have quite eloquently put—I'll talk a little bit about the culture side.

Obviously, coming from a culturally enabled organization such as WestJet, the big differentiator that we have found with safety management systems is how it takes that cultural envelope and leverages that across the system. We may have safety in our names or titles here, representing the four airlines, but the reality is that for the 43,000 front-line employees, they are the front face of safety every day in our airlines. The safety management system is to enable their voice and their opportunity to be a very enabled and active piece of safety within the airline system operating across Canada every day.

With that, I will close. We look forward to the discussion. Thank you for the opportunity.

The Chair: Thanks, Captain Wilson.

Captain Mignault.

[*Translation*]

Captain Jacques Mignault (Senior Director, Safety, Quality and Security, Air Transat, National Airlines Council of Canada): Mr. Chair and members, I would like to tell you a bit about myself.

I have worked for Air Transat for 16 years now after spending over 20 years in air operations with the Canadian Forces. For six years, I have been the manager responsible for implementing the air operations safety management system at Air Transat. I am essentially

responsible for looking into all of the airline's sectors of activity, including flight safety, cabin operations, aircraft maintenance safety and all ground handling services. In short, everything related to air operations.

I would like to emphasize the comments that my colleagues have already made that the safety management system, or SMS, enables us to involve all of our company's employees in the common objective of providing safe operations. The SMS also provides us with an opportunity to create partnerships with all industry stakeholders. Whether they are air traffic controllers or airport managers, we work together to find the causes of incidents to establish the best corrective measures possible and prevent the incidents from happening again.

I personally think that the system is an opportunity to go much deeper into incident management and the safety of our operations.

• (0910)

[*English*]

The Chair: Thank you very much, gentlemen.

We'll now go to questioning.

Mr. Mai, you have seven minutes.

[*Translation*]

Mr. Hoang Mai (Brossard—La Prairie, NDP): Thank you, Mr. Chair.

I would like to thank the witnesses for being here today. I would also like to thank them for their presentations.

To begin, I have a general comment for the witnesses.

In April 2014, a survey of aviation inspectors about safety management systems, indicated that 85% of inspectors believed that air travellers had been exposed to a higher risk because of SMSs. It was an increase compared to the 2007 survey, which indicated that 67% of inspectors predicted that safety was lower.

You are saying that the SMS is a good system for the industry. However, what is your reaction to what the inspectors themselves think of safety? My question is for any of you.

Mr. Marc-André O'Rourke: We are quite familiar with this survey. To be honest, the results are very difficult to understand.

As Mr. Deveau explained, as far as we're concerned, an internationally recognized safety management system that has proven itself has been put in place. The system must study the cause of a failure, but we must also take a step back. We have to examine the system as a whole to remedy the cause of an incident and determine whether it contributed to it.

In addition, the survey seems to indicate that there are fewer inspections. Once again, we have difficulty understanding where that is coming from. Not only is the level of oversight the same—and probably even better—but there is a dialogue and communication between the airline and the inspector.

Mr. Hoang Mai: What worries me is that the survey was done with inspectors, the people who are on the ground and look at the aircraft. However, you are saying you don't understand the results of the report.

In 2014, how many air transport inspectors are there in total?

Mr. Marc-André O'Rourke: Unfortunately, I can't answer that question. Perhaps it should be put to the people at Transport Canada.

Mr. Hoang Mai: The figures I have are the following: there were 382 inspectors in 2014, while there were 535 in 1993.

Mr. Marc-André O'Rourke: Unfortunately, I'm not familiar with the figures, but what I can tell you is that an SMS makes better oversight possible. The members of my organization can confirm that.

Mr. Hoang Mai: That's also what we were told when our committee did a study of rail transport. We were told that the system in place was very good and that the companies were quite satisfied with it. The Auditor General looked into it and said that Transport Canada did not even have the time to audit the SMSs.

CN representatives appeared before the committee and told us that they could send the committee an example of a safety management system. Would you be able to send us one so that we can see what is done? Safety management systems are sent to Transport Canada for study, but in reality, the department doesn't have sufficient resources to determine whether all the systems in place are safe.

Could you send the committee an example of a safety management system?

• (0915)

Mr. Marc-André O'Rourke: I can't make that decision right now. I will have to consult the members of my organization.

Internal transparency is very important. Employees need to be familiar with the safety management system.

Mr. Hoang Mai: I'll make another parallel with rail transport.

Railway employees said that they were not involved in the SMSs. Some of them said they were on a committee, but specified that they did not have much influence. Others said they were not consulted at all. Mr. Mignault said that some consultations were held with people from Air Transat.

In practice, how is a safety management system put in place with the employees?

[English]

Mr. Marc-André O'Rourke: I'll ask my members, but just generally,

[Translation]

...one of the advantages of an SMS is that all levels of the organization are involved.

I will let someone with more experience answer your question.

[English]

Could someone speak about the engagement?

[Translation]

Capt Jacques Mignault: As for employee involvement, there is a voluntary reporting program that encourages employees to inform us of incidents that occur during operations. The program is confidential, which ensures that no disciplinary action is taken against the employee after a report is made.

There is nothing preventing employees from informing us about an incident. The purpose of the program is to obtain information in order to take appropriate action and have all employees benefit. We work with employee associations, which are program partners. To me, this program provides greater visibility for incidents.

I would like to come back to your question or your comment about Transport Canada's oversight activities. Based on my experience, Transport Canada's oversight through this system is different than it was in the past. However, in my opinion, it is much more in depth. Instead of only focusing on an incident to determine how the carrier will fix the situation, it evaluates how the system as a whole can establish the root causes and appropriate measures and verify them to ensure that they are adequate.

[English]

The Chair: Thank you.

Sorry, but you're out of time, Mr. Hai.

Mr. McGuinty, for seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Thank you, Mr. Chair.

Good morning, gentlemen. Thanks for being here.

Let me ask you, first of all, in the system we now have, this SMS, would you agree that in order for the SMS to be thorough and safe and reliable...? We're talking here about reliability. We're talking about brand. We're talking about market share. We're talking about operating your businesses, generating wealth and value. Would you agree that for the SMS to be fully functioning that we need in partnership with the SMS activities undertaken by your member companies proper enforcement, regulation, inspection, and audit?

Capt Scott Wilson: I do agree very much, wholeheartedly.

I will talk to the enforcement piece a little bit though. What we want to ensure is, as Jacques mentioned, for our front-line employees to feel very comfortable about being part of the system, about being encouraged and enabled, they need to have that non-punitive aspect.

The enforcement piece is there as much as it ever was, but basically it's when it sees the layers that failed up to that point, and that would be the proper piece for it. We very much as member airlines point to the fact that our success of safety management systems in Canada has been very much due to the strong partnership, cooperation, and value that's provided every day by our inspector group which we have very close working relationships with.

Mr. David McGuinty: Partnership and cooperation with whom?

Capt Scott Wilson: With Transport Canada.

Mr. David McGuinty: With Transport Canada.

Capt Scott Wilson: Absolutely.

Mr. David McGuinty: We agree, then, right? We agree that we can't really have an SMS unless one of the integral partners, Transport Canada, is doing its share of the job, right?

Capt Scott Wilson: Absolutely.

• (0920)

Mr. David McGuinty: Great. Let's just review some of the things we've heard from Transport Canada's own air inspectors.

The aviation inspectors who work for Transport Canada conducted a very detailed survey. Here are a few of the things they've told us.

They say the way Transport Canada safety management systems are structured prevents the correction of safety problems in a timely fashion, up from 80% who worry this would be the case in the early days of the safety management system. Two-thirds of the minister's own inspectors are telling her that Transport Canada safety management systems will actually increase the chances of a major aviation accident.

The inspectors surveyed also say, as a result of the inspector shortage, airlines can now go as long as five years before Transport Canada inspection is required. We understand it's supposed to be happening on an annual basis. It may be happening for the large companies, but there are an awful lot of other companies that are not being caught.

Officials from the minister's own department previously promised MPs on this committee that 30% of Transport Canada aviation inspections would be direct operational inspections, i.e., on-site aircraft and operational inspections, RAM checks, unannounced inspections, etc. This conflicts with the findings of the inspector survey which reports inspectors spend almost no time on direct inspection.

I put a similar question to the rail industry representatives, the large companies. I asked them whether they thought it was their responsibility to try to make sure their partner in the safety management system, the SMS, was upholding their side of the bargain, their responsibility.

Let me ask you, in the face of what we have heard from the inspectors who inspect your companies, what's your reaction?

Capt Scott Wilson: I'll start it off, and I know the rest will probably want to join in.

