



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Transport, Infrastructure and Communities

TRAN • NUMBER 031 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, June 5, 2014

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Chair

Mr. Larry Miller

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•(0845)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): We're going to call our meeting to order. I know the clock is a couple of minutes slow.

I was first of all going to ask whether Mr. McGuinty and Mr. Mai

A voice: They will be right here.

The Chair: Okay.

Mr. Watson.

Mr. Jeff Watson (Essex, CPC): Chair, let me just apologize to our witnesses that we're delayed in getting to the testimony.

I wanted to ask the committee something this morning. We did give direction to the chair to invite Transport Canada officials back in relation to their action plan in response to the Auditor General's report on rail safety.

I wonder if it would please the committee that we additionally invite Transport officials on the aviation side, to respond to the 2012 Auditor General's report and potentially any questions in relation to the meetings we're holding currently on aviation. I imagine the committee will have some questions for Transport Canada civil aviation officials arising from the study as well.

The Chair: I was under the presumption that they would already have been invited, but I'm not sure.

Mr. Jeff Watson: We only asked about rail, so I just thought about broadening that.

The Chair: Are you okay with that—?

Some hon. members: Yes.

Mr. Jeff Watson: We had only asked about rail officials, so I suspect the committee should give you the same kind of consensus to invite the aviation officials. I think we're going to have a lot of questions relative—

The Chair: Yes.

I presumed they would have been invited because we're now into the air part of it.

Anyway, that's resolved.

Mr. Jeff Watson: I wanted to be formal about it.

My apologies again to the witnesses.

The Chair: I want to thank all of our witnesses for being here today. We really appreciate it.

In particular, we have Mr. Chalmers joining us by video conference from Vancouver.

We know how early it is out there, so thank you very much for joining us. We appreciate that. I see that you nodded, so I know you can hear me.

To make sure we don't run into any technology problems, we're going to start with you, Mr. Chalmers, for 10 minutes or less, please.

Mr. Norman Chalmers (President, Pacific Airworthiness Consulting Inc.): Thank you very much.

Can you hear me okay?

The Chair: Yes.

Mr. Norman Chalmers: Thank you, Chair.

Honourable members, my name is Norman Chalmers. I'm the president of Pacific Airworthiness Consulting.

I have 47 years of experience in the business of aviation safety and aircraft airworthiness, including 25 years in Transport Canada Civil Aviation in various positions, including periods as acting regional manager. Besides consulting, I write a bimonthly column for *Air Maintenance Update Magazine*, which is widely read in Canada and the United States.

Today I limit my comments to safety aviation management systems, SMS, as implemented by Transport Canada Civil Aviation.

On my position regarding SMS, first, SMS is a social engineering experiment on a huge scale, with the Canadian aviation industry safety outcomes as the study objective and the travelling public as the victims. Long-term consequences of these changes are unpredictable, because Transport Canada SMS has no precedent or proven models.

Second, SMS is a good idea, essentially the same as total quality management. Safety management systems, if properly embraced by management and workers, can help companies improve themselves in many areas.

Third, SMS is not a regulatory regime. It's essentially a philosophy invented by reductionist university professors who have studied and dissected disasters in the petrochemical industry. These experts include Reason and Hopkins.

Fourth, SMS can not successfully replace regulatory oversight.

Fifth, SMS is a Transport Canada tactic to save money on employee costs, including numbers and qualifications.

Sixth, SMS is a Transport Canada tactic to avoid being sued in court for allowing unsafe aviation operations.

Seventh, SMS was sold to Canadians, yourselves included, using scare tactics, including using the widely distributed worldwide hull loss projections.

Eighth, the lawmakers of Canada have been negligent. They have ignored the warnings of Canada's best people, including Mr. Moshansky in this committee's 2007 meetings and report.

Ninth, Canada has one of the safest transportation systems in the world as a result of the corporate safety culture of companies and the people working in the industry. It is also a result of the effective regulatory requirements.

Tenth, Transport Canada has started to dismantle those requirements.

Eleventh, SMS implementation by Transport Canada will do long-term and enduring damage to aviation safety in Canada.

Twelfth, it will soon be too late to prevent that damage. Canada will face a very difficult time rebuilding the safety infrastructure that is now being destroyed.

Thirteenth, public opinion regarding "safe aviation" and "safety" do not coincide with Transport Canada's definition and are not supported by Transport Canada's actions.

Those are my positions.

On SMS and PVI implementation, SMS is not an "additional layer", as it was sold to your 2008 House of Commons committee. It was never planned as an additional layer. At the same time as those individuals were telling the Commons committee that SMS was an additional layer, they were telling us inspectors to stop doing audits. Transport Canada leaders were not truthful.

SMS assessments and program validation inspections have almost totally replaced audits and inspections. I know of no regulatory audits in the last five years. The Aeronautics Act regarding SMS does not address all aspects of SMS as implemented, and the act embeds a vague level of safety.

● (0850)

The CAR 107—when I say CAR, I mean Canadian aviation regulation 107—regarding SMS is vague and nebulous, at barely 300 words. This CAR leaves the requirements in the hands and subject to the whims of the bureaucrats at all levels, from senior mandarins to inspectors, and it encourages bullying.

Transport Canada Staff Instruction SUR-001, revision 5, is the primary SMS compliance document. At about 33,000 words, it defines and implements the intent of the act. It is a third- and fourth-level document. To understand SMS, you must become conversant with SUR-001, with which the vast majority of the aviation community is not familiar.

Other areas of Transport Canada infrastructure have been left without support. No credible organization supports the current

directions of Transport Canada. PVIs have totally replaced audits on non-CAR 705 SMS companies or organizations. SMS was implemented without any risk assessment or human resources planning. SMS was designed and pushed into place by people with no experience in the civil aviation industry. There was no formal or recorded public consultation. The program bypassed the CARAC process of public consultation despite Transport Canada assurance regarding CARAC involvement. The training for inspectors was and is poor.

SMS is implemented but has little effect on the SMS companies under CAR 705. SMS is implemented for the rest of the non-CAR 705 industry. The implementation has stalled or died.

There is decaying regulatory infrastructure. Having Transport Canada policy-makers and Ottawa staff's total focus on SMS has left other areas of aviation regulation to decay. Implementation and administration of SMS have been taking up almost all the time and effort of the whole staff of Transport Canada.

The Transportation Safety Board of Canada aviation watch-list contains 85 open safety recommendations, some with Transport Canada responses found unsatisfactory. There are regulations and standards that have been technically wrong for years.

The results of Transport Canada Civil Aviation's overall attitudes and actions can be easily found in the reactions of the public safety experts. You will find further evidence in the public service employee survey organizational results. The number of working days lost due to employee absence on medical grounds should be examined, with emphasis on stress leave, in line with the cases I know about.

Long-term results on aviation safety for Transport Canada's new approach, including reliance on SMS, will only be evident in the long term when Canada's aviation safety record changes in relation to the rest of the technologically developed world, which currently shows improvements in safety. If the government is truly interested in aviation safety in Canada and in the effects of SMS implementation, it ought to conduct opinion surveys of Transport Canada's own inspectors and the Canadian aviation industry.

That's it for me. I think I beat the 10-minute deadline.

● (0855)

The Chair: Yes, you did. Thanks for very much for staying within the time, Mr. Chalmers.

We'll now move to Mr. Daniel Slunder with the Canadian Federal Pilots Association.

Go ahead for 10 minutes or less, please.

[*Translation*]

Capt Daniel Slunder (National Chair, Canadian Federal Pilots Association): I will begin by saying that I will do my presentation in English, but that I can then answer any questions in French.

[*English*]

Thank you for inviting me to participate in this important study. I know the mandate given to this committee flows from the tragic events of Lac-Mégantic last summer. For her foresight and fortitude, I want to thank Minister Raitt for expanding the scope of your inquiry to include safety in other modes of transportation.

