

TRANSPORT CANADA – DETAILED MANAGEMENT ACTION PLAN

Recommendation	Management Response	Detailed Management Action Plan
<p><u>Commissioner for the Environment and Sustainable Development (CESD)</u> 1.27 Transport Canada should improve and update its tools and database to have more complete and accurate information on regulated companies and their compliance status and to better inform risk-based planning.</p> <p><u>House of Commons Standing Committee on Public Accounts (PACP)</u> That, by 30 June 2021, Transport Canada provide the House of Commons PACP with a progress report with regard to improving and updating its tools and database to have more complete and accurate information on regulated companies and their compliance status and to better inform risk-based planning. A second progress report should be presented by 31 December 2021, and a final report should be provided by 31 December 2022.</p>	<p>Agreed. Transport Canada will undertake the following activities, and commits to providing a progress report to PACP by the prescribed timelines:</p> <ul style="list-style-type: none"> • The policy approach to creating a registration requirement for transporters of dangerous goods was finalized in Summer 2019. The department is developing legislative amendments to the <i>Transportation of Dangerous Goods Act, 1992</i>, and supporting regulations to implement the approach. Concurrently, the Client Identification Database (CID) will be developed to allow the public to register with Transport Canada. Full implementation is expected in late 2022. • By Fall 2021, the department will modernize the policy and procedures for the Inspection Prioritization Tool (IPT) to identify gaps and strengthen business requirements in the Transportation of Dangerous Goods (TDG) Program’s systems (e.g., the Inspection Information System (IIS), TDG Core central database) for risk scoring of regulated sites and facilities, violations, and inspection follow-ups. • The department will confirm that data quality control processes are in place to 	<p><u>Policy Approach to Registration Requirement</u></p> <ul style="list-style-type: none"> • TDG has finalized development of the policy approach for the registration requirement for those handling, offering for transport, or transporting dangerous goods. Legislative Modernization is one of the key initiatives under the TDG Transformation Agenda. Work is currently underway; however, CID Regulations can move forward without the legislative change – aim for <i>Canada Gazette II</i> by Fall 2022 to coincide with the database (Office of Primary Interest (OPI): Director, Regulatory Frameworks and International Engagement). • CID regulations intended to come into force in Fall 2022; at that time, the CID application will go live for companies. The database will be completed in Spring 2022 and, between Spring and Fall 2022, it will be tested, to be officially released when the regulation comes into force in Fall 2022 (OPI: Director, Safety Research and Analysis). <p><u>Modernizing IPT</u> (OPI: Director, Safety Research and Analysis)</p> <ul style="list-style-type: none"> • TDG launched a two-year comprehensive review of the IPT for risk scoring TDG sites, to be completed in August 2021, with the guidance of TDG experts as well as a contract with Risk Sciences International (October 1, 2020 to January 31, 2021): <ul style="list-style-type: none"> ○ January-February 2021: IPT/National Oversight Plan (NOP) units working on sensitivity analysis to see how algorithm/risk categorization/inspection cycle perform

support the effective application of tools, guidance materials and appropriate risk scoring for individual and multiple violations. Managers will ensure that this undertaking, as well as associated inspector training, is complete by Fall 2020.

- The department will further accelerate the work of the Data Quality Working Group (DQWG) to minimize to the extent possible, by Fall 2020, the number of closed TDG and means of containment sites currently in TDG databases.

together. Present preliminary results to headquarters/regions for feedback.

- February-March 2021: Address feedback from stakeholders in design.
- March-August 2021: NOP team to implement new algorithm and risk categories/inspection cycles approach into Regulatory Oversight Management (ROM) for use in the work planning process. Test to make sure tools are working as intended and results are reliable.

Verifying Presence of Data Quality Control Processes

- This item is substantially complete; work is now in the implementation phase (OPI: Executive Director, Compliance and Response)

Accelerate the Work of the DQWG to Minimize Closed Sites

(OPI: Director, Safety Research and Analysis)

- TDG progress in removing sites from IIS: 10,947 sites have been removed from IIS since 2016. While the DQWG undertakes several efforts throughout the inspection cycle to remove closed sites, we cannot take exclusive credit for all closed sites, as this may be done by inspectors as well:

	Closed Sites	Deleted Sites	Total Sites Removed from IIS
2016-17	1,782	136	1,918
2017-18	1,733	455	2,188
2018-19	2,942	825	3,767
2019-20	1,978	1,096	3,074
Total	8,435	2,512	10,947