Maybe I'll just provide the framework. As a large enterprise, such as WestJet, Air Canada, Air Transat, and Jazz, we basically have designated individuals in the appropriate lead. We'll have a technical team lead for flight operations, a technical team lead for maintenance. They will then have a cabin inspector for flight—

Mr. David McGuinty: Forgive me, Mr. Wilson. I only have a fixed amount of time, and it's important to describe how the system works, but we're talking about the partnership here with Transport Canada.

Capt Scott Wilson: Correct.

Mr. David McGuinty: I'm relying heavily, on behalf of my Conservative colleagues, on the Auditor General's report of April 3,

2012, which is scathing in its criticism about air transportation safety. I want to remind you at the same time that in the public accounts between 2011-12, and 2012-13, this government cut aviation safety by 11%.

On that basis, can you help us understand what's going on at Transport Canada? Don't you really want to know what's going on? Don't you want to be able to tell your shareholders, your insurers, your corporate directors, your officers, your travelling public that this part of the deal isn't actually being upheld?

Mr. Marc-André O'Rourke: Absolutely. We can't speak to what's going on at Transport Canada, but we can speak to our interactions with the inspectors, and under an SMS the interactions are so much more meaningful. They address the root cause. They work backwards. They have to explain the mitigation measures. They have to show the mitigation measures have worked.

I want to touch upon this because this is very important. We've all seen the survey.

Mr. David McGuinty: Well, apparently not, because when I asked the minister about it in the House of Commons, she said she had never seen it.

Mr. Marc-André O'Rourke: I guess you will have to follow up with the minister.

I can't let this out there.... The suggestion that airlines go uninspected for a year, or three, or five, is false and inaccurate. There is no scenario—

Mr. David McGuinty: Fair enough, but let me ask you this. What overtures have you made to the government and the Minister of Transport Canada to get their act together and actually comply with the recommendations of the Auditor General from 2012 and make sure? Don't you think you have an obligation as good corporate citizens—

Mr. Marc-André O'Rourke: —to safety, absolutely.

Mr. David McGuinty: —to make it known to the regulator, who is your integral partner? We've all agreed and you've all admitted you can't have an SMS without proper inspection. Don't you think it's your responsibility? Or are you already making overtures to the government to say, "Hey, government, you had better get your act together on Transport Canada inspections and safety audits, because that's part of the deal we have with the Canadian public." Your licence to operate isn't granted by Transport Canada. It's ultimately granted by the Canadian public. Wouldn't you agree?

Mr. Marc-André O'Rourke: Well, I don't think it's fair to say that they don't have their act together. Our members work well with the inspectors—

• (0925)

Mr. David McGuinty: So from your perspective, all inspections are satisfactory. There are no gaps. It's all being done in a timely fashion. Let me ask you: if that's the case, have you read the Auditor General's 2012 report?

Mr. Marc-André O'Rourke: Pardon me?

The Chair: You're out of time, Mr. McGuinty. Let Mr. O'Rourke or somebody answer.

Mr. Deveau.

Mr. David Deveau: May I address the member's questions? I think they're relevant questions.

The question does presume that, from the perspective and the experience of the operator, there is a problem with regard to the oversight. I can't speak to the motivations or characterizations in the survey. All I can speak to is fact and the experience we have as operators.

Frankly, I mentioned passion at the beginning, in this realm, in safety, and it is frustrating for us to hear the characterizations that somehow Transport Canada has dissolved into the wind over this transition, whereas the reality, ironically, is quite the opposite. We still see Transport Canada inspectors on a regular basis with much of what you consider the traditional surveillance activities, be they check-rides or visiting our dispatch centres.

What has been added on top of—not instead of, but on top of—that activity is an interaction with us that requires us to peel back the layers of our organization and demonstrate to Transport Canada, with respect to non-compliance, for example, exactly what causal factors were there, how we discovered the issues, and how we're mitigating them, to demonstrate to the regulator that we understand why something may have happened, how we're ensuring that it doesn't happen again, and in fact even proving the effectiveness of our solutions. This is all on top of traditional surveillance activity.

I just want to be clear. We can only speak to the facts and the experience that we have as operators, and we have a deeper and more meaningful oversight experience with Transport Canada than we have in the past.

The Chair: Thanks, Mr. Deveau.

Mr. Watson, you have seven minutes.

Mr. Jeff Watson (Essex, CPC): Thank you, Mr. Chair.

I'm not going to be asking questions on an outlier survey commissioned by a union that's principally against safety management systems, but I will talk with the witnesses who are here today about their safety management systems. I want to speak to the member companies more specifically.

Is the documentation that sets out your safety management systems to fulfill the components that you're mandated to have for safety management systems able to be tabled with the committee? How large is the documentation that explains your safety management systems?

Mr. David Deveau: If I could comment on that, we've made reference a few times to the fact that safety is not a corner of a building activity; the safety management system document set in fact comprises most of the operational documents across the organization. It's infused and integrated into just about everything we do from a procedural and a policy perspective.

Mr. Jeff Watson: It's one of the things that not only the public struggles with, but of course even members of the committee. We don't read your safety management systems. We know what

components are supposed to be in it, but we don't know how each of you satisfies that. Obviously, they won't be identical safety management systems, other than the components themselves. There would be some flexibility in how companies achieve the objectives in their safety management systems.

I'm trying to drive at whether anybody can table a safety management system with the committee, such that we can actually read how each of the companies matches the components of a safety management system.

I'm taking that as no. Can nobody table one?

Mr. Samuel Elfassy: What I can tell you is that there's nothing confidential in our one publication that addresses the overarching principles of our safety management system. We refer to it as our safety management manual. The various parts of the organization use that to shape their unique features within the organization to address how they identify hazards, how they conduct risk assessments, and how they move on the corrective actions.

That publication is in fact submitted to our Transport Canada inspectors for review and approval, which makes it, in fact, a public document under access to information, so I would—

Mr. Jeff Watson: Rather than going through ATIP, would you table it with the committee?

Mr. Samuel Elfassy: I would have no concern in tabling the publication so you can see an example.

Mr. Jeff Watson: Okay.

I don't know if each of the member companies who are here today will be able to answer this, but how many inspections do you conduct of your own operations? How many audits do you conduct of both components and full system audits of your safety management systems?

• (0930)

Capt Scott Wilson: I'd be happy to take on that one.

It's ongoing. When you take a look at it, all of us have code-sharing agreements and we actually undergo ongoing audits by our code-share partners. We're all members of IOSA, the IATA operational safety audit. Every two years we have a complete audit done to international standards that include safety management systems.

Mr. Jeff Watson: Is that a full system-wide look, or does that focus on components of your SMS?

Capt Scott Wilson: No. Basically the SMS is new, because most other carriers in the world weren't up to Canada's safety management standards. We've been the only airline that's actually been able to fulfill that for the past couple of years.

Mr. Jeff Watson: Every two years your full safety management system is audited by an independent third party.

Capt Scott Wilson: That's correct, including flight operations, technical operations, cabin safety, cargo, the entire gamut.

Mr. Jeff Watson: For the committee's benefit, I would like each of the companies to come back with numbers on how many inspections you conduct, and how many audits you conduct. We'd like to see what the industry is doing.

On the flip-side, because Transport Canada is supposed to be in the business of oversight, and of course this committee wants to ensure that we keep Transport Canada accountable in its functions, I'm also going to ask if you can tell us how many inspections are done of your operations by Transport Canada, and how many audits are being done by Transport Canada on either components or full system audits. We'd like a sense of that, too. That would help us close the loop on what your interaction actually is with Transport Canada.

Are you willing to provide that? Or we'd like to see that in the next report.

Capt Scott Wilson: Yes.

Mr. David Deveau: Perhaps I could provide some clarification. When you speak of inspection, just for the members to understand, there are many layers of quality activity that happen within the carrier. We have everything from quality control, inspection activities rate at the practitioner level, whether that be maintenance, or even benders. We have quality assurance activities that are daily surveillance activities that happen within the business units. Then we have formal audit programs internally. Quite literally, depending on the layers, the degree of inspection you're talking about, this happens many hundreds of times a day. It's a very ubiquitous system. SMS is essentially a quality management system detailed for safety, so there's an enormous amount of activity that is weaved throughout pretty much everything that's done within the operation.

Mr. Jeff Watson: Okay.

With respect to worker input, are workers at your individual companies involved in every facet of safety in a proactive way? Are they involved in helping the company determine its risk assessments of its operations, or changes in its operations? Are they surveyed for their perceptions on safety in the workplace? Are they involved in terms of determining what the remedial actions are for problems identified in your audits or inspections? How much integration do you have? How joint is the approach in health and safety within the safety management system at each of your companies?

