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Chair

The Honourable Michael Chong

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• (0900)

[English]

The Chair (Hon. Michael Chong (Wellington—Halton Hills, CPC)): Welcome, witnesses and members of the committee, to the 20th meeting of the Standing Committee on Industry, Science and Technology, this June 3, 2010. We are here pursuant to an order of reference of Thursday, May 13, 2010, concerning Bill C-14, an act to amend the Electricity and Gas Inspection Act and the Weights and Measures Act.

We have in front of us four witnesses from the Department of Industry. Monsieur Cotton is the manager of the legislative and regulatory affairs division. Monsieur Vinet is the vice-president of the program development directorate at Measurement Canada. Mr. Johnston is the president of Measurement Canada. Madame Roussy is the vice-president of the innovative services directorate at Measurement Canada.

Welcome to all of our witnesses.

I understand the witnesses want to give a ten-minute opening statement, as is normal. In addition, they have five minutes of video in English and five minutes of video in French explaining the bill. I told them I would ask members of the committee if they wanted to see the second ten minutes of video, or if they just wanted to hear the ten-minute opening statement and go right to comments and questions.

Mr. Masse.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair.

I suggest that if we run out of questions we can watch the videos. If not, they can submit them to us as DVD presentations. It's highly unusual.

The Chair: Thank you for that opinion.

Mr. Lake.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I think the video is supposed to be part of what might lead to questions from us. I know it's unusual, but it seems to make sense if we want to understand more about the bill before we get into our study. Surely a video might help us to do that.

The Chair: Mr. Masse.

Mr. Brian Masse: Obviously these videos were produced beforehand, so I don't know why they weren't submitted to our offices with the other packages we received. It's highly unusual, to begin with. Second, there was production of the videos, so I'd like to know the date and time the videos were produced and available.

The Chair: Thank you.

Do other members have opinions on this?

[Translation]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Do you want to see that?

The Chair: Mr. Bouchard, do you want to watch the videos?

Mr. Robert Bouchard: Yes.

The Chairman: There are five minutes in French and five minutes in English.

Mr. Serge Cardin (Sherbrooke, BQ): Ah! I thought there were five minutes in English and five minutes in French.

Some members: Ah, ah!

[English]

Mr. Mike Wallace (Burlington, CPC): Nice job there.

The Chair: I think there's consent to see the videos.

Mr. Brian Masse: There isn't consent.

The Chair: There's consent among most of the members of the committee.

Is there a motion to watch the videos? Mr. Wallace so moves.

(Motion agreed to)

The Chair: We will begin with the ten-minute opening statement from the officials from Measurement Canada. Then we'll proceed to the videos.

Mr. Alan Johnston (President, Measurement Canada, Department of Industry): Thank you, Mr. Chair.

Thank you, ladies and gentlemen, for the opportunity to speak today about Bill C-14, the Fairness at the Pumps Act, as well as about Measurement Canada.

Measurement Canada is mandated to ensure the integrity and accuracy of trade measurement in Canada, by contributing to a fair and competitive marketplace for Canadians through the administration of the Weights and Measures Act and the Electricity and Gas Inspection Act. Services provided by Measurement Canada include the approval of devices prior to being introduced into the marketplace, the calibration and certification of test equipment used to inspect devices, the initial inspection of devices prior to their being put into service, as well as periodic inspections of devices once they are in service. Measurement Canada also addresses consumer complaints and disputes related to trade measurement issues in numerous trade sectors, such as retail, wholesale petroleum, dairy, retail food, fishing, logging, grain and grain crops, and the mining sectors.

A good trade measurement framework should have both mandatory periodic inspections as well as random inspections. The mandatory inspections are a preventative measure of ensuring issues are identified and corrected. In most cases, consumers and other purchasers of measured goods cannot easily tell if the measuring device they are using is measuring accurately and if they are actually receiving the amount of product they pay for. For example, it is difficult to tell if you have actually received 20 litres of gasoline as opposed to 19.5 litres, once it has been pumped into your car's fuel tank. Mandatory inspections reduce the risk of this happening by increasing the frequency with which the accuracy of measuring devices is checked.

Random inspections will be used to target known problem areas, to catch those suspected of not playing by the rules, and to provide a more accurate snapshot regarding the status of measuring devices in the marketplace.

Up until the mid-1970s there were mandatory legislated requirements for government inspectors to annually certify the accuracy of every device used in financially based measurement transactions. In the mid-1970s this requirement was amended to require government inspectors to conduct these inspections every two years. Government inspectors charged fees for these inspections. In the 1980s the government decided to remove the requirements for mandatory inspections and associated fees due to resource constraints, and it was believed that the marketplace could manage itself.

