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

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**EVIDENCE**

**Tuesday, November 4, 2014**

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**Chair**

**Mr. Larry Miller**



## Standing Committee on Transport, Infrastructure and Communities

Tuesday, November 4, 2014

• (1100)

[English]

**The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)):** I'll call the meeting to order.

I'd like to thank and welcome Mr. Picard, who is in the room with us here. Also by video, we have Mr. Grant Mitchell and Mr. Michael Royer from the Westcan Group of Companies. We also have by video conference from Alberta Motor Transport Association, Mr. Richard Warnock.

Just in case we run into technical difficulties, I'm going to start with the witnesses appearing by video conference.

With that, Mr. Mitchell and Mr. Royer, you have 10 minutes between you. Carry on.

**Mr. Michael Royer (Vice President, Fleet Services, RTL-Westcan Group of Companies):** Thank you, Mr. Chair and members of the committee. We appreciate the opportunity to present before this committee.

I'll start off with a bit of an overview of the company and then get into some of the operational programs we have in place to deal with the safe handling of dangerous goods and the practices of the SMS.

RTL-Westcan is a bulk road carrier of various commodities throughout western Canada, Yukon, and Northwest Territories. The company has been in operation for 50 years, since 1964. We specialize in the safe transportation of bulk liquids, including refined petroleum fuels, hot asphalt, molten sulphur, acids, as well as liquified gases, including propane, butane, and anhydrous ammonia. Transportation of dry products includes ammonium nitrate, grain, fertilizer, salt, cement, and lime.

**Mr. Grant Mitchell** The company operates out of 22 locations with head operations in Edmonton, Alberta. Ten of these locations have full service maintenance repair facilities for truck/tractor, tanker trailers, and other bulk product trailers. We also operate a 160-million-litre tank farm in Yellowknife, Northwest Territories, that services winter road customers in that area.

Along with the tank farm operation in Yellowknife is our construction division specializing in civil and industrial construction projects. We have trans-load facilities at most of our locations, including bulk liquid rail/truck in Calgary, Alberta and Trail, BC. The customers we serve cover a wide range of sectors, including agriculture, energy, and mining.

Our fleet consists of over 600 class 8 highway tractors and 1,500 trailers capable of gross loads up to 63,500 kilograms. The tanker

trailer fleet consists of over 500 TC406 tankers for petroleum. There are 350 TC331 pressure vessels for LPG and NH3 and approximately 150 TC406/407 for crude oil and condensate.

During the course of one year, our tractor tanker units will transport over 4.5 billion litres of refined petroleum fuels, 285 million litres of LPG products, and 192 million litres of NH3. On a yearly average, the fleet will transport goods in all types of driving conditions, averaging over 75 million kilometres

A number of our hauling routes are in remote areas. With Canada's vast expanse, truck road transport is the only option to supply goods, including petroleum for vehicles and propane to heat homes.

The focus of our operations is based on safety and training, modern dispatch centres, equipment design, and specific preventative maintenance on the equipment hauling dangerous goods. We recognize that strong leadership involvement in safety practices is the cornerstone to protecting the safety and well-being of our employees and the environment, as well as the general public and the customers we serve.

Our safety management system promotes proactive prevention and the executive team ensures that the SMS is implemented and performing to requirements in all areas of the company. Along with the person managing the SMS, at all levels of management, supervisors, and the general workforce, there is a strong commitment to ensure the success of the program. In the event of an incident, an emergency response team is in place to mitigate the situation and prevent further harm to the people, environment, and property. Once the site is secure, there would be follow-up investigations and analysis to establish causes and corrective actions.

Prevention is a major part in the success of the SMS. Safety and training programs are in place to educate our drivers of highway transport equipment operated within RTL-Westcan. All newly hired drivers attend initial in-class training. This would include training in CPPI, TDG, WHMIS, and our SMS program to name a few.

A professional driver has to deal with their constantly changing workplace. Proper skills are necessary to deal with changing road conditions and a variety of loading and unloading sites in order to safely transfer the product being transported. RTL-Westcan has implemented two driving simulators to teach basic driving skills for highway transport trucks and to refresh specific skills, such as winter driving and rollover protection. Once initial in-class training is completed, then additional on the road training begins. A team of experienced driver trainers work with the drivers in-cab for an initial period, then periodically to ensure proper operation during scheduled performance reviews. Smith training principles are used to teach specific awareness skills for the actual driving of the vehicle. CarriersEdge e-learning modules are used for teaching specific recurring courses, again, such as TDG, WHMIS, CPPI, as well as other training required for transportation of dangerous goods.

Distracted driving has also been a focus of ours. The use of cellphones or other distractive electronic devices while driving is not permitted in company vehicles.

A gap exists in the licensing of class 1 professional drivers. Our experience with new hires of class 1 drivers points to a lack of training and minimal requirements in obtaining a class 1 operator's license. Industry training would be greatly enhanced with the addition of a government approved apprenticeship program similar to that used for Red Seal trades across Canada.

- (1105)

Due to the complex nature of safe road operation for large truck and tractor transports, several levels of training are necessary, as described earlier, to ensure operators receive the proper education. There is definitely room for improvement in this area.

Just as those enrolled in regular trades must achieve a certain level of an established standard before proceeding, the transport industry could benefit with a more rigorous program with defined levels of expertise. I recognize the apprenticeship program for professional drivers could help attract domestic workers and reduce the need for foreign workers. The scope of duties and qualifications for professional drivers warrants a closer study.

Safe driving in all types of conditions is a major part of it, but there is also the load and unload process and recurrent training to consider as well. Quite often drivers are required to perform these tasks at unmanned sites in remote areas. The task of transferring dangerous goods products is much more complicated when dealing with these volatile goods. Drivers are required to understand the operation of a complex piece of equipment plus the safe transfer of petroleum products. This is similar to other journey person trades that require a professional designation.

Realizing that proper rest is a vital component to safe operation of motor vehicles, RTL-Westcan implemented a fatigue management program in 2009. Emphasis was placed on sleep disorders, screening, and treatment. All professional drivers and other safety-sensitive positions are required to participate in this program. We have seen many benefits of the FMP within our company. We believe all railroad, marine, and road carriers could also see a positive impact to their operations.

Journey management techniques are also emphasized to ensure proper routes are used when transporting dangerous goods. Weather patterns are monitored to provide information on poor driving conditions, road closures, and extreme weather. We do not hesitate to shut down operations if driving conditions warrant it.

Our dispatch centres employ state-of-the-art technology to coordinate delivery of products to our customers. All tractors are equipped with electronic on-board recording devices that track location and monitor en route progress. This technology employs the use of satellite, cellular, or Wi-Fi. The dispatch system has two-way communications with vehicles during trips. Drivers can message back with updates or relay other operational information. This feature is disabled while the vehicle is in motion. Dispatchers are able to match equipment to specific products to ensure dangerous goods products are transported in the appropriate type of tanker trailer.

An electronic maintenance tracking system operates in conjunction with the dispatch system to track required preventative maintenance and provides automatic alerts when equipment requires any type of maintenance including the CSA B620 tank inspections. The on-board tracking system also provides critical event reporting, including speed, roll stability, and hard braking. Various threshold levels are utilized to monitor the severity of the incidents. Real-time information is sent back to our control centre to review the data and react accordingly.

The company highway speed limit is controlled to 100 kilometres per hour. The vehicle speed is monitored not only for highway speeds but also for areas where reduced speeds are required such as urban areas. Higher speeds dramatically reduce braking distances and waste fuel. We firmly believe speeds in excess of 100 kilometres per hour are not worth the additional risk.

