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# Standing Committee on Public Accounts

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Chair: Mrs. Kelly Block





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• (1105)

[*English*]

**The Chair (Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC)):** I call this meeting to order.

Welcome, colleagues, to meeting number five of the Standing Committee on Public Accounts. The committee is meeting in public and is being televised today. I would like to save half an hour at the end of our meeting to discuss committee business.

As you are aware, the subcommittee on agenda and procedure met Tuesday evening, and you should have all received a copy of the subcommittee's draft report. I'd also like to advise the committee that after the constituency week next week, we will be able to sit twice a week. Our next meeting will be Tuesday, November 17.

Pursuant to Standing Order 108(3)(g), the committee is meeting today to study report 1, "Follow-up Audit on the Transportation of Dangerous Goods", of the 2020 fall reports of the commissioner of the environment and sustainable development.

Today's meeting is taking place in a hybrid format, pursuant to the House order of September 23, 2020. The proceedings will be made available via the House of Commons website. The the webcast will always show the person speaking rather than the entire the committee.

To ensure an orderly meeting, I would like to outline a few rules.

You may speak in the official language of your choice. Interpretation services are available for this meeting. You have the choice, at the bottom of your screen, of either the floor, English or French.

For those participating via Zoom, before speaking, click on the microphone icon to activate your own mike. When you are done speaking, please put your mike on mute to minimize any interference. Should members need to request the floor outside of the time that has been given to them by me, you should activate your mike and state that you have a point of order. If a member wishes to intervene on a point of order that has been raised by another member, you should use the "raise hand" function. This will signal to me, your chair, that you have an interest to speak and then I can create a speakers list. In order to do so, you should click on "participants" at the bottom of the screen. When the list pops up you will see, next to your name, that you can click "raise hand". This function creates a list of speakers.

Unless there are exceptional circumstances, the use of headsets with a boom microphone provided by the House of Commons is

mandatory for everyone participating remotely who needs to speak. Of course, if any technical challenges arise, please advise me.

I'd now like to welcome our witnesses.

Joining us today, from the Office of the Auditor General, are Andrew Hayes, deputy auditor general and interim commissioner of the environment and sustainable development; Francis Michaud, director; and Kimberley Leach, principal.

From the Canadian Energy Regulator, I would like to welcome Gitane De Silva, chief executive officer; and Sandy Lapointe, executive vice-president, regulatory.

From Transport Canada, we have Michael Keenan, deputy minister; Aaron McCrorie, associate assistant deputy minister, safety and security; and Benoit Turcotte, director general, transportation of dangerous goods.

To our witnesses, you will have five minutes to make your opening statements.

We'll begin with Mr. Hayes.

You have the floor, Mr. Hayes.

[*Translation*]

**Mr. Andrew Hayes (Deputy Auditor General and Interim Commissioner of the Environment and Sustainable Development, Office of the Auditor General):** Madam Chair, thank you for this opportunity to discuss our follow-up report on the transportation of dangerous goods, which was tabled in Parliament on October 27.

Joining me today are Kim Leach, the principal responsible for the audit, and Francis Michaud, who was on the audit team.

Dangerous goods are solids, liquids, or gases that when spilled or released have the potential to harm the health of Canadians and other living organisms, property, or the environment. Examples include crude oil and petroleum products, toxic and explosive gases, flammable and infectious substances, radioactive materials and corrosive chemicals. These goods play a key part in Canada's economy and society.

They are transported throughout Canada by rail, road, ship, air and pipeline. Spills and releases of dangerous goods can happen with any mode of transportation, and accidents can have tragic consequences. Therefore, these goods require special protection to ensure their safe transportation.

It is the job of Transport Canada to monitor and enforce transporters' compliance with laws and standards that are met to ensure that dangerous goods are transported safely. It conducts inspections at rail, marine, road and air facilities and buildings where dangerous goods are manufactured, stored, or received.

Another of Transport Canada's oversight functions is reviewing and approving emergency response assistance plans prepared by companies transporting dangerous goods. The Canada Energy Regulator, formerly the National Energy Board, plays a similar role by overseeing federally regulated oil and gas pipelines.

Our recent audit followed up on specific recommendations from the audits focusing on the transportation of dangerous goods that we completed in 2011 and 2015. The audit also focused on whether the organizations followed up with companies that had contravened regulations to ensure the companies returned to compliance, among other things.

• (1110)

[English]

Overall, we found that since our 2011 audit, Transport Canada had made some improvements in the areas we followed up on. For example, it strengthened some of its policies, procedures, systems and guidance.

However, Transport Canada has more progress to make to address the problems we identified to support the safe transportation of dangerous goods. We found the department still had not followed up to ensure that companies addressed the violations identified through inspections. For example, the department had not verified that companies took corrective action on 30% of the violations we looked at.

In addition, the department had not given final approval to many emergency response assistance plans. These plans outline what is to be done to respond if dangerous goods that endanger, or could endanger, public safety are released while being handled or transported. These plans must demonstrate that specialized personnel and equipment are available in a timely manner to help first responders, such as firefighters.

We found that approximately one quarter of the plans had not received final approval, some of which had had interim approval for more than 10 years.

We also found that, although Transport Canada had developed and implemented a national risk-based system to prioritize its inspections, the underlying data was incomplete and outdated. For example, almost one third of the sites included in the national inspection plan for the 2018-19 fiscal year turned out to be closed, had moved, were duplicates or may no longer have been involved in the transportation of dangerous goods.

In other words, at the time of our audit, Transport Canada did not have a clear picture of the community that it regulates or of the

compliance status. As this committee knows, data quality has been a common theme in our performance audit reports across government. Good quality data is needed for good quality decisions.

We made five recommendations to Transport Canada and the department agreed with all of them. In its response the department included specific timelines.

With respect to pipelines, we found that since 2015 the Canada Energy Regulator had largely implemented the three recommendations that we followed up on and improved its oversight of companies that build and operate pipelines. For example—

**The Chair:** Mr. Hayes, I'm so sorry to interrupt, but you're past your five minutes. Would you bring your remarks to a conclusion and then perhaps our members can pick up where you leave off.

**Mr. Andrew Hayes:** Absolutely. Thank you, Madam Chair.

I'll finish by saying that we made some observations and a recommendation for the Canada Energy Regulator to improve the way it documents its analysis of pipeline approval conditions and the regulator agreed with our recommendation.

This concludes my opening remarks. We would be pleased to answer any questions that the committee may have.

Thank you.

**The Chair:** Thank you very much, Mr. Hayes. I know we're trying to squeeze a lot of information into a very short period of time.

Ms. De Silva, we will now move to you for your five minutes.

**Ms. Gitane De Silva (Chief Executive Officer, Canadian Energy Regulator):** Thank you, Madam Chair.

Good morning. Thank you for inviting us to join you today.

My name is Gitane De Silva and I am the chief executive officer of the Canada Energy Regulator, or the CER. It's an honour to appear here today on behalf of this organization. I am joined by Sandy Lapointe, the CER's executive vice-president, regulatory.

I first want to acknowledge that I am speaking to you from the traditional territories of the people of the Treaty Seven Region in southern Alberta, which include the Blackfoot Confederacy, comprising the Siksika, Piikani and Kainai First Nations; the Tsuut'ina First Nation and the Stoney Nakoda, including the Chiniki, Bears paw and Wesley First Nations.

The city of Calgary is also home to Métis Nation of Alberta, region 3.

• (1115)

[*Translation*]

The Canada Energy Regulator is a new organization that takes a modern approach to energy regulation. Our governing legislation was passed only last year. The CER itself came into being about 15 months ago, replacing the former National Energy—

[*English*]

**The Chair:** I'm sorry.

Madam Clerk, we seem to be hearing both the English and the French translation at the same time. They're covering each other. I am on the English translation.

**Mr. Lloyd Longfield (Guelph, Lib.):** Maybe Madam De Silva needs to go to the language of her choice.

**Ms. Gitane De Silva:** Yes, I've switched to French now.

**The Chair:** Thank you very much, Madam De Silva. You may proceed.

[*Translation*]

**Ms. Gitane De Silva:** Thank you. I apologize.

The CER itself came into being about 15 months ago, replacing the former National Energy Board. I'm new too. I started in this position last summer.

My job is to lead the CER forward with a new strategic plan, new mission and vision, as well as with four core responsibilities, which are safety and environmental oversight, energy adjudication, energy information, and engagement.

I am also focused on delivering the CER's four new strategic priorities, which include reconciliation, data and digital innovation, enhancing Canada's global competitiveness, and building the trust and confidence of Canadians in the CER.

[*English*]

The mandate of the CER is to regulate infrastructure to ensure safe and efficient delivery of energy to Canada and the world, protect the environment, respect the rights of indigenous peoples and provide timely and relevant energy information and analysis.