Mr. David Deveau: I'll offer some opening comments on that.

Right from the foundations of SMS, employees were very involved in the development of policies and processes. Even once SMS was implemented, there are many layers in which we directly involve line employees. You mentioned risk assessments, which is a good example. When we are looking at changes to the organization, introducing something where there could be a potential hazard involved, we involve direct line employees in addition to SMEs and subject matter experts. That entire risk assessment process is to ensure that we properly identify where there could be hazards introduced in the workplace, and then work with folks who know the job in order to develop mitigations and solutions, which goes to your question about being involved in actually coming up with problem solving.

I should add, you used the term "health and safety". Of course, you'd be familiar with the requirements for federally regulated industries under the labour code. There are also additional processes under our OSH programs to consult with employees as well.

The Chair: Were you asking for information?

Mr. Jeff Watson: Yes, it's tough in seven minutes to cover both question and answer to get into these in any amount of depth, but perhaps each of the member companies could detail where their workers are actually involved in that health and safety program.

The Chair: We don't have time for that, Mr. Watson, but maybe through the course of the—

Mr. Jeff Watson: Just table it with the committee, is what I was asking.

The Chair: Okay, very good.

We now move to Mr. Braid, for seven minutes.

● (0935)

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for being here this morning and for participating in this study.

Mr. O'Rourke, I want to start with a couple of questions for you.

The National Airlines Council of Canada was formed in 2008, as I understand. Could you briefly describe why the council was formed?

Mr. Marc-André O'Rourke: Absolutely.

As you may know, there's another association of air carriers, the Air Transport Association of Canada. Our members were part of that association. In 2008, my understanding is that, given the nature of the operations of the members of the NACC, and given the nature of the membership of ATAC, because ATAC has many types of members—it has flight schools; it has smaller operators, which is great—it was felt that the interest of large carriers might be better served in a smaller association dedicated to the issues of large airlines. Given the nature of the business, it's very different to operate a flight school or a helicopter operation than major, what they call part 705, carriers.

Mr. Peter Braid: Okay, thank you.

In your opening remarks you describe that the process of ensuring safety with respect to our airline industry in Canada, the SMS process and system, is very much a partnership between the airlines in the country and the regulator, Transport Canada.

Could you elaborate on that statement? Could you describe if there are any areas for improvement with respect to that partnership?

Mr. Marc-André O'Rourke: Sure.

We believe it is a partnership, especially given the nature of the enhanced interaction with Transport Canada inspectors now. The SMS framework is not simply a compliance issue or kind of focusing narrowly, maybe, on a particular issue that was discovered. Under SMS, there's a lot more dialogue with the inspector. It's kind of a two-way conversation, so that's the partnership. It's not the simple compliance of coming in and checking; it's engaging into a more robust, more meaningful conversation.

What improvements can be made? Honestly, we would like to see the system be able to operate the way it's supposed to operate. The system has an inherent mechanism to always proactively identify potential hazards. If we just let the system do what it's supposed to do, I think we will see even better results.

Mr. Peter Braid: Very good.

As a committee member, whenever I participate in a study like this, I always find it helpful to understand how Canada compares internationally. Could each or any of you, all of you perhaps, comment on that with respect to airline safety in Canada and the regulatory framework and regime in Canada? How do we compare to other countries around the world?

Mr. David Deveau: Again, just to echo previous remarks, Canada is very much and consistently seen as the gold standard across the globe. Again, both operators, in terms of benchmarking, and the regulator-to-regulator relations recognize this. It holds true for the international audience as well as the trans-border audience, so there is very little question about that. In fact, I know that some of my other colleagues as well as myself are regularly invited to speak at aviation safety forums in part because we bring forward the experience of working within the Canadian regime for aviation safety.

Mr. Samuel Elfassy: I would answer that by first explaining that the basis for a safety management system internationally is enshrined within the ICAO standards of recommended practices. Within the various annexes of that document, you will find a requirement for states to include a safety management system as part of their oversight. Some states choose to file a difference with ICAO and indicate that they have not incorporated or promulgated the rules associated with the safety management system, while other states will do so.

What I can tell you is that when I speak, as David and my other colleagues here do, in the international forum, we are approached after our remarks to understand the effectiveness of our safety management system: how you monitor the effectiveness; how you build a safety and a hazard registry that are meaningful not only to your employee group but also to your management and other stakeholders.

I'll leave my remarks at that. Internationally, it varies across the world, but I can tell you very quickly that we within Canada are seen as the gold standard using David's model.

• (0940)

Mr. Peter Braid: Great. Thank you.

I'll go to a final question. Perhaps I'll pose this question to you, Mr. Wilson. We haven't heard from WestJet yet, as part of this particular section of my questioning.

Could you, as an example of the airlines represented here, describe how WestJet promotes and enhances a culture of safety throughout your airline, from the front line all the way up to the president and CEO?

Capt Scott Wilson: The best way to put that together might be as a question that was posed earlier about employee involvement.

We undertake numerous campaigns, so obviously you need an employee group that feels comfortable, that feels safe about bringing forward hazards. That's how the system works. It's their identification, whether from a personal injury perspective of such matters as occupational health and safety, or from the larger perspective of the hazards that are available in an operating environment.

We have many campaigns that are very much directed towards the individual "safety begins with me" piece of the safety puzzle. There isn't a moment that they can't show up in the workplace and not see some sort of safety information in front of them encouraging feedback, current to embolden the system and provide better safety barriers on an ongoing basis.

These safety matters are a huge piece culturally at WestJet. When you look at our missions, visions, and values, you're going to find safety integrated into every one of those aspects.

Capt Jacques Mignault: On our side, at Air Transat, I find face-to-face meetings with employees are the best means available as a vehicle for the message about safety. We do it through training programs that are ongoing on a yearly basis. Whether for pilots, flight attendants, or maintainers, we use every opportunity within the safety team to meet face to face and encourage them to participate and contribute to the system.

We also involve the senior management in all the results of our system. We keep them abreast of developments, of what we see and what we have done to correct things that we have identified. From the top to the bottom, there is an overall focus on maintaining safety, as we all realize that this is really what ensures the viability of the company.

The Chair: Thank you very much.

We'll move to Ms. Morin, for five minutes.

[*Translation*]

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): Thank you very much, Mr. Chair.

I would like to thank the witnesses for being here today. I will start with a simple question.

Could you please tell me what dangerous goods are transported by air in Canada, including in baggage holds?

Mr. Marc-André O'Rourke: There are several categories, such as batteries, certain gases, as well as pharmaceutical products.

I will turn it over to my colleague, Jacques Mignault, who will be able to go into more detail.

Capt Jacques Mignault: We follow the ICAO code, which is very clear about the goods that can be transported, be it by aircraft reserved for transporting cargo or aircraft transporting cargo and passengers. There are very strict rules about that. For each carrier, we choose the categories of dangerous goods that we are willing to transport. We do our own evaluation.

Since we mainly transport passengers, we have established our own additional restrictions regarding certain dangerous goods that we refuse to transport. I know that WestJet, for example, doesn't transport any dangerous goods. It's a choice based on an evaluation of the risks associated with the activity.

As Marc-André mentioned, the whole area of the transport of dangerous goods by air is highly regulated and very strict. Our safety management system enables us to analyze the risks internally and determine whether we are going to transport a certain kind of material.

• (0945)

Ms. Isabelle Morin: Thank you very much.

Still, it's strange that representatives from WestJet are here if the company doesn't transport any dangerous goods. I would like to point that out. It's odd.

My other question is about flight attendants. You just mentioned that flight attendants all contributed to the safety system. But there has been a drop in the number of flight attendants in Canada. This may be the only time we get to talk about it because we have not managed to hold a committee meeting on this.

My question is mainly for the Air Canada representative. When we are on one of your aircraft, we always see a little video presentation that says that safety is your priority. We hear it so much that we know it by heart.

If it's your priority, how is it safer to lower the ratio of flight attendants?

Mr. Marc-André O'Rourke: I will answer first.

To begin with, it is important to understand that the matter of flight attendants is simply a harmonization of regulations that already exist across Europe and the United States.

Ms. Isabelle Morin: Australia has conducted extensive studies on this in committee. The committees have studied it thoroughly, and they decided to keep the ratio of 1:36. They realized through longitudinal studies that it was safer to do so.

My question is simple: how is it safer to lower the ratio?

Mr. Marc-André O'Rourke: Transport Canada is reviewing this matter. One of the components studied is the placement of flight attendants.

Ms. Isabelle Morin: You're talking about studies. Which studies exactly? Who are you consulting? Who are the experts that contributed?