We believe that Minister Raitt and your committee can make a difference that will save lives by recommending changes in the way Transport Canada oversees safety in commercial aviation. We also believe that the transition to SMS in aviation has exposed and continues to expose the travelling public to higher levels of risk and that Transport Canada—

The Chair: I'm sorry, Mr. Slunder. Could you just slow down a little bit? The interpreters are having a little trouble keeping up.

Capt Daniel Slunder: Yes, but then there goes the 10 minutes, and the important stuff is at the end.

The Chair: You have 10 minutes to do it. You can adjust.

Capt Daniel Slunder: I hear you.

The Chair: Sorry, but they have to do their job as well.

Capt Daniel Slunder: The Canadian Federal Pilots Association is not opposed to SMS. We have great concerns about Transport Canada's SMS, which has become the sole layer of safety in Canada.

By way of introduction, I've been a pilot for 40 years. The bulk of my experience was with the Canadian military, where I served for 23 years, instructing on jets and patrolling Canada's ocean coastline. I worked at Transport Canada for the remainder of my career training pilot inspectors, managing the approved check pilot program, and in other areas.

Just as I served the Canadian public in the military, I consider the work I now do to be in the public interest.

Our members are 382 licensed pilots who work as inspectors at Transport Canada and the Transportation Safety Board. We also represent 32 licensed pilots who work at Nav Canada.

I can tell you that the number of licensed pilot inspectors is at its lowest. Today we have 50 fewer inspectors than when I last appeared before this committee in November 2009 when Transport Canada promised to hire more inspectors.

One of the first witnesses who appeared before your committee was Auditor General Michael Ferguson. His testimony cast long shadows of doubt over the evidence placed before you by Transport Canada officials concerning rail safety. Among other things, Mr. Ferguson told your committee that Transport Canada had completed only 26% of the SMS audits of rail companies the department said were needed to ensure compliance with safety regulations. This and other comments were in sharp contrast to remarks of Transport Canada officials who testified to you only days before Mr. Ferguson.

I think Mr. Watson's comment, following the Auditor General's testimony, was most appropriate and I quote:

...I sense that if we were to read between the lines, not only did Canadians expect better from Transport Canada, I suspect you did as well, and I know the government expected better too.

Some of you will be familiar with the Auditor General's review of Transport Canada's aviation safety program. His office conducted an audit in May 2008 and a second one in April 2012. When you line up the audit findings for rail and aviation, the parallels are striking. According to the Auditor General, both Transport Canada's rail and aviation safety programs fail in these areas: the number of inspectors and engineers needed to ensure safety is unknown; significantly fewer inspections are done than planned; the minimum acceptable level of surveillance to ensure safety is not established; and there's no documented rationale for changing the acceptable minimum level of surveillance.

Officials may try to assure you that all of these issues have been addressed, but Transport Canada's rosy forecast is based on a simple sleight of hand. Inspections, once required annually, can now be as infrequent as once every five years. That's one way to stretch your inspection resources, but does it have anything to do with safeguarding the public?

It is important to emphasize that aviation SMS is not intended to be a stand-alone buffer against safety failure, and it never was. This makes perfect sense. Redundancy is an important principle in safety; when one fails, another is in place to ensure that nothing bad happens. Yet today aviation SMS is pretty much the sole safety program, as Transport Canada has all but abandoned direct operational oversight of airlines.

Canada was among the first countries to embrace aviation SMS. In 2005 it was first introduced among the major carriers. There was no beaten path to follow, it was an experiment. As a brand new approach, Transport Canada did not anticipate the implementation of SMS would consume all its inspection resources, and then some. Something had to give and that something was direct operational oversight, which all but disappeared. We seldom, if ever, conduct no-notice inspections, ramp checks, pilot check rides, and other activities that once gave us a window into the state of safety of an airline.

Other safety concerns are being cut to this day under the weight of cumbersome SMS. For example, TC is cancelling all comprehensive SMS assessments for airports and aerodromes in favour of doing only more narrowly focused process validation inspections.

When Transport Canada tells you about the thousands of audits and inspections it's done annually, you should keep in mind three important points. First, the numbers are inflated. The Auditor General blew the whistle on Transport Canada's inspection claims with respect to rail. Transport Canada simply cannot conduct up to 30,000 inspections with only 250 front-line pilot inspectors.

Second, the audits and inspections they talk about involve nothing more than reviewing documents and telephone interviews. It's a superficial exercise that allows serious problems to go unaddressed.

Finally, TC expects to see the accident rate increase and adjusted its forecast performance targets to account for it. The increase, if it materializes, will equate to between 40 and 50 more accidents in 2014 than occurred in 2011. You'll find that at tab 3.

Just a few months ago we asked civil aviation safety inspectors about SMS, and nine in 10 aviation inspectors report that Transport Canada's SMS actually prevents them from correcting safety problems in a timely fashion. This is up from 80%, who worried that this would be the case in the early days of SMS.

Give this your serious consideration. These individuals are professionals, as noted by one of the National Airlines Council of Canada witnesses earlier this week, they care deeply about their work and the safety of the travelling public. Virtually the entire aviation inspectorate thinks SMS is better at hiding safety problems than solving them. You have the full survey report.

● (0900)

I want to bring your attention to two specific examples of the consequences of this reality.

Just months before a First Air jet crashed in Nunavut, a Transport Canada assessment found no problems with the airline safety management system; in fact, it was stellar. Yet, the investigation into the August 20, 2011, crash by the Transportation Safety Board discovered many safety shortcomings of the airline, which contributed to the accident, including the fact that the First Air safety management system was not working properly. Twelve people died in this controlled flight into terrain, and it could have been much worse had the accident occurred with a plane full of passengers landing at a major airport.

Today commercial operators in Canada could go for as long as five years without a single SMS assessment or program validation inspection. That's far too long, and well beyond the international requirement for annual inspections.

Transport Canada's own flight operations department is experiencing difficulties, in spite of SMS, according to documents we have acquired through an access to information request. Even with SMS implemented and the best of intentions, Transport Canada continues to fail to meet minimum safety requirements. TC has had two accidents—the last one was fatal—since implementing SMS.

Witnesses from Air Canada, WestJet, Air Transat, and the NACC testified earlier this week that the SMS partnership between industry and regulators safeguards the public. Members of the travelling public should be concerned when at least half of the partnership can't make SMS work and is crashing aircraft at a rate of every three years.

When we rely almost exclusively on superficial SMS audits and program validation inspections, safety problems get missed, with tragic consequences. Transport Canada's aviation safety program desperately needs to change.

For your consideration, we recommend the following.

Give total ownership and responsibility for SMS to the operators.

Have a concentration of SMS experts within a redesigned branch in Transport Canada available to conduct assistance visits to companies. Its mandate would be to help companies with SMS and to promote the benefits of SMS. These visits would be non-threatening, white-hat validations of assessments to assist the industry in the implementation of SMS.

For the majority of inspectors, simplify the auditing method by removing all of the SMS verification actions in favour of conducting more company visits and random no-notice inspections, including monitors, line checks, and office records checks. To improve intelligence gathering, document the results of all visits. Based on intelligence gathered over the year, return to the company to conduct an annual inspection. Using modern sampling techniques, look strictly for regulatory non-compliance in as many facets of the enterprise as time and finances will permit.

Apply enforcement action for non-compliance where the findings show that SMS wasn't followed or for a non-SMS company that did not make every effort to remedy the situation. This will entice the company to improve its SMS or to move to SMS to capture future errors. The approach uses positive reinforcement where the system worked, or negative reinforcement where the system—

● (0905)

The Chair: Mr. Slunder, you have less than one minute left.

Capt Daniel Slunder: Thank you.

The following are the results that are expected.

The company that doesn't fix its errors by the next audit will be found deficient. More enforcement action will be required. TC thereby documents a record of non-compliance and builds a legal case to suspend their certificate.

The company that fixes the errors by the next audit will be compliant and TC can then extend the audit cycle based on actual measured performances.

