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—
Chair

The Honourable Kevin Sorenson

Standing Committee on Public Accounts

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• (1530)

[English]

The Vice-Chair (Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.)): Good afternoon, everyone.

[Translation]

I am very happy to welcome you to this televised meeting. This is the first time we use this room. We hope everything will go as planned.

This is the 42nd meeting of the Standing Committee on Public Accounts, and we are studying the first of the fall 2016 reports of the Auditor General of Canada, entitled “The Beyond the Border Action Plan.”

From the office of the Auditor General of Canada, we welcome Mr. Michael Ferguson, Auditor General, and Mr. Martin Dompierre, Principal.

From the Department of Public Safety and Emergency Preparedness, we welcome Mr. Malcolm Brown, Deputy Minister, and Ms. Jill Wherrett, Acting Assistant Deputy Minister, Portfolio Affairs and Communications Branch.

[English]

From the Canada Services Border Agency, we have Mr. John Ossowski, president, and Monsieur Martin Bolduc, vice-president, programs branch. From the Royal Canadian Mounted Police, we have Monsieur Gilles Michaud, deputy commissioner, federal policing.

I've taken a peek at all your opening statements, and I'll just let you know that it's me here and not the chairman. Good afternoon, everyone.

Mr. Ferguson, the floor is yours.

Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General of Canada): Madam Chair, thank you for this opportunity to present the results of our fall 2016 report on the beyond the border action plan.

Joining me at the table is Martin Dompierre, principal, who is responsible for the audit.

In December 2011, Canada and the United States released their shared vision for perimeter security and economic competitiveness action plan, better known as the beyond the border action plan. The action plan consisted of 34 initiatives aimed at establishing a long-term partnership between the two countries to enhance security and

accelerate the legitimate flow of people, goods, and services across the border.

We estimated that these initiatives had a total plan spending of over \$1.1 billion, of which approximately \$585 million had been spent as of March 2016.

The audit examined the progress made by departments and agencies in meeting the commitments set out in the action plan and in achieving results toward the intended benefits. We also looked at how Public Safety Canada reported on progress, performance, and costs in their annual reports.

The action plan had 19 initiatives that focused on enhancing security. Of the \$700 million departments and agencies had planned to spend on these initiatives, approximately \$410 million was spent as of March 2016. However, departments and agencies faced challenges in completing a number of the initiatives, and they couldn't demonstrate that they had improved security at Canada's borders.

For example, the entry/exit Initiative is intended to allow the Canada Border Service Agency to track who enters and leaves the country. This initiative, which has a budget of \$121 million, was initially planned to be completed by June 2014. As of March 2016, \$53 million had been spent, but the initiative couldn't be fully implemented without a change in legislation. Until such a change is made, the agency cannot achieve and demonstrate the initiative's security benefits.

[Translation]

We looked at the 15 initiatives that focused on facilitating trade and the legitimate flow of travellers. We found that for trade, some initiatives had not moved forward significantly, were not working as intended, or at low adoption rates.

The Single Window initiative, which is led by the Canada Border Services Agency, provides an example. The initiative was intended to simplify border processes for regulated goods. As of March 2016, almost \$80 million had been spent on Single Window, which had been in place for one year. However, we found that this initiative was being used to process less than 1% of shipments entering Canada.

Another example is the Canada Border Services Agency's initiative to build a system to allow trusted traders to apply only once for both the Canadian and U.S. programs. Through this initiative, the agency aims to double the Canadian program membership. The system was launched in August 2015, but was soon taken off line because it was creating significant problems, including duplicate records. As of March 2016, \$31 million had been spent on this initiative, which had a total budget of \$50 million.

We also found that departments and agencies were experiencing challenges for initiatives focused on travel. In many cases, there were either no performance indicators to measure the intended benefits or no results to report.

● (1535)

For example, Transport Canada was able to implement its border wait-time technology at only one of 14 crossings identified in the action plan. Furthermore, even though the border wait-time technology had been installed at six other crossings before the action plan was released, the Canada Border Services Agency had not assessed whether it had made a difference for travellers or had helped them better manage its operations.

[English]

As mentioned earlier, we examined how progress on the action plan was reported and whether this reporting was complete and accurate. Overall we found that in the "2014-15 Report on the Beyond the Border Action Plan Horizontal Initiative", also known as the horizontal report, Public Safety Canada provided an incomplete and inaccurate picture of progress and costs. In addition, although the report provided information on annual achievements, it didn't convey a consolidated view of progress.

As an example, for the initiative on deploying border wait-time technology, the report stated that seven crossings had been completed. The report didn't mention that six of these crossings had been completed years before the action plan was released. For the shiprider initiative, the report didn't mention that the second main commitment, to expand pilot projects on land, hadn't been started, or that there were no plans to pursue them.

For the initiative on enhancing benefits to trusted trader programs, the report stated that there were 83 new members in the 2014-15 fiscal year, but it didn't mention that the long-term goal was to attract 1,700 new members.

[Translation]

Finally, the Treasury Board of Canada Secretariat did not give departments and agencies specific guidance on costing and measuring program results, which led to different interpretations and inconsistent financial information. We concluded that although departments and agencies met many of their commitments under the action plan, they achieved limited results for the intended benefits. They also had few performance indicators to use in assessing results.

We are pleased to report that all entities have agreed with all of our recommendations and have committed to taking corrective actions.

Madam Chair, this concludes my opening statement. We would be pleased to answer any questions the committee may have.

Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Ferguson.

[English]

From the Department of Public Safety and Emergency Preparedness, Deputy Minister Malcolm Brown.

Mr. Malcolm Brown (Deputy Minister, Department of Public Safety and Emergency Preparedness): Thank you very much, Madam Chair.

[Translation]

Good afternoon.

[English]

I think you've already introduced my colleagues, Jill Wherrett, John Ossowski, Martin Bolduc, and Gilles Michaud.

As members know, Public Safety Canada is one of many working to implement the beyond the border action plan. At the time of its launch, the action plan was a first-of-a-kind horizontal undertaking, involving many federal organizations collaborating with a number of American counterparts.

● (1540)

[Translation]

It is essential that Canada and the United States adopt a coordinated approach to the four broad sectors of the action plan.

[English]

Those four elements include addressing threats early, facilitating trade and travel, coordinating cross-border law enforcement, and enhancing critical infrastructure and cybersecurity.

We've seen progress every year, and I know my CBSA colleagues will speak to the developments before and at the border, and the RCMP will speak to initiatives such as joint law enforcement.

For the Public Safety portfolio, the action plan provided the opportunity to work together to enhance our ability to address threats early, for example, through information sharing in immigration and national security.

Other examples of initiatives led by Public Safety would include improving the resilience of our cross-border critical infrastructure, and more effectively communicating threats and incidents in the area of cybersecurity to our industries.

[Translation]

We continue to build on the collaboration established in the framework of the action plan.

[English]

For example, we are moving forward with the implementation of the pre-clearance agreement through the introduction of legislation last June, and working with the U.S. on the implementation of new sites.

[Translation]

So, with that context in mind, I will speak briefly to our roles and responsibilities, before directly answering the recommendations made by the Auditor General.

[English]

In terms of Public Safety Canada's responsibilities, along with leading the development and implementation of several of the action plan's security and emergency preparedness initiatives, the department played a role in coordinating reporting to Canadians on the action plan on behalf of all departments.

The Privy Council Office was responsible for managing the governance of and coordinating Government of Canada efforts on the action plan, and working with the White House to publish an annual joint implementation report.

Public Safety Canada took on the responsibility of reporting to Canadians through an annual horizontal report, with guidance from the Treasury Board Secretariat on horizontal reporting.

Public Safety Canada, the CBSA, and RCMP play an important role in responding to six of the eight recommendations made by the Auditor General. Of those, two fall under the purview of Public Safety Canada.

[Translation]

Today I will speak about those two recommendations in particular.

[English]

I can speak for the portfolio in saying that the recommendations are welcome, and we are committed to finding more effective ways to report outcomes to Canadians. Specifically, reviewing performance indicators will help us concretely measure the benefits of the action plan and better demonstrate results to Canadians.

[Translation]

I will speak first about my department's response to the recommendations on the presentation of program results.

[English]

As we committed to in our response to the audit, we are reviewing all of Public Safety's initiatives to determine where changes to indicators are needed.

An example of where we will be making changes to our indicators is the regional resiliency assessment program, which evaluates the resiliency of Canada's critical infrastructure assets.