Mr. Marc-André O'Rourke: The council itself hasn't done any studies. Perhaps you should ask...

Ms. Isabelle Morin: Perhaps Mr. Elfassy could respond. Could you tell me what kind of studies you have done? Who was questioned? How...

[English]

Mr. Samuel Elfassy: Specific studies relative to the reduction of

Ms. Isabelle Morin: Yes.

Mr. Samuel Elfassy: Okay.

The basis for the study goes back to working group committees that were held many years ago when this issue was first raised. There was a comprehensive risk assessment that took place. That risk assessment included a number of various stakeholders not only from industry, but other groups within Transport Canada. They studied the regulatory regime in Europe, Australia, the United States.

The risk assessment in fact went further. Without getting into the details of the risk assessment, they looked at the actual residual risk that would be associated with it, and they made decisions on how to mitigate that residual risk. It was the decision of that working group, which I won't go back into because I don't have the historical context, that harmonizing the rules internationally and transborder—

[Translation]

Ms. Isabelle Morin: As I said, that isn't really an argument. Australia decided to not go forward and to have rules that allowed it to have a 1:36 ratio.

The Dorval airport is in my riding, Notre-Dame-de-Grâce—Lachine. A lot of flight attendants live in my riding. I have met some who have told me that they are concerned should...

[English]

The Chair: You're out of time, but if you ask a quick question, I'll allow it.

[Translation]

Ms. Isabelle Morin: They've told me that they are concerned. Should there be an accident and one of the flight attendants didn't feel well, they would be stuck in a situation where they could not provide assistance. That has been seen previously.

[English]

The Chair: Question, please.

[Translation]

Ms. Isabelle Morin: I'm wondering how it could be safer. What I am realizing is that you aren't able to tell me that it is safer.

[English]

Capt Scott Wilson: There are two points to that.

WestJet currently is operating under exemption for one in 50 in Canada. Actually, one in 50 has been used in Canada under exemption for many years in 50-seat aircraft. Aircraft certified under regulation in Canada are certified to one in 50; that's the international standard.

When we speak of Australia, we looked very closely at all regulatory jurisdictions. Although Australia may have regulations on the books for one in 36, they were the ones, as a regulatory environment, that set the stage for exemptions. Most carriers in Australia are operating under a one-in-50 exemption, which is the international standard.

Going back to safety management systems, the entire intent before you make change.... We have a saying at WestJet, "We do it with our people, not to them". To the questions about incorporating the front line and their thoughts about it, our flight attendants were actively involved in this adoption of change at WestJet.

When we looked a step further, safety systems required to make decisions based on strong amounts of data, across the world there are only two regulatory jurisdictions not operating under one in 50. That was, to your point, Canada and Australia. We had reams and reams of data and lots of airlines to go to to validate the safety of the change. That's been proven, as we've been operating in Canada at equivalent level of safety, since October 2013, under one in 50.

• (0950)

The Chair: Thank you very much, Mr. Wilson.

I'll move to Mr. Toet for five minutes.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Thank you, Mr. Chair.

Thank you to our witnesses here today.

To start with, I just want to state very clearly for the record, in regard to Ms. Morin's questioning, actually we invited CUPE to join us at our meetings here and they refused to attend. If this issue was foremost in their minds, it's kind of strange that they would not be here to bring forward their viewpoint.

However, I want to turn to the witnesses that we do have here today. I want to talk about the transportation of dangerous goods. Mr. Wilson, WestJet does not transport dangerous goods, but I believe some of the other airlines do.

I'm just wondering what your parameters are for that. How do you assess the dangerous good? I'm assuming you also look, rather than just at the dangerous good itself, but also at how it's contained, how it's packaged, and how you contain that within the aircraft. Could you expand on that a little bit? Give us some sense of how you decide what dangerous good you're going to transport, and also how you work within the context of it with your employees and with your staff as to how that has to be contained, both within the containment of the unit itself, but also on the plane.

That question is for anybody.

Mr. Samuel Elfassy: I'll take a go at this.

IATA publishes a very comprehensive manual relative to the transportation of dangerous goods. It's about two and a half inches thick, and gives a very detailed description of what is permitted on board a passenger aircraft, what is permitted on an all-cargo aircraft, and how it's to be packaged. It provides all of the technical and scientific details specific to the product that's permitted to be transported based on the rules of transportation.

That publication is used as a training program for our employees. Some of our employees are in the field of accepting the dangerous good. Others are in the field of handling that dangerous good, in terms of boarding the dangerous good on board an aircraft, and others, in terms of responding, should there be an event associated with that good.... Depending on the role of the employee, they are provided comprehensive training that is reviewed by Transport

Canada. They not only review the program, but they will often sit in and actually observe the training sessions. That manual is used to describe.... I'll give you an example.

Radioactive isotopes that are used in the medical industry are routinely shipped to various research centres and hospitals across the country and across the world. Sometimes radioactive items can only be placed in some very specific areas of an aircraft cargo compartment. Our loading instructions detail to the employees where they're placed, how far away from the passenger, and how they're handled. They are labelled. They are documented. The flight crew know they're being carried on board. Further, flight crew have on board the aircraft a very detailed protocol on how to respond should there be an incident involving that dangerous good. It's a checklist that the flight crew use.

Across the spectrum, depending on the role and responsibility of the employee, there's exhaustive training that is conducted.

Capt Scott Wilson: To highlight the robustness of the regulatory framework around it as well, even though WestJet has elected to be a non-DG carrier, so that we don't have holes in the system, Transport Canada still requires us to go through almost the same level of training with our front-line employees, so that we have that awareness and don't provide that input. We're not consciously accepting it, but we've still got all the barriers in place so that collectively we have a very robust framework for dangerous goods. Again, we elect not to carry them, but we still provide a high level of training, by regulation.

Mr. Lawrence Toet: So there's an awareness even if something would—

Capt Scott Wilson: You'd have to know what isn't allowed, so that you have those same barriers that way, and that's what we provide.

Mr. Lawrence Toet: Good.

Mr. O'Rourke, in your answers to one of the questions regarding SMS, you said it's not only a compliance issue, but it's a two-way dialogue with the inspector that opens up that opportunity.

I know the question has been asked, but I think it's very important. How does that also work as far as your two-way dialogue with your employees? How deeply involved are they not just in the implementation, but actually in the building of your safety management systems, and the upgrading, and the continual renewal of those? Is there a system in place where the employees have the ability not only to bring forward issues regarding current things in the safety management system that they see need to be addressed, but also to bring forward something new that should be looked at by the company? Is there a mechanism in place also for that?

• (0955)

Mr. Marc-André O'Rourke: When it comes to individual employees, definitely one of the hallmarks of an SMS approach is to encourage and to make it easy and to make it safe and confidential for employees to report things. You have to build this culture of safety at all levels.

Mr. Samuel Elfassy: I can comment on that.

I don't want to let this day escape without clarifying one point, because it's important. Perhaps it's in the nuance of the word.

For us, safety and the word "priority" should not be confused with safety in a value system. We communicate safety as a value and not as a priority, because priorities often change. Safety is of the utmost value to all of us within aviation.

Now, I should say that every two years at Air Canada we conduct a very exhaustive survey of all of our employees. It's a very detailed survey. I'm proud to say that typically, when all of us receive surveys, we tend to discard them or there is generally not very much success in response to them. We had a 37% response rate, which is quite significant for the number of employees we have at Air Canada, and the information was meaningful. It allowed us to shape our safety goals and objectives for that calendar year. We take that information and we use various analytics in order to determine where the areas of strength are and where the areas of weakness and opportunities are. We communicate those back to our employees through town hall sessions, and we use that information to shape our goals and objectives. Then, we go back out and we try to explain to them our reasons for making those decisions, and we link that information back to the feedback and the comments that were provided through the organization. They become part of the goals and objectives.

The Chair: Thank you very much.

We'll now move to Mr. Sullivan, for five minutes.

Mr. Mike Sullivan (York South—Weston, NDP): Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Wilson, you said something a few minutes ago that I wanted to correct. I think you said you've been operating under an exemption for the past while and that it provides an equivalent level of safety. In fact, two weeks ago representatives from Transport Canada said quite clearly that one in 50 is not an equivalent level of safety to one in 40, just for the record. I, as a passenger, don't know, when I'm on a plane, whether the door I'm next to is the one that's actually going to have a flight attendant assigned to it or not. If you were Ryanair, you'd be offering me a discount for sitting beside an unsafe seat, but you're not. The issue of whether or not it's equivalent is what's up for debate right now, and they said quite clearly that it's not an equivalent level of safety, according to Transport Canada levels.