I'd like to begin by stating that safety is the CER's absolute priority. Our commitment to keeping people safe is at the core of who we are and what we do. As many of you have likely heard, sadly, there was a tragic incident resulting in a worker fatality last week at a Trans Mountain pipeline work site near Edmonton. On behalf of the CER, I extend my deepest sympathies to the family and all those affected by this tragedy. This is a truly heartbreaking event and a loss no family should suffer.

I would like to share with the members of this standing committee what the CER has done following this tragedy. Work at this site was halted, and two CER safety specialists were immediately sent to the site. Their role was to provide oversight of the respective investigations of the company and the contractor and to conduct an assessment of risk and non-compliance.

Last Friday the CER issued an inspection officer order to Trans Mountain regarding the incident. As the regulator, we share, along

with provincial authorities, responsibility for overseeing occupational health and safety measures for the Trans Mountain expansion project. The lessons learned from this investigation will be used to prevent other tragedies in the future.

[*Translation*]

Now, turning to the Office of the Auditor General's release of its follow-up audit on the transportation of dangerous goods. The audit focused on the extent to which the CER and Transport Canada followed up on recommendations from the Commissioner of the Environment and Sustainable Development's 2015 audit focusing on the transportation of dangerous goods.

As Canada's national energy regulator, the CER welcomes this audit, as it verifies that the systems the former NEB implemented in its response to the 2015 audit are in place.

The 2015 audit put the organization on a path to identify what was important and to up its game.

[*English*]

I am pleased that, overall, the OAG found that the CER has largely implemented the recommendations from the last audit and that we have improved our oversight of companies that build and operate pipelines. More specifically, they commended the CER's operations regulatory compliance application, or ORCA system, that is used to track and document compliance oversight activities. The OAG also noted that we have improved our follow-up measures to make sure companies take corrective actions to address any non-compliance activities.

The OAG did have one recommendation relating to how the CER documents the analysis of filings for the approval of conditions. The OAG recommended that "the Canada Energy Regulator should ensure that it has documented its analysis of companies' submissions about how pipeline approval conditions have been satisfied". The CER agrees with the OAG's recommendation.

We are taking steps to address the OAG's finding and to implement corrective action by the end of 2020. Specifically, we will ensure that the correct documentation is added by updating the guidance to our staff and the systems that we operate.

I would like to thank you for giving me the opportunity to come before you today to speak about the work of the CER. We are committed to continual improvement, and we will always take on board any measures—like this audit—that can help us become a better regulator.

Before I wrap up, I would like to thank the CER staff, who worked so hard on this audit. Their professionalism and passion are greatly appreciated.

I look forward to your questions.

Thank you.

• (1120)

**The Chair:** Thank you very much, Madam De Silva.

Now we will go to you, Mr. Keenan, for your five-minute presentation.

**Mr. Michael Keenan (Deputy Minister, Department of Transport):** Good morning. It's good to see you again, Madam Chair.

Thank you for the invitation to appear before the Standing Committee on Public Accounts today.

As part of the audit of Transport Canada's transportation of dangerous goods program, the commissioner of the environment and sustainable development issued five recommendations to Transport Canada.

At the outset, I would like to thank the interim commissioner and his team for their rigorous review of the program. We take very seriously the findings and the recommendations from this audit, and we've begun implementing them.

We also recognize and appreciate the value of this audit in helping us to continually improve our oversight and the safe transportation of dangerous goods in Canada and to deliver on our mission to be a world-class regulator.

As noted in the audit, Transport Canada has made some important progress in terms of addressing the earlier recommendations from the CESD. These include implementing agreements with all provinces and one territory to share data related to the transportation of dangerous goods, given that it is an area of shared effort between governments; clarifying requirements for the review and approval of the emergency response and assistance plans, the so-called ERAPs; and adopting a risk-based plan to target inspections.

[Translation]

Following the Lac-Mégantic tragedy, Transport Canada began a series of immediate and longer-term actions to further strengthen federal rail safety and the transportation of dangerous goods. Actions were taken under the following pillars: promoting open transparent government and community engagement, enhancing international collaboration, and reinforcing the oversight regime.

Transport Canada also amended regulations to impose stricter requirements on the securement of unattended trains and to require that railway companies carrying large volumes of dangerous goods reduce the speed of their trains.

Regarding oversight, the department has overseen the implementation of a more robust oversight regime in recent years. The number of oversight personnel employed by the transportation of dangerous goods program has quadrupled from around 30 inspectors to over 100, and approximately 5,900 inspections are planned in 2020, compared to 2,300 in 2012.

[English]

While these actions represent significant progress in improving rail safety and the transportation of dangerous goods, we fully accept the findings of the CESD regarding the need for further improvement. We have already started taking action and have implemented changes to address two of the five recommendations. The

first relates to procedures and training for inspectors to ensure that follow-up on violations is undertaken by companies, and the second involves a more rigorous oversight process ensuring that facilities do not operate with expired registrations.

We are working on the other three recommendations, and they will be addressed over the next two years through continued improvements and the implementation of a national risk-based oversight system by refining and modernizing data collection efforts to better understand the national rate of compliance and the emerging risks in the transportation of dangerous goods and by addressing the delays in the final approval of the emergency response assistance plans.

Madam Chair, I should say that our progress in addressing these recommendations is closely related to the organizational transformation we've undertaken across all of Transport Canada, with the top priorities being shifting from paper-based to digital work processes, transforming our service delivery and modernizing our safety regulations and oversights.

In our safety oversight programs, we're working to use digital platforms and tools for our inspectors to enable our system to be responsive and risk based, to enable us to have common oversight processes and to make better and more effective use of data and analytics in driving our oversight program. The work under way to improve the TDG program is really an important element of this broader departmental strategy. For example, we're modernizing digital information systems and allowing for better capture and analysis of data to have a comprehensive risk-based oversight of regulated companies in this program. One example is the new TDG inspector information system, which is currently undergoing beta testing. We plan to roll it out in the spring of 2021. That will no longer allow inspections to be closed off or completed until there's a confirmation of follow-up.

In closing, we are committed to ensuring continued improvement in how we deliver our program to ensure safe transportation of dangerous goods in all modes of transport in Canada, and we would greatly appreciate the analysis, critiques and recommendations of the commissioner of the environment and sustainable development in informing and shaping our efforts.

My colleagues and I look forward to your questions and comments.

• (1125)

**The Chair:** Thank you very much, Mr. Keenan. It is good to see you again. I appreciate all the different positions you've served in and that we've had an opportunity to work together on.

Before I go to questions by members, I'd like to welcome our colleague Mr. Bachrach. I believe he is with the NDP. He's going to be sharing time with our colleague Mr. Green.

Our first round of questioning will go to Mr. Luc Berthold for six minutes.

[*Translation*]

**Mr. Luc Berthold (Mégantic—L'Érable, CPC):** Thank you very much, Madam Chair.

First of all, Mr. Hayes, my thanks to you for your report highlighting what has happened at Transport Canada over the past few years.

Ms. De Silva, I would also like to thank you very much for your testimony.

Thank you, Mr. Keenan. This is not the first time we have had the opportunity to speak. I would like to say that Transport Canada has made progress over the past few years on rail improvements since the Lac-Mégantic tragedy. Many improvements have been made, but allow me to focus on what can be further improved, Mr. Keenan. I feel it is important.

A report like the one tabled by Mr. Hayes is worrisome for people in the Lac-Mégantic area. In that respect, to put you in context, I will read two passages from the mayor of Lac-Mégantic's open letter:

The day after the tragedy in Lac-Mégantic, consciences awoke, political will rose, and committees mobilized. But seven years later, are we collectively forgetting what happened that night?

A little further on, she writes:

But what I am asking you today, out of a duty to remember, is to see to it that everyone moves to action, and does so quickly. If reports are this worrisome seven years later, something is wrong. I would thank you to take the reports seriously.

Mr. Keenan, I saw in your responses that you had decided to take action, but what worries the people of Lac-Mégantic a lot is the response time given this shift to digital you are undertaking. How can you assure the people of Lac-Mégantic right here, right now that measures are being taken and you are acting as quickly as possible? When I look at the current report, I see many gaps. It shows that the department has not followed up on violations identified during inspections. Some of the gaps raised in 2011 have yet to be corrected.

Mr. Keenan, in a nutshell, what can you do to speed things up? Actually, what we want is to make things go even faster.

• (1130)

[*English*]

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

It has been years since the tragedy at Lac-Mégantic, but it still looms large, not just for the citizens who suffered in that community but for the whole country. We continue to drive and push our program of dangerous goods and railway safety to ensure that we don't allow a tragedy like that to happen again.

[*Translation*]

I fully understand the mayor of Lac-Mégantic's concerns.

[*English*]

I can say that we are working across multiple avenues to continue to dramatically improve the rigour of the program on dangerous goods and the program on rail safety.