		<p>In addition to the annual closure of sites as part of the development of the inspection work plan, the DQWG undergoes a series of quality assurance activities that ensure the ongoing accuracy of the data across TDG Systems.</p>
<p><u>CESD</u> 1.33 Transport Canada should systematically track and document its verification that companies have returned to compliance after violations are found.</p> <p><u>House of Commons PACP</u> That Transport Canada provide the House of Commons PACP with a progress report with regard to tracking and documenting its verification that companies have returned to compliance after violations are found by 30 June 2021 and every six months thereafter until 31 December 2024.</p>	<p>Agreed. Transport Canada will strengthen the application of, and the supporting training on, oversight procedures for follow-up activities conducted by inspectors after they detect non-compliance by regulated entities, and commit to providing a progress report to PACP by the prescribed timelines. Management will ensure that inspectors are aware of updated procedures and are able to apply appropriate quality controls. This is to be completed by Spring 2021.</p>	<p><u>Strengthening Application of Oversight Procedures</u> (OPI: Executive Director, Compliance and Response)</p> <ul style="list-style-type: none"> Regional Directors have been made aware of the expectation that status of compliance of dangerous goods sites must be documented in 100 percent of files. This is now an official procedure. Revisions to TDG Core will ensure inspectors are prompted to document the compliance status when undertaking an inspection. This update will be included in the TDG Core training once it is launched.
<p><u>CESD</u> 1.34 Transport Canada should ensure that means of containment facilities with expired certificates are not conducting the activities for which the certificates were issued.</p> <p><u>House of Commons PACP</u> That Transport Canada provide the House of Commons PACP with a progress report with regard to ensuring that containment facilities with expired certificates are not conducting the activities for which the certificates were issued by 30 June 2021 and every six months thereafter until 31 December 2024.</p>	<p>Agreed. Transport Canada will strengthen its standard operating procedures to ensure that:</p> <ul style="list-style-type: none"> A letter is sent informing a registrant when the registration is about to expire; Following expiration, a letter is sent indicating the registration has expired and the registrant may no longer conduct such work; and, In cases where Transport Canada cannot verify whether a registrant has ceased to perform the functions following the expiry of the registration, a registrant will be the subject of an onsite verification under the 	<p><u>Strengthening Standard Operating Procedures</u> (OPI: Director, Regulatory Frameworks and International Engagement)</p> <p>Transport Canada has addressed this recommendation.</p> <ul style="list-style-type: none"> A process for sending renewal and expiry notices by email on a monthly basis to registered Means of Containment (MOC) facilities has been in place since January 2020. MOC facilities with expired certificates that cannot be verified are now subject to on-site verification under the NOP, as of April 2020. Transport Canada is currently automating this process, which would reduce the potential for human error, save time, and improve consistency of service. The change

	<p style="text-align: center;">TDG Program’s National Oversight Plan.</p> <p>This work will be complete by Spring 2021, and Transport Canada commits to providing a progress report to PACP by the prescribed timelines.</p>	<p>request was submitted and evaluated by the Facilities and Design Registration (FDR) sprint team during the November 2020 sprint. The change will be part of the next FDR sprint, scheduled for May 2021, with roll-out of this feature in June 2021.</p>
<p><u>CESD</u> 1.41 Transport Canada should strengthen its processes for collecting data from its partners to better identify the national rate of regulatory compliance in the transportation of dangerous goods.</p> <p><u>House of Commons PACP</u> That, by 30 June 2021, Transport Canada provide the House of Commons PACP with a progress report with regard to strengthening its processes for collecting data from its partners to better identify the national rate of regulatory compliance in the transportation of dangerous goods.</p>	<p>Agreed. Transport Canada will undertake the following activities, and commits to providing a progress report to PACP by the prescribed timelines:</p> <ul style="list-style-type: none"> • By Spring 2022, as part of the TDG Transformation Road Map, the department will implement a data-driven oversight initiative that will include the implementation of the TDG Core central database initiative (i.e., revamping of the IIS, creation of the CID, integration into the IIS of the FDR database of registered facilities). This initiative will be supported by a renewal of information-sharing agreements with provinces, territories, and other appropriate government programs and agencies, such as the Canadian Nuclear Safety Commission and Health Canada. • By Spring 2021, the department will also further accelerate the quality control activities being conducted by the DQWG, with the objective of strengthening TDG oversight systems and data relevant to TDG regulatory responsibilities to assess and verify compliance of regulated entities under the <i>Transportation of Dangerous Goods Act, 1992</i>, and the <i>Transportation of Dangerous Goods Regulations</i>. 	<p><u>Implement the TDG Core Initiative</u> (OPI: Director, Safety Research and Analysis)</p> <ul style="list-style-type: none"> • The ROM system, which replaces the IIS, will be implemented in May 2021. • Transport Canada intends to bring CID regulations into force in Fall 2022; at that time, the CID application will go live for companies. The database will be completed in Spring 2022 and, between Spring and Fall 2022, it will be tested, to be officially released when the regulation comes into force in Fall 2022. • FDR (October 2023 – no interim milestones identified yet). <p><u>Complete the Renewal of Data-Sharing Agreements</u> (OPI: Director, Safety Research and Analysis)</p> <ul style="list-style-type: none"> • As of November 2020, Transport Canada has concluded data-sharing agreements with all provinces and territories except Nunavut and the Northwest Territories – discussions are still underway. The outstanding agreements are with the respective territories for their final consideration. <p><u>Accelerating the Work of the DQWG to Strengthen Oversight and Supporting Data</u> (OPI: Director, Safety Research and Analysis)</p> <ul style="list-style-type: none"> • Please see information for this column on page 20. <p><i>*OPI for responses: Executive Director, Compliance and Response.</i></p>