For the company that truly takes ownership of its SMS, without TC prescribing anything, and without TC trying to enforce a variable standard, there would be no need for prescriptive regulatory regulations to list all of the requirements.

Finally, TC will have its additional layer of safety well defined and well delineated.

Thank you for your attention. I hope your strength and resolve will result in changes before we suffer another tragedy.

The Chair: Thank you very much.

We now move to Union of Canadian Transportation Employees. We have Ms. Collins, Mr. Teeter, Ms. Houlahan, and Mr. Wing.

You have 10 minutes or less.

Ms. Christine Collins (National President, Union of Canadian Transportation Employees): I want to thank you for the opportunity to present the views of our members on transportation oversight reform. The Union of Canadian Transportation Employees is the national union for most employees at Transport Canada, the Transportation Safety Board, the Canadian Transportation Agency, the Canadian Coast Guard, and many of Canada's airports. Of the 1,350 inspectors at Transport Canada, we represent all but the pilot inspectors in the civil aviation mode.

Our relations with Transport Canada management are positive, consultative, and productive. After all, our members and Transport Canada management have the same objective: ensuring the highest level of safety for the travelling public. We hope that the committee, the minister, and Transport Canada staff know that the paper you have been provided is written with the greatest sincerity and concern for transportation safety.

I recognize that today's session is on civil aviation and as a result we will direct most of our comments to the aviation mode. However, we represent inspectors in all modes and it is necessary to put the aviation mode in the context of the multimodal reality of transportation safety oversight. The committee is directed to focus on the post-regulatory actions necessary following the tragedy at Lac-Mégantic. As a result the major focus is the transportation of dangerous goods, TDG, and the role of the safety management system, SMS, in Transport Canada safety oversight.

The minister has posed questions that form the basis of this review. With the committee's indulgence I will provide short answers to those questions since the details can be provided within our brief. Currently the transport dangerous goods directorate is separate from the other modes of transportation and we believe that TDG oversight should be reintegrated into the transportation modal oversight divisions with continued focus on direct and unannounced inspections. Responsibility should rest with one executive within each mode at Transport Canada. These changes will result in more accountability, less finger pointing, and a more efficient allocation of scarce resources.

Likewise each model directorate manages the implementation and oversight of SMS very differently. There is far too much regulatory reliance on SMS in the aviation mode, which has turned many inspectors into program auditors. This reliance is already present in other modes of transportation and unfortunately is increasing in rail

safety. It is important to note that the concept of SMS is predicated on the philosophy that companies are regulatory compliant before they introduce SMS into operations. This is simply not the case for a large percentage of the companies in civil aviation. SMS needs to be an additional layer of safety. It should never be a replacement layer for direct and unannounced inspections by highly qualified inspectors with the power to impose regulations and enforce sanctions.

Where SMS is concerned, the United States takes a very different approach in comparison to Canada. It has far less reliance on SMS for regulatory oversight in all modes of transportation. It also makes a virtue out of whistle-blower protections and even provides significant financial incentives for whistle-blowers. In our view there should be an independent office of whistle-blower protections where transportation workers, both within and outside government, can report incidents without fear of reprisal. There are many positive features in the U.S. oversight system that Canada should pay attention to.

Civil aviation is an oversight division in crisis. Reliance on corporate SMS plans is creating a situation whereby the role of the inspector is to check corporate paperwork. If inspectors leave the office to do an SMS audit, also called an assessment by the department, air operators must be given notice. In some instances the minimum notice period is 10 weeks. This gives the operator more than enough time to correct whatever deficiencies might have been present at the time the SMS audit originated.

SMS audits have replaced direct and unplanned inspections as opposed to being the additional layer of safety. Inspectors believe this is a grave mistake. Giving airlines primary responsibility for safety oversight is paramount to putting the fox in charge of the henhouse.

● (0910)

For a long time now UCTE has gone on record stating that SMS must be an additional layer of safety and the audit or SMS assessment function should be completely separate from the direct inspection function.

Transport civil aviation inspectors are highly qualified industry specialists, many with aircraft maintenance, engineering, and other important credentials. Today, Transport Canada is mistakenly recruiting generalists for inspector positions placing emphasis on skills, such as interpersonal communications and being a team player, instead of industry qualifications, expertise, and knowledge.

Transport Canada has told me personally that they are cloning job descriptions, eliminating references to technical competencies, and pooling candidates. This fact alone demonstrates that Transport Canada has a mistaken commitment to SMS as a replacement layer for direct inspections.

Aviation TDG is another area of concern. Recently, 18 TDG inspection positions were transferred from civil aviation to the TDG directorate. TDG oversight should remain with the various transportation modes and TDG direct inspections should be harmonized with carrier-specific direct inspections.

You will see in our submission that we highlight additional principles that are important to not just civil aviation but to all modes of travel.

Ministerial delegations of oversight power should not be allowed except for select functions such as new builds and retrofits. Where delegations exist, conflict of interest rules must be put in place and enforced.

The inspector to overall staff ratio is far too low. There is no conceivable reason why inspectors should only represent 58% of the total staff complement within the Transport Canada safety and security directorate, and only 23% of the staff complement at Transport Canada itself.

The length of time to act on Transportation Safety Board recommendations is much too long. Time limits to implement recommendations should be imposed and inspectors should be a key component of all Transportation Safety Board follow-up working groups.

Safety incidents should be publicly available through a separate database for all modes of transportation.

In conclusion, many of our comments today are relevant to not only civil aviation but all modes of transportation. Direct inspections should always be the principal mode of oversight. TDG should rest with different transportation modes under an accountable executive within the department. SMS audits and regulatory inspections within each mode should be completely separate. There needs to be an independent office for whistle-blower protections.

I need to emphasize that these ideas are not my own. I am presenting the input of our Transport Canada experts, the inspectors who do the work, day in and day out. Transport Canada's primary responsibility is safety and not being a cheerleader for industry.

Thank you.

•(0915)

The Chair: Thank you very much for staying within the time.

I'll move to questioning.

Monsieur Mai, you have seven minutes.

[*Translation*]

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

I would like to thank all of today's witnesses.

Your testimony has taught us much. You were very direct and critical of the system currently in place.

[*English*]

You're not only critical of the SMS system but it's more the way it has been implemented. You all raised the fact that the initial idea was

to have an additional layer rather than the sole safety management system.

[*Translation*]

I will begin by asking a question of the National Chair of the Canadian Federal Pilots Association.

You mentioned the survey you undertook. When we discussed it in committee, government members said that it was a small, fairly unimportant survey. In fact, they mocked it a little, if I may say so.

Can you speak to us about the weight given to the survey participants? Can you speak to about the survey results that showed the impression or the feeling people had, now that we are more exposed to risks?

Capt Daniel Slunder: There were two surveys, and one of them lasted seven years. Their results were very similar, except for the results being even more negative in the second one. We widened the scope of the second survey in order to get the members of the UCTE to participate as well.

The important thing to note is that when inspectors, who are at the front lines of inspections, tell you that the system is problematic, you should listen to them. For our part, we think that the information that is given should be used to improve the system, instead of being considered as a negative element. People shouldn't say that it's simply a small survey and or that only inspectors are being negative. We are between 500 and 600 inspectors over at Transport Canada. One cannot view as insignificant the fact that everybody there thinks the same way. We must take into account what is being said.

In the past, we could see precisely what was happening in companies, because we were part of it. We went to see what was going on in the companies. We spoke to the pilots and the engineers who were repairing planes, which allowed us to discover problems on our own.

Today, we expect to receive a report submitted by a company employee, after which we have to verify if the problem has been corrected. The fact is that if the report is not entered into the SMS, we will never see it. That is problematic for inspectors. Because they don't see the same information they used to, they cannot ensure the same level of safety as in the past. That is the reason why we speak negatively of this system.

Mr. Hoang Mai: Fine.