In particular, Transport Canada has taken a series of strong enforcement actions in the Sherbrooke subdivision over the last two years to get at a number of issues that came up with the operation under the CMQ.

[*Translation*]

**Mr. Luc Berthold:** Mr. Keenan, I understand, things always take time. However, the people of Lac-Mégantic are concerned; several things have happened.

Over the past few years, Transport Canada has made a commitment to correct the shortcomings, but with each report, we can see that things are still going backwards. In his report, the Commissioner of the Environment and Sustainable Development states the following:

- 1.30 We found that in 18 (30%) of 60 violations, Transport Canada did not verify that companies took corrective actions to return to compliance...
  - had no evidence to determine whether violations have been resolved, and that it did not follow up with companies to obtain the required evidence

It's very disturbing to read that when you have experienced and gone through a tragedy like the one in Lac-Mégantic.

In 2009, I sent a letter to Minister Garneau asking that dangerous goods no longer be transported by rail through Lac-Mégantic because the tracks were in terrible condition. Unfortunately, I did not even get an acknowledgement of receipt from Transport Canada or the minister's office. We know that those tracks were not built for trains running at such a low speed.

People are still worried, Mr. Keenan. What follow-up have you done on this matter? I could ask Ms. Crandall to send you the photos I received this morning of the current condition of the tracks. It would be good to send them to all committee members as well. Despite repairs by Canadian Pacific, Lac-Mégantic still has safety issues.

Mr. Keenan, you have set deadlines through to 2021. Honestly, with the staff you have, I wonder how you are going to be able to speed things up so that the next commissioner's report is not as devastating. Despite the progress, sadly, major gaps still remain.

[*English*]

**Mr. Michael Keenan:** Madam Chair, the member speaks to really important issues of rail safety. I can commit that in the recent years we have taken dramatic steps to improve oversight. For example, we have quadrupled the number of inspections.

The member has pointed out accurately that we are following up on the majority of inspections but not all of them. On that issue, we're bringing in a digital system for managing inspections that will require our inspectors to follow up on a hundred per cent of them. That will be in the spring of 2021.

Where we have an opportunity—

**The Chair:** I'm sorry, Mr. Keenan, but your time is up. Perhaps we can come back to that line of questioning further down the line.

I will now turn to Mr. Longfield for six minutes.

**Mr. Lloyd Longfield:** Again, thank you to all the witnesses for the presentations to us today. I'm going to follow up on data with Mr. Keenan. That was something I had a question about.

First, I'm looking at the audit scope.

Mr. Hayes, I was very interested when I read in the audit that you were using sustainable development goals as part of your audit plan, specifically target 3.9, which is: "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination."

Are we typically using the United Nations sustainable development goals as part of our audit plans?

• (1135)

**Mr. Andrew Hayes:** Thank you.

Yes, the Office of the Auditor General has been using and incorporating sustainable development goals and targets into our performance audits across the board. You can expect to see this as a frequent or regular part of our audit reports for both the commissioner and the Auditor General.

**Mr. Lloyd Longfield:** Terrific. Thank you.

For Ms. De Silva, it's interesting to have a new department that, compared to the old energy board, has some expanded scope, which includes indigenous reconciliation. I'm wondering, with your department, how you might be using indigenous governance in meeting our regulatory requirements for transportation of dangerous goods through indigenous communities.

**Ms. Gitane De Silva:** We recently announced an indigenous advisory committee, which was put together back in August, of nine members representing indigenous nations and communities across Canada from coast to coast to coast. We have one member from each of the national indigenous organizations, as well as six other members representing leadership in their communities—a really diverse set of views.

Their job is to provide strategic advice to our board on a range of issues. That would be on everything from issues such as indigenous monitoring and how we can better include indigenous peoples in monitoring and oversight throughout the entire regulatory process, to more specific issues like increasing the cultural competency of the staff within this organization.

We're always looking for opportunities to increase that voice. We have placed reconciliation as one of our priorities and are really very focused on that. Our indigenous advisory council will help us to get there.

**Mr. Lloyd Longfield:** How does that work get translated to departments like Transport Canada, which then in its case has to change some of its operations and standards. Would that be audited?

That's for Ms. De Silva, but it's actually a joint question, Mr. Keenan. Maybe you could start, Ms. De Silva, on how you commu-

nicate, and then Mr. Keenan on how you incorporate that into your operation.

**Ms. Gitane De Silva:** We certainly share the lessons we've learned across the federal government family, and we will be doing so going forward. There are a variety of fora for that.

We don't have direct responsibility for the transport of goods by rail that would follow Transport Canada, so I'll let Mr. Keenan address that part of the question.

**Mr. Lloyd Longfield:** Mr. Keenan, broadly speaking, maybe you could incorporate the changing regulations coming from the new Canada Energy Regulator that are incorporating the United Nations goals. How does Transport Canada work with the broader scopes with which we're now complying?

**Mr. Michael Keenan:** That's a great question. In general, there are probably three pathways that we're incorporating international standards into our program on dangerous goods, whether those standards come from the UN sustainable development goals or... The UN has a system, for example, for categorizing dangerous goods and their treatment. We're incorporating that. ICAO, the International Civil Aviation Organization, has standards for dangerous goods on planes. One great example is the listing of batteries, and we have a whole new set of standards for that.

We're incorporating a lot of them directly from international bodies. We also work with the Canada Energy Regulator, because there's a lot, for example, on the shipments of oil by tankers, like a project that has a pipeline in a tank, so there's an integrated approach there as well.

**Mr. Lloyd Longfield:** I'm looking at your budget which has risen from \$13.9 million in 2011-12, and in fiscal year 2018-19, it went up to \$36.2 million, so resources are expanding through the Government of Canada. You mentioned increased audits and increased staff, but you also said something about digital fees. In the audit, there were some milestones set up for this fall. It looks like they're pushed back to the spring of 2021. Data is everything.

Could you comment on how these resources, which you've been given from the government, are being for data improvement?

• (1140)

**Mr. Michael Keenan:** I'll comment generally, and I may invite a supplementary response from my colleague, Mr. Turcotte.

We are doing exactly that. We're building a system where inspectors use hand-held devices to enter data directly. We're putting in more sophisticated digital databases to escape the kinds of problems that the CESD found with some of the data quality. If there were three infractions under the same section of the TDG reg, it would only be reported once.



We're working to fix all of that to get a continuous cycle of better data, both from our inspections and other sources, in order to have a risk-based inspection plan. We would then have frictionless inputting of data from front-line inspectors. The other part of the equation is that we've had a more than tripling in the number of front-line inspectors than the TDG warrants. There's more data, better data, and a better plan.

**The Chair:** Mr. Longfield, your time is up.

We will now move to Mr. Blanchette-Joncas.

[*Translation*]

**Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Good morning, Mr. Hayes, Mr. Keenan and Ms. De Silva. Thank you for your presentations, which were very interesting.

I agree with what my colleague Mr. Berthold said. We are all familiar with the Lac-Mégantic tragedy seven years ago. It left very painful marks on everyone. It's important that we explore potential solutions and areas in need of improvement so we can prevent this kind of tragedy from ever happening again.

My first question is for the Commissioner of the Environment and Sustainable Development, Mr. Hayes.

I looked at your report. Based on what we can see on railway inspections, is it possible to require railway safety inspectors to apply enforcement measures? Transport Canada standards do not really do enough. As an Officer of Parliament, can you order reform in that respect?

**Mr. Andrew Hayes:** Thank you.

I have no powers in that area. It is a policy issue that the department or perhaps Parliament could address.

**Mr. Maxime Blanchette-Joncas:** Thank you.

With respect to Transport Canada, we were told that the number of railway inspectors has increased, but that does not appear to be enough.

Do you have more information about it? Has an action plan been announced?

**Mr. Andrew Hayes:** Is that question for me or the deputy minister?

**Mr. Maxime Blanchette-Joncas:** On your end at the Office of the Commissioner, has anything come up about this?

**Mr. Andrew Hayes:** It is my understanding that the department has increased its staff and resources to address the issues identified in 2011.

For our part, we have made similar recommendations in this report. The issues remain, and I believe that the department could respond with an action plan.

**Mr. Maxime Blanchette-Joncas:** Okay. Thank you, Mr. Hayes.

Mr. Keenan, page 4 of your report states, with respect to Transport Canada's oversight, that the number of oversight inspectors employed by the transportation of dangerous goods program has quadrupled from 30 to over 127.

What year does that refer to, Mr. Keenan? No date is given for that.

[*English*]

**Mr. Michael Keenan:** They've quadrupled from 2012 to 2020. We went from 30 to 130 inspectors under the program for the transportation of dangerous goods, which covers all modes the federal government inspects. On rail safety over this period, we went from 107 inspectors to 152.

In addition to increasing the number of inspectors and inspections, we used data to develop risk-based inspection plans to better target those inspections. As per the recommendations from the CESD, we're working to improve the data quality in that targeting.