<p><u>CESD</u> 1.48 Transport Canada should finalize its approval of the interim emergency response assistance plans by completing the necessary investigations and by developing national guidance and criteria for assessing firefighting capacity for plans related to flammable liquids. The department should ensure that approvals for all future plans are finalized within its prescribed timelines.</p> <p><u>House of Commons PACP</u> That, by 30 June 2021, Transport Canada provide the House of Commons PACP with a progress report with regard to A) finalizing its approval of the interim emergency response assistance plans by completing the necessary investigations and by developing national guidance and criteria for assessing firefighting capacity for plans related to flammable liquids; and B) ensuring that approvals for all future plans are finalized within its prescribed timelines. A final report should also be provided by 31 January 2022.</p>	<p>Agreed. Transport Canada will undertake the following activities, and commits to providing a progress report to PACP by the prescribed timelines:</p> <ul style="list-style-type: none"> • By December 31, 2020, develop tools to identify, assign and track necessary investigations for existing and future emergency response assistance plans (ERAPs). • By January 1, 2021, determine the necessary firefighting capacity for flammable liquids within an ERAP, and establish the related assessment criteria and guidelines. • By January 1, 2021, update policies, procedures and guidelines related to the assessment of ERAPs. • By December 1, 2021, complete the necessary investigations for ERAPs that have been interim for three or more years. 	<p><u>Develop Tools to Identify and Track Existing and Future ERAPs</u></p> <ul style="list-style-type: none"> • COMPLETED: The Response Operations Team is using a tracking system (Monday.com) to identify, assign and track investigations related to the ERAP. This software ensures that conditions are met, and that ERAPs will not stay interim for longer than necessary. Guidance materials to assist Remedial Measures Specialists in assessing ERAP applications, as well as necessary training, has also been developed. <p><u>Determine Firefighting Capacity for Flammable Liquids</u></p> <ul style="list-style-type: none"> • End of January 2021: Complete options to document and establish requirements within an ERAP for the response to fires of Class 3 flammable liquids during a derailment, with implementation as follows: <ul style="list-style-type: none"> ○ End of April 2021: Complete internal TDG staff review and validation of the proposed requirements. ○ End of June 2021: Use a communications strategy with ERAP Class 3 stakeholders to implement requirements. ○ End of December 2021: Complete all interim ERAP approval having Class 3 requirements. <p><u>Update Policies, Procedures, and Guidelines for Assessing ERAPs</u></p> <ul style="list-style-type: none"> • COMPLETED: Detailed ERAP Assessment and Response guidelines and procedures have been developed and adapted to the current business program management. Remedial Measures Specialists have been trained on these, and they are currently used to assess ERAPs.
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CANADA ENERGY REGULATOR (CER) – UPDATED DETAILED ACTION PLAN

The CER has updated the Detailed Action Plan, originally submitted to the Standing Committee on Public Accounts on December 3, 2020, to meet the recommendation to provide a progress report by June 30, 2021. The updated plan demonstrates the completion of the CER corrective action to document its analysis of companies' submissions about how pipeline approval conditions have been satisfied.

Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Date)
<p><u>CESD</u> The CER should ensure that it has documented its analysis of companies' submissions about how pipeline approval conditions have been satisfied.</p> <p><u>House of Commons PACP</u> That, by June 30, 2021, the CER provide the House of Commons PACP with a progress report with regard to documenting its analysis of companies' submissions about how pipeline approval conditions have been verified.</p>	<p><u>CER Response</u> Agreed. The CER monitors companies' pipeline approval conditions throughout all phases of the pipeline life cycle. The CER is committed to documenting its analysis on how the company submissions met or did not meet the condition in a more consistent manner.</p> <p>By May 2020, the CER will review its current procedures and quality controls, and develop corrective actions to ensure a consistent approach to the documentation of the analysis of company submissions for pipeline approval conditions.</p>	<p>Analysis of company submissions for pipeline approval conditions is consistently documented.</p>	<p>December 31, 2020 Complete</p>	<p>To improve the documentation associated with the analysis of company submissions in relation to a condition of an approval.</p> <p><u>Completed in Spring 2020</u></p> <ul style="list-style-type: none"> • Internal assessment on areas for procedural and quality control improvements. <p><u>Completed on December 31, 2020</u></p> <ul style="list-style-type: none"> • Update and implement internal work instructions, including documentation requirements for the compliance management system. • Processes are in place to evaluate the procedure(s) and quality controls, and make required system improvements as necessary.