Informed by the AG's recommendations, we have already put in place revised metrics to more clearly communicate benefits by measuring the changes undertaken based on our assessments. I'll note that out of the 12 initiatives we lead, over two-thirds have been completed. That's because many of these had a limited time frame

with specific deliverables, for example, issuing a study of border fees or conducting joint threat assessments.

A number of these initiatives focused on outputs and their contribution to border security objectives.

The Auditor General's feedback will be carefully considered as we move forward with improving Public Safety's performance and reporting approach to meet Treasury Board's new policy on results, and the government's results and delivery agenda.

We will also build on our lessons learned since the action plan's inception, understanding the importance of good indicators to demonstrate results to Canadians. All of this will help us demonstrate results to provide a complete picture of progress to Canadians on all of our initiatives.

With regard to horizontal reporting, and with respect to the recommendations mentioned earlier, Public Safety was responsible for horizontal reporting on the progress of initiatives identified in the action plan. The department coordinates the reporting on spending and performance on behalf of, and with input from, all involved departments and agencies.

This reporting covers activities through the end of the current fiscal year 2016-17 to align with the period covered by the action plan. At this point, the bulk of the 34 initiatives will have met their action plan commitments. The annual horizontal reports on the beyond the border action plan are published as a supplement to Public Safety Canada's departmental performance reports and are available online.

● (1545)

[Translation]

In future we will redouble our efforts to clarify horizontal report presentation, for the benefit of all of those who are a part of the process.

[English]

In fact, we've already started making improvements to ensure more complete reporting and provide greater clarity, beginning with the 2015-16 horizontal report, which we'll publish in the coming months.

For example, rather than simply providing a snapshot of the previous year's progress on each initiative, we are working towards providing a more detailed picture of how each initiative has developed from the start. This includes financial data, such as cumulative spending to date, with an annex containing a breakdown by initiative.

We are also working collaboratively with federal departments and agencies to update the performance measurement framework and to ensure it reflects indicators currently in use. We will also ask beyond the border partners to review their indicators to assess whether each is still relevant or, if needed, to provide new indicators that might be a better fit, with a special focus on strengthening the indicators for intermediate or ultimate outcomes. We will be reinforcing a common costing framework in consultation with central agencies so that all departments and agencies report their accurate and complete financial information in a consistent manner.

Furthermore, we look forward to providing updated instructions during the next horizontal reporting cycle to participating departments and agencies to strengthen their ability to consistently apply common costing.

[Translation]

Due to these changes, Canadians will have a clearer image of each initiative and of the action plan overall.

[English]

In conclusion, we agree that better measurement of the beyond the border action plan's outcomes and clearer reporting will support transparency and help inform Canadians. We agree that Canadians need to see clear results as we move forward in the context of the new results and delivery approach of this government.

I'd be happy to answer any of your questions. Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Brown.

We now go to the Canada Border Services Agency, Mr. Ossowski, president.

Mr. John Ossowski (President, Canada Border Services Agency): Good afternoon, Mr. Chair, members of the committee, as well as the Auditor General. Thank you for the opportunity to appear today.

I am joined by my colleague Martin Bolduc, to whom I might turn for assistance in responding to some of your questions.

[Translation]

I will begin by saying that CBSA agrees with the recommendations from the Auditor General. We take the report seriously and we are determined to address the findings.

[English]

I would like to open by briefly describing the mandate of our agency. We were created 13 years ago in the aftermath of 9/11. Protecting national security, therefore, was bred into our bones, and we undertake this responsibility with utmost seriousness.

As the second largest law enforcement organization in Canada, we hold a dual mandate: preventing the entry of those travellers or goods posing a potential threat, while at the same time facilitating the flow of people and legitimate goods. Each day we process 250,000 travellers, 31,000 highway shipments, 12,000 air cargo shipments, and about 270,000 postal and courier items. Consequently, managing risk daily is fundamental to how we do our business. Our dual role of facilitation and enforcement requires this.

[Translation]

Our frontline officers are critical to delivering our mandate. Indeed, they are the first line of defence—trained professionals, on duty 24 hours a day, every day.

[English]

We operate in a highly complex, ever-changing environment where threats are as diffuse as they are diverse. It is within this complex environment that the significance and scope of the action plan can be appreciated. It set a bold and unprecedented course for a long-term partnership, encompassing a range of areas such as information sharing and privacy, cross-border law enforcement, and expediting legitimate cargo and travel. Based on the premise that threats could be detected early—hence the term “beyond the border”—the action plan's 34 initiatives aimed to enhance our security by identifying high-risk people or goods early in the travel continuum.

Why was this unprecedented? The action plan was multi-faceted, complex, and represented a major shift from a reactive to a proactive approach to border management.

[Translation]

Importantly, it also meant our border officers could be freed up to focus on travellers and activities of unknown or higher risk.

[English]

Our agency led on 10 of the initiatives and supported 12 others.

[Translation]

I will now address our responses to the report's key findings.

[English]

First, the Auditor General found that there were limited performance indicators to show concrete results for initiatives as they relate to security, trade, and travel.

We agree and are already taking action. Last June, we launched a review of key performance indicators supporting the 10 initiatives that we led. This includes examining their outcomes and impacts, as well as reviewing, revising, and developing indicators to more accurately measure the outcomes. Many of the new key performance indicators we identified were submitted to Public Safety Canada to be included in their 2015-16 annual horizontal report on the beyond the border initiatives.

● (1550)

[Translation]

This includes indicators to measure the impact our NEXUS program has on expediting travel for its members, which is, of course, one of the key objectives of the program.

[English]

Under the action plan, we expanded NEXUS lanes and enhanced the program's benefits, so that membership has more than doubled, in excess of 1.4 million people. This means that another 700,000 low-risk travellers are crossing the border faster, supporting economic growth, and allowing border officers to focus on higher risks.

As well, we are developing indicators to track the growing membership in our trusted trader programs better, which makes it faster and easier for low-risk, pre-approved businesses to make cross-border shipments.

We will also enhance trusted trader benefits by installing additional free and secure trade or FAST lanes, which can be used by eligible, trusted traders to clear their goods into Canada with greater speed and certainty. FAST lanes or booths are currently located at Windsor and Sarnia, Ontario. We are on target to open lanes in Fort Erie, Ontario and Pacific Highway, B.C., by this March and eventually at Emerson, Manitoba.

[Translation]

This will allow us to offer FAST at Canada's busiest commercial highway border crossings.

[English]

In addition, we are looking forward to the further collaboration with the United States, as we harmonize some of our trusted trader programs. Harmonization of Canada's partnership in protection program with the U.S.'s customs-trade partnership against terrorism program will eliminate the duplication of efforts in membership application and management, providing time and cost savings to eligible members.

A second finding of the report was that some of the action plan's commercial initiatives were not meeting stakeholder needs as hoped. Two of these were specifically identified. One was our trusted traders programs, which I just noted.

The second was the single window initiative, which aims to reduce the administrative burden on businesses by providing a single electronic window through which they can submit all information required by law and regulation on imports. In turn, we transmit the information to the appropriate department or agency. In this way, we save businesses the trouble of dealing with multiple processes led by multiple actors administering multiple regulations. This initiative eliminates nearly 200 different paper copies for various licences, permits, and certificates that are required for the importation of regulated goods.

[Translation]

It will also improve efficiency at the border as release recommendations can now be made up to 90 days before goods arrive in Canada.

[English]

Our agency agrees that we need to better account for various stakeholder perspectives and to ensure that we are meeting their needs.

Last November, we met with the Border Commercial Consultative Committee regarding an adoption strategy and onboarding plan for the single window initiative. In total, we now have applications for 29 trade chain partners to be certified in the initiative, and five of these trade chain partners are actively testing or going through the certification process.

[Translation]

We will hold workshops with importers and brokers this spring. We will leverage trade association meetings and other direct-to-stakeholder channels to raise awareness. All told, we are confident this outreach will help increase adoption rates.

[English]

Before closing, I wish to emphasize the bigger picture. Thanks to the action plan, collaboration between Canada and the United States has been systematic and interdepartmental at all levels.

The plan has helped to set the ground work for the highest calibre of co-operative border management, supporting jobs and overall economic benefits, and a higher degree of administrative certainty on both sides of the border.

Another example of this cooperation is the bi-national port operations committees that have been established at 20 land ports and eight airports. Among other benefits, these committees formalize Canada-U.S. operational communication, including during critical incidents.

A final example is our commitment to install radio-frequency identification or RFID technology at 22 lanes in eleven ports of entry. As of last month, technology was installed in eight lanes at four land ports and the remaining RFID readers are scheduled to be installed throughout the fiscal year of 2017-18.