Hours of service are tracked electronically to provide dispatch with current available hours for operators and when their next rest period is due. Specific training that reoccurs is also tracked to ensure operators have up-to-date training and qualifications to perform their duties.

Manufacturers chosen to supply our equipment are based on availability of industry-leading technology. Overall vehicle operation is electronically monitored to ensure optimum fuel efficiency and reduced idle times, thereby reducing our impact on the environment.

This information is communicated from the truck via the engine management system to the on-board communication device. Reports can then be sent to dispatch and operation centres. This information is used to track driver performance and is used to help improve their driving skills. Half of our tractor fleet meets reduced emission standards for U.S. EPA 2010 and are card certified clean idle.

Tankers transporting dangerous goods meet or exceed CSA B620 standards for TC 406, TC 407, TC 412, and TC 331 type tankers. We have added additional safety features such as roll stability, traction control, additional lighting along the sides and rear of the vehicle, and side under-run protection. Dangerous goods units are also equipped with a break interlock feature that prevents the vehicle from moving while product is being loaded or unloaded.

• (1110)

A rigorous preventative maintenance programs ensures that all equipment is kept current with respect to regular inspections. This would include yearly commercial vehicle inspections, visual, leak tests, along with the five-year pressure, internal, visual, and leak tests. These inspections are set up in our systems so that equipment cannot be dispatched if these expiry dates have been reached.

In summary, we are proud members of the road transport industry in Canada. Being a national sponsor of MADD Canada, safe driving is at the forefront of our business. With the programs mentioned earlier, such as fatigue management, SMS, use of simulators, extensive training for drivers, use of key performance indicators and the ability to measure them, the industry can reduce overall accidents and continue to provide safe transportation of dangerous goods.

Thank you for your time and the opportunity to present to the committee.

**The Chair:** Thank you very much.

We'll now move to Mr. Warnock for 10 minutes, please.

**Mr. Richard Warnock (President and Chief Executive Officer, Head Office, Alberta Motor Transport Association):** Thank you, Mr. Chair.

Thank you for allowing the Alberta Motor Transport Association to participate in the review of the Canadian transportation regime regarding safe transportation of dangerous goods and the safety management systems.

I understand that this committee has heard from the Canadian Trucking Alliance and other provincial associations in the past week, and as AMTA is a member of CTA we are continuing to support the use of electronic logging devices, roll stability for newly manufactured trucks, speed limiters, and mandatory entry-level training for truck drivers.

In the oil patch of Alberta, there are two major means of transporting oil and gas products, namely by gathering lines or pipelines and by truck from battery to either a distribution point such as a pipeline terminal or a cleaning plant. Only 10% of the produced petroleum crude is transported by truck on our roads and all moves are within a stringent Department of Transport-regulated environment.

I believe that road transportation of bulk class-3 dangerous goods will never be an option for the oil and gas industry for a long haul, because on a user-pay program we would not be a viable option for any of these long-haul movements. Just the number of trucks to haul the volumes that move on 100-car trains would be a burden and, I believe, with the upcoming driver shortages, not even possible.

In addition to the oil-related products, there are many types and quantities of dangerous goods that move in the less-than-truckload and full-truckload market to many sectors, including household goods. These are also transported by road within the same Department of Transport regulations.

The carriers that move dangerous goods are all subject to facility audits by the provincial governing bodies to ensure that their safety management systems are order, internally audited, and followed. Also, the truck drivers on our highways are subject to daily roadside inspections to ensure that their training is current and paperwork is in order and in compliance with all Department of Transport and/or transportation of dangerous goods requirements.

The driver's training in the dangerous goods is part of a total package that all carriers must do to ensure shared safety on our highways. Drivers are trained to understand the paperwork presented for the transportation of dangerous goods, but the shipper must also be held accountable for training their employees in this classification, and for the accuracy of paperwork, and all safety marks required for their products, including placards presented to the driver with every shipment.

Our industry works together every day to improve highway safety to reduce accidents, and a high standard is there for incident reduction at all loading and unloading facilities. The AMTA sponsors our members and works with them daily to ensure safety on the highways.

Thank you for your time, and I'm open to any questions, Mr. Chair.

• (1115)

**The Chair:** Thank you very much.

I'll now move to Mr. Picard from the Atlantic Provinces Trucking Association. Ten minutes, please.

**Mr. Jean-Marc Picard (Executive Director, Atlantic Provinces Trucking Association):** Thank you, Mr. Chair.

Good morning, everybody, and thank you for the opportunity to present to the committee as well.

Essentially I'll echo Richard's comments.

The APTA is obviously the body that represents the Atlantic provinces. With more than 300 members, most of them hauling dangerous goods, this is an important topic for us and something that we're following very closely.

We are part of the CTA federation as well, so we are supporting the document that was presented to the committee earlier this year. The industry is well aware that transportation of dangerous goods is in the forefront these days. We feel that our industry is in good shape. It's very safe today, incidents are minimal, and most do not necessarily involve transportation of dangerous goods.

It seems that what is in place today is working well, although having said that, let me add that we share the road with the general public and so have a responsibility to continue to operate safely and to have vehicles that operate safely. As Richard mentioned, in order for us to keep doing that, we feel that some things should be in place, such as electronic on-board recorders, roll stability manufacturing standards, and speed limiters. Whether we're transporting dangerous goods or just a normal load, these three items would bring much value to the industry and would help us continue to operate safely.

If there are some areas for improvement in this review, here are a couple of things I'd like to mention, which Richard echoed as well. There should be a little more shipper responsibility for documentation, but as well there should be a little more focus on driver training and on the trainers who train those drivers.

As I mentioned, there are very few incidents today, so the system seems to be working quite well. But we're open to discussing our recommendations and any questions today.

Thank you.

**The Chair:** Thanks. Everyone was very brief.

We'll move into questioning

Mr. Mai, you have seven minutes.

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

Thank you to all the witnesses for your testimony today.

I will start with the RTL-Westcan Group of Companies. My question is to understand concretely how things happen. For instance, if there's an accident, what are the steps? If one of the trucks is carrying dangerous goods, what are the exact steps in letting the first responder know what type of goods they are transporting? How does that work concretely, in practice?

**Mr. Michael Royer:** Thank you for the question.

All of our trucks have what Mr. Royer alluded to earlier, satellite tracking and communication, and through our operations dispatch centres there is 24-hour, seven-day-a-week service; that's 365 days a year.

We are live in supporting our vehicles and our employees 24 hours a day, seven days a week. When an incident occurs, there is automatic notification that goes to the applicable operations centre, which immediately contacts one of our safety professionals, who also are on call 24 hours a day, seven days a week. That safety professional immediately gets into contact with first responders and,

depending what the incident may be, dispatches our own team as well.

Through our technology, everybody involved can see exactly what the vehicle concerned is carrying and the properties that go along with it. They quickly communicate that to first responders as well as offer any phone support required while our team is en route. From there on, there is a complete tracking procedure both on paper and electronically; there are time stamps and there is communication that goes throughout our organization until we're satisfied that everything is rectified and everything is back to normal. That obviously is part of our investigation.

• (1120)

**Mr. Hoang Mai:** Will anyone be contacting CANUTEC, for instance?

**Mr. Michael Royer:** Yes, based on all the guidelines set forth, absolutely that is part of the protocol. There is a checklist that all of our responders follow, which again is electronically in a process book as well. They follow through that checklist to make sure that nothing is missed.

**Mr. Hoang Mai:** Okay.

**Mr. Michael Royer:** So it is everything.

**Mr. Hoang Mai:** That's good to know.

One of the questions we had was with respect to first responders: are municipalities able to intervene with the type of dangerous goods that you have? What was raised was maybe—or maybe not, depending on who was talking—whether or not the municipalities have to know what's in the trucks before they're being hauled.