Someone mentioned aircraft maintenance. Air Canada, and perhaps Air Transat, have moved to systems under which maintenance of the airframe and the engines is performed in another country. How are those individuals in those countries incorporated in

your SMS? You said you represent 40,000 employees. I take it you don't consider those people to be part of your employee base.

Capt Jacques Mignault: I can begin.

From our perspective, we do use an external service provider for our main inspection program. Every single aircraft, once it returns, is inspected by our own maintenance team. Whenever issues are discovered as a result of the inspection, we follow up directly with the service provider. They have to provide specific corrective measures and put in place the quality program that's required to ensure the quality of their work.

We also have our own presence there on the ground to monitor the activities. We have periodic meetings with the management of this organization to review the record of incidents that are documented, and we follow up with them very closely to ensure that they put in place effective corrective measures.

• (1000)

Mr. Mike Sullivan: My question was about how they are involved in your corporate safety management system. They're not, because they're not your employees. Am I correct?

Capt Jacques Mignault: The employees within this organization have their own safety culture and reporting structure in place, so I'm not involved in that aspect. But definitely anything that is discovered as a result of this activity is followed up on, from our perspective internally, at Air Transat.

Mr. Mike Sullivan: If somebody rebuilds an entire engine, you're not going to discover what went on in the centre of that. Nobody in your inspection team is going to take apart that engine and check whether they used the right bolts.

Capt Jacques Mignault: No, but if there were an event later on related to the inspection that went on and the root cause was identified as a result of this inspection activity, that's when we would involve the service provider.

Mr. Mike Sullivan: I'll put the same question to Air Canada. How are they involved in your safety management system?

Mr. Samuel Elfassy: If the question is how they are involved in a safety management system, I don't want to leave you with the impression that they have a safety management system or that they don't have a safety management system. I'm not going to comment on that.

What I will comment on is that at all of those bases where we conduct maintenance, we have embedded within those teams quality auditors and compliance officers to monitor the ongoing effectiveness of the work they are doing. We have those in all places.

You should know that in our case we have.... At our maintenance organization, they have a certificate, as well, to operate. They have an AMO, approved maintenance organization, certificate. That requires, under SMS, having a very robust quality component. We have them on site. They monitor and feed back essentially reliability reports based on performance.

I should also add another element that we have included. Any aircraft that comes out of a maintenance facility is flown and operated by a dedicated group of pilots. We refer to them as our non-revenue operation team. We do not put that aircraft into operation until the non-revenue team has had an opportunity to fly the aircraft and test reliability. As part of the effectiveness of that monitoring program, they feed back to us reports on the reliability and the performance of that aircraft. If we have an issue, we go back, get it fixed, and we monitor effectiveness. We do not hesitate to drop a maintenance organization if it fails to comply with the standards we expect.

The Chair: Sorry, Mr. Sullivan, but your time has expired.

Mr. Komarnicki, for five minutes.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Before I get into my main line of questioning, I have a question for any one of you. In terms of the ratio of one flight attendant per 40 passengers changing to a ratio of one flight attendant per 50 passenger seats, I note that one is “passengers” and one is “passenger seats”. Could you explain the difference?

Capt Scott Wilson: I'll also give you an opportunity to.... Oh, he has left the room at the moment. Mr. Sullivan had a question and I didn't get a chance to rebut. I wouldn't mind taking that opportunity, as well.

First and foremost, if you look at an international standard, one in 50 very much is an equivalent standard to one in 40.

To the discussion around the doors, in particular, I'll use the Boeing 737-600 as an example. It holds only 119 guests, or passengers—guests is a WestJet vernacular. Whether it was one in 40 or one in 50, it's still required to carry three flight attendants. Of course, there would still be a door without a flight attendant; however, being a narrow-body aircraft, it has been proven time and time again that's not an issue.

In a lot of ways we find that we actually have better staffing on board the aircraft, because one in 40 allowed it a flexibility piece. You could have an aircraft with four doors, and if you wanted only 80 passengers on board, you'd only be required, under one in 40, to have two attendants. One in 50 takes that operating flexibility away, and it always requires that an aircraft dispatch appropriately, with the correct number of flight attendants at all times. One fewer flight attendant has no means for that aircraft to move. That's why we basically are very comfortable saying it's an equivalent level of safety.

It looks slightly different, but there's no reduction in safety barriers or margins, or else WestJet would not have entertained it whatsoever. On behalf of our 2,600 hard-working flight attendants, I strongly suggest they would have a stake in that game, too, and that's our comfort from that, sir.

I'm sorry, but I got a little off topic. If that did not answer the question and you'd like me to restate something, I'd be happy to put that framework back into it.

•(1005)

Mr. Ed Komarnicki: Thanks, and no, I think you've covered that aspect of it.

I want to move to my main line of questioning. This is in respect to safety management systems.

From what I've been hearing from the evidence.... Of course, there are regulations relating to safety. On top of that there's a safety management system. It's meant to augment what's already there. It's more flexible. I think someone referred to it as holistic. Of course, there was a survey that seemed to go against that trend. You did say there's some difficulty in getting a handle on measuring the survey or understanding exactly where it's going. I think it was Mr. Deveau who said that questioning the value of SMS is not a rational argument. I think one other comment was made that a higher risk because of SMS is often unfounded. I'm not sure who said that. Perhaps it was Mr. O'Rourke.

Can you indicate why you feel it's not a rational argument, Mr. Deveau, and why you feel it's unfounded, Mr. O'Rourke? Then I will have some questions following from that.

Mr. David Deveau: Absolutely and respectfully, with a comment.... If you're doing the kinds of things you've always done with respect to safety and you're augmenting that with additional more sophisticated processes with a deeper oversight from the regulator, there is no way that the overall system could not be safer. Yet it's the difference between—if we were talking about a financial management system—doing something in a very individual, superficial way versus a complex organizational management framework to do it.

The rationality here is...and the other part of the rationality is the evidence speaks for itself. We are living in the safest period of aviation that has existed. Safety management systems have been making inroads for a number of years here.

The combination of what the facts demonstrate and the plain fact that we have what we've been doing and we've augmented it with more sophisticated processes, we couldn't possibly have a situation that is less safe.

Mr. Ed Komarnicki: Did you want to make a comment, Mr. O'Rourke?

Mr. Marc-André O'Rourke: Please, yes.

Absolutely, some of the language in that press release and the survey is completely irresponsible and unfounded. To suggest that accidents are imminent and planes are going to fall out of the sky is completely unreasonable and unfounded.

We can provide you with numbers. Aviation has never been safer. We talk about the millions of flights and the ratio of accidents. We can provide those after the session. Yes, we will stand by that comment. As Mr. Deveau said, aviation is the safest mode of transport. It has never been safer and SMS is a big, big part of that.

Mr. Ed Komarnicki: Thank you.

Of course, you're indicating that SMS involves proactively managing the risk, not just following rules and regulations and so that dimension is added to it. I think it was you, Mr. O'Rourke, who said that you seek to find an unknown risk. When you have a risk, you know what it is and you can work to fix it, or if you have an incident you can work backwards. I'm curious if you can give me an example. How do you seek to find an unknown risk?

Then you said digging into specific areas of concern is another aspect of safety management. Perhaps you could give us some examples of that.

Mr. Samuel Elfassy: I think a really good example of trying to identify an unknown risk would be some of the proactive exercises that we conduct, and when I say we, I mean collectively conduct.

One example would be something referred to as LOSA. LOSA is a line operations safety audit. Essentially, what it involves is taking trained observers, generally pilots, putting them in the flight deck and observing various behaviours of the flight crew in order to determine how those individuals manage various threats, various situations on board the airplane. That's a proactive activity that sometimes will uncover threats to the organization, but also the resiliency of the organization, behaviours that you want to manage.

Part of the safety management system is taking all of these elements that I think David mentioned earlier, the LOSA, the audit, which are the proactive, the investigations, the reports that come from flight attendants, pilots, and maintenance organizations.... All of that goes in, in order to give you a lens about what is going on within the organizations—where those hazards are; where those risks are—and feeding them back through the organizations so that they can manage those risks and then monitoring for the effectiveness of those solutions. It's an iterative process.

That would be an example of one that you will uncover because you don't know about it. It needs to be a proactive exercise. You just don't wait for it to happen.

• (1010)

The Chair: Thank you.

Mr. Watson, for five minutes.

Mr. Jeff Watson: Thank you, Mr. Chair.

Other than WestJet on the one in 50 exemption, is there any other airline represented here that has a one in 50 exemption on flight attendants? Is it just WestJet?

Mr. Samuel Elfassy: Currently Air Canada does not have an exemption, no.