I will ask you to be brief in answering my next question, because I would like to ask more questions.

You said that a good many inspectors were part of the report. However, according to your table here, there are about 395 inspectors in 2014, whereas there were 535 in 1993. There seems to be a downward trend in the number of inspectors.

Capt Daniel Slunder: Yes, exactly.

Mr. Hoang Mai: Thank you very much.

[English]

I have a question for Ms. Collins. The information that you gave us is very important because we hear what's happening on the ground, and from what you told us, it's very different from what we heard from the airline industry, especially in the case of SMS and how employees participate in drafting or working on the SMS. You also raised some important issues with respect to whistle-blowing.

When we looked at the airline industry, or even the rail industry, some of them were telling us, "Well, you know the employees are part of it. There's no concern about punitive results if they actually raise some issues with respect to SMS".

What do you see on the ground? How does it concretely happen?

• (0920)

Ms. Christine Collins: There are a lot of problems with not having whistle-blower protection both within Transport Canada, not having any real whistle-blower program, and within the companies themselves. It's fine for the employer to say there are no problems, but if there is no avenue to report incidents without fear of job loss, of repercussions, then employees are not reporting. It's that simple.

Mr. Hoang Mai: One of the main things we heard from all the three groups of witnesses today is the concern they have with regard to on-the-ground inspections, the fact that right it is more that audits are being done by Transport Canada. We know that the AG mentioned that Transport Canada doesn't do all the audits it is supposed to do, that is not even fulfilling its own targets.

What is the concern for Canadians? If you had to summarize.... The fact is that now Transport Canada is looking at SMS, the whole system, rather than doing its inspections on the ground, in addition to the loss of experience with respect to inspectors.

Maybe we could start with you, Ms. Collins.

Ms. Christine Collins: Thank you for the question.

The reality is that there are very few direct inspections taking place any longer. They're very few and far between.

There are no unannounced inspections, which is very problematic. You give a company enough time to tell them when you're going in to do an inspection and they can make sure that they have the right things in the right place prior to the inspection.

The audit function is not an inspection function, and there is a conflict of interest, to be very blunt, when you give a carrier responsibility for a safety management system when their prime role is to make money.

When you don't have the right safeguards—in our opinion, with the direct inspections—you have problems. I fully support all companies having SMS. It's very important that they have it, but it should never be a replacement for the professionals who go in, inspect, and ensure compliance.

The Chair: Thank you very much.

Mr. McGuinty, you have seven minutes.

Mr. David McGuinty (Ottawa South, Lib.): Thank you very much, Mr. Chairman.

Thanks, ladies and gentlemen, for being here this morning.

I hardly know where to begin in the wake of the testimony. It's frankly unbelievable. It's shocking to hear what we're hearing from front-line inspectors, from folks with 30, 40, and 50 years...with 100 years of combined experience on the front lines—former pilots—because it flies in the face of everything we've been hearing this week from the government, from the government's Transport Canada officials, and from the airlines.

Mr. Chairman, it's hard to know where to start except maybe to ask.... Maybe I'll start with Mr. Slunder.

Mr. Slunder, you were talking a moment ago about the poll, or the survey, that you conducted with your own members, with all of the inspectors. On several occasions in this committee, the government members have tried to dismiss these findings, because they have this problem with organized labour. They can't see past their bias against organized labour, which is very unfortunate, because I think that's dangerous for Canadians. For the front-line folks who are doing this work each and every day, who really care about what they're doing, and who are seized with these matters, and bringing, as you have here in all these briefs, some really positive recommendations for change, I don't know why the government is fixated on its anti-labour, anti-union ideology, but it's really dangerous for Canadians.

The minister was asked in the committee of the whole whether she had seen your survey, and she said she had not. She had not seen it. She had not read it. She was there with her deputy minister and ADMs. They had not seen it nor read it, apparently, but she went on to repeat the same claim that you have debunked here when you talk about "30,000 inspections with only 250 front-line pilot inspectors".

Can you help us understand what would possess a minister of the crown to put out numbers that are clearly not right?

• (0925)

Capt Daniel Slunder: I have difficulty speaking for the minister in that respect, but—

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): I have a point of order, Mr. Chair.

The Chair: Mr. Komarnicki.

Mr. Ed Komarnicki: It's pretty hard for any witness to try to figure out what the minister may have been thinking. I think it's an inappropriate question, and he should frame it in some other way. It's just inappropriate. How can I say or anybody say what someone is thinking?

The Chair: Yes, and I think Mr. Slunder agreed with that in his comments.

Mr. David McGuinty: I'll reframe it—

The Chair: Continue, Mr. Slunder.

Mr. David McGuinty: That didn't eat into my time, Mr. Chair?

The Chair: No, it didn't. Of course not. It never does.

Capt Daniel Slunder: What I would like to point out, though, is that in a functioning safety management system, if I receive a report from nine out of 10 employees that I have a problem in a specific area of my operations, it would behoove me to do something about it. It would behoove me to study the report, ask questions about it and do something with this information, be it to address the issue or, which is entirely acceptable, do nothing. But you can't ignore it. You have to look at it and you have to do some study of it.

On the other hand, there's the other aspect, which is that in a functioning safety management system we do not belittle whatever information comes to us. We do not say that it's an outlying report or it's disgruntled employees or.... Because that does not support continuous reporting, which is the basis for this process. If you dissuade people from reporting into the system, then you have, as Mr. Reason says, a "pathological" company that can not operate by itself. It needs to be regulated.

Mr. David McGuinty: Let me, if I could, turn to Mr. Chalmers.

Mr. Chalmers, I can only describe your brief and your presentation here today as shocking. Do you believe that the SMS system is salvageable, with this proviso: I think everybody agrees, and Canadians who know anything about this would agree, you can't really have an SMS system without the backstopping or a foundation of inspection, enforcement, and audit provided by the federal government under Transport Canada, right?

What we're hearing from all three sets of witnesses today is that "Houston, we have a real problem" at Transport Canada in terms of the number, frequency, and types of inspections that are going on. The number of inspectors is an example.

Mr. Chalmers, can we salvage the SMS system?

Mr. Norman Chalmers: It's out there. I don't know if you need to salvage it, because it's out there. It seems to be the focus of Transport Canada as the magic bullet that will remedy all problems. But it's only a small part of the actual operations of the actual aviation.

SMS is not a huge implementation by the aviation industry, because they have already been doing most of that stuff. People have been reporting problems within companies on a regular basis for the last 50 years. There are other avenues of reporting issues and there always have been. Every company that has a maintenance organization does internal auditing. There is a lot of that stuff that's going on.

• (0930)

Mr. David McGuinty: Let me just ask a final question to Ms. Collins.

Ms. Collins, all three briefs today point to the fact that audits are not inspections. Inspectors are going into inspection settings after the inspectee has been advised that they are coming, sometimes with up to 10 weeks' notice. The number of inspections being performed is, apparently from all three briefs, clearly not sufficient. Can you help us understand? How bad is this problem?

Ms. Christine Collins: This problem is very serious. What has happened over the years is that as positions have been eliminated.... We had a previous deputy minister, Louis Ranger, come before this committee before he left and he addressed the staff shortage. So what we have is an inspector community left whose main role is SMS

audit and those functions, and little to no time for direct inspections. That's very problematic. Transport Canada is the regulator. You cannot delegate that responsibility to the companies in the manner that it has become.

The Chair: Thank you very much.

We'll now move to Mr. Watson for seven minutes.

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

Thank you to our witnesses for appearing today.

Just for the benefit of some background for the public who are listening in, there have been substantial increases in air traffic over the last number of years, and they are forecast, of course, to continue growing at the rate of about 4% per year through 2025, according to the extent of ICAO's forecast on air traffic. Yet the number of accidents in the modern era are in fact at their lowest. I appreciate that incidents still happen. Even on the natural course of increase you would expect accidents and incidents to go up as well. That's noted in the Auditor General's report, that Transport Canada appreciates this is in fact the case and that is why we have to get this correct.