[Translation]

The ability to read an electronic chip embedded in certain travel documents before vehicles arrive at the booth improves the security and streamlines traveller processing.

[English]

I hope I've communicated just how dynamic and complex an undertaking the action plan has been. We rose to the challenge, with focused co-operation across multiple departments and with the United States.

In closing, let me reiterate that our agency is committed to delivering results to Canadians. To this end, we will remain focused on adopting solid indicators that demonstrate progress on border management for citizens, stakeholders, and partners.

Thank you and I'll now be pleased to take your questions.

• (1555)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Ossowski.

[Translation]

To conclude, we will hear from Mr. Gilles Michaud, deputy commissioner of the Royal Canadian Mounted Police.

Deputy Commissioner Gilles Michaud (Deputy Commissioner, Federal Policing, Royal Canadian Mounted Police): Good morning, and thank you for the invitation to attend today's meeting to discuss the Auditor General's findings and recommendations regarding the Beyond The Border Action Plan, specifically in relation to the Shiprider program.

[English]

The shiprider program has evolved since its inception more than a decade ago and is a cornerstone for how the RCMP approaches integrated and binational operations with American law enforcement partners.

Enhancements to the shiprider program were a beyond the border commitment. Through this program, the RCMP and select Canadian police services, along with the U.S. Coast Guard, have been working together to enforce the laws on both sides of the border in shared waterways. There are currently over 240 specially trained and cross-designated U.S. and Canadian law enforcement officers. There are now five shiprider teams located in British Columbia and in Ontario. Canadian police partners include the Ontario Provincial Police, Peel Regional Police, and the Niagara Regional Police Service.

[Translation]

These teams are a critical tool in support of ongoing investigations with a binational marine nexus. Specific activities include carrying out on-water intelligence gathering or targeted response to known criminal activity.

[English]

In addition to the shiprider program, considerable efforts have also been placed on the RCMP's two other beyond the border commitments: enhancing binational domain awareness along the border, and implementing an interoperable radio system for law enforcement personnel working in a border environment, specifically between ports of entry.

Through the domain awareness initiative, the RCMP and its American law enforcement partners have created a binational inventory of current technological capabilities along the border. We have also developed a binational common operating picture that has improved response capability to the evolving methods and tactics employed by transnational crime groups. Recently a joint methodology has been selected to prioritize and to address identified known gaps and vulnerabilities.

Ongoing binational cooperation on the domain awareness initiative continues to contribute significantly to the security of our nations. Implementing a binational radio system for Canadian and U.S. law enforcement officers was critical to enabling them to effectively communicate in real time across the border. The system provides a reliable, secure, and legal means to facilitate communication between Canadian and U.S. law enforcement. The RCMP has fully implemented this system.

Now to the findings and recommendations, the 2016 fall report of the Office of the Auditor General of Canada recommended that the RCMP focus on developing performance indicators that clearly measure the security benefits for our beyond the border initiatives, as well as measure and report accurate and reliable results against indicators to assess the security benefits achieved.

[Translation]

The RCMP fully recognizes the need to be fully accountable, transparent and demonstrate results. Steps have been taken to improve performance measurement, not only for our Beyond The Border commitments, but across the RCMP's federal policing program.

[English]

To this end, federal policing is developing a comprehensive performance measurement framework that aims to guide, support, and increase performance measurements across all programs and activities. In addition to the creation of a specific beyond the border logic model and performance measurement framework, links have been made to the RCMP's performance measurement data for the new TBS policy on results performance information profile.

[Translation]

The RCMP has also identified outcomes to be achieved and corresponding indicators to measure and report the benefits for the Beyond The Border commitments the RCMP both leads and for those that it contributes to.

• (1600)

[English]

Specific to the RCMP-led initiatives, we have developed outcomes and indicators that measure the long-term impact of the initiatives. For example, interdictions made as a result of technology—either sensor or camera—will now be tracked, as well as how the activities related to the shiprider program and radio interoperability have contributed to investigations, including seizures made.

Additionally, indicators were developed related to preventing individuals from leveraging the Canada-U.S. border to commit transnational crime, including the number of individuals charged by RCMP border units, as represented by the number of occurrences and percentage of files cleared by the RCMP border units.

To help ensure that the RCMP is able to report accurate and reliable results, baselines and targets have been identified. These will be used to gauge success over time. Where possible, data will be obtained through system-driven sources to ensure accurate and consistent reporting.

I am pleased to report that the RCMP has met its commitment to develop a logic model and performance measurement framework for the RCMP beyond the border initiatives.

Madam Chair and honourable members of the committee, I would like to thank you for inviting the RCMP here today and I would be pleased to answer your questions.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Monsieur Michaud.

We now go to the rounds of questions.

[Translation]

Mr. Lefebvre, you have seven minutes.

Mr. Paul Lefebvre (Sudbury, Lib.): Thank you very much, Madam Chair.

I thank the witnesses for being here today.

First I would like to congratulate you for all of the work you have done to integrate things on the Canadian side and with your American colleagues by the same token. This is a commendable task and it is good to see that it is being done, in light of what happens these days. I want to congratulate you and I hope that the work will continue in that way.

That being said, the report of the Auditor General points to certain issues. It is as though every group had an action plan—the message is clear and emphasized—but nothing is being proposed to measure progress to see if the objectives of the action plan are being met.

I would like to begin with the comments of the Auditor General.

[English]

Mr. Ferguson, when you did your audit, did the departments and agencies tell you why they didn't have any performance indicators in place at the time?

Mr. Michael Ferguson: I'll ask Monsieur Dompierre to perhaps give more details on it, but fundamentally what we found was that a number of the organizations were measuring activities. They had a number of things they said they were going to do and you can see a number of those in the report. They were going to put in place new screening technology or those types of things.

They were measuring whether those activities were done without then indicating how those activities were having an impact on the outcomes related to security or to speeding up travel and trade at the border.

Mr. Martin Dompierre (Principal, Office of the Auditor General of Canada): Logic models were designed by each organization—not to say that nothing existed, but they were not monitored specifically. As indicated, they were more output driven. Indicators are supposed to be intermediate or long-term. That was what we saw.

In some cases some of these indicators were not well designed to show the benefits achieved by these initiatives.

Mr. Paul Lefebvre: Would you have any examples of performance indicators this department should develop to measure the security benefits of their initiatives?

Mr. Martin Dompierre: Not really. We didn't recommend any specific indicators to put in place, but for them to review existing indicators they had or to revisit some of them.

In the report we do mention that at the outset 126 indicators were designed and 57 of those were modified throughout the process.

If you look at the report, in paragraph 1.93 I believe, we indicate that nine of these indicators were well designed to measure the benefit. We didn't make a specific recommendation about the type of indicators. We left it up to them to decide.

Mr. Paul Lefebvre: With respect to the following recommendations, developing “performance indicators that clearly measure the security benefits for the initiatives that they are responsible for”—this was a recommendation by the Auditor General—“and measure and report accurate and reliable results against baselines and targets to be able to assess the security benefits achieved”, you mentioned that you guys and all departments were in the process, Monsieur Michaud. CBSA, RCMP, Transport Canada, and Public Safety all responded with timelines to provide a response to come up with their plan.

I see that the RCMP said they would complete theirs no later than December 2016. Is all of that completed?

D/Commr Gilles Michaud: Yes.

• (1605)

Mr. Paul Lefebvre: Are we able to get a copy?

D/Commr Gilles Michaud: Yes, I definitely can share that with you. I am new in the chair responsible for federal policing, and being exposed to the performance measures and the metrics that have been developed, I don't think we have it 100% right. It's a bit difficult sometimes to be able to measure the impacts at the end of the day.

Mr. Paul Lefebvre: Yes.

D/Commr Gilles Michaud: We are working in that direction. I can definitely share with you our logic model, and also the performance measurement framework we have developed.

Mr. Paul Lefebvre: Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Make sure that it's in both official languages, please.

[Translation]

A/Commr Gilles Michaud: Yes, of course.

I have not been in this position for very long. I have looked at the performance indicators and I am not completely satisfied. It is quite difficult to assess their real effectiveness.

Mr. Paul Lefebvre: Very well.

Is your document in both official languages?

D/Commr Gilles Michaud: Yes.

Mr. Paul Lefebvre: Excellent.

[English]

As for what we requested of Public Safety by December 2017, is that coming along?

Mr. Malcolm Brown: We have no hesitation in committing to sharing the results with the committee.

Mr. Paul Lefebvre: Perfect.