What's your view on that? In terms of collaboration with the municipalities, making sure that they have the resources or the training to intervene, do you feel comfortable that there's enough dialogue and that everyone's ready for incidents like that?

**Mr. Michael Royer:** As a carrier, and from a responsibility perspective, we're equipped not only internally but also with contractors across the areas where we operate to make sure there's adequate coverage. Speed, obviously, in all cases is extremely important.

We always make sure that anywhere we're travelling, we've got resources—again, whether they're internal or through an external contractor—to respond to anything. We work closely with many fire departments in terms of first response, in terms of commodity properties, and what would be entailed if a cleanup were required. We're very active in that across all the communities, cities, and towns in which we operate.

We can constantly improve that communication and dialogue with municipalities and first responders to ensure that we all get better. For the most part, I do think it's adequate today. We've not had an incident where we have not received very, very good support from a municipal-type environment.

**Mr. Hoang Mai:** To the trucking association, we had CTA come here. Both of you mentioned the fact that there are some issues with shippers. When we talk about enforcement, we understand that there are provincial regulations or provincial authorities going to enforce the trucking industry. When we talk about shippers of dangerous goods, then the federal government steps in. What we heard from the CTA was that there were some issues with respect to capability or capacity in order to make sure that the rules are enforced.

What's your view on that, in terms of shippers?

**Mr. Jean-Marc Picard:** You can start, Richard.

**Mr. Richard Warnock:** We have regulated training for our drivers to transport dangerous goods. There should be regulated training for the shippers driving these goods because some of them are lacking in their knowledge. It would be important if companies established a training program that recognized that the driver training-type is also with the shipper, so that he understands what the driver requires, and understands the goods that he's presenting for transport, and that the paperwork and the safety markings are adequate.

• (1125)

**Mr. Jean-Marc Picard:** Mr. Chairman, simply, every time we have a new driver, they have to go through certain training, whether it's for dangerous goods or not. Shippers should have the same accountability. If there's a new employee, they should get proper training for dangerous goods: loading the truck, unloading the truck, and issuing the proper paperwork assigned to that type of product.

It would only streamline the deficiencies, in terms of training for our industry.

**Mr. Hoang Mai:** You mentioned that training was regulated. I assume that's being regulated at the provincial level.

Will it differ from one province to another, in terms of what the requirements are for training or for enforcement, when we talk about provincial authorities?

**Mr. Jean-Marc Picard:** For the driver or—

**Mr. Hoang Mai:** For the truckers, yes.

**Mr. Jean-Marc Picard:** It is regulated provincially, although we seem to follow all the same standards. We're always working toward harmonization for training in our industry. More than ever, we've been working together on training. For example, regarding long combination vehicles, we are all following the same training. The same would go for dangerous goods because they all cross the same provinces.

**The Chair:** Mr. McGuinty, for seven minutes.

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

Good morning, gentlemen.

Mr. Mitchell, can you tell us more about your rail-to-truck transload facilities? When were these built?

**Mr. Grant Mitchell (President and Chief Executive Officer, RTL-Westcan Group of Companies):** We have two of those facilities, the newest one being in Calgary, Alberta, which was built about three years ago and became fully operational two years ago.

It's state of the art. It has all the Scully protections for loading into trucks, so it's a rail-to-truck transload. We primarily transload petroleum products there, the largest one being diesel.

**Mr. David McGuinty:** Are they being expanded in size, scope, or volume, for example?

**Mr. Grant Mitchell:** They are not today. Today we have excess capacity in our Calgary facility.

The one in Trail, B.C., primarily transloads both acid and then dry fertilized products. It is a truck-to-rail transload, and it's the same thing, with all the required safety precautions, monitoring, and a very good plan in both facilities, a plan registered both with the municipality as well as the local fire departments.

**Mr. David McGuinty:** Are the projected decreases in fuel prices on the global markets going to have an impact on your business?

**Mr. Grant Mitchell:** The biggest impact we see is that growth may be slowed slightly, based on the current fuel prices. What we expect to see is slower growth on the upstream side of the market. We expect to see a slight increase on our retail markets as people potentially start to drive further distances or drive more.

**Mr. David McGuinty:** The conventional wisdom is that even if every pipeline that's under consideration in Canada is built, including a pipeline to the east, a pipeline through the west, and a pipeline to the south, on top of existing pipeline capacity, by 2024 we're going to see a surplus of a million barrels a day in production from the oil sands. That's the conventional wisdom. Those are the conventional numbers that have been put out by CAPP, the NEB, and others in terms of projections.

You're on the front lines of this business, and from a safety and security perspective, based on what we heard from one of our witnesses Mr. Warnock, he said that transporting oil by truck would be a burden, it wouldn't be possible because of the shortage of drivers and that they couldn't handle the volume that trains could because they didn't have the cars and the length of trains, and so on and so forth. Can you help us understand what the thinking is in the patch? What's the thinking at RTL-Westcan? What's going to happen here if we can't take this oil by truck?

• (1130)

**Mr. Grant Mitchell:** Our thinking is we certainly concur with Mr. Warnock. We're certainly active members in the AMTA and the CTA as well. So, we certainly concur with a lot of their thoughts.

We have taken a little bit more of a proactive approach in regard to recruiting professional drivers into our business, because we do believe the threat is very real, that there will be a potential shortage of drivers as these markets continue to grow. So, as Mike mentioned

**Mr. David McGuinty:** I have no doubt that you're investing in safety and training, and so on, but my question is more about what's the conventional wisdom in the private sector in the oil business? You're in the transport business, of course, but you deal with an awful lot of oil and petroleum products. What's going to happen with all this excess capacity? What's the expectation? Is this a problem that in the oil patch people think is going to solve itself?

**Mr. Grant Mitchell:** I'll speak specifically for the work that we do in the regions we operate in, the oil patch, and the customers we serve. A three- to five-year view is what we often talk about with them. They expect that even as there are more pipelines and they do their full lines, which reduce the amount of trucking required to rail transloads or to a specific pipeline, based on their drilling plans they expect to see an average growth of 3% to 5% in their trucking requirements over the next three to five years, on an annual basis.

So we're working with them very closely to make sure the capacity is there. We don't see a big risk.

**Mr. David McGuinty:** Can I turn to liability for a second? What's the liability insurance coverage for trucking companies if there's a spill?

I had a meeting on the weekend with a senior adviser to the mayor of Lac-Mégantic, who told me that the costs in Mégantic are \$600 million and climbing fast. There's been a serious discussion of razing, literally tearing down huge tracts of the town, to clean up the oil, which is underground and is surfacing and moving. The oil is migrating, so they don't know what the final costs will be.

I know you're in the trucking business, but what's the liability situation for trucks now if there's a spill or an accident? How does it work in practical terms? Who can help us understand that?

**Mr. Grant Mitchell:** How does it work? I think that's key. Comparing ourselves to rail is really not an accurate comparison, based on a 100-car train versus one trailer. Primarily we're hauling 35,000 litres of product, give or take, in our oil patch operations.

**Mr. David McGuinty:** What happens if there's a spill?

**Mr. Grant Mitchell:** Sometimes it's a little more; sometimes it's a little less.

**Mr. David McGuinty:** Yes, I understand that.

**Mr. Grant Mitchell:** If there's a spill, the first key is first response. Get there and get it contained to limit your liability. Then working with local authorities, devise a plan to remediate the area very quickly. Fortunately, we've been successful in doing that, and we've have had very few issues. We've had no issues of any great magnitude. Based on the regulations today, we see the liability as being well contained.