One other clarification, it almost seems from witnesses that somehow there's an implication that SMS is Transport Canada's idea. It's not Transport Canada's idea. It's ICAO's idea, and its member states are all moving towards implementation of safety management systems. We just happen to be the first and the most mature along the implementation of safety management systems. I think that has to be clear. The International Labour Organization even supports management systems where occupational health and safety are integrated into a full system.

So in principle this isn't a new idea. It may be new to implementation in the aviation sector, recent to the aviation sector. So I think just for context of our discussion, that's important.

By the way, just for clarification, to the UCTE, how many inspectors do you actually represent? That wasn't clear in your brief. Of a global number you said you represent most of them. Out of those 1,300-plus or 1,350, how many do you actually represent?

Ms. Christine Collins: Approximately 1,000....

Mr. Jeff Watson: Are you suggesting, both to the CFPA and to the UCTE, that no traditional inspections are being done whatsoever in the aviation sector?

Because your statements have said that SMS has replaced inspections. I just need to know for the record.

Ms. Christine Collins: Yes.

Mr. Jeff Watson: There are zero traditional inspections being done.

Ms. Christine Collins: There are zero unannounced inspections being done, and there are relatively few direct inspections being done.

Mr. Jeff Watson: So you're suggesting that we went from over 13,000 traditional inspections about three or four years ago, to zero.

Ms. Christine Collins: I'm not sure about the 13,000, but—

Mr. Jeff Watson: It's in your submission.

Ms. Christine Collins: —that is correct.

Mr. Jeff Watson: That's interesting. I don't think that's actually correct.

Capt Daniel Slunder: We do not do traditional inspections, what we used to do. We do not do any of those anymore. Everything, including for companies that are non-SMS, is being done in accordance with SUR-001, which speaks solely to SMS.

● (0935)

Mr. Jeff Watson: So, it's zero inspections.

Okay, we'll cross-examine Transport Canada on that particular number.

Ms. Christine Collins: Could you clarify the 13,000?

Mr. Jeff Watson: It's in something that we received from the UCTE. It may not be the specific presentation you've put before the committee today, but we did receive a package on the Union of Canadian Transportation Employees' "Canada's Broken Transportation Safety Oversight System. A Concerned Inspectorate Speaks: Recommendations for Reforms...". It's in one of the appendixes that is noted in there.

With respect to safety management systems, you're suggesting that having safety management systems, or the way it's being implemented, is a less safe or a less rigorous safety oversight system. The Auditor General's report in 2012, on page 2, under "What we found", says:

Since 2008, Transport Canada has made progress in evolving from the traditional surveillance approach—largely based on responding to regulatory requirements—to a systems-based approach designed for large and small aviation companies.

He goes on to say, "This approach allows for more consistent and rigorous surveillance of aviation companies' compliance with safety regulations."

Do we believe the Auditor General, or your testimony today?

Mr. Chalmers is waving his hand, Mr. Chair. Perhaps he'd like to weigh in on that.

The Chair: Mr. Chalmers, go ahead.

Mr. Norman Chalmers: I believe that's what the Transport...

May I speak, sir?

The Chair: Yes. "Go ahead", I said, sir.

Mr. Norman Chalmers: Okay, thank you.

What the Auditor General wrote is what Transport Canada told the Auditor General. I believe that's just a quotation of the—

Mr. Jeff Watson: Are you suggesting that the Auditor General, then, is just a lackey for Transport Canada?

Mr. Norman Chalmers: I've read all three reports from 2007, 2008, and 2012, as stating things that the Auditor General is in no way qualified to state.

Mr. Jeff Watson: Mr. Chalmers, maybe you read page 12, at 5.20, where the Auditor General goes on to say, "We found that Transport Canada has a comprehensive regulatory framework that is consistent with ICAO requirements." It goes on to say that "ICAO audited Canada's civil aviation regulatory framework and similarly concluded that it meets Canada's international obligations."

Is he still a lackey for Transport Canada, Mr. Chalmers? I think the Auditor General has some credibility.

Mr. Norman Chalmers: That's just reading from past records. The framework is there. The Aeronautics Act is there, the air regulations are there, the standards are there, and they were being used for inspections and audits. But under the new system, they're not being used anymore. The framework is there, but...

Mr. Jeff Watson: In the union's resistance to the implementation of SMS, how many grievances have been lodged by your members?

Capt Daniel Slunder: We do not resist the implementation of SMS.

Mr. Jeff Watson: How many grievances have been lodged in relation to organizational changes relative to the implementation of safety management systems?

Capt Daniel Slunder: From our side, I've received none. It's not a labour—

Ms. Christine Collins: It's about 1,000 for the changes in the jobs themselves.

I just want to add that the 13,000 that you referenced earlier includes the inspections and the audits.

Mr. Jeff Watson: That's actually not true. There's a separate column, and the same thing for audits.

The Chair: Thank you.

Mr. Braid, you have seven minutes.

Mr. Peter Braid (Kitchener—Waterloo, CPC): I'll start with a question for you, Mr. Chalmers. Your presentation indicates that you've been involved in the aviation industry for many decades. As just a general, high-level question to start, over the course of the many decades you have been involved, has travelling by air become safer or not over the course of the decades you have been involved? Is it safer?

Mr. Norman Chalmers: Absolutely. It has become much safer, in my view and in my experience, and also on the world international level. Statistically it is much safer.

● (0940)

Mr. Peter Braid: What is underneath that increased safety, then, that you've witnessed? What factors have contributed to the increased safety that you have witnessed?

Mr. Norman Chalmers: That's a good question because it gets right to the core of aviation safety, and the improvement and the lack of need for SMS. It's on many fronts that aviation gets safer. It gets safer in the designs of aircraft, and that is very often mainly a result of research but also of accidents. Accidents happen and the design of aircraft gets better. An accident happens and the maintenance gets better.

Maintenance systems are getting better. Aircraft are getting smarter. The training requirements for aviation professionals such as maintenance engineers and pilots are gradually getting better. When there's a weakness seen in the old system, pre-SMS, anywhere from design to landing the airplane, something was done to tighten up and make sure that didn't happen again.

Also, running parallel to that, the worldwide insurance rates have made it impossible, or very difficult, for companies that are not safe to carry on business. So the combination of incremental learning over the years and the insurance companies putting their rates up, in my years, has dramatically increased safety in aviation flying.

Mr. Peter Braid: Thank you for those additional explanations, and for clarifying that. I appreciate that.

Mr. Slunder, in your presentation you explain that Transport Canada expects to see the accident rate increase and to adjust its forecast performance targets to account for this. The increase, if it materializes, will equate to between 40 and 50 more accidents in 2014 than occurred in 2011.

We're almost halfway through 2014. How many accidents have there been?

Capt Daniel Slunder: For this year, I've not gone to the Transportation Safety Board side yet to measure the numbers. Those are numbers that belong to Transport Canada—

Mr. Peter Braid: Okay, but they're in your presentation, so I'm asking you to explain—

Capt Daniel Slunder: If it materializes, it will amount to 40 to 50 more accidents.

Mr. Peter Braid: To your knowledge, how many have there been this year?

Capt Daniel Slunder: I've not read that.

Mr. Peter Braid: Ms. Collins, just to come back to Mr. Watson's line of questioning, again, we're halfway through 2014. To your knowledge, how many audits has Transport Canada conducted this year?

Ms. Christine Collins: About 20.

Mr. Peter Braid: How many inspections have they conducted?

Ms. Christine Collins: That's it, zero.

Mr. Peter Braid: Zero inspections...?

From your perspective, when was the last inspection that Transport Canada conducted within the context of the airline industry?

Ms. Christine Collins: For a traditional inspection, it was around 2004.

Mr. Peter Braid: How do you define a traditional inspection and how is it different from what is happening today?