For the CBSA it's the same thing, right, June 2017?

Mr. John Ossowski: That's correct.

Mr. Paul Lefebvre: How many minutes do I have, *madame la présidente*?

The Vice-Chair (Mrs. Alexandra Mendès): You have two more minutes.

Mr. Paul Lefebvre: Thank you.

[Translation]

I would like to go back to the Auditor General's report.

Mr. Ferguson, you referred to Public Safety Canada and to the 2014-2015 horizontal report. You say that the picture presented by the department was incomplete. This is what your report says:

[...] Public Safety Canada provided an incomplete and inaccurate picture of progress and costs. In addition, although the report provided information on annual achievements, it did not convey a consolidated view of progress.

As an example, for the initiative on deploying border wait-time technology, the report stated that seven crossings had been completed. The report did not mention that six crossings had been completed years before the action plan was released. For the Shiprider initiative, the report did not mention that the second main commitment to expand pilot projects on land had not been started, or that there were no plans to pursue them. For the initiative on enhancing benefits to trusted trader programs, the report stated that there were 83 new members in the 2014-2015 fiscal year, but it did not mention that the long-term goal was to attract 1,700 new members.

Mr. Ferguson, is that inaccurate or incomplete? To what extent can we be satisfied with it? Are they misleading Parliament?

Mr. Michael Ferguson: Thank you for the question.

In the course of the audit, we noted certain weaknesses in public reports. It is difficult to explain why. However, we identified those weaknesses. We felt it was important to bring these issues to the attention of members and to Parliament, because these reports have to contain complete, specific and accurate information so that parliamentarians can understand the results of a project like that one.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Ferguson.

[English]

Mr. McColeman, you have seven minutes.

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

Thank you to our witnesses for being here.

As I read the Auditor General's report, I think of your positions in senior management of government. I was in business for many years, 25 to 30 years. If you read a report like this, it's pretty scathing in a lot of ways, in my opinion. What's your reaction?

I ask because, stereotypically, from where I come from, this is exactly what a lot of Canadians believe, namely, that there's inefficient use of our tax dollars. As senior management people, what is your view?

I'll go to the presenters, Mr. Ossowski first.

• (1610)

Mr. John Ossowski: Sure. Thank you for the question.

As the Auditor General noted, initially our focus was on getting this complex list of projects done, so *mea culpa* on that. Certainly, I can tell you, having just started a couple of months ago, there is a renewed focus on bringing these performance indicators into play and putting us in a better spot. However, as the Auditor General also said, performance indicators are sometimes hard. It's not always black and white.

What I was trying to allude to in my remarks is that some of these are to our benefit, in helping us manage risk better, and some of them are clearly for the benefit of the traders or the travellers with whom we're working on these programs. We've certainly made it a commitment. We will have better indicators in place for June 2017, and I look forward to presenting that material to you.

Mr. Phil McColeman: Can I just intervene here? Before we move on, I want to ask you a specific question relating to the first question. I want to drill down a bit on the single window initiative.

The report says: As of March 2016, almost \$80 million had been spent on Single Window, which had been in place for one year. However, we found that this initiative was being used...[by]...less than one percent of shipments entering Canada.

Can you explain why spending \$80 million on a program and showing that kind of result is acceptable?

Mr. John Ossowski: Thank you for the question. I would just say, as I said in my opening remarks, that we have met with the Border Commercial Consultative Committee in terms of an adoption strategy.

Just to help the committee understand, this initiative was at the request of industry. They wanted us to help simplify this process. This will replace 200 pieces of paper in terms of various documents they could be submitting.

Right now, we are still on-boarding one more federal department and some programs, so we're sort of midstream in the initiative. I'm confident that, with strategy we've developed, we will be in good shape by the spring or summer of 2018.

Mr. Phil McColeman: What was the \$80 million spent on?

Mr. John Ossowski: It was spent on the IT systems to link all of this together.

Mr. Phil McColeman: Okay.

Mr. Brown, maybe you would like to go next.

Mr. Malcolm Brown: Sure. I'd be happy to.

I'm not going to try to put words in the Auditor General's mouth, but I think it is worth underlining a couple of things. One, we have work to do on performance indicators. The report has also indicated that the vast majority of initiatives that are part of the beyond the border action plan are completed or near completion. Some have been delayed. So I think the question really is less about whether money has been wasted, but more in terms of showing the impact in terms of projects not being completed and that kind of thing. I think that's where we have work to do.

As recently as the last little while, we were having a conversation even about examples that have been used in the report, about shifting from projects completed—which was done, as my colleague John has described, at the request of industry—to demonstrating how it's having an impact on the paper burden on shippers. In the context of threat assessment, let's demonstrate the impact that this project might have had on the effectiveness of targeting. I think we have to think very differently from how we have in the past as public servants about demonstrating the impact, particularly for initiatives that cut across departments. For those that are within a single department or more confined, I think it's less of a challenge. However, I think you will see significant effort over the next 12 months by departments to do a better job with advice, building on the work of the Auditor General to fill that gap of explaining not just whether a project was done, at the request of the government of the day, but also its impact. That's the challenge.

We count inputs really well; we count outputs better. We don't count and describe outcomes very well. An outcome that might be important to public servants might not be the same outcome that's important to parliamentarians. So I think, frankly, there's going to be a bit of a dialogue.

I think we have opened up a new front of dialogue with the public accounts committee with what you will see over the next 12 months, because I'm sure you will have feedback and say, no, we'd like you to improve in this area or another. So I think it's a work in progress.

The other point I would just underline again is that this was not about \$80 million, for example, being wasted. The projects were done as designed, and now it's about on-boarding. There may be gaps there to get the absolute top value for money, but that's where we need to do the work.

• (1615)

Mr. Phil McColeman: Okay, then I have one follow-up question for you. The Auditor General pointed out a lack of coordination of costing information, with projects not being costed properly, not being scrutinized. Is it your view that there was no waste of the \$685 million, almost \$700 million, spent, or do you think that this amount of money, which is fairly large in most people's books, was spent as effectively as it could be?

Mr. Malcolm Brown: Again, I don't want to put words in the Auditor General's mouth.

Auditor General, correct me if I get this wrong. There was in fact costing on an initiative-by-initiative basis, project by project, within each department. I don't think there's a dispute about that. I think the breakdown was in the way in which it was reported across the initiative, across the 17 or 18 departments. That's where we fell down. We have work to do on that.

I think a review of each of the initiatives would demonstrate that the projects have been delivered in an effective way. Will there be room for improvement? I'm absolutely certain. No human endeavour is ever so perfect as not to have scope for improvement.

I think the challenge for us on the costing issue was in fact—that this is part of the reality of the horizontal initiative—that the guidelines are essentially provided by the Treasury Board Secretariat. We were working off that. The Treasury Board Secretariat and

ourselves, and frankly the Privy Council Office, have work to do. Or, anyone who is in the position of public safety on another cross-cutting initiative like the beyond the border initiative will have to be clearer about what their expectations are and how those are enforced, so there is clout behind recognizing that's not filling our information requirement, as parliamentarians have identified, or as the Auditor General has identified. That's the kind of thing we need to do, in my view.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Brown.

Mr. Christopherson, for seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Madam Chair.

Thank you to our guests.

Mr. Brown, with regard to your comments, just keep in the back of your mind that at the end of my remarks, I'm coming back to where you were.

Mr. Malcolm Brown: Okay.

Mr. David Christopherson: I want to do what may look like we're belabouring something, which is exactly what we are doing. On the issue about data, about data being provided, about its being properly analyzed, we said some months ago, at the urging or guidance of the Auditor General, that this was going to be a priority for this committee, and that going forward we were going to spend a focused amount of time on this. It just happens that the issue in front of us is about all that. I am going to make the case, because we need to underscore it, but I am going to preface it by saying that I am somewhat encouraged by what I'm hearing. But we'll come to that in a minute.

The first remark in the Auditor General's report on page 5, paragraph 1.15, was:

Overall, we found that departments and agencies had not developed performance indicators to assess how initiatives have enhanced security and accelerated the legitimate flow of trade and travel.

And then we go on, and the case gets made very strongly on page 14, paragraph 1.55:

We found that the Agency had not developed performance indicators to measure how the Single Window initiative helps traders.

On page 6, paragraph 1.24, we find this:

However, we found that despite having completed most of the Action Plan commitments related to security, departments and agencies did not have reliable performance indicators in place to measure security benefits for 17 of the 19 initiatives.

On page 8, paragraph 1.30:

However, we found that while the Department had developed performance indicators for information sharing, it had not reported results to show that information sharing had improved immigration and border decision making.