Obviously we carry appropriate insurance policies to be able to deal with anything that may happen.

**Mr. David McGuinty:** I'm out of time, unfortunately. The chairman's giving me the signal.

That's exactly what we want to hear about: what is your liability coverage? Let's say there's \$1 million of cleanup costs. How's that dealt with? How's the municipality indemnified or paid back for cleaning up? How does that work?

**The Chair:** Answer very quickly.

**Mr. Grant Mitchell:** We follow a very standard process. For liability coverage, insurance, depending on specific contracts, we'll have anywhere from \$5 million to a much larger number in underwriting protection, and I would say that for all carriers our size.

**The Chair:** Thank you.

Ms. Young, you have seven minutes.

**Ms. Wai Young (Vancouver South, CPC):** Thank you for your presentations.

Since Mr. McGuinty has raised it, what is your view of safety in moving oil by pipeline or train or truck? Which is the safer transportation mechanism?

● (1135)

**Mr. Grant Mitchell:** From our perspective, we feel it's very well controlled by moving product by truck. As mentioned, specific to our oil patch operations, we operate in a radius of 75 miles. It's from the wellhead to rail yard or wellhead to pipeline, so it's very well controlled.

I couldn't speak to the safety of pipelines. Certainly it's not my area of expertise.

**Ms. Wai Young:** We have heard in the committee that moving oil by pipeline is the safest mechanism as opposed to what we've seen in Lac-Mégantic.

Would you say that the trucking industry will ever be able to move the volumes that are currently here and projected, as Mr. McGuinty was asking?

**Mr. Grant Mitchell:** We will not be able to move the volumes long distances and be able to provide as efficient a service as rail or pipeline. Our place in the oil patch is definitely shorter haul.

**Ms. Wai Young:** So the opposition's opposition to the pipelines is not helping the industry at all or moving the product we need, because you're never going to be able to match the levels of movement this industry requires in that sector.

**Mr. Grant Mitchell:** It would not be efficient. You think about some of the rail or pipeline movements today. Rail is going from western Canada to Saint John, New Brunswick, and that's just not feasible by truck.

**Ms. Wai Young:** What about coming west, where I'm from? I'm from Vancouver. Is going west more feasible?

**Mr. Grant Mitchell:** It would be more feasible, but there are still economies of scale. A rail or a pipeline that distance certainly makes more sense from an economy of scale perspective.

**Ms. Wai Young:** Now I was very intrigued to hear about your two, it sounds like state-of-the-art—what did you call them?—transfer stations that you built.



**Mr. Grant Mitchell:** The driving simulators? We had them custom made for our operation.

**Ms. Wai Young:** You say that this exists for all of the other trucking companies that we have across Canada.

**Mr. Grant Mitchell:** The technology is available.

There are a few others we aware of that have driving simulators. But to our knowledge they are not widespread.

**Ms. Wai Young:** Why would that be?

**Mr. Grant Mitchell:** I think a lot of the traditional training avenues for professional drivers are still adequate for the plans of many carriers. They have their own training programs that they're comfortable with. This was an enhancement to our current recruiting and training program that we have, and it's something we feel is working very well for us.

**Ms. Wai Young:** Very quickly, yes or no, is that simulation program only available to your employees? It's not something that's available across the board to truckers associations, etc., from across Canada.

**Mr. Grant Mitchell:** Currently it's only available to our employees, and one customer we work with who has smaller units that they use.

**Ms. Wai Young:** Right.

We have a comment from Mr. Picard.

Mr. Picard, do you want to respond to that?

**Mr. Jean-Marc Picard:** A simulator is made to add on to the live training. With most companies that have simulators, it complements the actual training.

The technology is fantastic and it's great, but it can't take away from the real training. I mean, we have a couple of members who do have a simulator. We have a couple of driving schools that have simulators. However, in the outline of the training, it's only a portion of it.

We have to remember that the live training is also very important, as Grant mentioned. The cost of the simulator is quite expensive, so a 20-truck operation can certainly not afford a simulator.

**Ms. Wai Young:** Now in the presentation made by Mr. Mitchell, he indicated that we need to have a more comprehensive, certainly a more detailed, level of professional drivers.

Is that correct? I'm paraphrasing what you said.

Mr. Picard, would you say that's accurate?

**Mr. Jean-Marc Picard:** It's accurate.

We need to look at mandatory entry-level training. As an industry, we need to make it a skilled trade. Never mind dangerous goods, the driver has a lot of responsibilities, a lot of regulations to worry about. Therefore, we feel that those two items, training and becoming a skilled trade, would be key for our industry.

• (1140)

**Ms. Wai Young:** We heard from previous testimony that there is a small percentage of trucking companies, I guess that's drivers, that have the majority of the accidents.

Let me just be clear about that. The majority of truckers and trucking companies have very safe systems, but it's a smaller minority—15% to 20% is what they were saying—that have the most accidents.

Would you say that's accurate?

**Mr. Jean-Marc Picard:** I didn't see the stats. I'm not sure whether that's accurate or not.

It's up to each province to audit their carriers to make sure they're following the safety procedures and that they get audited when they reach a certain threshold in their safety percentage.

**Ms. Wai Young:** Right.

Mr. Warnock, in a province like Alberta, where a lot of it is rural—I mean, there are a couple of big cities, and B.C. is very similar to that—what are your thoughts around the idea that many truckers are loading and unloading in very rural places where there is no oversight, etc.?

What is your view on that?

**Mr. Richard Warnock:** That is true...[*Technical difficulty—Editor*].

That's where the rigorous training comes into play, and the emergency response plan being there so...[*Technical difficulty—Editor*] is an incident. But the incidents...[*Technical difficulty—Editor*] are there. They're a small amount, but they do happen, and the drivers need to be specially trained for that.

I would like to also reply to the driver simulators that the Alberta Motor Transport has...[*Technical difficulty—Editor*]. You can see merit in that. We've invested in the...[*Technical difficulty—Editor*] one, and a mobile one, which we can take out to the 20-truck companies for driver training and so on.

**The Chair:** Mr. Warnock.

**Mr. Richard Warnock:** [*Technical difficulty—Editor*]...if I got off track—

**The Chair:** Mr. Warnock, we cannot hear you. It's intermittent, it's breaking up and the translators can't follow. Is there anything on your end, a button you're having to push, or is it only a microphone?

**Mr. Richard Warnock:** It's just a microphone button that I push down. If I hold it closer to me, does that work any better?

**The Chair:** It seems to be better, if you could do that.

Okay, hold it closer. Could you repeat the latter part of your answer?

**Mr. Richard Warnock:** I was saying in regard to the truck-driver simulating, that the AMTA, the Alberta Motor Transport Association, has invested in two one...[*Technical difficulty—Editor*] and one mobile, so we can get our members and even non-members in the rural communities with the simulated truck-driver training that would certainly benefit the...[*Technical difficulty—Editor*]. The end result facility is...[*Technical difficulty—Editor*] that training is required for the drivers and that they have a safety... [*Technical difficulty—Editor*] if there is an incident, so they can call the first responders immediately.

**The Chair:** Mr. Komarnicki, seven minutes.

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Thank you.

I'll probably get right to questions for the RTL-Westcan Group of Companies.

It seems to me that you're dealing with maybe two or three variables, the equipment or the truck, the equipment design, the driver and, of course, the travelling public that you maybe don't have as much control over but need to take into account.

**The Chair:** Mr. Warnock, what we're going to do is reconnect with you.

Mr. Komarnicki, I wasn't sure who you were asking, but we will get Mr. Warnock back on.