Ms. Christine Collins: It is a full inspection following the process of going unannounced to a company and checking all parts that need to be inspected.

Mr. Peter Braid: Okay, so this change was made under a previous government, I might add. I think the Liberals were the government in 2004. Thank you for clarifying that.

How many announced inspections have been conducted this year?

Ms. Christine Collins: I would say 20.

• (0945)

Mr. Peter Braid: Now take us through this process.

Ms. Christine Collins: The change of focus from the traditional is that the inspections done today are on quality assurance.

Mr. Peter Braid: I'm sorry, could you clarify that?

Ms. Christine Collins: The inspections that are being conducted today have a different focus—

Mr. Peter Braid: Today versus—

Ms. Christine Collins: —versus 10 years ago.

Mr. Peter Braid: So what is the focus today?

Ms. Christine Collins: The focus is on quality assurance of the company reports, and on meeting and discussing with the company representatives for the problems as opposed to full, direct inspection.

Mr. Peter Braid: Through this inspection process, what type of issue would be identified and how would it be addressed?

Ms. Christine Collins: What would be identified would be the problems that are identified from the company's internal audits and from the discussions on the issues that they raise. Those are for the SMS companies.

When I am talking about inspections, I'm not including those companies that are non-SMS because there still remain some in the industry that are not SMS.

The Chair: Thank you.

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

[*Translation*]

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): I would like to come back to the number of 13,000 that my colleague Mr. Watson mentioned.

According to the background document requested by my colleague Olivia Chow, the number of inspections has continue to drop considerably since 2007. In 2007, there were about 20,000 of them, and then that dropped to 19,000, then 17,000 and 13,000 in 2011. We can thus deduce that the number of inspections continues to drop.

You said that these inspections were announced. That is like telling the concerned companies that you were coming to check on this or that element ahead of time. It gives them plenty of time to prepare.

How many days ahead do you notify companies of an upcoming inspection?

[*English*]

Ms. Christine Collins: It can range from a few days' notice to six weeks' notice.

[*Translation*]

Ms. Isabelle Morin: I see. With six weeks' notice, they have plenty of time to prepare.

[English]

Ms. Christine Collins: So more and more it's a six-week notice period.

[Translation]

Ms. Isabelle Morin: With six weeks, they have plenty of time to correct problems before your visit.

[English]

Ms. Christine Collins: That's what we say, yes.

[Translation]

Ms. Isabelle Morin: All right.

Capt Daniel Slunder: It is even more ludicrous when we buy tickets from the company itself in order to conduct an inspection. It becomes impossible for us to hide.

Ms. Isabelle Morin: I see! That is quite interesting.

I believe I heard you say that it would be good to have an independent agency to receive people's complaints.

What would such an agency look like? What would be its mission? How could it function to make it easier to submit an anonymous comment?

[English]

Ms. Christine Collins: I would see it as a separate body outside of Transport Canada, outside of the companies themselves, a sort of ombudsman-type office where employees of the government and employees of the companies could report issues and problems without fear of reprisal and job loss.

[Translation]

Capt Daniel Slunder: Allow me to mention that I became aware of an incident involving an airline company. One of its employees had submitted reports through the SMS, all of which had been ignored. Subsequently, the employee submitted a report using Transport Canada's civil aviation issues reporting system. However, a Transport Canada manager told the company about the report, and the employee was subsequently fired. I was summoned to testify in court, but the company went out of business before the hearing.

• (0950)

Ms. Isabelle Morin: So, an employee reporting an issue risks reprisals.

Capt Daniel Slunder: It is very difficult for employees to report a problem without being perceived as trouble-makers. That is what happened to us.

Ms. Isabelle Morin: The situation does not seem as trouble-free as suggested by Tuesday's witnesses, who told us that everything was fine, that there was a culture of safety. According to what you are saying, employees are hesitant to report problems, fearing retaliation.

Capt Daniel Slunder: I am not saying this happens in all companies, but it does happen.

Ms. Isabelle Morin: All right. Thank you.

Tuesday, ICI Radio-Canada published a story about deficiencies in Transport Canada's safety system pertaining to a helicopter crash

in the Far North in September 2013. You are quoted several times in the story.

Could you tell us about safety lapses in Transport Canada's safety system with respect to that accident?

Capt Daniel Slunder: In our opinion, deficiencies noted by Transport Canada as of 2011 had to do with training as well as operational control of aircrafts. I believe these deficiencies were recently addressed. I do not have the details, just the report in which the deficiencies are mentioned, which indicates the problems have existed for a long time.

Ms. Isabelle Morin: What could be done to improve training?

[English]

The Chair: You're out of time, Ms. Morin

[Translation]

Ms. Isabelle Morin: Could I hear the answer to my last question?

[English]

The Chair: Yes, you can answer her last little part about training. Just be very brief, please.

[Translation]

Capt Daniel Slunder: It is a good question. In fact, regulations stipulate what training must involve, and that should be complied with.

However, the problems were not particularly easy to solve. Truthfully, it was the equipment being used that was not compliant with standards.

[English]

The Chair: Thank you, Mr. Slunder.

Ms. Collins, I would like a clarification. You made a comment about random inspections versus—you say the company is notified—and you made the comment that it gives them time to correct a problem. Those may not be the words you used. I guess if you want to take that further, it basically implies that, in between notifications for inspections, companies, through their employees, would go back and forth on safety.

Do you honestly believe that members, say, of Air Canada or WestJet or any other airline, would actually do that for their company? Basically break the rules and then go back and straighten them out just because they heard that an inspection was coming?

To me that seems a little bit hard to believe, but do you want to comment on that?

Ms. Christine Collins: I believe that there would be pressure to get things right, to make sure that the right thing is in place.

The Chair: Is that not a good thing, Ms. Collins? Would that not be a good thing?

Ms. Christine Collins: I think it's an opportunity to hide things. That would be my response.

But it is problematic.

The Chair: No, I was just asking her for clarification.

Ms. Young, go ahead for five minutes.

Ms. Wai Young (Vancouver South, CPC): Thank you very much, witnesses, for your presentations. As you can imagine, it's been very interesting but confusing, because we've been hearing so much from other witnesses that does not align with what we've been told today. I think that's why you're here—and it's good—to present us with your experience and your information.

My primary question is sort of buried in all of this. Obviously Transport Canada has a role to play. The companies have a role to play, and the workers and the staff have roles to play. We're hearing today from you that these roles are being sort of broken apart or overlooked, or that they are not being carried out as we had been told they were. I think that is a problem, and obviously that's not where we want to be.

I'm just going to ask a couple of quick questions. In your view, should the auditing and inspection functions of Transport Canada work together to achieve the highest level of safety possible in aviation? I think I'm hearing today—and I guess these are yes or no answers—that's not happening.

Maybe I'll just ask each of you, starting with Mr. Chalmers, then Mr. Slunder, and then Ms. Collins.

Mr. Chalmers, did you hear the question?

• (0955)

Mr. Norman Chalmers: Could you read it again, please?

Ms. Wai Young: Should the auditing and inspection functions of Transport Canada work together to achieve the highest level of safety possible in aviation?

Mr. Norman Chalmers: They absolutely should. That would make sense.

Ms. Wai Young: Do they?

Mr. Norman Chalmers: No.

Ms. Wai Young: Mr. Slunder, go ahead, please.

Capt Daniel Slunder: It's not just the auditing and inspection functions that are lacking. We also have an enforcement side. When they're auditing and an inspector discovers a problem, enforcement has to step in to do something. We're not seeing enforcement at all anymore.

In fact in our neck of the woods, pilots are bailing out of enforcement as quickly as they can.

Ms. Wai Young: So you're saying that not only do inspections of actual planes not happen on the ground but also that nobody is enforcing any regulations, nor are they enforcing anything that is being found.

Capt Daniel Slunder: They're finding it difficult to enforce, and in fact I don't see much enforcement action happening.

Ms. Wai Young: Thank you.