I could go on and on. I'm not going to. I think the point is well made. I do however want to come back to the quote of paragraph 1.55. Again, you'll recall, it started with:

We found that the Agency...

—meaning the Canada Border Services Agency—

...had not developed performance indicators to measure how the Single Window initiative helps traders. Instead, it was measuring and reporting on project deliverables, such as the number of departmental programs that were using the Single Window and the number of forms that have been converted into electronic format. Because it was not measuring traders' use of Single Window, the Agency could not show that this initiative was achieving the expected outcomes....

Now to your comments today, representatives, CBSA, Mr. Ossowski, I liked what you said, namely:

We agree and are already taking action.

We hear that a lot.

Last June, we launched a review of key performance indicators supporting the 10 initiatives that we led. This includes examining their outcomes and impacts, as well as reviewing, revising and developing indicators....

What I really liked was when you said:

This includes indicators to measure the impact our NEXUS program has on expediting travel for its members, which is, of course, one of the key objectives of the program.

Bang on. We had an in camera session with the Auditor General, going through another detailed report about some of our macro approaches. One of the big issues was that things were being measured in terms of being counted, but was that making a difference at the end of the day? So I was pleased with what you had to say. That's very good.

Public safety, that would be Deputy Minister Brown, I was very encouraged by what you said, sir. I think you got it. I particularly liked that you said you see a further engagement with this committee. We do a lot of reports in your area of responsibility, and the fact that you understand that things are shifting a bit and we need to look at things, and that this is going to be an improvement for all of us—that was something I really liked. I hope that...well, I know you meant it, and we'll get the opportunity to see that.

Lastly, as to the RCMP, same thing, I enjoyed the report.

However, here's the thing—and I've probably used up most of my time talking, as I sometimes do, but I get another turn, and you'll get another couple of minutes to jump in and respond—I want to hear from each of you just a little further on how much of a change you think this really is. I liked what Mr. Brown had to say, who can go last so they can't crib his notes, because I think he got it all in one go. I'm not yet convinced that everybody else who's come before us has. But drip, drip, drip, we do this often enough, hard enough, and seriously enough that there will be changes.

On that issue about the amount of shift you see, about doing different indicator reporting and performance analysis, all those kind of things, tell me how you see a brave new world upon us, because we're all going to do things differently.

• (1620)

Mr. John Ossowski: I'll start. Thank you for the question.

As my colleague said, we find the AG's report helpful. The work on performance indicators is challenging. I think the reality is that we'll probably end up having multiple indicators for any one particular program. For example, with NEXUS, it's not about the precise time of how long you were processed at the primary

inspection lane. It's how short the lane was. It's your satisfaction with the overall program—how you apply, how you renew.

I think we have to look at it in a more organic way, and that will take some time. I'm happy to report that we've set up a benefits realization unit to actually start to capture this and look at it in a more organic way. Don't forget, though, there are also benefits to us in how we're managing risk, and that's an important part of the equation as well, as an outcome that represents value for money to Canadians.

Mr. David Christopherson: Excellent. Thank you for that.

The Vice-Chair (Mrs. Alexandra Mendès): You still have a minute.

Mr. David Christopherson: Great.

Let's move to on another one: how about you, Deputy Commissioner?

D/Commr Gilles Michaud: As I mentioned in my opening remarks, this exercise has been very informative for us as to what Canadians expect of us in terms of being accountable and transparent on what we do with the money invested in these specific projects. Hence, this approach for us, when you ask what type of shift this will provoke in us, is to take this and apply it across all the federal policing programs.

So it's not just limited to this but is also about learning from this experience and applying it across the board.

• (1625)

Mr. David Christopherson: Very good. Thank you.

How much time do I have left?

The Vice-Chair (Mrs. Alexandra Mendès): You have 30 seconds.

Mr. David Christopherson: Do you know what? I think Mr. Brown will go on longer than 30 seconds, so I'll give him a little time to marinate his thinking and come back to it in my next round.

Thank you all very much.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Christopherson.

Ms. Shanahan, you have seven minutes.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses who are here with us today. I'll tell you that the thing that struck me, when I was going through the material, was that this was quite a daunting initiative. I'm wondering in how many other areas of government you would have such a wide sweep of an initiative, where you're trying to change something fundamental, horizontally, across such a number of organizations.

So I get it. It's not easy to do. Everyone is in their silos, and then you have to come horizontally. That costing has to be solved. I don't know who can speak to me about that, but I'd like to hear a little bit more about that.

I am also concerned about performance indicators. Perhaps I can do so by talking about a specific example and directing my question to the Canada Border Services Agency on the single window initiative. My riding is Châteauguay—Lacolle, and Lacolle is a pretty big border crossing; I'm just saying. I deal with a lot of vegetable exporters. If those trucks are sitting at the border, that lettuce is rotting, and that's not good for business.

I would like to hear more about your consultation process, because we did deal with some problems in the last year. We got some movement, but I think it will help with constructing performance indicators if that consultation process is improved.

Mr. Bolduc.

Mr. Martin Bolduc (Vice-President, Programs Branch, Canada Border Services Agency): Thank you for the question.

In fact, yes, Lacolle is a fairly significant, large border crossing. In terms of our strategy to onboard more traders, in fact we meet with our border consultative committee twice a year, usually in the spring and the fall. At our last meeting, we engaged in asking them to provide us with their best advice on how we can make this appealing. With the single window, we sort of approached it like the movie *Field of Dreams*: build it and they will come.

Well, it doesn't work that way. We thought we had something very beneficial for traders, but again, if we were not able to present the incentive and the benefit for them, that led to us getting minimal membership. That discussion led to a lot of interest on the part of traders. At the end of the day, what will give the trading community the ability to do it will be to send us electronically all their documents and permits and certificates that they need and to give the CBSA the ability to connect with the departments that are responsible for those goods and be able to confirm and facilitate and expedite the movement of those shipments at the border.

You're right, if you have perishable goods, having them at the border for a few hours delays the time when they get to the main warehouse from where they're distributed to our grocery stores. We are mindful of that and the need to change the approach. Usually in government we have a habit of telling industry, "This is what you need". Well, we're changing that and in fact leveraging industry to tell us what they need.

Mrs. Brenda Shanahan: If I may, I think that's the key. There needs to be more of a consultation. If you can build on that, maybe in the action plan going forward, I think that will be very helpful to us. I did want to ask you about the estimated total costs of the IT investments as well that the traders have to make, that the companies themselves have to make. Have you costed that out?

• (1630)

Mr. Martin Bolduc: It varies from company to company. It depends on the IT modifications they need to make. I'd say most of the larger importers have a way to communicate with us. But again, when we last met with the membership, they told us that accounting for the IT investment at the end of the day, they would be able to make savings, but it would mean fewer human resources...managing permits and certificates, paper copies, and also expediting the movement of those shipments at the border.

Mrs. Brenda Shanahan: So there is some kind of a cost-benefit analysis being done, then.

Mr. Martin Bolduc: When you're dealing with businesses, if they don't get a return on the investment, usually they won't go for it.

Mrs. Brenda Shanahan: That's right: you won't get the uptake. Who can address the question of the costing?

Mr. Brown.

Mr. Malcolm Brown: I can helpfully point you in the direction of the Treasury Board Secretariat, which I think is coming on Tuesday.

The Vice-Chair (Mrs. Alexandra Mendès): It's Wednesday.

Mr. David Christopherson: [*Inaudible—Editor*]

Mr. Malcolm Brown: Yes, kerplunk.

Seriously, this is one of the challenges in managing these kinds of approaches. You asked if there were any other examples, but we can't actually think of one that's as big as this. This really was the first time trying to do something that crossed so many departments; and to be frank, some of us were involved in it and it took a lot of time just talking to people—a single window initiative, for example. It was extraordinary how many different players were involved. The role of the Treasury Board Secretariat in establishing these kinds of standards or guidelines for us is essential. They are involved in our deliberations about thinking through how we would frankly report both horizontally and vertically. It's not straightforward, so it's going to be a challenge, and I don't think we will get it right. It will be better, but I'm not sure it's going to be perfect the first time we take a stab at it.

Mrs. Brenda Shanahan: Thank you very much.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Allow me to suspend for two minutes for some technical issues. We'll be right back.

• (1630)

(Pause)

• (1635)

[*Translation*]

The Vice-Chair (Mrs. Alexandra Mendès): I apologize.

We will go back to the five-minute round.

Mr. Jeneroux, you have the floor.

[*English*]

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, Madam Chair.