**Mr. Ed Komarnicki:** Okay. I'll carry on then.

With respect to equipment design, I think the things you need to be concerned about primarily are collisions and rollovers. What specific things have been done with respect to collision and rollover, and are they mandated by regulation or an act? Can you comment on that?

**Mr. Michael Royer:** As far as equipment design in concerned, we've gone to the philosophy that 100 kilometres per hour is fast enough on highways, so our units are road-speed limited to that highway speed. We also track the speed while they're driving at lower speeds, where there's an 80 kilometre zone or less. All our newer tractors are equipped with roll stability built right into the truck. It is a fairly complex system that monitors road speed, it monitors positioning of the vehicle, it can sense if the load is shifting, like if you're driving off the road, and it can actually intervene and apply brakes, slow the unit down, and get it straightened out so it helps to prevent the rollover in the vehicle.

● (1145)

**Mr. Ed Komarnicki:** In terms of collision, is that rollover stability the only thing other than speed that you're concerned with? Is there's no other physical aspect to the piece of equipment that can be added, other than the rollover stability provisions?

**Mr. Michael Royer:** Well, we are testing some technologies, some in-cab cameras, that monitor the road ahead of the driver plus the driver's actions. It's to monitor driving habits, such as following too closely, that type of thing. A lot of the incidents we've seen are when somebody has gotten in our way or made a sudden move to force our driver into sudden braking. We're looking at other technologies; there is more out there. There's adaptive cruise control that we haven't tested yet but we're looking at, which monitors the distance between vehicles to keep them at a safe distance. And there are certain other types of technologies that can help prevent accidents with the motoring public.

**Mr. Ed Komarnicki:** Are all of these voluntary actions taken by the company, including the rollover protection, or are they mandated in any fashion?

**Mr. Michael Royer:** No, it was not.

**Mr. Ed Komarnicki:** All right—

**Mr. Michael Royer:** We decided as a company that we wanted to help reduce our incidents and help train our drivers. That's a big part of it. We take the data if there is any type of event, a "critical event"

we call it, whether it's roll stability or hard braking, and we use that data to work with the driver for further training.

**Mr. Ed Komarnicki:** You mentioned you have a lot of other things happening, electronic monitoring and so on.

On the safety management system, my first question is how do you get the drivers to buy into that program? Secondly, what do you have to say to the smaller operators that have very few people working with them. How do they deal with the safety management system and what might you suggest needs to happen with respect to those operations that don't measure up in number to the type of operation you have?

**Mr. Grant Mitchell:** In terms of getting our drivers to buy into this, our approach is more about ensuring that our entire company buys into these systems and programs and preventative actions. From our perspective, it's our culture. We do that through education, through training, and through visible leadership. Everybody across our company and across our team has certain goals and expectations in terms of being out in the field promoting the message, promoting the education, and supporting our employees across...and truly leading the path by example. For us, it's all about education, training, and engagement.

**Mr. Ed Komarnicki:** Okay.

Do you have any comments or suggestions as to how you might deal with smaller operators?

**Mr. Michael Royer:** Through our associations, both the AMTA and the CTA, we collaborate with regard to preventative measures and how to make all of us more reliable, safer, and more professional. Together, from a safety perspective, there's lots of collaboration in the industry to ensure we all get better all the time.

**Mr. Ed Komarnicki:** I have a quick question with respect to your transload facilities.

The Transportation of Dangerous Goods Act and regulations apply to interprovincial and international transport, but you obviously do short hauls to a transload facility. Who governs what needs to happen and what needs to be in place for a transload facility?

**Mr. Michael Royer:** It's Transport Canada.

**Mr. Ed Komarnicki:** I understand that Transport Canada rules, as far as truckers are concerned, relate to interprovincial travel. For international travel, you're saying Transport Canada rules apply to a stationary facility and short hauls?

**Mr. Grant Mitchell:** Yes.

We were active with Transport Canada when we first designed the facility. We'll have periodic audits from them as well in terms of how we're operating.

● (1150)

**Mr. Ed Komarnicki:** I know when you're dealing with a transload facility, obviously the municipality is important as are the availability of water and the availability of firefighting capabilities.

Who makes the final decision in terms of what has to be in place before you can operate your facility with respect to things like a volunteer fire department and water availability to ensure that you are able to operate within that element?

**Mr. Grant Mitchell:** There are a number of different levels of permitting with regard to designing and building of the facility. The fire department would certainly be involved, and within Calgary the municipality and Transport Canada were also involved in approving the design and with regard to the equipment, the availability of water, and all the safety features that we have at our transloading facility.

**Mr. Ed Komarnicki:** So you are saying that a transload can't be operated until it is approved by who?

**Mr. Grant Mitchell:** The final approval was done prior to my joining the company, but I believe the final approval did come from Transport Canada and the City of Calgary.

**The Chair:** Your time has expired, Mr. Komarnicki.

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

[*Translation*]

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

Mr. Mitchell, your website mentions daily procedures for mechanics and drivers. In the morning, they ensure that everything is working well. So the day begins with those checks.

How is the inspection done? Do you sometimes find issues, and how are they resolved?

[*English*]

**Mr. Grant Mitchell:** From a driving perspective, our drivers all have to complete a pre-trip of their unit prior to leaving one of our facilities or one of our yards or a rest area where they may have slept for the night. They have to do a complete pre-trip, which includes doing a mechanical check, checking all their paperwork, and updating their electronic device. All of our units have electronic logs. We don't carry the paper log book other than for a backup if there's a technology issue. There's a checklist in the morning or prior to the start of utilizing that vehicle that they have to complete and document. This checklist is subject to audit not only by our company but also by government regulations.

Once they complete that, then they're able to start with their day. We also ask that they stop a minimum of every four hours—

[*Translation*]

**Ms. Isabelle Morin:** Are those documents Canadian? Do all companies have to complete such documents? Are they all the same, or do they vary from one company to another?

[*English*]

**Mr. Grant Mitchell:** All companies are obliged to do this. It's a regulation.

[*Translation*]

**Ms. Isabelle Morin:** That's fine, thanks.

Last week, we talked about the loading and offloading of goods. It was mentioned that accidents often occurred on those occasions. We were told that 70% of accidents happened during those activities. Your website states that, whenever you are going to a new site, you inspect it before accepting the job. I would like to know how that works. How do you carry out the inspection? How does that help reduce the number of accidents?

[*English*]

**Mr. Grant Mitchell:** Prior to accepting a new delivery point, we do what we call a journey management plan. We have one of our safety professionals actually physically drive the route that one of our drivers would take, after they load the product, to the delivery site and they identify any hazards, railroad crossings, speed changes, you name it, anything that they see that would present a risk or a change in a driving habit, and they document that right to the site where we offload.

Once they're at the site, they do a complete inspection of the site, looking for accessibility for the size of our units, safety equipment, such as available water, hoses, fittings, you name it. They do a complete site inspection. They come back and they complete what we call a plot card and all the information is on that card, including contact information or any emergency information. All of that is completed before the first load is dispatched to that site. That is uploaded into our technology, our operating system, and until that's uploaded into the operating system, we physically cannot dispatch a unit to that location.

[*Translation*]

**Ms. Isabelle Morin:** Are you often unable to make your way to a site? Is this something all companies do before accepting a new delivery point or did you decide to do that?

[*English*]

**Mr. Grant Mitchell:** Sorry, you broke up a little bit when you asked that question.

Could you repeat that, please?

• (1155)

[*Translation*]

**Ms. Isabelle Morin:** First, I would like to know whether you often refuse to go to a site? Do you ask that certain changes be made before you go to a site?