Ms. Collins, I'll give you an opportunity to answer that question.

Ms. Christine Collins: Thank you.

The answer is yes, both inspections and audits are necessary functions. We believe they should be separate functions.

Ms. Wai Young: Obviously there should be reporting to separate bodies. You made that very clear.

I'm kind of shocked by what I've heard today, that there has not been an unannounced, on-the-ground full-plane inspection done since 2004 that you are aware of.

Ms. Christine Collins: I understand from our members that it was in 2004 that it changed from unannounced direct inspections to the audit function.

Ms. Wai Young: So that's a whole 10 years, yet aviation safety, as we all know, has gone up during that 10 years. In fact, there's been an increase in the number of flights and all of that. Can you explain how that might have happened?

Ms. Christine Collins: I would say there has been a great change in technology. There is new and safer aircraft. In many instances, changes have been put in place in reaction to an accident, quite often based on the Transportation Safety Board's recommendations. Overall there are a lot more ways of addressing safety.

Ms. Wai Young: In other words, you're saying that over the last 10 years, because of new technology, new planes, etc., they are safer.

Would you say then that SMS as a system has evolved as planes have gotten safer so that if safety inspections are required or necessary...but, given that they're safer, they will not duplicate inspecting things that they no longer have to inspect?

Ms. Christine Collins: No.

Ms. Wai Young: Mr. Slunder, do you have a view on that?

Capt Daniel Slunder: The technology has improved. The pilots' skills are improving, yet we're still seeing accidents occur. We're still seeing accidents that we used to see 30 years ago. For example, controlled flight into terrain is something that technology has gone a long way to reduce.

The latest one we experienced was First Air, which was lacking particular equipment that is now on almost every other airplane in Canada to prevent you from flying into high ground. So that technology has greatly improved the accident rate. It doesn't necessarily mean there are no latent problems. The idea that we can step away and reduce our inspection and change the mode to safety management systems from a desk, rather than inside, is not adequate at all. We need to be able to see what's going on because things develop and things creep into operations. For example—

• (1000)

The Chair: Be very brief if you could, Mr. Slunder.

Capt Daniel Slunder: —crew resource management was an issue as well with First Air. That's not related to technology at all. That's a function of.... We're supposed to look at that.

The Chair: Thank you.

Mr. Sullivan, you have five minutes.

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

I want to thank the witnesses for being so blunt and so shockingly critical, I guess, of the safety systems—I won't call them safety management systems—and critical of the whole safety approach by the Government of Canada to the airline industry. I am completely blown away by what we're reading.

With regard to what Ms. Young said, that air travel in Canada is getting safer, your own documentation from the Canadian Federal Pilots Association includes a reference to Transport Canada's accident rate target per 100,000 flight hours. So this has nothing to do with there being more planes in the air. It is per number of hours flown. It is stated in there that they are projecting an increase

Capt Daniel Slunder: Yes it does.

Mr. Mike Sullivan: —from 2010 to 2014 of about 7% to 8% roughly.

Capt Daniel Slunder: I believe it's a percentile.

Mr. Mike Sullivan: Right. But they also report the actual accident rate on this same document from 2010 to 2013 and the number of accidents went up per 100,000 hours.

Capt Daniel Slunder: That is correct.

Mr. Mike Sullivan: It's hardly getting safer. It's actually getting less safe.

Capt Daniel Slunder: And they are planning for it.

Mr. Mike Sullivan: They are planning for it to get less safe still. It's unbelievable that we would have a government and a department that says let's plan to make the air less safe. That's just so unfathomable. I'm completely blown away.

Mr. Chalmers, you wanted to get in on one of the questions and I want to thank you for your comments at the very beginning of your statement that "SMS is a social engineering experiment on a huge scale, with the Canadian aviation industry safety". That is essentially what I'm now understanding.

Perhaps ICAO has suggested safety management systems are a good thing but I'm given to understand that Canada's experiment at being the first out of the gate with it is that there has been a wholesale replacement of an existing regulatory inspection framework with an entirely different system, and losing the regulatory inspection framework and replacing it with SMS rather than SMS being a layer on top of the existing system. So as the culture and employees of companies are taught that safety is as important as profit.... We think it's more important than profit. The companies don't, obviously, and I understand your comment about it being a conflict of interest.

It has been stated many times that it's a conflict of interest in all the industries to be responsible themselves for safety.

Mr. Chalmers, can you remember what it is you wanted to say about the chair's question?

Mr. Norman Chalmers: I can't remember what the question was. There have been so many things.

Mr. Mike Sullivan: All right, never mind.

I want to turn to the pilots now to see if they have an opinion on this. One of the things that we have seen in the changed regulated system is pressure from the airlines themselves to acquire exemptions. So they are looking for an exemption to allow them to fly with fewer flight attendants. Transport Canada admits that it's not safer, although the airlines claim it's just as safe to have four flight attendants instead of five or three instead of four. But also we have seen from the airlines themselves the use of temporary foreign

workers as pilots and wet leasing with foreign pilots as part of the normal stable of how this industry runs.

Do you have a comment on that?

Capt Daniel Slunder: The comment I have on this particular issue is that we have difficulty asserting that the credentials of the pilots are equal to ours. For example, what Transport Canada has done is to give that verification function to the company itself and say, "You tell us they have the necessary credentials and we'll issue the temporary permit." We don't actually go.... In the United States, the individual has to present himself with his license and with a letter from the member state he comes from stating that he meets the credentials. There's a verification system that goes on that way. We don't do that at Transport Canada. If the company says they have the documentation that says they're correct, then we're good to go.

• (1005)

The Chair: Thank you, Mr. Sullivan.

Mr. Toet now, you have five minutes.

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

Mr. Slunder, I want to go back to your comments regarding the First Air incident. You talked about equipment that was not on board that aircraft that, in your opinion—and correct me if I'm wrong because I don't want to put words in your mouth—would have prevented that particular incident. Is that correct?

Capt Daniel Slunder: In my opinion the terrain awareness system is an integral safety item on an aircraft that really would have given the picture to the pilots that there was terrain right in front of them. The equipment they have only gives them altitude directly underneath them.

Mr. Lawrence Toet: Is that particular piece of equipment a regulatory requirement?

Capt Daniel Slunder: It has to be phased in over time. At the time, I don't believe it was absolutely required. But new aircraft coming into the system are required to have it.

Mr. Lawrence Toet: So there was no breach of regulation in that particular case.

Capt Daniel Slunder: No, I'm not suggesting there was.

Mr. Lawrence Toet: Well, I guess, to some degree you were saying that if we would have gone back to the.... If we had gone back to the way you previously said that inspections were done, would an inspector have been able to say to them they must implement this?

Capt Daniel Slunder: Probably not.

Mr. Lawrence Toet: Under either the regime today or the previous regime, would that particular piece of equipment have had to be placed on that plane through regulation?

Capt Daniel Slunder: Under the previous regime you would conceivably have had a Transport Canada inspector on the flight deck at times, doing inspections in flights, and he would have noticed—

Mr. Lawrence Toet: He would have noticed, but would he have been able to tell them they must do that?

Capt Daniel Slunder: No, there's no law that specifically says you must.

Mr. Lawrence Toet: So the implication that because of the changes that incident occurred, is really unfair because they may have made.... They might make a recommendation or a suggestion, but they have absolutely no enforcement power to say, "You must place this on this particular aircraft."

Capt Daniel Slunder: Well, it's not related to what I was saying. I mean the piece of equipment—

Mr. Lawrence Toet: But your implication was that the incident would have been avoided if inspections were done the way they were done before, and the reality is that this is not the case. That particular incident may well have occurred either way.