Mr. Jeff Watson: You've now had seven months in that operating environment. Has your company done any of its own surveillance as a follow-up to the implementation of the exemption, and what can you say based on that?

Capt Scott Wilson: A promise we made to the minister as part of incorporating the exemption was the fact that the safety management system required to provide that oversight is what we've had—surveillance activity with Transport Canada inspectors on board as well through the implementation. We take a look at the data.

One of the better things I'll point to and it's tied nicely with our requirements to the labour code as well, but two of the seven months have been the lowest months for flight attendant injuries ever in the history of WestJet. There are a lot of data that comes back when we talk with flight attendants on board. In fact, on the flight out here yesterday, I served with the flight attendants to have discussions ongoing and we get continued positive feedback on one in 50.

Mr. Jeff Watson: In your testimony just now you said that Transport Canada itself has been part of the post-implementation surveillance.

Capt Scott Wilson: We actually came out of one of the large assessment activities, so one in 50 was part of that oversight. It was a complete assessment that basically started back in November with the off-site activities, culminating in February. We also see in-flight cabin safety inspectors who travel on the airlines. They travel in the back and they observe activities, which they report back to the airline.

Mr. Jeff Watson: On your post-implementation surveillance, and I'm talking about WestJet now, presumably a report has been commissioned, or some sort of report was made about that. Can any of that be tabled in terms of the analysis with the committee?

Capt Scott Wilson: That's all ongoing. We use something similar to what Sam spoke to. We use the cabin operations safety audit, COSA. We have flight attendants, who are on board all the time, looking to see how flight attendants operate in the environment and ensure that all the procedures are being met and that there's been no reduction in safety margins.

Mr. Jeff Watson: Back to SMS in general for the airline industry, do each of your companies have a designated executive whose primary responsibility is safety operations? Are the duties and responsibilities of that particular executive very clearly defined?

I'm seeing heads nodding. I just want each of the companies to answer very briefly.

Mr. David Deveau: In Jazz's case that would be me, understanding of course that the accountable executive, which includes the responsibilities under safety, is the president and CEO.

Mr. Jeff Watson: Mr. Elfassy.

Mr. Samuel Elfassy: Our president and CEO is designated the accountable executive. You should know that in selecting an accountable executive, Transport Canada provides essentially a flow chart that determines whether or not that person can actually be nominated.

The ultimate decision-maker, based on the resources and the financing of the organization, rests with the president. They're ultimately responsible. They delegate the maintenance and the monitoring of our safety management system to me.

Mr. Jeff Watson: Mr. Wilson.

Capt Scott Wilson: It's sort of the same situation. Going through the flow chart, the president and chief executive officer is the one who is the accountable executive under the regulation for WestJet. Then, of course, certain duties and responsibilities are delegated out; however, the actual accountability cannot be delegated away.

Mr. Jeff Watson: Mr. Mignault.

Capt Jacques Mignault: It's exactly the same at Air Transat, with the CEO being the accountable executive. I am basically mandated by the chief of operations and chief of maintenance, who are ultimately responsible for the safety of their own operations. I'm there to assist them in managing the systems, so that they get the information and the follow-up to any incidents.

Mr. Jeff Watson: How do you overcome siloing? There are mandated components that comprise a safety management system. How do you overcome that to have a full systems approach to safety? How do you resist the tendency to sort of silo within a component?

Capt Jacques Mignault: Precisely in our system, there are no silos. Everything is intertwined. My safety team is integrated in all sectors. We work together for a single event. It may warrant investigation on various aspects, whether it's flight operations, cabin operations, maintenance.

Whatever is involved in a particular incident is collected within this investigation, so everything is very much interlinked and there are no silos at all.

●(1015)

Capt Scott Wilson: I would strongly suggest that if you look at the requirements for safety management systems, the ability to remove and break down silos is one of its greatest strengths. It looks for that and if you don't have that naturally occurring within your airline, Transport Canada will be there to ensure that with the expectations set out, you have committees, etc., with the ability to ensure that it's not operating in a siloed approach. It's meant to be very holistic throughout the organization.

The Chair: Mr. Watson, you're out of time.

We're going to go to Mr. Mai, but I'm going to be very strict on the time for everyone. Five minutes for the question and the answer.

Mr. Hoang Mai: Perfect. Thank you, Chair.

Just to answer Mr. Komarnicki's question with respect to the survey, it was done with inspectors, employees of Transport Canada, who actually enforce Canada's air safety regulations so when these people, 85% of them, say air travellers are exposed to higher risk....

Here we are as regulators trying to make sure the system in place is the safest one. I think we all agree, and I'm sure the airline industries also agree on that. That's why we have questions, especially when we saw what happened on rail safety. Obviously you have followed what happened in Lac-Mégantic. There were faults in the system. SMS is the same thing. We heard from railway companies saying it's the safest thing, but when we looked at it, we realized it was meant to be another layer. I think you all mentioned it. It was meant to be an additional protective layer, but what we've seen on the ground is that there are problems with respect to inspections.

I talked about the facts. There is the fact that we have fewer inspectors with Transport Canada to look at some of the issues. I don't necessarily agree that Transport Canada has done everything and even more than it's supposed to. Even the Auditor General has said that.

When we come back to SMS, for instance, and when we look at the change of ratio—we spoke about it today for flight attendant ratio—are flight attendants being involved in the SMS that would come after that? You say, yes, but when I was there and Mike Sullivan was there at CARAC, I don't think we heard any flight attendant say that would increase safety. That's my concern.

You say you're working with the employees, but then we hear about the employees not being satisfied and saying there is a higher risk. That's why we ask questions.

For instance for the reduced flight attendants ratio, how involved are the flight attendants in terms of...?

Capt Scott Wilson: Flight attendants at WestJet are involved very closely with any operational change. That's one of the tenets of a strong safety management system, that one of the components or the expectations is you have strong processes around the safe management of change. Change management is tough for everyone, inspectors and employees alike, within airlines and within transport.

When we looked at implementing one in 50, obviously the comfort came in the availability of data...to speak to flight attendants from around the world, and it suggested we cross the border. In the FAA jurisdiction or Europe, they operate under one in 50 exclusively and have so for years. I think they would be very much aligned with us. They don't see that necessarily is tied to safety, having a ratio of one in 40 versus one in 50. With our equivalency, we're quite comfortable with that from a safety perspective.

Any time we do organizational change at WestJet we use a lean process, something that is found in Japanese culture. Our employees are included in the change. Basically since they are the ones that do the front-line job, we ensure they are encouraged to have their voice heard on the procedures and processes they do on a day-to-day basis. As that is a starting point, we ensure they get that opportunity. Then of course once the process is identified, we're required to follow up from efficiency, through our close audits, etc., so we ensure their voices are heard. Then basically the processes are changed.

They have a great ownership on the front line of the safety and the process that they are involved with.

Mr. David Deveau: Could I just be clear on something? When we talk about assessing risk, risk is a continuum, of course, and safety is not an absolute. One of the hallmarks of SMS is that it's not about emotion. It's not about perception. It's about fact and evidence.

When we look at any scenario, and this is just one scenario, what we're looking at is what evidence there is of hazard or risk, and if we change something, what does it do to that risk, and what can we do to mitigate it. At the end of the day that's what the exercise is about. It's not about absolute safety, because if everyone in this room were to take an automobile to get back to their homes today, they would be at infinitely more at risk than they would ever be on an airplane. It's about understanding what that risk is and whether or not it's acceptable.

•(1020)

Mr. Hoang Mai: That's one of the questions we had, because we never got the chance to really look at that change as parliamentarians. I think there was talk within the industry, but we haven't been able as regulators to actually look at all the facts, all the studies and things that will reassure us there's no lack of safety.

Also, one of the concerns I have, and that would be more for Transport Canada, is that when we go from 2010 to 2014-15, the accident rate target per 100,000 flight hours has actually increased. They went from 6.3 to 6.7—

The Chair: Mr. Mai, your time has expired.

Mr. McGuinty, for five minutes.

Mr. David McGuinty: Gentlemen, I just want to ask a few snappers. If you have the answer, please; if you don't, just let me know.

You all say that you have a very hand-in-glove relationship with Transport Canada. You work together. It's on an ongoing basis. You have a relationship. You manage that relationship well, so let me ask you: can any of you tell us how many qualified inspectors there are right now at Transport Canada for air safety?

Capt Scott Wilson: We have the ones who are directly appointed to the WestJet file, so I can speak to the ones whom we interact with on a regular basis.

Mr. David McGuinty: Just let me know: do you know how many inspectors there are at Transport Canada for air safety?