• (1145)

[*Translation*]

**Mr. Maxime Blanchette-Joncas:** I want to make sure I understand, Mr. Keenan. Are these inspectors specifically assigned to the transportation of dangerous goods program?

I have here a QMI Agency article from July 2013, following the Lac-Mégantic tragedy. At that time, Transport Canada stated that it had 101 railway inspectors and that the number had not changed in the previous six years.

However, according to you, the number of inspectors rose from 30 to 130 between 2012 and 2020. So it quadrupled. I am trying to understand, because when I do the math, from 2013 to 2020, only four new inspectors would have been brought in per year, on average.

[*English*]

**Mr. Michael Keenan:** That's a very good question. Thank you for the opportunity to be more precise on this issue.

At Transport Canada there are two different major programs of inspection: the transportation of dangerous goods, which includes rail, but also includes marine and air and, through provincial authorities, road, and that implements the Transportation of Dangerous Goods Act; and we have a separate program of rail safety inspectors who implement the Rail Safety Act.

In the case of the transportation of dangerous goods, the number of inspectors has increased from 30 to 130, which is more than a quadrupling of their number.

I think the statistic you're referring to probably relates to rail safety inspectors. In the statistics I'm looking at, that number increased from 107 in 2012 to 152.

The number of rail safety inspectors went up by about 50% and the number of dangerous goods inspectors went up by over 300%.

**The Chair:** Thank you very much, Mr. Keenan.

I believe Mr. Blanchette-Joncas' time is up.

We will now move to Mr. Green for six minutes.

**Mr. Matthew Green (Hamilton Centre, NDP):** Thank you very much, Madam Chair.

I'm very proud to welcome to our committee Taylor Bachrach, the NDP member for Skeena—Bulkley Valley, who will take this first section.

Taylor, the floors is yours, through the chair.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Green and Madam Chair.

I really appreciated hearing the presentations from our witnesses and I'd like to thank them for being here today.

By way of introduction, the region that I represent, Skeena—Bulkley Valley, comprises about the northwest quarter of British Columbia. It includes CN Rail's main line, which runs through a number of communities, including such communities as Fraser Lake, Burns Lake, Houston, Smithers, Hazelton, Terrace and Prince Rupert. A large volume of dangerous goods is transported along that main line, and there are several projects that would increase the volume of those dangerous goods. This situation makes the report we have heard about today an issue of such great concern for people in the riding I represent.

The Alta Gas project is a propane terminal in Prince Rupert with 60 cars per days currently servicing the project. The Pembina terminal is just about to be opened and will bring another 28 cars per day, and the Vopak project, which is currently in assessment, will result in the movement of as many as 240 railcars per day.

Many of the communities along CN's main line are protected by volunteer fire departments, and their mayors have expressed deep concerns over the years about the transport of dangerous goods and their ability to respond to emergencies.

I'm reading from this report. I'll read a couple of the passages that stood out to me from Mr. Hayes' presentation:

We found that the department still had not followed up to ensure that companies addressed the violations identified through inspections. For example, the department had not verified that companies took corrective action on 30% of the violations we looked at.

Further:

In other words, at the time of our audit, Transport Canada did not have a clear picture of the community of companies it regulated or of the compliance status.

This is of grave concern to people in our region.

My question is for Mr. Keenan. You mentioned that you plan to address these shortcomings over the next two years. I'm wondering what you would say to the mayors, to the volunteer fire departments and their fire chiefs, and most importantly to the residents who live along that rail line in northwest B.C. Should they have to wait two years to have these shortcomings addressed?

• (1150)

**Mr. Michael Keenan:** That's a very good question.

Madam Chair, as the member has indicated, that is a busy rail line through those communities. The answer is no, they shouldn't have to wait for two years. The two years indicates when we think we'll be done implementing fully all five recommendations.

Concerning the one the member raised with respect to our following up on compliance on the majority but not all of our findings and violations and issues, let me say that we're moving now. The CESD noted a 30% rate of our not following up; we've brought that figure down since the CESD found that. We believe we're almost at zero and we're in the process of putting in place a tool for inspectors in early 2021 that will require that it go to zero, because they won't be able to close a file until they've verified that there is 100% follow-up on compliance.

**Mr. Taylor Bachrach:** Thank you, Mr. Keenan.

If I follow correctly, these shortcomings have been identified since 2011, and it has taken until now to get to the point that some of them have been addressed but not yet all of them.

I'm wondering why it took so long, when communities have been speaking out about rail safety and the risk of dangerous goods for all these years, and yet we have this very recent report showing some major shortcomings in 30% of the violations.

**Mr. Michael Keenan:** With respect to that point, if you go back to the 2011 audit by the commissioner of the environment and sustainable development, there were a number of major issues, all of which Transport Canada has moved on. We've made dramatic improvements in the program of transportation of dangerous goods since that time.

For example, back then we didn't actually have an inspection plan and we only had 30 inspectors. We built a risk-based inspection plan. We're targeting the inspections to where there is risk, and we're executing almost triple the number of inspections. We've made dramatic improvements year after year since the audit. There are some areas in which we have more work to do.

We have, then, gotten the number of inspections up and we have an inspection plan. We don't have 100% follow-up on inspections and we're taking action now to get us to that 100% follow-up.

**Mr. Taylor Bachrach:** Thank you, Mr. Keenan.

Over the years, as the mayor of Smithers, I met several times with the CN and representatives of the federal government. They always assured us that the response plans in the case of a major industrial fire along the rail line were bulletproof. These were excellent plans that were going to protect communities, yet in this report we find that the department had not given final approval to many emergency response assistance plans.

Why is that? Why did those plans languish in draft form for so many years?

**The Chair:** There's time for just a very short answer, Mr. Keenan.

**Mr. Michael Keenan:** Sure. I will be brief, Madam Chair.

The report correctly notes that we have had to renew interim plans. There are two reasons. One is that a number of them were outstanding in terms of having a final definition of the standard for firefighting of flammable liquids. We're now bringing that to close. Then number of them required physical inspection.

We had a large backlog of interim plans that hadn't been finalized. We're working that backlog down. We are on our way to get it to zero.

**The Chair:** Thank you very much, Mr. Keenan.

**Mr. Taylor Bachrach:** Thank you, Madam Chair.

**The Chair:** We will now move to our second round, starting with Mr. Lawrence for five minutes.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you, Madam Chair.

I would like to take this opportunity to introduce a motion. I'm hopeful the we will have unanimous support for it.

It is merely calling out what the Auditor General had requested in her testimony. I will read the motion into the record *en français*:

[*Translation*]

That the Standing Committee on Public Accounts call upon the government to provide the auditor general with the \$31M she has requested that is required for her to achieve the Office of the Auditor General objectives, and that the committee report this to the House.

• (1155)

[*English*]

I believe this motion should have unanimous support, as it merely formalizes the request made by the Auditor General.

She did say in her testimony that, in fact, the government was sending positive signs that they were going to provide her with this information. As I'm sure all members of the committee are aware, the Auditor General's work is extremely important. If her office is not properly funded, we miss out on getting important information that will allow the government, and indeed all parliamentarians, to make better decisions, as great decisions are based on great information.

I look forward to your questions and comments on my motion. I look forward hopefully to getting unanimous support of the committee.

**The Chair:** Thank you very much, Mr. Lawrence.

We can move to debate on this motion. It was circulated to all members in both official languages giving the proper amount of time to be on notice.

Mr. Lawrence, I want to confirm that you would like to move to debate rather than wait for this to be taken care of in committee business.

**Mr. Philip Lawrence:** Yes, thank you. I would like to move to debate.

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

I see Mr. Longfield would like to speak to the motion.

**Mr. Lloyd Longfield:** It's a good motion. I do want to have more dialogue with the witnesses that have prepared to be here today on the details of the \$31 million and what time frame that's over.

She did indicate to us that discussions were very positive and going well with the government, so we would like to support the Auditor General and make sure she has the resources she needs to do the audit work with her department.

**The Chair:** Thank you very much, Mr. Longfield.

Mr. Sorbara.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Good morning, everyone. Of course, MP Lawrence, it's always great to see you, my friend.

If we are in agreement, I would like to dispense and go to a vote on MP Lawrence's motion.

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

Is that a motion to dispense?

**Mr. Francesco Sorbara:** Yes, it is.

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

I would have to admit that I am learning as we go with these proceedings.

Madam Clerk, if we have moved to dispense, then I assume that we move directly to taking a vote on the motion that has been presented.

**The Clerk:** If there's no other debate, yes.

**The Chair:** I do see Mr. Berthold's hand up.

[*Translation*]

**Mr. Luc Berthold:** Thank you, Madam Chair.

I agree that we should go to a vote immediately. Normally, we should vote on Mr. Sorbara's proposal first, and then on this one.

[*English*]

**The Chair:** Thank you, Mr. Berthold.

Mr. Blois.