Capt Daniel Slunder: It is not the piece of equipment that created the crash. It is the actual series of events that led to this, in that the pilots did not get the proper crew resource management training. They did not understand how the system disengaged itself—

Mr. Lawrence Toet: But that's not what your original assertion was. Your original assertion, when you first made your statement, was that that incident was essentially avoidable with this particular equipment. Now you're saying something—

Capt Daniel Slunder: Well, if you understood it as you state, I'm sorry. That's not exactly what I meant to say. What I'm saying is, that piece of equipment would have saved the day but it was not installed. It was not necessarily required by the regulation on that airplane at that moment. I wasn't implying that had we been in the cockpit we would have been able to have it changed, not at all.

Mr. Lawrence Toet: Okay. Thank you for that clarification.

Ms. Collins, how many inspections of non-SMS companies have you done in the last five years?

Ms. Christine Collins: I don't have that specific information as to how many would have been completed in the five years. I do know that inspections continue with those companies that are non-SMS, but I don't have a specific number.

Mr. Lawrence Toet: Do you have any idea? If not, could you please, through the chair, get that to the committee members?

Ms. Christine Collins: I'm sorry, if not, could I provide it after the fact?

Mr. Lawrence Toet: If you don't have it here right now, could you supply us with that?

Ms. Christine Collins: I can provide it through the chair or through the clerk after, but I believe somebody might have info on that.

The Chair: Mr. Chalmers has his hand up. It's up to you. It's your five minutes.

Mr. Lawrence Toet: Absolutely, Mr. Chalmers.

Ms. Christine Collins: Thank you.

The Chair: Go ahead, Mr. Chalmers.

Mr. Norman Chalmers: Thank you, Chair.

Companies are getting what's called a program validation inspection. Now, inspections can be anything from an airplane inspection to an inspection of a personnel licence. What they're

doing now is a program validation inspection that is a portion of the SMS program, so all small companies, the non-705 companies, are no longer receiving audits, no longer receiving the standard oversight. What they're getting now is this program validation inspection that goes in and looks at their internal audits to see how their internal audits are doing, essentially the same as what the SMS is.

• (1010)

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

We do have bells going. Just for our witnesses, we have an emergency vote coming up.

Mr. Komarnicki, you have the last five minutes.

Mr. Ed Komarnicki: Thank you, Mr. Chair.

I'm looking at notes prepared by the Library of Parliament. They're talking about air carriers that carry more than 20 passengers and so on. They said that SMS regulations for these companies were introduced in 2005, and compliance is not required until 2008. If, as you say, traditional inspections stopped in 2004, would it be fair to say that it had nothing to do with the SMS system, given what I have just indicated to you?

Ms. Collins.

Ms. Christine Collins: I understand that starting from 2004 it was a transition, so they were starting to do the SMS audits.

Mr. Ed Komarnicki: You're saying the SMS regulations were then implemented in 2004.

Ms. Christine Collins: I didn't say that. I'm saying the SMS-style audits started in 2004, and SMS was slowly being implemented starting in 2004.

Mr. Ed Komarnicki: I am looking at an access to information request by the member for Trinity—Spadina, Olivia Chow, and Transport Canada's response. The question was:

With regard to air safety: (a) how many inspections were done each year from 2004 to 2011, broken down by (i) audits, (ii) traditional inspections, (iii) process validation inspections....

In the response breakdown, it said that in 2010-11 it has the number of audits as 198; traditional inspections, 13,684; and process validation inspections, 905.

Are you, Ms. Collins, taking issue with that response by Transport Canada?

Ms. Christine Collins: I guess it would be the definition that is problematic for us. What we're saying is that what they're calling "traditional inspections" includes SMS inspections or the audits.

Mr. Ed Komarnicki: Your differentiation is, you're saying, that their way of defining traditional audits is not something that actually involves on-site inspection without notice.

Ms. Christine Collins: That's correct.

Mr. Ed Komarnicki: I'm looking at your recommendation for reforms, executive summary. You say safety management systems are "an additional layer of safety", so you agree that a properly instituted and implemented safety management system is a good thing. Is that correct?

Ms. Christine Collins: Absolutely.

Mr. Ed Komarnicki: You're on record as supporting the concept of safety management systems and their application to the Canadian transportation industry.

Ms. Christine Collins: Absolutely, as an additional layer.

Mr. Ed Komarnicki: You would say that it is important insofar as it brings a safety culture and safety accountability to transportation companies, employees, and management.

Ms. Christine Collins: Absolutely.

Mr. Ed Komarnicki: It becomes really a question, in large measure, of implementation and maturation. Would you agree with me on that?

Ms. Christine Collins: No, I'm not sure what you mean by that.

Mr. Ed Komarnicki: Implementation is a big part of the maturation of the system, correct?

Ms. Christine Collins: No, I don't totally agree with that. I don't believe it should ever be a replacement for the role of the Transport Canada inspectors.

Mr. Ed Komarnicki: I appreciate that we're not talking about it being a replacement, but in its true form....

In your questionnaire survey you ask, "Do you believe a properly implemented safety management systems (SMS) could improve aviation safety in Canada?" That was one of the questions. The yes response under AO was 81%, and under TI was 66%, so would you agree with me that, properly implemented, it would improve aviation safety in Canada?

Ms. Christine Collins: Yes.

Mr. Ed Komarnicki: So it's a question in large measure of implementation.

• (1015)

Ms. Christine Collins: Yes.

Mr. Ed Komarnicki: Then the last question said, "Do you have a suggestion to improve Safety with respect to SMS?"

Could you tell me some suggestions for improvements that were given by persons in response to that survey? I'm still referring to Ms. Collins.

Are you able to—

Ms. Christine Collins: I am not able to at this—

Mr. Ed Komarnicki: Do you have that information available somewhere—

Ms. Christine Collins: Wait a minute.

Mr. Ed Komarnicki: —and would you be prepared to provide it to this committee?

Capt Daniel Slunder: I have that information. I will dig it up and get it to the committee.

Mr. Ed Komarnicki: Then also with respect to the Library of Parliament, one of the survey questions said that there's belief that SMSs prevent the correction of safety problems in a timely fashion.

In the pure sense as we've been talking about it, tell me how you think that might be so if you support that assertion in the survey. If you don't that's fine.

Ms. Collins.

Ms. Christine Collins: I think it's a result of not having direct and unannounced inspections.

Mr. Ed Komarnicki: Then it says the SMS regime will increase the chances of a major aviation accident.

What's your basis for saying that?

Ms. Christine Collins: The basis for saying that is that it's implemented as a replacement layer, not as an additional layer to the traditional.

Mr. Ed Komarnicki: So you would agree with me that if it were doing what it was meant to do, being an additional layer of safety, then you would agree that it actually is an improvement in safety, and something you would fully and 100% endorse?

Ms. Christine Collins: Yes, I've always said that we support safety management systems as an additional layer. I fully support—

Mr. Ed Komarnicki: We've reached our time?

The Chair: Sorry, I thought you were done there, Ms. Collins.

I thank our witnesses for being here.

Mr. Chalmers, thanks very much for joining us so early from Vancouver.

An hon. member: Point of order....

The Chair: We have to apologize for cutting short, but we have, as I said, emergency votes.

We'll adjourn the meeting—

Mr. David McGuinty: Mr. Chair, I asked twice for a point of order.

The Chair: A point of order? I'm sorry, I didn't hear you. On a point of order....

Mr. David McGuinty: The clerk was trying to get your attention. Can we go back into committee session?

The Chair: Yes. What's your point of order?

Mr. David McGuinty: I received the notice of meeting for Thursday, June 12, and it says the witnesses are from the Department of Transport, and then in the minutes of our proceedings, we agreed that the officials from Transport Canada and the Auditor General's office would be invited to appear.

Can you table the letter of invitation to the AG and the response declining, I suppose?

The Chair: Certainly, I have that letter right here and you're welcome to it. What the Auditor General is saying is that he has no information to give us.

My suggestion would be, Mr. McGuinty, that at some point later when he does, he could be invited back then. That's what it was based on.

Mr. David McGuinty: I appreciate that, sir. Thank you.

The Chair: Yes, okay.

The meeting is adjourned.

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