Thank you to all of you for being here today.

We know that we've been able to place RCMP officers on coast guard vessels, we have new screening devices at airports, and we have extensive information-sharing programs, but based on what the Auditor General has said we have zero idea if any of this is working. I want to take the approach from our ever-changing relationship with our U.S. counterparts. I'll open this up to everybody.

Do we have any knowledge if the U.S. has set performance indicators and if they are meeting those? Where they've done the work, do we have the opportunity to benefit from it?

Just before I open it up I'll draw your attention to back when this was started. In 2011 there was an article in the *National Post* that indicated, from the reference of one senior official, that "Canadian officials said they were reassured that implementation of the action plan will be run from the White House." Is that an indication that we have the expectation that they would set the bar for a lot of these and that we would then react to it? Do you have any more insight on possibly why that was said?

Mr. Malcolm Brown: I'll start on the general response.

I believe, and I just confirmed this with Jill, that the U.S. doesn't have a similar horizontal reporting tool or device. You'd have to evaluate it silo by silo, and I don't think anyone has, at least that I'm aware of, but I'll let my colleagues drill it down.

Mr. John Ossowski: Unfortunately, I'm not aware of anything on the customs or border protection side that's equivalent to this.

Mr. Matt Jeneroux: Drilling down a bit more, if we set these performance indicators as the Auditor General has suggested, is there any impact on our U.S. counterparts that we should be aware of?

Again, I'm opening it up to everybody. Has this occurred to anybody?

Mr. John Ossowski: As I said earlier, along with our partners in the United States, our initial focus has been just to get the projects going and get them lined up. Obviously there are big differences in terms of our legislative procedures and our whole legislative frameworks. Getting that lined up is quite different.

A good case in point, for example, is pre-clearance. Just before Christmas, they unanimously passed their pre-clearance legislation. Ours is before the House. It's a bit of a stepwise approach as we move forward on these larger framework issues, but not necessarily at the very detailed performance indicator level.

Mr. Matt Jeneroux: Have there been any updates? I believe the Auditor General made reference to a memorandum of understanding between us and the U.S., and also one with the European Union. Do we have any recent update on where we are with that? I understand that financially there doesn't appear to be a holdup. There appears to be a significant amount of money put towards this program that still hasn't been used. However, it appears that it's the memorandum of understanding that is holding the U.S. back from continuing to implement the program. Is there any progress on that?

• (1640)

Mr. John Ossowski: Are you referring to pre-clearance or entry/exit?

Mr. Matt Jeneroux: Yes.

Mr. John Ossowski: In terms of pre-clearance, we started with some pilots that we did just to test some assumptions in terms of how this would work out operationally at a more detailed level. Now we're waiting for the broader legislative framework to be established because, as you're aware, it's a reciprocal agreement in terms of officer powers, and that has to be constitutionally correct in both countries. That's why we need the legislative framework in terms of full implementation.

I'm not sure if you'd like to add to that, Martin.

Mr. Malcolm Brown: I think your point about agreements with the EU is on interactive passenger PNR, which is a different initiative. Our colleagues can lay out the status of those negotiations.

Mr. Martin Bolduc: We have negotiated a new PNR agreement with the European Union. This has been brought before the courts by some of the members. We're still awaiting the decision of the courts as to whether it meets the privacy legislation in the EU.

Mr. Matt Jeneroux: I believe I have 10 seconds, Chair. I'll forfeit them.

The Vice-Chair (Mrs. Alexandra Mendès): Yes. Thank you so much.

We now have Mr. Chen for five minutes. Thank you.

Mr. Shaun Chen (Scarborough North, Lib.): Thank you very much.

First, I would like to thank the departments and agencies, as well as the Auditor General, for being here today at our committee, and in particular for the work they do on behalf of Canadians, to serve Canadians and to ensure that our country's borders are well protected.

The big win that I see coming out of the beyond the border initiative is what I heard underscored by one of the speakers today, that we are really working towards building and strengthening the co-operation between Canada and the U.S. It's incredibly important for us to continue to strengthen that co-operation, to build on the work that our two countries do, and to ensure that open communication is always there, that we are breaking down the walls through dialogue and through working together for our shared interest, be it mutual security or the economic benefit of working closely together.

In the Auditor General's report, we've talked about a number of areas that need improvement, and in light of what we've talked about today, I want to really underscore how I read the comments that were made by the Auditor General today. He said very clearly that we could not show how security has improved. That is not to say that security has not improved. The Auditor General said that there are no reliable performance indicators. That is not to say that there aren't some that are working and indicating performance.

I want to continue on what my colleague Ms. Shanahan referred to in terms of the cross-co-operation between the departments and agencies. I feel that there are consultative processes that are occurring and performance indicators that are being developed, and my big worry is that what is missing is a big-picture overall strategy. To me, those performance indicators are built upon the strategic goals of improving the way our businesses are able to work across borders, improving the flow of travellers across the 49th parallel.

My question is for the departments and agencies. Do you feel that you are left working in silos? Do you feel there is a better way? I know we are meeting with Treasury Board Secretariat folks in the coming weeks. Can you comment on the challenges you face with respect to that connectedness that needs to happen in order for all of us to ensure that those goals are met? I leave it open to anyone.

• (1645)

Mr. Malcolm Brown: I'll take a stab at it. I think you're asking a pretty fundamental question. We work in a Westminster model, where ministers are accountable to the House, appropriately, and accounting officers to parliamentarians, for the operation of their individual departments. Cutting across that is this horizontal initiative, and how you pull those two together. I think it is a very complicated question. I do think that if you were to ask any of the people at this table, they would say we are all getting better at working horizontally. There is now almost no issue that doesn't have at least some degree of.... You're bumping up against somebody, and the days of ignoring them are over. You actually have to find a way to work collaboratively.

For the purposes of things like the work of the Auditor General and informing Canadians about these things, I do think these are big challenges, and this report demonstrates where some of the gaps are. I don't think it's a lack of will. It's developing the muscles and the tools to be able to do it effectively, and you're seeing the sausage being made, if I could put it that way. It isn't always pretty.

The Vice-Chair (Mrs. Alexandra Mendès): You have 10 seconds left.

Thank you.

Okay, Mr. Hoback, you have five minutes. Thank you.

Mr. Randy Hoback (Prince Albert, CPC): Thank you.

Mr. Chen, I think you pointed out correctly that if you don't have the indicators, you can't see whether it was effective or not. You really just don't know; you don't have the answers. That leads to my first question.

What were you using for decision-making indicators in that scenario? If you didn't have the appropriate models in place, how did

you know a management decision should be undertaken or not? What would you utilize?

Mr. Malcolm Brown: I can take a stab at that.

If you're really asking why these initiatives were selected, it was a product of a negotiation between Canada and the United States at the time, led by the highest levels of both governments. Frankly, listening to stakeholders, a lot of consultation done at the time in terms of hearing from stakeholders and the private sector, in terms of the kinds of things we would be interested in seeing—

Mr. Randy Hoback: So these stakeholders are happy with what they're seeing so far? They're involved in the process then of implementing some of—

Mr. Malcolm Brown: I think a good example is what John has given you, a single window. It's a good idea in concept, something they were looking for. The implementation of it has been done. The take-up hasn't. Why? I think our friends at CBSA have described it.

I think in other instances, the system is working, and the challenge is demonstrating how it's working more effectively. Certainly, I think in the interactions we've had with most stakeholders, they are generally pleased that the beyond the border action plan was agreed to, and it has been, and it's being implemented.

Mr. Randy Hoback: It's fair to say then that the stakeholders are appreciating the general direction you're going in. The Auditor General is signalling some value issues here for sure. I look at it, and one of my concerns right off the bat is that I see an estimate of \$1.1 billion to be spent, and only \$585 million being spent. Is that because there's more time to implement the program or because you really didn't have an idea of how much you were going to require and you just didn't know where to pull that number from in the air to put it into place?

Mr. Malcolm Brown: Generally, it was the time to implementation. These are well-costed and go through the process of Treasury Board, etc. You can ask colleagues—

Mr. Randy Hoback: But it is the first time you've broken down the silo, so I can understand if there is discrepancy. I wouldn't expect it to be bang on the dollar, but—

Mr. Malcolm Brown: It's pretty close. The delay in the implementation of things that are outside the scope of a particular department, or even the initiative across the board because of questions like... My colleague was talking about pre-clearance. There's been a delay there in part because of complicated issues around allowing officers to work in both countries, for example, and the requirement for legislation.