**Mr. Kody Blois (Kings—Hants, Lib.):** I'll be very quick, Madam Chair.

I want to say what other members have said: I support the motion.

I think it's important for the Auditor General to have the resources she needs, particularly given the fact that there has been an expansion of program spending to address COVID-19.

I just want to put that on the record.

Thank you, Madam Chair.

**The Chair:** Thank you very much, Mr. Blois.

Madam Clerk, because we are in a virtual environment, can you please advise on how we will proceed with the vote on this motion?

**The Clerk:** It appears that there is consent to adopt the motion.

If there is, we can go by consensus; otherwise, we would have a recorded division.

**The Chair:** I agree with you, Madam Clerk.

I believe everyone is giving a thumbs-up that we do have agreement to support this motion.

(Motion agreed to)

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

Mr. Lawrence, I'm not sure if you have any time left.

Madam Clerk, do you have the clock still running, or are we through the six minutes?

• (1200)

**The Clerk:** The time has expired.

**The Chair:** Thank you very much. I assumed so.

We will move to Mr. Fergus to carry on with the questioning of the witnesses.

Mr. Fergus, you have five minutes, please.

[*Translation*]

**Mr. Greg Fergus (Hull—Aylmer, Lib.):** Thank you very much, Madam Chair.

**Mr. Luc Berthold:** Point of order, Madam Chair.

Did Madam Clerk continue counting Mr. Lawrence's time after the motion was read? It seems to me that Mr. Lawrence did not use up his five minutes presenting his motion. So he should normally have some time left for discussion.

**The Clerk:** I set the timer for five minutes when he started and it went off during the debate.

**Mr. Luc Berthold:** Yes, but debate is not part of speaking time. Usually, we stop the timer.

**The Clerk:** No, not when it is a motion. He used his time to present his motion. So he used up all the time he had to discuss the motion.

**Mr. Luc Berthold:** Thank you. I will not question this decision, but I'm convinced that debate time must not be counted in the time allocated to a member.

[*English*]

**The Chair:** Madam Clerk, can you confirm how much time Mr. Lawrence took to introduce and speak to his motion before we opened it up for debate?

**The Clerk:** I can only say that it was more than five minutes because I put the timer on for five minutes at the beginning of the questioning time and it had expired. The alarm sounded during the discussion. It was probably less than a minute after that.

Certainly, it's at the discretion of the chair if you want to give Mr. Lawrence more time. Normally, the only thing that stops a member's time is a point of order like this. I stopped the timer when Mr. Berthold began to speak. If the committee wishes to give Mr. Lawrence more time, that's at its discretion.

**The Chair:** Thank you very much, Madam Clerk. I appreciate the explanation on how we should proceed.

Mr. Berthold, to address your point of order perhaps, knowing that the majority of Mr. Lawrence's time was taken up with his reading of the motion into the record and providing some rationale for it before the debate began, I am prepared to give Mr. Lawrence a minute and a half to continue with his questioning.

**Mr. Philip Lawrence:** Thank you, Chair.

Not to further complicate things, but could I cede my time to Mr. Webber?

**The Chair:** Yes, this time is yours and you can share it with whomever you would like.

**Mr. Philip Lawrence:** Len, you don't want it?

Then my question will be relatively quick. I just have some concerns about what happened with Trans Mountain and the loss of life there, and I'm wondering if there is any additional information that our witness, Ms. De Silva, could provide on that. Obviously she said that in reading media reports she thought there might be signs of a contravention.

Is there any other detail she can shed on that at this point?

**The Chair:** Madam De Silva.

**Ms. Gitane De Silva:** Sorry, I was on mute.

Thank you very much for the question.

Of course, the CER expects to have zero incidents from its regulated companies, and, as I said before, safety is really at the core of everything we do. We did deploy two safety inspectors to the site immediately following this tragedy, and then further to their inspection we did issue an inspection officer order, which requires Trans Mountain to comply with a number of issues.

I could perhaps pass it to my colleague, Sandy Lapointe, who is the head of our regulatory section, who could give you more specifics on what that inspection officer order entailed.

**Ms. Sandy Lapointe (Executive Vice-President, Regulatory, Canadian Energy Regulator):** Thank you.

Alberta Occupational Health and Safety is taking the lead on the fatality from that perspective. We oversee the regulated company, which is Trans Mountain, and the order is issued to Trans Mountain, which has authority over its contractors for their conduct and how those contractors comply with the requirements.

The order deals with making sure that immediate issues are fully addressed and that any hazards associated with the trench box involved in this case are immediately taken care of. It also addresses system-wide potential issues—so it addresses direct issues and system-wide issues.

• (1205)

**The Chair:** Thank you very much, Ms. Lapointe.

We will now move to Mr. Fergus, for five minutes.

[*Translation*]

**Mr. Greg Fergus:** Madam Chair, I have a very brief question for Mr. Keenan and Mr. Hayes. Then I'm going to yield to my colleague from Nova Scotia, Mr. Blois.

I had the privilege of visiting the town of Lac-Mégantic with Mr. Berthold—it is in his constituency—after our government took office in 2015. We visited the site and spoke to the people, who were really affected by this tragedy. I know this issue is very important, not only for the people of Lac-Mégantic, but for all Quebecers and all Canadians.

Mr. Keenan, in point eight of his testimony, the Commissioner stated that the department had not verified whether companies had taken corrective action to return to compliance in 30% of the violations reviewed. I guess his office did not look into all violations. You talked about the steps you have taken to rectify the situation.

If the auditor came to your department today, would he see that the 30% rate has been significantly reduced?

[*English*]

**Mr. Michael Keenan:** I can only agree with you and the minister from the region on the impact and the devastation of the tragedy at Lac-Mégantic.

In terms of this issue, you are absolutely right: the CESD did note it was 30%. That is too high. If he examined that today, he would find a rate that is way below 30%. It's not quite at zero, but we're getting it close to zero. By early 2021, we'll have a system in place that requires that rate to always be at zero.

I would add one more point about the effort, because you speak to the need to increase and accelerate our progress wherever we can. One area where we did manage to accelerate progress in the protection on dangerous goods was in the phasing out of lower quality railcars for tank cars. In 2014 we phased out the DOT-111s and had a phased schedule for going to the highest safety ratings on the so-called 117s. We accelerated that three times in the intervening years. Some of the medium- or intermediate-quality tank cars that were supposed to be on the rails until 2025 have already been removed from service in Canada.

[*Translation*]

**Mr. Greg Fergus:** Thank you.

Madam Chair, I yield my time to Mr. Blois.

[*English*]

**Mr. Kody Blois:** Thank you, Mr. Fergus and Madam Chair.

I'm going to ask my question of Ms. De Silva, but I'll make a comment to Mr. Keenan, and perhaps he can address it in his remarks at some other time. It concerns how you actually get the data and the compliance information from the companies and whether or not Transport Canada has enough resources in regions. Is it about having enough personnel on the ground? I'll let you address that another time.

Ms. De Silva, you mentioned in your remarks that one of the priorities for the energy regulator is being globally competitive. I assume there's a bit of a tension between creating the certainty that's needed for companies to invest here while obviously not compromising safety but making sure that we have a regulatory system that is clear. In your mind, how do we go about creating that global competitiveness such that we can draw investment to our country?

• (1210)

**Ms. Gitane De Silva:** You are correct that our legislation does, in fact, explicitly state that we have an obligation to enhance our global competitiveness.

A few of the things that we're doing in that regard are to increase the transparency and predictability of our various processes. Part of this includes putting increased information online. We also have a commitment to provide energy information and analysis, so we're working right now to put about 60 years' worth of data—which we have currently in binders and PDFs—online and accessible to people. We're also working to automate some of our simpler application processes to decrease the timelines involved in them, and also to help people better understand where they are in the process.

We also regularly engage with industry and a wide variety of stakeholders to understand where the challenges may be and then incorporate that feedback. One of the things we're doing at the moment is looking at our onshore pipeline regulations and launching a review of them. We are looking for input, because we are very focused on this point, and as you said before, we are looking to enhance global competitiveness while always putting safety first, protecting the environment, and advancing reconciliation, all at the same time.

**The Chair:** Thank you very much, Madam De Silva.

We will now move to our 2.5-minute round, starting with Monsieur Joncas.

[*Translation*]

**Mr. Maxime Blanchette-Joncas:** Thank you, Madam Chair.

Ms. De Silva, the Trans Mountain pipeline expansion is underway, and the situation concerns me, particularly when it comes to emergency preparedness.

In 2015, the Commissioner of the Environment and Sustainable Development's report on monitoring pipelines under federal jurisdiction made some rather striking observations. It noted room for improvement in the review process for company emergency manuals, using the most recent audit as a benchmark. A third of the manuals reviewed still lacked key information.

The Pipeline Safety Act took effect on June 18, 2016. What is happening with the Canada Energy Regulator in this regard?