Second, I would like to know whether that is a common practice. Do all companies do that, or are you the only one? Are there regulations on inspections to be carried out before a company goes to a new delivery point?

[*English*]

**Mr. Grant Mitchell:** First of all, it's not regulated as far as we are aware. This is a practice we follow and have for a number of years. We do, however, know of many companies similar to us that follow the same practice. Some of our customers do regulate it.

In terms of how many times we would refuse to work at a site, I don't have an exact number. Many times we would make recommendations to the management or leadership of the delivery site indicating some opportunities for improvement. I would say, very rarely, would we actually have to refuse to make a delivery there. We will track them to make sure our recommendations are either followed through or at least that we get a reason why they may or may not be followed. It would be less than 5% of the time that we refuse to make a delivery.

[*Translation*]

**Ms. Isabelle Morin:** Okay.

Although this happens rarely, a number of recommendations are issued following your visits. Should the inspections be mandatory? [English]

**Mr. Grant Mitchell:** It may be a bit of a challenge to make that mandatory. I think, from a private industry perspective, when it comes to site deliveries, we need as an industry to make sure we're doing our due diligence. I think it may be difficult to regulate something like this.

[Translation]

**Ms. Isabelle Morin:** Thank you very much.

[English]

**The Chair:** Thank you very much.

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

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

Thank you to our witnesses for appearing today.

With respect to safety management systems, there is currently no federal requirement on trucking companies that engage in international or interprovincial trucking to have a safety management system. Is there any provincial or territorial requirement for a safety management system for operations within a given province or territory?

**Mr. Jean-Marc Picard:** As an industry, we all follow the national safety code, but it's up to the province to enforce it. Essentially, that's how the industry is set up today.

**Mr. Jeff Watson:** So you're not mandated to have a safety management system specifically, although the national safety code may have elements that would conceivably be in a safety management system.

**Mr. Jean-Marc Picard:** That's right.

**Mr. Jeff Watson:** But a strict safety management system, though, not the national safety code.... RTL, I think you said that you have a safety management system. It would therefore be voluntary. Is that correct?

**Mr. Grant Mitchell:** Yes, that is correct.

**Mr. Jeff Watson:** Who verifies your safety management system? Is there any external audit that's done on your safety management system?

**Mr. Grant Mitchell:** Yes, we in Alberta have what's called the core audit completed annually, and that's by a third party.

• (1200)

**Mr. Jeff Watson:** In your opinion, was the decision to have a safety management system made because of the scale of your operations? Is there a point at which safety management systems don't make sense given the size of a company or the fact that you might be an independent owner/operator, for example?

**Mr. Grant Mitchell:** As we were [Inaudible—Editor] to their organization, it definitely was a decision to make sure that we understood best practices and how to implement them into our operation to continue to allow us to grow in a safe manner.

**Mr. Jeff Watson:** Should they be mandatory for interprovincial or international trucking companies of a sufficient size then?

**Mr. Grant Mitchell:** I think they can be incorporated into the national safety code, and perhaps the current code could be something that is revisited on an annual basis based on what they see in the industry.

**Mr. Jeff Watson:** In the event of an accident or an incident, what is the current reporting regime? Federally, obviously, if there's an incident involving a release of goods, it's mandatory that it be reported to the Transportation Safety Board. Is there a similar regime with respect to a provincial agency or authority that you're required to report to? Are you required to report to anyone?

Mr. Picard, I don't know if you want to weigh in on this one.

**Mr. Jean-Marc Picard:** In some capacity you need to report every incident, I'm assuming, to Transport Canada, but every province obviously legislates the safety stats of each carrier, which would incorporate their entire record in there.

**Mr. Jeff Watson:** To RTL, if there's an incident at a trans-load involving some release at the point of either loading onto a truck or to a facility, do you have to report that, and if so, to whom?

**Mr. Grant Mitchell:** Yes, we would report that immediately to the provincial environment authorities if there was a release of product.

**Mr. Jeff Watson:** Where I'm going with this is that I'm probing whether there is a sufficient regime in place to track, in an empirical sense, the safety of transporting dangerous goods by the trucking mode. It's simple in some respects for us to look at the Transportation Safety Board and see that we have an empirical basis by which we can track whether modes are improving or not improving and what factors may be at play there, but we don't seem to have that with respect to trucking.

Are the statistics out there? Are they just disparate and need to be drawn in or centralized, or should this committee be looking at whether or not there is a system that's put in place for that purpose?

Who wants to jump in on that?

**Mr. Richard Warnock:** I'll make a comment, Mr. Chair, on this.

The department of transport in each province, via the regulations for transportation, do facility audits. When they do facility audits they inspect and look at the incidents and accidents that the carrier had. You are responsible to maintain the paper work and accuracy of your record keeping for these audits. There is a program in place provincially to audit.

**The Chair:** Thank you very much.

Mr. Sullivan, for five minutes.

Oh, sorry, did somebody else want to comment?

**Mr. Grant Mitchell:** I was going to add to that. As carriers we have a carrier profile, which is federally monitored. Anything from accidents to a speeding ticket or a vehicle fine, all that is tracked on a monthly basis. Obviously, the history is maintained.

**The Chair:** Mr. Sullivan, five minutes.

**Mr. Mike Sullivan (York South—Weston, NDP):** Thank you to the witnesses.

One of the things we heard last time was that the Canadian Truckers Association would prefer that there were regulations involving electronic management of drivers' hours, because they pointed out that some bad apples can avoid the law by falsifying records or by misusing the paper records. Do you folks have a similar view that the regulations ought to be enacted federally, or provincially to ensure that the hours of work are maintained electronically?

• (1205)

**Mr. Grant Mitchell:** At RTL-Westcan we support regulations for electronic logging. Our fleet is about 90% complete in terms of electronic logging devices and on-board technology. By February of next year we'll be 100% complete with electronic logging devices in all our vehicles.

**Mr. Jean-Marc Picard:** At our association we support that as well. It would bring us to the next level that we need to be at as an industry. Paper logs are vulnerable, if you want to use that word, but electronic logs are the way of the future for our industry. More and more carriers have them, whether it's mandated or not. We need to act fast on that one.

**Mr. Mike Sullivan:** Thank you. I appreciate that.

The Teamsters were here and they support this measure as well. This is not something that they are opposed to. It's good news that all sides seem to be supporting the notion that truckers' hours need to be managed more electronically.

The second point I want to make is that several of you talked about the training of your drivers. Is there a need to regulate the minimum standards for driving across all provinces? We recently learned that in Ontario you can get your AZ licence with 10 hours behind the wheel and with no hours on a major controlled-access highway. This is a serious problem in Ontario that is only now coming to light. Do you have some advice for this committee on whether we should be looking at making some kind of training standard across the country?

**Mr. Jean-Marc Picard:** Each driving school today is private. We put out the standards and push what the industry recommends and supports, but in certain capacities there should be some mandatory entry-level training for drivers. That would bring us to the next level for our industry and would put structure needed from a training standpoint for young drivers and people looking for a second career.

**Mr. Mike Sullivan:** Anybody else want to jump in?

**Mr. Richard Warnock:** Mr. Chair, if I could make a comment as well. Alberta does support minimum mandatory driver training. It's necessary to have a standard so that the drivers' competencies are proven before they're out on the road with the public. There needs to be entry-level training established across Canada that is fair and equitable for all provinces, and in place as soon as possible.

**Mr. Grant Mitchell:** We would support that as well.

**Mr. Mike Sullivan:** Thank you.

Mr. Picard, I think it was you who suggested in your opening comments that there needed to be some improvement in shipper responsibility for documentation. Can you expand on that a little?