Capt Scott Wilson: Transport as a whole? I cannot, sir.

Mr. David McGuinty: Do you know how often aviation companies are supposed to be inspected by Transport Canada?

Capt Scott Wilson: There is some guidance under SUR-001 version 5.

Mr. David McGuinty: What would that be? How many—

Capt Scott Wilson: That's specific to the safety management system, and I believe it shows that there should be an inspection roughly every three years, I believe, David. I don't have the document in front of me so I won't get too much into specifics.

That's from the safety management side.

Mr. David McGuinty: Every three years?

Mr. Marc-André O'Rourke: There are different types of inspections.

Mr. David McGuinty: Make it quick, guys, if you could.

Mr. David Deveau: To supplement that, though, there are different levels, so it's risk based, as we've mentioned before. It's incumbent on Transport Canada to evaluate the need to look at the pieces as well on a much greater frequency depending on—

Mr. David McGuinty: The Auditor General's report says that Transport Canada calls for annual inspections:

We also found that although the national planning frequencies state that aviation companies must be inspected every year, about 70 percent of aviation companies across the country were not inspected in 2010–11.

It goes on to say:

Transport Canada has assessed the risk indicators for the five very large air carriers and associated maintenance organizations. For the other 70 large air carriers and maintenance organizations, and about 4,000 small air carriers and maintenance organizations, the Department did not often use the standard risk indicators.

For Canadians who are watching who fly on your airplanes, again, are you not supposed to be inspected annually?

Capt Scott Wilson: I guess it comes back to what I think David was trying to bring out as far as inspections. If you take a look at a full assessment of a safety management system, that happens roughly every three years. I think if you look back, though, the old national audit in the pre-SMS days was only, I believe, once every five years, and my counterparts can chime in.

Mr. David McGuinty: Okay. That's great.

Capt Scott Wilson: [*Inaudible—Editor*] the inspection, sir, on an almost daily basis. On our flight decks—

Mr. David McGuinty: Let me ask you another question, if I could, specific to WestJet.

Does WestJet carry dangerous goods?

Capt Scott Wilson: No, sir. We're not certified to carry dangerous goods.

Mr. David McGuinty: Why not?

Capt Scott Wilson: It has been a choice from a corporate perspective.

Mr. David McGuinty: Do other airlines represented here carry dangerous goods?

Capt Scott Wilson: The other three are certified to do so.

Mr. David McGuinty: All are certified. So WestJet has never sought certification to carry dangerous goods?

Capt Scott Wilson: Not at this time. We continue to monitor it.

Mr. David McGuinty: Okay.

On the 1:40 to 1:50 flight attendant ratio question, a lot of Canadians are concerned and they're confused. Many of them who sit in emergency exits don't understand why they're being asked to pay a premium for the privilege of assisting. They pay more for the privilege of assisting if there's a problem. A lot of people have raised that with me.

I want to raise with you a juxtaposition here. How much will each of your companies save financially moving from 1:40 to 1:50?

Mr. Wilson, starting with you, perhaps you could give a number.

Capt Scott Wilson: I don't have a number directly in front of me, sir. Again, my responsibilities are about the safety of the airline.

Mr. David McGuinty: Does anybody here have a number? Air Canada? No? You don't know what you're going to save?

Okay.

Can you comment on the fact that Canadians are now taking five million flights a year from United States airports? That number is going up 10% to 15% each and every year under the Conservative government. This is, of course, having a major economic boom effect for U.S. airports.

Why is that happening?

•(1025)

Mr. Marc-André O'Rourke: Absolutely. We could actually have a whole day on that.

Mr. David McGuinty: Sure.

What can we do to actually arrest this trend?

Mr. Marc-André O'Rourke: We can look at the way we treat the sector.

Mr. Jeff Watson: Mr. Chair, on a point of order, it's an interesting economic question, but this committee has been convened to deal with safety issues—

Mr. David McGuinty: Absolutely, Mr. Chair.

Mr. Jeff Watson: —safety management systems and the transportation of dangerous goods. I don't see an obvious link to that, but maybe Mr. McGuinty would like to get to that, Mr. Chair.

The Chair: No, neither do I.

Continue. You just have 40 seconds left, Mr. McGuinty.

Mr. David McGuinty: I'll provide the link, Mr. Chair, if you wish.

The Chair: If you can do that, certainly.

Mr. David McGuinty: Absolutely. There's a connection between consumers' choices in terms of where they fly and their perception of safety. There are all kinds of links. If Mr. Watson wants to explore those, we can do that online or offline; it's up to him.

But I think it's a very important question, Mr. Chair.

The Chair: You still haven't linked it, but...

Mr. Marc-André O'Rourke: Let's be clear, though, about the suggestion that Canadians are going to U.S. airports because of safety. It's a cost issue, so that has to be perfectly clear. We can reconvene on that if you prefer, but there's no suggestion that people are going for cheaper fares because of safety.

The Chair: Thank you very much.

Is it Mr. Watson or Mr. Komarnicki?

Mr. Watson.

Mr. Jeff Watson: Thank you, Mr. Chair.

Thank you, Mr. O'Rourke, for the clarification on that particular point.

Canadian aviation regulations compel your companies to conduct risk assessments and submit them to Transport Canada. I see some heads nodding.

Capt Jacques Mignault: Absolutely.

Mr. Jeff Watson: There's also a written record that needs to be incorporated here. That's why I'm asking the question.

Capt Jacques Mignault: Every time there's a change, we are required to do a safety case internally and present that.

Mr. Jeff Watson: How do they define that change? At what point is it a...? Is it every minor change or major?

Capt Jacques Mignault: No, no.

Mr. Jeff Watson: How do the regulations determine it's a change that—for the public who are listening—requires a risk assessment?

Capt Scott Wilson: I'll put a couple of points out there. We go through risk assessment when it is as simple as a change to an operating procedure to something as broad as taking on a new destination. There would be varying levels, obviously, of the complexity of the risk assessment that would have to be conducted.

Mr. Jeff Watson: How frequently are those mandated risk assessments being conducted, sort of, company by company? I imagine there would be some variability based on changes in operations too.

Capt Scott Wilson: They happen daily within the operational units for their change, and then it gets rolled up to be larger risk assessments at higher levels in the organization for broader changes.

Mr. Jeff Watson: Is every risk assessment mandated to be submitted with Transport Canada, or are there some that are simply internal?

Capt Scott Wilson: It's not submitted but it's all available under the normal oversight process.

Mr. Jeff Watson: Okay.

We're interested in recommendations for the committee. Obviously, we're going to be looking at whether there can be enhancements to the safety management system as well as the transportation of dangerous goods regime. That's what this committee is tasked with when we look at the aviation sector, not just rail, marine, or by truck.

You can give a brief answer now, but we'd appreciate something, if you would wish, in terms of follow-up in writing that would be a little more comprehensive than what you can provide at the table today. What recommendation would you make to this committee about how the safety management systems or the TDG regime could be enhanced?

Mr. David Deveau: I would just say to embrace the change with safety management systems and really to help clarify for the Canadian public some of the misinformation and mis-characterizations that are out there with respect to SMS, because it really speaks of the confidence the travelling public should have in what is the world's safest aviation environment.

Mr. Jeff Watson: Does anyone else want to handle that question?

Mr. Samuel Elfassy: I can answer that.

I would say, in terms of improvement, understand how important the data that we are collecting is and how that data is used. The benefit over the last many years, based on the systems that we're introducing, is to provide what I refer to as a high-definition picture of what is going on within an operation so that you can focus your efforts and your interventions on the system in the right place. That has fundamentally changed the way airlines operate. That data is important because it takes us to where the problems are.

I should say, though, on the risk assessment that I just want to make a point, which is that the importance of a risk assessment in all of our operations should not be underestimated. We conduct them—to a point that was made earlier—literally on a daily or weekly basis. There might be a small risk assessment to a more exhaustive risk assessment. In a high reliability industry like aviation, you do not want to introduce unintended consequences. That's why we take our risk assessments quite seriously, so that we can identify any of the residual risk that is left and try to mitigate that risk, because at the end of the day, you don't want to do any harm. Risk assessments play an important role in the safety oversight that the organization has.

•(1030)

Mr. Jeff Watson: This is sort of moving to one of the things that came up as a result of the Auditor General's report on the rail sector. You raised some concern about whether rail inspectors had any potential conflict of interest because they may have been employed previously in the rail sector before coming to the regulator. Is that a question of concern for the aviation sector? Is there any concern that there may be conflict of interest among Transport Canada aviation inspectors for the same reason?