How has the situation evolved since 2015 and since these new regulations came in?

**Ms. Gitane De Silva:** Thank you very much for your question. I will ask my colleague Sandy Lapointe to respond.

[English]

**Ms. Sandy Lapointe:** Following the 2015 audit and the recommendations made by the CESD, we put an action plan into place. We've posted that action plan on our website and have completed it. We did follow up and provided that assurance to the CESD following that audit.

Specifically, with respect to the emergency manuals, we have put in place robust guidance for our staff as well as procedures to review those manuals. Today, those manuals are reviewed. We have also made the percentage of manuals that are in compliance a measure as part of our departmental results framework, and we post those results publicly as to where we're at. Our manuals continue to be reviewed as changes are made and companies have to file them.

[Translation]

**Mr. Maxime Blanchette-Joncas:** Thank you, Ms. Lapointe.

I have a question about the CER, which gives the public access to information on pipeline incidents—

[English]

**The Chair:** I'm sorry, Mr. Blanchette-Joncas, but you have about seven seconds left. Perhaps I should move to Mr. Green.

[Translation]

**Mr. Maxime Blanchette-Joncas:** I will be brief.

Does the Canada Energy Regulator currently provide access to information on incidents occurring outside its jurisdiction? I am talking about on-line maps of spills.

[English]

**The Chair:** I'm very sorry, Mr. Blanchette-Joncas, we do not have time for an answer.

I will turn now to Mr. Green for two and a half minutes.

**Mr. Matthew Green:** Madam Chair, Mr. Bachrach did such a great job, I'm going to give him this slot, too.

**The Chair:** Thank you very much, Mr. Green.

**Mr. Taylor Bachrach:** Thank you very much, Madam Chair. I have three very short questions for Mr. Hayes.

Mr. Hayes, as disturbing as some of the findings of your report are, it's very good to hear your presentation today.

Is it fair to say that the goal of the risk-based inspection system is to minimize risk?

• (1215)

**Mr. Andrew Hayes:** I think you could ask the deputy minister that same question. I believe it is. I think it's to identify the priority areas where resources should be assigned.

**Mr. Taylor Bachrach:** Okay.

In your opinion, are the risks today to communities along the CN rail line in the region I represent greater or less than they would have been if Transport Canada had addressed all of the recommendations in your original 2011 investigation?

**Mr. Andrew Hayes:** There are always inherent risks with the transportation of dangerous goods by any mode of transport. It's important for the department to take action on the violations they identify and ensure they have the right information to make their risk-based decisions.

**Mr. Taylor Bachrach:** Would you say that the risks today are higher or lower than they would have been if the department had addressed all of the recommendations, because not all the recommendations have been addressed to date, correct?

**Mr. Andrew Hayes:** At this point, the recommendations haven't been completely addressed. There has been progress on some.

There is still risk out there, and accidents can happen.

**Mr. Taylor Bachrach:** Would that risk have been lower if all of the recommendations had been addressed?

**Mr. Andrew Hayes:** I think if the department can get its follow-ups up to 100% and have strong information, that will mitigate some risks. The emergency response assistance plans are very important to mitigate risks and to address the situations that can be unpredictable when an accident happens, to support first responders and all of that. I think that is an important area of risk that still has to be addressed.

**Mr. Taylor Bachrach:** The CN rail line runs along the Skeena River, which is home to all five species of wild salmon and British Columbia's second largest wild salmon fishery. I mentioned some derailments along the line of wood pellets and coal. Eventually those derailments are going to involve products such as condensate or diesel. What do these findings tell us about the environmental risks, and are the risks today greater or less than they would have been if Transport Canada had addressed all of the recommendations in your original report?

**The Chair:** Mr. Hayes, I would ask that you give a very short answer, please.

**Mr. Andrew Hayes:** I'll just say that the risks to human health and the environment depend on the nature of the substance that is released or spilled. In terms of the example you gave, the consequences can be very severe.

**Mr. Taylor Bachrach:** Thank you very much, Madam Chair.

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

We will now move to our five-minute round and will start with Mr. Webber.

**Mr. Len Webber (Calgary Confederation, CPC):** Thank you, Chair.

In the opening statement of Mr. Hayes, he mentioned that with respect to pipelines, the Auditor General has found that, since 2015, the Canadian Energy Regulator has largely implemented the three recommendations.

I just want to congratulate Ms. De Silva for her wonderful work and the work of her staff. I think it's fantastic that you've addressed these. That is a good thing.

I have a very quick question about the tragedy in Edmonton—and, of course, my sincere condolences go to the family.

How long was that site halted for, Ms. De Silva, or is it still halted?

**Ms. Gitane De Silva:** First of all, thank you for your kind words.

The work related to the trench boxes in question remains halted while this inspection officer order is in place. That includes requiring the company to suspend the use and operation of these trench boxes until it can demonstrate its capability and capacity to oversee such high-risk activities.

Also, the company needs to conduct an investigation to determine the root causes of the incident. Only once we, as the regulator, are satisfied that those objectives have been achieved would the work continue with those specific pieces of equipment.

**Mr. Len Webber:** Do you have any thoughts on how long it will take to do the compliance assessment and the assessment of the risks?

**Ms. Gitane De Silva:** I am personally not able to speculate on that. I don't know if—

**Mr. Len Webber:** Okay, I'll just move on, then.

We do know that transporting goods such as oil is much safer by pipeline than it is by rail. It is also more environmentally friendly. At the same time, we are continuing to increase our transport of oil by rail. In the last 10 years it has almost doubled, which I don't understand.

I guess I would address my questions to Mr. Keenan.

In the text of your statement, Mr. Keenan, you mentioned that Transport Canada has “also amended regulations to impose stricter requirements on the securement of unattended trains”. My thought here is: Why do we have unattended trains carrying dangerous goods? How frequently do unattended trains carry dangerous goods?

• (1220)

**Mr. Michael Keenan:** In recent years, Transport Canada has, in several rounds, strengthened the rules on the securement of unattended trains. Offhand I don't have the statistics on unattended trains and dangerous goods, but a train can be unattended for some period of time in the course of a journey.

As an example, I can give you the latest strengthening of the rules after the terrible tragedy with a grain train in Field, B.C. Transport Canada imposed very strict rules for the securement of trains on mountain grades. That train was unattended, but it was

unattended for literally a few minutes while the crews swapped. Because one crew had reached its time limit for fatigue, they were swapping to a new crew, and in that process something happened and the train started to roll. In response to that, we put in place a requirement for hand brakes even if the train is stopping for a just a minute on a grade.

**Mr. Len Webber:** That's good to hear.

Are any fines implemented at all for these violations?

**Mr. Michael Keenan:** Yes, there are. Part of the strengthening of oversight was the strengthening of enforcement. Whenever we have any information or any observation from an inspection that an unattended train was improperly secured or there was an unintentional movement of a train, we take action.

In the Sherbrooke subdivision, which includes the area of Lac-Mégantic, we found a wagon that was unattended. We issued an administrative monetary penalty against the operator for that because we have zero tolerance for those kinds of violations of the stronger rules.

**Mr. Len Webber:** What kind of fine would it be for a violation like the one you just gave an example of? I'm just curious what the fine is.

**The Chair:** Give a very short answer, please, Mr. Keenan.

**Mr. Michael Keenan:** I think the administrative monetary penalty was for one railcar, and it was a \$33,000 penalty.

**Mr. Len Webber:** Thank you.

**The Chair:** We will now move to Mr. Blois.

**Mr. Kody Blois:** Thank you, Madam Chair.

I want to thank all of the witnesses for their testimony and presentations today.

The stat that really stood out to me today was that 99.998% of our transportation of dangerous goods obviously resulted in the right outcome that we're looking for. It's clear that there's more work for Transport Canada to complete, and I think Mr. Keenan has recognized that. Not to take away from any of the events that have happened, but I think we certainly have a great standard.

Mr. Keenan, I want to go back to you to talk about the regional capacity element. Can I let you quickly address that?

**Mr. Michael Keenan:** Sure. That's a great question.

As we expanded our inspectorate and brought more folks online to carry out the oversight program, we went from 30 inspectors to about 130 inspectors. All but 99% of them we put in the regions, because that's where the activity is. They're in the Skeena subdivision, in Smithers; they're in the Sherbrooke subdivision, around Sherbrooke and Lac-Mégantic, and all across the country.

• (1225)

**Mr. Kody Blois:** Mr. Webber talked about penalties or fines that might be under the regulations.

Is that something that's administered directly by the department, or is that through the Canadian Transportation Agency? Is there a separate agency that actually adjudicates those matters?

**Mr. Michael Keenan:** Any fines related to safety and safety violations are administered by delegated officials in Transport Canada. One of the areas we've taken to strengthen our enforcement is that we've created a dedicated enforcement unit that has specialized skills to carry out investigations that are necessary for the bigger fines and the bigger violations.