Mr. Randy Hoback: Legislation holds you back, and then once that's in place, you can move forward.

Is it fair to say the U.S. outcomes on this project are equal to the Canadian outcomes and what we want to see at the end of the day?

Mr. Malcolm Brown: I wouldn't want to hazard a guess on their behalf.

Mr. Randy Hoback: When you start looking at these models now and you're putting them in place to look at the effectiveness of the programs you're now offering, are you doing this in such a way that you can make those management decisions? Are we doing it in such a way that it just allows the Auditor General to feel comfortable with what you're doing? Can it be the same, or are they different?

Mr. Malcolm Brown: I'll speak for myself.

We make management decisions all the time. Any additional information that you can bring to the conversation that gives you a better-informed decision, you're making a better—

Mr. Randy Hoback: But if you're spending a pile of money to create a model that's only satisfying one group, and you don't necessarily use that data for anything else, is that cost effective?

Mr. Malcolm Brown: It depends on how big the project is.

That's a very good question. We were debating just this morning in terms of what the cut-off point is between dozens—my words, nobody else's—of individual indicators that take time and money to develop versus one or two that could cut across. But the problem then is causality, because all of these were supposed to support security. How do you measure security? So we have to drill down a couple of layers.

You will see the product of our work collectively, and all the other departments', over the course of the year, and you'll have an opportunity to tell us how short of the mark we have fallen. I suspect the Auditor General will do the same.

• (1650)

Mr. Randy Hoback: Mr. Christopherson and I just had a conversation on the side about NEXUS cards. When there's a big lineup, I love my NEXUS card, but I can't quantify that for you; I can't tell that to you. Yet, if there's a small lineup, you wouldn't necessarily see the benefit. I look at that in the same way as I do at border crossings. When you have a huge lineup, and you have a NEXUS card, and you get to go along the side and pass three hours worth of wait, I can see the benefit, but how do I quantify that? How do I put that into a number that extracts value? How do I say to you guys that having that extra hour and a half to travel and not waiting at the border saved me \$100,000? Again, I can't do that, and there's no way to find that out. I can definitely see your issues there in how to put that model in place.

You're six years into communications or technologies. How do you know that the technology you have now is still current and still the best of the best? It's already starting to be six years old with lots of changes. How do you keep that up to date, and how do you keep improving that?

Mr. John Ossowski: There are individual technologies that have been in place for some time, and they're reliable, and that's why we use them. There are other ones that are more recent. Some of the biometric stuff on the NEXUS card, for example, is more recent. We're trying to have a consistent approach with that and harmonizing with the United States, where we're both using the same technology, so it's very clear and consistent. I have had no indication there's an issue with the technology. Obviously there will be refreshes as they

go through. There's always a life cycle to these things, and we account for that in the plan. I've heard no concerns about anything not being up to snuff.

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Arya for five minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Mr. Brown, while answering a question, you mentioned that the question is not about monies wasted. In this committee we have seen Shared Services Canada. I'm sure we are going to see the Phoenix system, quite a big project, and we'll see how much money was wasted there.

You also mentioned that some of the factors that have delayed the spending are outside the scope of a department. However, the entry/exit initiative that was scheduled to be completed by June 2014 has not been done. You have spent \$53 million there, and the Auditor General says that it could not be implemented without a change in legislation. That is certainly not outside the scope. It's somewhere with the government or with the department.

What is the status of that?

Mr. Malcolm Brown: I'll answer very briefly and then let my colleagues who are responsible for the initiative continue. The legislation has been introduced. There have been elements of it that have been implemented. It has not been completed, but there have been elements that have been implemented. There's lots of work that's been done and can be demonstrated.

Mr. John Ossowski: It has been going for a while with respect to foreign nationals and permanent residents. The next stage in having all travellers as a part of the system is something that we had to wait for, because we needed the enabling legislation. There was a change in government during that time as well, so it's taken some time.

• (1655)

Mr. Chandra Arya: When do you expect it to be completed?

Mr. John Ossowski: We need the legislation to be passed, so we're in this pause right now waiting for the final bill to be approved by the government, and then—

Mr. Malcolm Brown: It's actually up to parliamentarians.

Mr. Chandra Arya: On the Border Services Agency's trusted traveller initiative, the Auditor General says it was launched in August 2015 but was soon taken offline because it was creating significant problems. You have spent \$31 million on this initiative out of \$50 million.

What is the current status of that?

Mr. John Ossowski: We're currently waiting for the United States Customs and Border Protection agency to do a systems upgrade, which will allow for the harmonization of the system.

Mr. Chandra Arya: Until they do that, the investments we have made are not leading to results.

Mr. John Ossowski: That's correct.

Mr. Chandra Arya: With regard to NEXUS once again, have the recent changes in the U.S. administration and their executive orders affected the program in any way?

Mr. John Ossowski: As you've seen in the reporting on that, there have been some issues, but this is a very dynamic environment right now with respect to that small subset that was identified in the executive order. We'll watch the different court cases unfold and see where it ends up, but from our perspective, it's status quo on the Canadian side.

Mr. Chandra Arya: Your agency and the RCMP, and many other agencies, require close co-operation working with your counterparts in the U.S.

Mr. John Ossowski: Yes.

Mr. Chandra Arya: Have you noticed any changes in the last couple of months?

Mr. Martin Bolduc: We work daily with our colleagues at USCBP, and we haven't seen any changes. They're still engaged, and we have a common goal of protecting the border.

D/Commr Gilles Michaud: It's the same at our end. There are no changes at all.

Mr. Chandra Arya: Do you expect any changes or are you making any contingency plans?

Mr. John Ossowski: No. For us it's business as usual.

D/Commr Gilles Michaud: No.

Mr. Chandra Arya: That's good.

The Vice-Chair (Mrs. Alexandra Mendès): You still have a minute.

Mr. Chandra Arya: Overall, Mr. Brown, the Auditor General said that departments and agencies face challenges in completing a number of initiatives, and they could not demonstrate that they had improved security at Canada's borders. When do you think all of these initiatives will get completely implemented? Then you can say to us, "Look. We have achieved what we aimed at."

Mr. Malcolm Brown: Since some of those decisions are certainly outside of my remit, and some of them are legislative, I'm not going to presume when Parliament's going to deal with the entry/exit legislation or the preclearance legislation, for example.

The objective for public servants is to have the initiative completed by 2016-17. That's when the initiative is supposed to come to an end. In terms of demonstrating to Canadians more effectively the impact and results, I hope we have progress to show you when we present our revised performance frameworks.

Mr. Chandra Arya: You mentioned Parliament and the legislation twice. That's the only piece that I see that affects \$70 million of the \$1.1 billion. Is there anything else that is being affected due to the legislation not being passed?

Mr. Malcolm Brown: I guess I would say it would be negotiations with the EU. There may be others. I don't have a comprehensive list.

Mr. Chandra Arya: Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Christopherson, it's your turn again.

Mr. David Christopherson: Great. Thank you, Chair.

To pick up where I was, I will come back to Mr. Brown, but I have just a quick comment.

I know there are Treasury Board folks here today. They know that Wednesday is not going to be a good day for them. It will be interesting to see how that goes, because simple answers are not going to suffice. We're going to want some pretty exhaustive responses to these issues, because a lot of them go right back to them.

The other thing I wanted to say was that I really like what we're hearing. I will give Mr. Brown a chance to close off my questioning, because I really liked what he said about the engagement and the ongoing aspect of it.

The issue of "one and done" is something we've dealt with many times here, the idea that as long as people can get through the public hearing, they're safe—one and done—and they don't ever have to worry about it again. We have measures in place to make sure that's not quite so easy to do anymore, and they're beginning to understand that.

One of the things we should state is the possibility that if everybody suddenly has gotten religion on this and is coming in saying all the right things, then it behooves us to then ask the Auditor General to go back in or to put in our own requirements for responses to see how they're doing, to make sure that it's not just words, and then separate out those who have not yet drunk the Kool-Aid that we want them to drink from those who have, those who are only saying they did and are not actually making changes.

This is serious stuff. This committee is not going anywhere until the next election. We're going to be continuing to pursue this issue of data and of making sure that it's collected properly, that it's up to date, and that it's analyzed in a way that actually improves things. We're going to be like a dog with a bone on this going forward.

That being said, Mr. Brown, I give you the opportunity to close off my remarks.

● (1700)

Mr. Malcolm Brown: That's quite a tall order, sir.

Briefly, the proof will be in the pudding. Second, I think the point of a dialogue is that while I think the Auditor General would be pleased if we got it completely right the first time, I don't think he expects us to. I think we all expect the OAG to pay us a visit in the years ahead on this. I don't think anyone is under any illusions.