Mr. Marc-André O'Rourke: No. To be perfectly honest, I don't know the background and experience of all the inspectors, but I can't imagine that this would be an issue. There are many air carriers, probably more air carriers than there are rail companies, but that would not be an issue.

Someone may want to jump in.

Mr. David Deveau: I would just add that our experience is that they are all very professional and that we would have no such concerns.

The Chair: Thank you very much.

Mr. Komarnicki is next, for five minutes.

Mr. Ed Komarnicki: Thank you.

One of the things we've heard from others is that when you have a safety management system, on paper it may look good, but there is the issue of actual implementation, as someone mentioned earlier, and there is a maturation process as time goes on.

Have you noted that in the airline industry? Can you comment on how you have seen it progress from paper to where it is today?

Mr. Deveau.

Mr. David Deveau: I think for all of the carriers here, our SMS programs have gone through numerous iterations through time—because we have some time under our belts here—and there definitely has been a maturing of the programs. In fact, we can much more often now see a direct link between outcomes—somebody mentioned injury rates, for example—and working back and being able to demonstrate that those happened because of the SMS itself.

That's a key point here, because this is what Transport Canada does in their oversight role. They want to see the link. They want to see how the processes you have in place have actually had a causal effect on some sort of worthwhile outcome.

With Jazz, we have been able to demonstrate that perhaps it was a result of a risk assessment and something we did there, or the result of a communication campaign.

That's a sign of the maturity: when you can start to show that the system is what made the change.

Mr. Ed Komarnicki: Mr. Elfassy, do you have a comment?

Mr. Samuel Elfassy: I would simply say that it's a very good point. One thing we have communicated over the last few years, based on surveys we have conducted of our employees, is that safety is not delivered by paper. It is not delivered by rules and regulations. It is delivered by people, because people deliver safety, and they're responsible for it.

It's putting a face on it, and putting a clear understanding of the rules and the expectations in all the airline employees. Whether they be a customer service agent, a flight attendant, a mechanic, what is their role in the system, and how do they contribute to the system so as to ensure that we are managing our efforts to be as safe as we can? It's removing the complexities. It's removing the barriers that often are challenging in understanding what your role is.

Mr. Ed Komarnicki: I also have heard that involving the employees or getting them engaged is sometimes—

Mr. Samuel Elfassy: That's critical. The communication process and the awareness is critical in the success or the failure of a safety management system. Everyone needs to understand their role. I agree.

Mr. Ed Komarnicki: Of course there is concern that there might or might not be retribution if an employee brings an issue forward. Do you have internally either training sessions or seminars or involvement of employees to go over what safety management systems are, what they are not, what they're meant to do, and to get a comfort level among the employees so that they become fully engaged rather than look at it from a distance?

Mr. David Deveau: Perhaps I could mention three things.

The first is that very much every employee has training with respect to SMS, on the expectations, the main policies, but we also gauge and measure whether or not employees believe that. One way is through the reporting rates. The reporting rates from front-line employees have exploded throughout the implementation of SMS, which tells you something initially, that they are comfortable enough to come forward and report. Incidentally, we have only a minute percentage of reports anonymously submitted.

Another thing, as someone else mentioned, we also do annual surveys which ask questions about their trust of the system, a non-punitive system. We get very high marks from employees indicating that they understand how it works and they trust it.

•(1035)

Mr. Ed Komarnicki: Have you any definitive report that says you have made an assessment of how your safety management systems are working and as of today here's how you have assessed it?

Mr. David Deveau: Do you mean internally?

Mr. Ed Komarnicki: Yes.

Mr. David Deveau: We have our own internal audit program, so we evaluate ourselves the components of SMS. As an IOSA airline, we also have external views on our SMS, and of course, there is Transport Canada oversight. We have many sources that validate the claim that the program is effective and evolving.

Mr. Ed Komarnicki: One area that was raised was the transportation of dangerous goods.

In previous hearings we talked about liability insurance. Are there any issues in terms of carrying sufficient insurance? Is liability insurance a factor at all for the airline industry?

Capt Scott Wilson: Not to my understanding.

Mr. Ed Komarnicki: I guess that would take care of my time.

The Chair: Mr. Wilson, to follow up, there were a number of questions brought up today about WestJet's exemption, going from a ratio of 1:40 to 1:50. I know that we've all flown on a number of international airlines for whatever reason, and I know a lot of them that come here, if not all of them, have all been operating for years with a more or less competitive advantage when they come into Canada with the ratio of 1:50.

Since the exemption, has your company experienced any safety-related issue because of the exemption, or do you know of any other company that regularly flies into Canada that has had a safety issue because of the fact that they're using that 1:50 ratio? Could you comment on that, please?

Capt Scott Wilson: Yes. We've certainly experienced no safety issues operating on one in 50 versus one in 40. In fact, as we've stated before, it's quite easily an equivalent level of safety, and we see many benefits that provide extra safety barriers that we're watching.

As far as an international standard is concerned, when we reviewed, nothing pointed directly toward a concern around operating one in 50. As I said, it's the operational standard. When you look at the percentage of flights that operate under that regulatory jurisdiction versus in Canada or the United States, it far outweighs from that perspective.

The Chair: Thank you very much.

We are down to our last questions. You have about two and a half or three minutes, Ms. Morin, and then there will be one more on this side.

[Translation]

Ms. Isabelle Morin: I want to come back to what Mr. Wilson said earlier. It's more of a comment than a question.

You spoke about the Australian authorities and exemptions. Yet, according to the information I have here, there were exemptions in 2010, and they apply to certain types of aircraft designed for a 1:50 ratio of personnel on board to passengers. So we are not talking about all aircraft.

Moreover, in 2011, the committee made recommendations that the government upheld. Recommendation 6 stated:

[English]

That the Civil Aviation Safety Authority cease providing new exemptions to the 1:36 cabin crew ratio currently mandated by Civil Aviation Order 20.16.3, and that all exemptions to the Order currently in place not be renewed upon expiry.

[Translation]

Recommendation 7 read as follows:

[English]

That the 1:36 ratio be retained until such a time that it can be demonstrated that a change to a 1:50 cabin crew ratio in Australia will not result in reduced levels of safety or security.

[Translation]

That's what happened in Australia.

That was a comment. I will now let my colleague ask his questions.

[English]

Mr. Mike Sullivan: Mr. Wilson, most of your fleet in fact will have one less flight crew. The 737-700s and the 800s all have a passenger ratio that will cause you to have four where you used to have five, or three where you used to have four. It's only the 600s that have 119 seats. Am I correct?

Capt Scott Wilson: That's correct, partially, sir. I mean, the challenge would be in any one day, even an 800 could operate with two flight attendants under one in 40 if there were only 80 customers.

Mr. Mike Sullivan: Yes, exactly.

My final question is for all of you.

There has been some controversy recently about the use of wet leases and temporary foreign pilots by airlines. I don't know if any of you are employing temporary foreign pilots, except Air Canada Rouge might be; I'm not sure.

The public is concerned about the nature of... How are those people involved, if they are, in a safety management system when they're temporary and they're foreign?

• (1040)

Mr. Marc-André O'Rourke: We have made submissions with respect to the wet lease policy and temporary foreign workers. I'll let Dave comment on the safety, but as far as our airlines are concerned, the safety management system is again a company-wide system. It should capture all the operations.

The Chair: We are out of time. I understand that the Conservatives don't want.... I'm going to give the witnesses two minutes to....

Do you have a point of order or something?

Mr. David McGuinty: I do, yes, Mr. Chair.

The Chair: A point of order?

Mr. David McGuinty: Correct.

Through you, Mr. Chair, I'm wondering if we could ask the witnesses if they're prepared to table for the committee, on the basis of a question I put to them earlier which they were incapable of answering, or perhaps through the National Airlines Council of Canada, whether we could get for our deliberative purposes here, an indication from each of the airlines what the financial implications are for each company moving from a 1:50 to 1:40 flight attendant ratio, the savings, the costs, the negligibility, whatever it might be. Through you, could we ask the witnesses whether they are prepared to deliver that up?

The Chair: Okay, I'll leave that with them. If they're....

Mr. Marc-André O'Rourke: I'll leave here and we'll discuss it. We'll get back to you. We'll undertake to consider that request.

The Chair: Two minutes for any closing comments. I'll allow that.

Mr. Marc-André O'Rourke: I really just want to thank you again. We do sincerely appreciate the opportunity to be here. Hopefully, we were able to clarify some of the misconceptions of SMS. Our airlines are incredibly passionate about this. Safety is the most important thing for an airline, and SMS is a great tool to enhance that.

Thank you again for having us.

The Chair: Thank you very much, gentlemen, all of you, for being here.

The meeting is adjourned.

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