That's all done by delegated officials in the department. The inspectors and the enforcement agents have the authority to make the decisions to issue violations and penalties when they see violations.

**Mr. Kody Blois:** It's not that we necessarily want to penalize our companies that we have to trust are trying to do good work and keep safety as top of mind, but as those inspections have increased and you've put more boots on the ground, so to speak, has there been an increase in the number of fines or compliance issues that have been adjudicated through those procedures?

**Mr. Michael Keenan:** Over a number of years, there has been an increase in the number of fines. At the same time, in general, we see a decrease in the risk and an improvement in the safety performance.

The reason for that is that we brought in systems. We don't have them in TDG yet. In rail safety and other areas, we brought in systems whereby we can do administrative monetary penalties. We can issue fines immediately when we see small problems, so they don't develop into big problems that we then have to go to court on.

**Mr. Kody Blois:** Again, I don't think anyone is suggesting we should just be fining every company, but it's good that the measures are leading to better compliance.

Ms. De Silva, quickly, because I want to leave time for Mr. Longfield, you mentioned global competitiveness. I want to go back to that.

What are our companies and industries saying about the things they're looking for that are important? Is there any jurisdiction that we look to globally, one of our leading comparators, as a gold standard?

**Ms. Gitane De Silva:** We engage with industry regularly to get their feedback on what they feel is working and where they see room for improvement.

Transparency is one thing that they're focused on. Certainty and understanding our processes are always key. They're pleased to comply and submit the right information; they just want to be sure they're clear on what that information is.

We're always looking to improve that process. As I said before, one of the things we're doing at the moment is looking at our on-shore pipeline regulations and seeking feedback there on what could be improved.

As you pointed out, we are always looking to other jurisdictions. We want to make sure that we have the best possible systems in place, so we're involved with a number of fora, both within Canada and internationally. One example is the Western Regulators Forum, where we work with western provinces to see what they're doing and how we can better collaborate. We're involved in avenues such as the OECD, and we consult with our American colleagues.

Really, I wouldn't say there's any one system, but we're always looking for opportunities. Often it's very incident specific and geographically specific. There are a whole variety of factors there. We look for those opportunities to share that information on what we can.

**Mr. Kody Blois:** I'm sorry, Lloyd, I've left you with about 25 seconds, so I'm not being a very good colleague today. Do you want to quickly ask it?

**Mr. Lloyd Longfield:** I have a very quick question for Mr. Keenan.

Is the file left open until the work resulting from an inspection has been completed? Guelph Junction Railway had a lot of track that was out of gauge at higher temperatures, and then they had to do maintenance and it then had to be reinspected. At what point does the file close?

**Mr. Michael Keenan:** That's a great question.

That would have been under the Railway Safety Act and rail safety, but it's exactly that. When we see a violation, we issue an order and usually they have to tell us how they're going to fix it, then fix it, and then we inspect the fix. That goes back to the point that other members have raised about improving our follow-up. The 30% we were missing at the time of the audit is now down to 8% and we're on our way to having it at 0% in the new year.

**The Chair:** Thank you very much, Mr. Keenan.

That brings us to the end of our questioning. Before I thank our witnesses and ask them to leave, I do have one question I would like to ask them.

Do you have or plan to submit action plans to the environment committee for this audit? If yes, could you please provide a copy to us.

• (1230)

**Mr. Michael Keenan:** Madam Chair, I'll start. We have an action plan to respond to the audits, but it's the plan that is actually published in the CESD's audit itself. We're working diligently to deliver on the commitments described in that plan.



**Mr. Francesco Sorbara:** Chair, can I raise a quick point of order?

**The Chair:** Sure.

**Mr. Francesco Sorbara:** I'm not too sure if this is in the realm of a point of order.

I know we've run out of time at 12:30 here. I am fortunate to represent a riding that has both CP's main line and CN's main line, and CN's busiest facility in the entire country and CP's busiest intermodal facility in the entire country. Is there a process whereby I can either independently, or through you, Chair, forward questions on to the department? If that's the process, could you please let me know. We've run out of time. It's unfortunate. It's very important to my community, as you can quite understand. Can you give some guidance.

Thank you.

**The Chair:** Thank you very much, Mr. Sorbara.

I will just ask Madam De Silva to answer the question I asked, and then I will refer your question to the clerk, Mr. Sorbara.

**Ms. Gitane De Silva:** Thank you, Madam Chair.

We do have an action plan and we would be pleased to share it.

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

Madam Clerk, can you quickly answer the question that Mr. Sorbara posed?

**The Clerk:** I apologize. With all of the technology, I was texting with someone about something else and I missed your question, sir. Would you mind repeating it.

**Mr. Francesco Sorbara:** Chair, to quickly summarize again for the clerk, I'd like to know if there's a process whereby I can either submit questions independently or through the chair and yourself, clerk, to the department about some of the references within the speaking notes to Deputy Minister Keenan. My riding, again, has both CP and CN's main lines going through it. The city of Vaughan is home to CN's busiest facility and my riding is home to CP's busiest intermodal facility in the country. I would like to follow up with some questions.

Thank you.

**The Clerk:** As usual, it's always at the will of the committee what they would like to do. If the committee would like to write a letter with Mr. Sorbara's questions in it to the department requesting this information, that's certainly something the committee could consider and do.

**Mr. Michael Keenan:** Madam Chair, we'd be happy to get the answers back as quickly as we can.

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

Would it be the will of the committee to follow up with our witnesses with some written questions?

**Mr. Matthew Green:** Madam Chair, one would think that my friend from the government side could potentially maybe even email a certain Liberal minister as well to get those answers. I'm sure he's very resourceful, but maybe there will be some questions I want to add as well.

**Mr. Francesco Sorbara:** In the spirit of cooperation there, Mr. Green and Mr. Bachrach, MP for Skeena—Bulkley Valley, that's where I was born and raised, so rail lines and rail yards and all that kind of stuff is food for....

**The Chair:** Seeing no other hands raised, or nobody giving me a thumbs down, we will proceed with making that request.

I will now—

**Mr. Luc Berthold:** I'm sorry, Madam Chair, but can we not send the letter without seeing the question? I think Mr. Sorbara should go directly to the cabinet and ask the question.

**The Chair:** Thank you very much, Mr. Berthold. I will take that under consideration.

This brings our questioning to a conclusion. I will now thank our witnesses. Thank you so much for joining us today.

We will be moving into committee business, so we'll give you time to log off the call.

**Mr. Michael Keenan:** Thank you, and goodbye.

**The Chair:** All right, have our witnesses had time to log off?

**Mr. Matthew Green:** Madam Chair, in our transition you may recall that we spoke at length at our subcommittee meeting. My hope is that we can move in an expeditious way to adopt its report, because I felt that there were perhaps more deliberations than may have been administratively necessary at our last subcommittee meeting. I would love to see this just be presented and moved on.

• (1235)

**The Chair:** Thank you very much, Mr. Green. Of course, that will depend on the number of interventions our colleagues would like to make, given the report that is being submitted by the subcommittee.

With that, Madam Clerk, are we able to proceed?

**The Clerk:** Yes, the witnesses have left.

**The Chair:** Thank you.

Members, all of you should have received the subcommittee report. I would ask whether or not you would like us to go through it point by point. Perhaps we could leave the first two points until after we have gone through the work plan that's also presented in this report.

Would you like to proceed this way, going through the report point by point and leaving the first two points to the end?

**Mr. Luc Berthold:** Yes, I think that is a good idea.

**The Chair:** Thank you very much, Mr. Berthold.

**Mr. Lloyd Longfield:** That sounds right.

It's great to hear that we will have two meetings a week. The schedule that André worked on is going to line up with where we're heading.

**Mr. Luc Berthold:** Madame Chair, if you ask, I think you will find unanimous consent on all the points after the first two points, about scheduling for the fall.

**The Chair:** Thank you very much, Mr. Berthold.

Do we have unanimous consent for points three to nine in the report, as presented?

(Motion agreed to [*See Minutes of Proceedings*])

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

It's very efficient. I hope it is to your satisfaction, Mr. Green.

Finally, we will look at points one and two. Perhaps I will turn it over to the clerk to provide some context for these two points in the report for the members of the committee who are not part of the subcommittee. Then we can move into debate.

**The Clerk:** Thank you, Madam Chair.

For the members' information, our committee has been a member of the Canadian Council of Public Accounts Committees for a number of years. Every year, the CCPAC hosts an annual conference of all members, which includes the members of the public accounts committee of each province and territory. They have asked us on a number of occasions to host it. We've never been able to. They've asked us to host the 2022 annual meeting. The previous rendition of this committee had agreed to do that. Because of the election and the prorogation, that is now for this committee to decide.

We've made some informal, tentative moves to move forward because of the time. I will provide members with information about the association. I was able to find some actual paper copies of programs; I couldn't find any electronic ones. I will scan them and send them to the members shortly.