I think that at least three of us—and I won't speak for the other departments that aren't here—are in the cycle of appointment and we are fully aware that we can expect to be back here talking about these kinds of things.

He's newer than I am. I've been on the job for eight or nine months, and you've been on the job for only two or three, right?

Mr. Michael Ferguson: Yes.

Mr. Malcolm Brown: I think we expect or fully understand that we will be back here talking about these things.

I also think that we fully expect that you will find shortcomings. I have been thinking about outcome measurement for a long time. This is very tough stuff. Part of it is getting started and trying it and improving it as you go along. I think this was an effort. The horizontal report was unusual. There were challenges. The AG has identified them, and we have lots to work with to improve it.

Mr. David Christopherson: Very good. Thank you.

Thank you, Chair.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Maloney, you have five minutes.

Mr. James Maloney (Etobicoke—Lakeshore, Lib.): Thank you, Madam Chair.

Mr. Brown, to pick up on your point about the cycle of appointments, I've only been involved with this committee for slightly over an hour. I'm new to this issue, but I'm intrigued by some of the things I've heard today, so forgive me if some of my questions are too basic.

I want to ask some questions about the trusted trader program. I'm familiar with the NEXUS program, but I'd like to know specifically how the trusted trader program works. Is it done by businesses or by industry, for starters? If I'm a trucking company in Mississauga and I'm shipping freight across the border on a regular basis, one day I may be shipping widgets, the next day something completely different, is the criteria for approval and membership in the program determined on my credibility, or is there some measure with respect to the product I may be carrying from time to time?

Mr. Martin Bolduc: If I may, thank you for the question.

It's about ensuring security of all the trade-chain partners, the importer, the trucking company, and the driver in the cab. Once we have vetted all of those, then you get access to the expedited lane. When we make reference to a FAST driver, it's the equivalent, if you will, of our NEXUS program. The person has been vetted by us. That's the whole chain, if you want.

Mr. James Maloney: So it's gauged by the cargo as well as the organization.

Mr. Martin Bolduc: The importer.

Mr. James Maloney: Okay.

Mr. Martin Bolduc: Not necessarily by the cargo.

Mr. James Maloney: Okay, but does the carrier also have to be part of the program—

Mr. Martin Bolduc: Yes.

Mr. James Maloney: —as well as who is responsible for the cargo?

Mr. Martin Bolduc: Yes, exactly.

Mr. James Maloney: Okay.

Do you need, then, corresponding approval on the U.S. side? A lot of these trucking companies use that example. They're picking up loads and taking them to the States, and to make it more profitable, they'll try to pick up a load on the other side to bring back.

I assume there's a similar process on the American side.

•(1705)

Mr. Martin Bolduc: Exactly.

Mr. James Maloney: Okay, so they'd have to know that on both ends—

Mr. Martin Bolduc: Maybe to use an example, with regard to a truck carrying auto parts at the Windsor border, the same parts can cross the border seven times between the two countries.

Mr. James Maloney: All right.

Then in terms of the evaluation criteria, it's low risk. What's the definition of low risk?

Mr. Martin Bolduc: Low risk is good character, no previous border related offence, no derog—

Mr. James Maloney: Derogatory.

[*Translation*]

Mr. Martin Bolduc: Thank you. Some words in English are harder to pronounce than others.

[*English*]

Sorry about that.

The Acting Chair (Mr. James Maloney): That's okay.

Mr. Martin Bolduc: So if there's no adverse information, the approval is given.

Mr. James Maloney: Would drivers for individual companies, for example, have to be pre-approved in addition to the company itself?

Mr. Martin Bolduc: Yes.

Mr. James Maloney: Okay.

I see in the briefing note of the introductory remarks that there's a number of lanes going to be opened up. I assume that the corresponding lanes on the U.S. side, in Fort Erie, for example, will be ready to go at the same time.

Mr. Martin Bolduc: I wouldn't have the numbers on the lanes on the U.S. side. It's something I could provide to the committee, if needed.

Mr. James Maloney: Okay.

Is there a scenario in which an entry lane from Canada to the U.S. would be available, but not coming back through the same border?

Mr. Martin Bolduc: Again, I would have to confirm.

If I use the example of a NEXUS lane, usually they're available on both sides. That's the benefit of being a NEXUS member.

Mr. James Maloney: Okay.

I don't think I have much time left.

The Vice-Chair (Mrs. Alexandra Mendès): You have half a minute.

Mr. James Maloney: With regard to the approval process, have you had feedback from the people who are part of it already to see how effective it is from their perspective?

Mr. Martin Bolduc: No, not specifically for the FAST program. We hear a lot of good positive feedback on the NEXUS program. Again, the application is—

Mr. James Maloney: Including from me, just for the record.

Voices: Oh, oh!

Mr. Martin Bolduc: Okay.

It's a joint program. CBSA does its own assessment. USCBP does a separate assessment. If the two organizations give a green light, then you are deemed trusted and you get your membership into the program. FAST works on a similar basis.

Mr. James Maloney: Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. McColeman, you have five minutes.

Mr. Phil McColeman: Going back to the example of the single window, it's stated in the report that you've accepted the recommendation of the Auditor General and that there will be certain actions going forward. My questions relate to that.

How well does CBSA modify its consultation process to ensure that the trusted trader program will meet stakeholders' businesses needs?

Mr. John Ossowski: As I said previously, and as I think my colleague said as well, we meet with them twice a year. At the most recent meeting, in November, we had agreement on an adoption strategy.

We're still onboarding our federal partners and programs to make sure that the system is complete. Several of them are going through the certification process and putting in their systems so we can talk to each other. We're going to be monitoring this very closely and, as I said in my comments, I believe that we'll have full, or pretty close to full, adoption by the spring of 2018.

Mr. Phil McColeman: What are the IT investment costs for a business?

Mr. John Ossowski: I don't have that information.

Mr. Phil McColeman: So you have no idea what a business would have to invest to be part of the program?

Mr. John Ossowski: Do you have anything more to—

Mr. Martin Bolduc: If I may.... Again, it's very difficult to get a precise number. I answered a similar question. It depends on the IT infrastructure of the companies, but the feedback we got is that the potential savings for them made the investment worthwhile from their perspective.

I have been at the CBSA for 28 years—there's a ton of paper, I can tell you that. They see moving away from managing paper and leveraging the IT infrastructure as a big benefit, as well as expediting cargo at the border.

Mr. Phil McColeman: It would seem to me that if I were a business person, I would do the evaluation of what the costs were

versus whether it was worth doing. If you're going to be setting out your performance standards based on how business-friendly this is, if I can use that term, you may want to drill down and find out the kind of investments that small-, medium-, and large-scale users of the program have to make going forward.

One of my notes to self has been, as Mr. Christopherson said, to ask you on a return visit how the percentage increase has gone from 1% usage today—if that's the number that's appropriate today because maybe it's grown since this report was done—to a much larger percentage as a result of the Auditor General's work here.

In that regard, as well, I might as well put on the table that one of the things I'll be interested in as a follow-up is what your performance standards are, what you've developed. What the Auditor General has given you is a clear indication that those things must be developed. As you go forward with that, I'll be very interested in hearing back, either, Madam Chair, through you, to receive the report of the witnesses today, or to have them back to present the report, to present the results going forward. Really, our work as a committee, in my view, and I believe in the view of a lot of the members around the table, is to do thorough and due diligence in our jobs of making sure that when the Auditor General does give you these things, they are executed and do change business behaviour or cultural behaviour in your organizations, leading to better service for Canadians. I think that's our job.

I'll end it with that, Madam Chair, and yield my time to another member.

• (1710)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you. I think that's it. Does anybody else want—

Mrs. Brenda Shanahan: We don't have Transport Canada with us.

The Vice-Chair (Mrs. Alexandra Mendès): That'll be on Wednesday.

Mrs. Brenda Shanahan: Okay.

The Vice-Chair (Mrs. Alexandra Mendès): If I may, I would just like to thank you all for your presence today.

[*Translation*]

I think we all agree. It is very clear from our conversations, in the wake of the report produced last fall by the Auditor General, that the services provided to Canadians are our primary concern. Indeed, one day we will be judged on the basis of what we will have delivered as elected representatives. That is why that we would like to see you again, in order to determine what progress has been made.

I thank you for offering to submit all of that documentation. This will allow us to continue our review.

[*English*]

Thank you so very much, and we'll see you on Wednesday.

The meeting is adjourned.

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