**Mr. Jean-Marc Picard:** The entire responsibility, if there is an issue, lies with the driver and the carrier; therefore, when working so

closely with shippers in loading and unloading product, there should be some sort of responsibility from a shipper's standpoint to be properly trained to know which document goes with which product, so that if there is an incident it's not all fingers pointing at the carrier.

Basically, that was the scope of my comment.

**Mr. Mike Sullivan:** We've also heard this from the rail industry with respect to liability. Rail is unable to say no to transporting any good, whereas truckers can in fact say no. But the rail industry's reaction was, because they can't say no, that the shippers ought to be held in part liable for any spills that the rail industry may cause.

How does the trucking industry feel about the liability for the carriage of products and the liability for resultant spills and about any regulation that needs to be in place regarding how much liability you're forced to carry?

• (1210)

**Mr. Jean-Marc Picard:** That's a tough question. Each incident is really an isolated incident, whether it involves a driver fault or improper loading or improper paperwork as a result of the incident or due to the extent of the spill or its impact.

Who is responsible for what and to what exact extent is something that needs to be reviewed. I'll let the experts decide it, but we want this to be looked into going forward, for sure.

**The Chair:** Time has expired.

We'll now go to Mr. Braid for five minutes.

**Mr. Peter Braid (Kitchener—Waterloo, CPC):** Thanks very much, Mr. Chair.

Thank you to all of our witnesses for being here today.

I want to start with the gentleman from RTL. You mention in your opening presentation that you serve a number of northern and remote routes, if I heard you correctly. I want to give you the opportunity to elaborate a little on that. These conditions and geographies that you serve would obviously be unique .

How, specifically, do you customize your safety management systems to deal with the fact that you are serving these unique geographies in remote areas? What unique procedures or training do you have in place?

**Mr. Grant Mitchell:** We would address this in a number of different ways. First, it would start with our journey management plan, about which I spoke earlier, so that we understand all the risks along the route. The second piece would be ensuring that we have suitable third-party relationships, in the event that we needed assistance either because an incident took place or maybe because there was a maintenance failure and the truck or trailer had broken down and needed recovery.

On the last piece, concerning northern or remote routes, as a rule we would only use our more senior, experienced drivers, the drivers with more time behind the wheel and more training and basically a higher confidence level to operate in those remote areas.

**Mr. Peter Braid:** Okay. And if and when an incident should occur, how do you ensure that it is responded to on a timely basis, given remoteness?

**Mr. Grant Mitchell:** Again, in the way we operate our program we're always in touch with our units and our drivers through satellite communication, and so access to reporting is very quick. Based on that and depending on where it might happen, our safety and maintenance professionals would be engaged immediately and would contact the appropriate third party, if a third party were required, or the closest facility to respond as quickly as possible.

**Mr. Peter Braid:** Thank you for clarifying that.

You mentioned as well that your trucks send real-time information back to headquarters, if you will, and in some cases you have the opportunity to react accordingly or immediately. Could you give an example or two, and how does your business deal with this from a process point of view? Are there staff monitoring the real-time information on a permanent, dedicated basis? What does the process look like?

**Mr. Grant Mitchell:** There are two ways. Minor notifications from the on-board technology aren't necessarily addressed in real time, but compiled and reviewed monthly at the home terminal of that driver. So there's a progressive training program in place that would address minor notifications. If there's an elevated issue, let's say a roll stability issue, then that notification will immediately be seen by the dispatcher of that unit in real time. They have the ability to engage a safety professional and send what we would call an emergency message to the truck asking that driver to pull over and call into either his safety professional or into dispatch. We can ask at that point what happened.

• (1215)

**Mr. Peter Braid:** Thank you. Great.

Mr. Picard, you have spoken in favour of speed limiters for the trucking industry and for electronic tracking. From your perspective, speaking either for the Atlantic region specifically or Canada more broadly, what percentage of companies within the industry currently have these sorts of technologies, speed limiters, electronic tracking? For the companies that don't yet have it, why don't they?

**Mr. Jean-Marc Picard:** Speed limiters are actually mandatory in Quebec and Ontario. For us in Atlantic Canada, I'd say probably 75% of companies put them in place for safety reasons, and also for fuel efficiencies. So there are great advantages to doing it. For the others that don't, we push for it and promote it within our industry among our members, but we can't really force their hand to put it in place.

**Mr. Peter Braid:** Okay.

**Mr. Jean-Marc Picard:** If it were mandatory, it would be a different story.

**Mr. Peter Braid:** Right.

**Mr. Jean-Marc Picard:** In terms of the e-logs, the electronic on-board recorders, it's a small percentage obviously, because it's fairly

new and there are more costs involved. But some of the larger firms, such as RTL-Westcan and us, have almost 100% electronic logs, and it has been nothing but beneficial for them. So we continue to push our members to look into it, to try some products, and we're seeing more and more do so, but not at a pace that we'd like. Obviously mandating something would be the route to go.

**Mr. Peter Braid:** In terms of the driver electronically logging information as opposed to doing it on paper, I presume that there are now a number of technologies and apps available today for companies and drivers to do that, including apps for smart phones. That's not a concern? The technology is there?

**Mr. Jean-Marc Picard:** The technology is there. It's available, like you mention.

**Mr. Peter Braid:** Including some Canadian technology I suspect.

**Mr. Jean-Marc Picard:** Absolutely, and predominantly Canadian.

**A voice:** From Waterloo.

**Mr. Peter Braid:** Exactly, from Waterloo.

You knew where I was going.

**Mr. Jean-Marc Picard:** It's ready. It's there. It's available and it's not that expensive. So we feel that it's time to put it forward it, to mandate it.

**The Chair:** Thank you.

We'll now move to Mr. Yurdiga for five minutes.

**Mr. David Yurdiga (Fort McMurray—Athabasca, CPC):** Thank you, Mr. Chair, and thank you to the witnesses for being here today.

Many transport companies are now using independent operators to supplement their fleets. The major concern is whether they are getting the same training as your own fleet. I'd like to address this to Mr. Warnock.

**Mr. Richard Warnock:** The major fleets certainly are. The larger fleets have the same requirements for the owner-operators to work the same training as a company driver.

Some of the smaller fleets use a different standard as far as over the road control is concerned. But the required training for the transport of dangerous goods, the Department of Transport regulations for hours of service and so on, is mandated and the same for owner-operators as for company drivers.

**Mr. David Yurdiga:** Thank you.

Mr. Mitchell, many cities and towns have alternative routes for dangerous goods, and many smaller communities have a dangerous route going right through the community. Some of these go past schools and hospitals.

Is there any consideration in your SMS program to address this issue, and are the first responders part of the program?

• (1220)

**Mr. Grant Mitchell:** That starts with our journey management program. All that information is documented and provided to our drivers each time they are dispatched on a trip. They see that the changing speed zones as they're going through a community, and that there may be a school zone or a hospital or whatever that increased risk may be.

We have emergency response plans on file with the municipalities, if something were to take place on a higher level. I couldn't tell you we have it with every community in every region we operate in, but we know the risks our drivers face on each trip.

**Mr. David Yurdiga:** Thank you.

Mr. Picard, as technology comes along we are getting better at what we do. Are the rates for insurance getting better because of your safety management program? Is that part of the equation? Or are the insurance companies not recognizing all the work that's been done by various companies?

**Mr. Jean-Marc Picard:** No. I think they are starting to recognize it. They work very closely with their customers, and they are trying to help them improve their record so that the rates will go down, but at the end of the day it's different with every carrier and who their insurance supplier is.

But, yes, for sure if you have a good safety record, then your insurance will reflect that.

**Mr. David Yurdiga:** That's all I have.

Thank you.