Basically, it's a question of the committee deciding whether or not it will host the meeting and then giving the chair and me instructions to prepare a budget that the committee would then adopt and take to the Board of Internal Economy for approval. We then see what kind of situation we can set up in case there is an election before 2022 and members of a new committee don't have a chance to vote on hosting this meeting.

It's really the beginning process steps. Previous chairs of this committee who spoke to you a couple weeks ago were certainly very in favour of the federal committee's hosting this.

In a way we're a bit delinquent, not for lack of trying, but because of the circumstances of elections and prorogations. If it's the committee's interest in moving forward this way, we did take the step of having the chair of our committee elected to the executive board, which would give them an opportunity to participate in discussions for planning future meetings. Ms. Block would be that representative if the committee decides to host the 2022 meeting.

If you have any questions, I'd be happy to try to answer them.

**The Chair:** Thank you very much, Madam Clerk.

I have Mr. Longfield.

**Mr. Lloyd Longfield:** I think we should make it conditional to say that we can do this if we can do it. We should also have a plan

B in which we could do some of the preliminary planning and know that there would be some other partner that we could turn it over to. If resources are needed for the planning, we could start down that road to help out with the provinces and territories, but if we do have an election, naturally we'd have to turn it over to them.

I think we should show some good faith in at least being there to start the process and, hopefully, we'll end it if we don't have an election.

● (1240)

**The Chair:** Thank you very much, Mr. Longfield.

Mr. Webber.

**Mr. Len Webber:** I would agree with Mr. Longfield, absolutely. I certainly would like to have an idea of what the budget would be for hosting something like that, though, Madam Clerk. I look forward to seeing that.

Thanks.

**The Chair:** That's a very good point, Mr. Webber.

Mr. Blois.

**Mr. Kody Blois:** Thank you, Madam Chair.

I would agree that we should host it. I would hazard a guess that the majority of the work would probably fall to our analysts or our resource staff of the committee. I would be interested to know, even though it's 2022, who would be helping to plan this? Would it actually be the chair in cooperation with the clerk and other analysts and other resources? Who would actually plan this?

I think that's what Mr. Longfield was referring to in saying that we should be a little tentative and that he wants to know a little more. It very well could not be us by the time 2022 comes around, but if there are other individuals who can continue that work regardless of who sits in the chair of this committee, then I think of course we should move forward with it.

**The Chair:** Okay. I have no—

Yes, Madam Clerk.

**The Clerk:** Madam Chair, I can speak to a couple of those issues.

The budget is actually relatively small. We ask for a certain amount of money, and then we are reimbursed by the registration fees. The costs are also shared with the legislative auditors. It's a joint meeting. Part of the meeting is held together and then each group goes off and does its business meeting. They share the costs sixty-forty. They're smaller, so they get 40%. It ends up that the actual dollar amount is not very large for this size of a conference. It's only held for approximately two and a half days. There's a registration fee, and of course people pay their own accommodations and whatnot.

In terms of who does the planning, the executive committee is made up of the chair of the public accounts committee of the host for the present year, the chair of the committee that hosted the previous year, and the chair of the committee that's hosting the following year. They do the planning, and the implementation is done by parliamentary staff and the Auditor General's office staff as well, because they are jointly involved with the planning.

**The Chair:** Are there any other questions?

**Mr. Len Webber:** Through you, Madam Chair, to the clerk, who was the chair at the time for the future meeting?

**The Clerk:** Of the executive board or of this committee?

**Mr. Len Webber:** Of this committee. Was it Mr. Sorenson?

**The Clerk:** Yes, it was Mr. Sorenson.

**Mr. Len Webber:** Okay.

So we would have to tap into his knowledge as well in order to work with this.

**The Chair:** Thank you, Mr. Webber.

Are there any other questions? If not, perhaps I could follow up with one.

Madam Clerk, you indicated that the budget is rather small. Do you have an approximate number to share with this committee so that we have a point of reference for what "small" might mean?

**The Clerk:** I'm trying to remember, but I believe it was something like \$25,000. As I say, we actually get back about 60% of that in registration fees and whatnot. The normal participation in this conference is about 100 people. It's a reasonably significant meeting for a reasonably minimal cost. Any members I've spoken to who have attended have found it very useful to their work on public accounts committees.

**The Chair:** Thank you very much, Madam Clerk.

I see that one of our analysts would like to weigh in.

Please go ahead.

• (1245)

**Mr. Dillan Theckedath (Committee Researcher):** Thank you, Madam Chair.

We will be providing a proper agenda of past meetings, but perhaps I could take just 30 seconds here. It's a typical conference. It's three nights and two to two and a half days long. There is an opening cocktail reception and usually a plenary. The bulk of things will take place on the second day.

Usually on the second evening there is the expectation of a meal that's part of an excursion. In the past we went to a colonial site. There was a meal presented in a traditional cabin, a huge cabin. Other things included boat cruises, bus tours and things like that. On the second day there is keynote speaking and guest speakers. By the end of the second day, usually the auditors group will separate and the public accounts group will separate and have meetings. In the past four that I've been to, the chair of federal public accounts committee has always been invited to speak, as has the Auditor General.

It is a combination of most conferences that we've all attended. That's sort of the general structure. There would likely be, for people coming to Ottawa, a lot of excitement, because it isn't one of the provincial capitals. The Gatineau hills, the canal, the rivers and that sort of thing would also come into effect.

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

Mr. Fergus.

[*Translation*]

**Mr. Greg Fergus:** Thank you very much, Madam Chair.

[*English*]

I would like to say to all of my colleagues on this committee that it's very important for these folks to participate. I'm fully supportive of this. But I think it's particularly important for people to have the full experience of the national capital region. I hope I can count on your collective support to encourage people to cross that bridge and come over to Hull—Aylmer, which we all know is really the crown jewel of this area. We will certainly show all participants a great time on our side of the river.

I'm asking all my colleagues here to make sure that we encourage our clerk to have a good part of this event over on the Quebec side of the river.

**Mr. Lloyd Longfield:** We're having it at Greg's house.

**Mr. Kody Blois:** Madam Chair, I disagree. I think we should have the federal meeting in Nova Scotia in wine country, in the Annapolis Valley. There's nothing saying that all of our federal activities have to happen in Ottawa, in the capital region.

Despite Mr. Fergus's great suggestion about his hometown, come to the Annapolis Valley.

**Mr. Greg Fergus:** If it were to happen in the national capital region, I hope I could count on your support.

**The Chair:** Thank you very much, both of you.

I believe Ms. Yip would like to weigh in.

**Ms. Jean Yip (Scarborough—Agincourt, Lib.):** I attended a conference in P.E.I. and found it very useful, especially since I was really new to the committee. It was very interesting to hear how the provinces functioned. It made me very grateful for all the resources we have at the federal level. I think it's definitely worth hosting.

Thank you.

**The Chair:** Thank you very much, Ms. Yip.

I appreciate all of the interventions that have been made on this motion.

I'm wondering if the committee is ready to adopt the motion in the report regarding this conference.

I'm seeing thumbs up. All right. It looks like that's supported.

(Motion agreed to [*See Minutes of Proceedings*])

**The Chair:** Shall the report be adopted?

(Motion agreed to)

**The Chair:** Great.

Our next meeting will be on Tuesday, November 17.

**Mr. Luc Berthold:** Madam Chair, I have a last question about the training session with the Canadian association.... I don't remember the name of the association we were supposed to have here. Is it still in the plans of the committee? We didn't talk about it at the subcommittee.

**The Chair:** Thank you very much, Mr. Berthold.

Yes, most of the members, if not all, had indicated that they would like to continue the training that we started this session with. I will refer back to the clerk to provide us with an update.

I was remiss not to have put that on the agenda for our subcommittee. Thank you for bringing that forward.

**The Clerk:** I apologize as well for not bringing that to the committee's attention.

They had indicated that they would be able to do a presentation, but not until late November. We haven't set a specific date. We would probably have to do it in one of our committee meetings, as the new schedule we received for two meetings per week indicates that we cannot sit in the evenings, in the 6:30 to 8:30 time slot, because those slots will be reserved for other committees as their regular sitting time. They had indicated they would prefer to come in the week of the 24th or 25th of November. Perhaps members could think about that, and we can discuss it at our next meeting.

● (1250)

**The Chair:** Mr. Berthold, would you like to respond?

**Mr. Luc Berthold:** I am good with that because I think that was the date for public accounts.

**The Chair:** Yes.

**Mr. Luc Berthold:** We don't know if we will have it, so we are just waiting, and that's good. We will wait.

**The Chair:** Thank you very much. We will keep that on our radar.

Seeing no other hands up to make any other interventions, is the committee in agreement to adjourn the meeting?

**Some hon. members:** Agreed.

**The Chair:** Thank you very much. Have a great day.

The meeting is adjourned.







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