**The Chair:** Thank you.

We'll move to a new round.

Ms. Morin, you have five minutes.

[*Translation*]

**Ms. Isabelle Morin:** Thank you very much, Mr. Chair.

Earlier today, we talked about drivers using cell phones, and I was wondering what measures were being taken in that regard. Even though solid directives are provided, and training is available, we still see a lot of people on the road sending text messages, even though they would lose a huge number of demerit points and face significant fines if they were stopped by the police. That's why Quebec, for one, has just strengthened its laws on texting and driving.

How do you encourage your drivers not to use their cell phone behind the wheel? Have you prohibited the use of cell phones?

My question is for anyone who wants to answer it?

**Mr. Jean-Marc Picard:** Today, many companies have a zero tolerance policy when it comes to this.

[*English*]

**Mr. Grant Mitchell:** It's hard to tell. In our case, we have a very widespread campaign to educate our drivers not only in the regulations but more so in terms of, "Here are the reasons why,

and here's what can happen". There's a very nice video that we've used a lot called "The Last Text". It's of real live witnesses who have been impacted by an accident due to distracted driving. We use that as an educational tool.

We not only educate our drivers but we educate their families as well. Typically, when you look at family values, it's the son or daughter, or the spouse saying, "Yes, be safe. Be careful. Come home safe to us each and every day". We educate our drivers, our employees, as well as their families, and we've seen a positive impact.

In terms of the use of cellphones, texting, or using electronic devices while driving, we have a zero tolerance policy. We call it a life saving rule. If a driver or any of our employees, ourselves included, does that when travelling for company business, there's zero tolerance. Our progressive discipline is very stringent.

[*Translation*]

**Ms. Isabelle Morin:** Mr. Picard, go ahead.

**Mr. Jean-Marc Picard:** I was about to say the same thing that was just mentioned. Many companies have a zero tolerance policy. People have to follow the rules or find another job. I think this has become the standard. Of course, there is always room for improvement. However, I think that companies have taken the initiative to adopt the right policies for their employees.

• (1225)

**Ms. Isabelle Morin:** Thank you.

There is another issue we have still not discussed in committee.

One of the conclusions of a report recently published in the United Kingdom has to do with truck design, which leads to overly wide blind spots. Have you heard about this report and its conclusions concerning blind spots and truck design? How can the situation be improved?

Earlier, you talked about road sharing. We know that accidents have occurred. What could be done to improve the situation?

**Mr. Jean-Marc Picard:** Our association continues to educate its members and the general public on the dangers of blind spots. What needs to be understood is that, if someone cannot see themselves in a vehicle mirror, the vehicle's driver will not be able to see them, either.

Over the years, we have conducted various campaigns to educate people on blind spots. Unfortunately, we cannot reach all Canadians, or educate everyone individually. Our association continues to conduct awareness-raising campaigns, but the companies themselves must also educate their employees and all Canadians. This may be something that is difficult to understand for the general public. Anyone who wants to obtain their class 5 driver's licence should have covered a truck's blind spots in their training program.

**Ms. Isabelle Morin:** Is that not currently covered?

**Mr. Jean-Marc Picard:** I don't know whether this is included in the training.

**Ms. Isabelle Morin:** Does anyone know whether it is included?

**Mr. Jean-Marc Picard:** I cannot say. I have had my licence for too long.

**Ms. Isabelle Morin:** This is something we have to check.

Thank you, Mr. Chair. I have no further questions.

[*English*]

**Mr. Grant Mitchell:** We're not aware of any regulation that would cover this, but we train our drivers in defensive driving using what we call our Smith principles. It our drivers to be very aware of their surroundings, including those blind spots.

**The Chair:** Mr. McGuinty, for five minutes.

**Mr. David McGuinty:** Gentlemen, last week on Thursday, I and other members asked David Bradley, the president of the Canadian Trucking Alliance, about liability and some practical problems that apply to the trucking safety area. I'm going to read back two quotes from David Bradley to get your reactions to them, because I think they touch each of your mandates. Here's the first thing he said:

The concern that we have is that some shippers will try to protect themselves through freight contracts by saying that even where it's perhaps not the trucking company who is at fault, let's say there was improper documentation, improper loading, where the shipper was responsible, that sort of thing, that they try to put a sign up saying, "We're not liable even if we were negligent".

He made a second similar comment:

...we need legislation [in Canada] which says that shippers cannot introduce freight contracts that hold themselves harmless where they are negligent. That's what we need.

Is that what we need?

**Mr. Richard Warnock:** Mr. Chair, perhaps I can make a comment on that. For sure that's what we need. The shipping contracts out there are... [*Technical difficulty—Editor*] to protect. There's just no way they should be out to have an indemnity clause in there that says they are not liable or anything... [*Technical difficulty—Editor*] driver, trucking company has to hold the burden for anything through negligence. They cannot be... [*Technical difficulty—Editor*] so they cannot write those into their... [*Technical difficulty—Editor*].

**Mr. David McGuinty:** So let me ask this, is there anything under law or regulation that compels trucking companies to have to sign those contracts and abide by that clause?

We've lost everybody [*Technical difficulty—Editor*].

• (1230)

**Mr. Jean-Marc Picard:** No, there's nothing that applies. Some carriers are desperate for the business. They'll just sign them and hope for the best. That's why we need to do something about having those indemnification clauses in those contracts. They shouldn't be allowed. The shippers shouldn't be allowed to impose this on our industry, because eventually if they go down the list, the carrier will

say no, I won't sign it, I won't move your product, but someone else will do so down the list, right? That is what hurts us.

**Mr. David McGuinty:** So nobody in the industry, to your knowledge, for example, in an Atlantic setting is of a sufficient size in the marketplace to say simply we're not [*Inaudible—Editor*] that risk?

**Mr. Jean-Marc Picard:** Some of them have said no.

**Mr. David McGuinty:** And what's happened? Have they simply lost the business?

**Mr. Jean-Marc Picard:** That's right. Some of them can afford to say no and others, as I said, just can't.

**Mr. David McGuinty:** Okay.

Is everyone back, Mr. Chair?

**The Chair:** You have about a minute left.

**Mr. David McGuinty:** Great, maybe the other gentlemen on screen can give us their thoughts about whether or not we need to prohibit these kinds of clauses in contracts. Because we just heard from Monsieur Picard that what happens in the industry is that if a player says no, we won't abide by that, then the shipper moves on and finds somebody else who will. Is that right?

**Mr. Grant Mitchell:** Yes, we've seen that.

Sorry, we missed the last few minutes. We were disconnected for some reason, so I didn't hear the answers from Mr. Picard.

We won't enter into a contract like that, and we certainly have seen a shipper go to a different carrier whom we can only assume did agree to it. If that were regulated, it would certainly help the competitive landscape.

**The Chair:** Okay, thank you very much. We have now run out of time, and I want to thank Mr. Picard and you other gentlemen for joining us by video conference. Thanks very much for your participation in our study.

A point of order, Mr. McGuinty?

**Mr. David McGuinty:** Mr. Chair, I'm wondering if, with the indulgence of all our committee colleagues, we could send our warmest and best wishes for a speedy recovery and good health to our minister.

**The Chair:** Thank you for that, Mr. McGuinty. I know that many of us as colleagues of hers have done that in private, but I think for the committee to do that is a very nice gesture.

**Mr. David McGuinty:** Thank you very much.

**The Chair:** Thank you very much for that. We'll see that that happens.

**Mr. Jeff Watson:** I would be very pleased to take that to the minister.

**The Chair:** Very good.

Okay, thanks again to the witnesses.

The meeting is adjourned.









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