Once the requirement for mandatory inspection frequencies was removed, periodic inspections were performed on what was called a "selected" or "targeted" basis, meaning that Measurement Canada focused its discretionary resources to areas it believed to be problematic.

What we noticed, though, was a troubling trend. Data showed that measurement accuracy in financially based measurement transactions was dropping in some areas as our presence in the marketplace was reduced. Some sectors or device types where we had a limited presence had chronically low compliance rates, an indication that the marketplace is not fully managing itself. Devices in the eight trade sectors that would initially be regulated under Bill C-14 often remain in service for years before being recalibrated or inspected.

Measurement Canada was concerned about these poor compliance rates and began consulting with stakeholders to determine whether they shared the same concerns and to begin identifying what could

be done to correct the situation. Consultations took place with stakeholders in sectors such as downstream and retail petroleum, retail foods, mining, and grain and field crops, among others. We were truly looking to see if we could find an appropriate level of government intervention in the marketplace. Almost every trade sector came back with consensus recommendations that mandatory inspection frequencies should be reinstated and that these could be implemented via the use of authorized service providers, with the caveat that Measurement Canada continue to provide a strong oversight role.

Implementing these recommendations would require legislative amendments. In an attempt to enhance the protection afforded to vulnerable parties such as consumers, Measurement Canada tried to implement the various trade sector recommendations via a voluntary program in 2004. Not a single regulated party expressed interest in taking this up. Stakeholders told Measurement Canada that these inspections would only take place if they were required by law or regulation.

● (0905)

Accordingly, in 2005 Measurement Canada initiated a review of both the Electricity and Gas Inspection Act and the Weights and Measures Act. This initiative was announced in the 2006-07 Industry Canada report on plans and priorities. Consultations then began with a view to confirming that stakeholders in various trade sectors still believed in the various recommendations set out in the trade sector review recommendations.

While compliance rates for gas pumps are typically around 94%, compliance rates for meters used to deliver home heating oil and for devices used to sell propane are around 70%. Measurement compliance rates in some industrial sectors, such as mining and logging, are typically around 50%, and the bias is largely in favour of the device owner.

In 2008 a CanWest story entitled "Hosed at the Pumps" put the state of trade measurement accuracy in Canada under the microscope. It pointed to compliance rates of 94% for gas pumps, devices the majority of Canadians use on a regular basis. As the bias was significantly skewed in favour of traders, the public reacted strongly to the story and demanded something be done to ensure they get what they pay for at the gas pumps.

Measurement Canada believes that Bill C-14 will go a long way toward protecting consumers and honest businesses by contributing to a fair and competitive marketplace for all Canadians. Our consultations with stakeholders have consistently indicated that the majority of Canadians are expecting this level of protection when they buy or sell products or commodities on the basis of measurement.

I look forward to discussing these legislative amendments with you. Thank you very much.

● (0910)

The Chair: Thank you, Mr. Johnston.

We'll take a brief suspension to allow the technicians to sort out the technical problems and then we'll proceed to the videos. This meeting is suspended.

- _____ (Pause) _____
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- (0915)

The Chair: We're coming out of suspension. We're going to resume the meeting. Unfortunately, the video will not play, for technical reasons.

We'll begin with an hour and a half or so of questions and comments from members, beginning with Mr. Garneau.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Thank you, Mr. Chair.

I'll begin by asking how many gas pumps there are in Canada that are going to be subject to inspection from now on.

Mr. Alan Johnston: We estimate approximately 130,000 gas pumps in Canada.

Mr. Marc Garneau: Thank you.

Currently, how many inspectors are there?

Mr. Alan Johnston: We have approximately 84 weights and measures inspectors, but these inspectors do more than gas pumps. They're involved in all the trade sectors. For example, they do retail scales, they do mining, they do logging scales. So they're not solely dedicated to gasoline pumps.

- (0920)

Mr. Marc Garneau: So they're part-time. Are there any privately hired inspectors who do the same task?

Mr. Alan Johnston: Yes. We have approximately 26 registered technicians who are recognized to perform gas pump inspections at the present time.

Mr. Marc Garneau: So would that be about 110 inspectors in all, some of whom are only part-time available?

Mr. Alan Johnston: That's true, and also some of the recognized technicians may do that as part of the job, or it may be their entire job.

Mr. Marc Garneau: And how many pumps does that work out to, currently, being inspected annually?

Mr. Alan Johnston: In 2008 we did about 17,000, in 2009 I think we did about the same amount, and this year we're targeting for a lesser amount than that.

Mr. Marc Garneau: So trying to do my math here quickly, it seems like you get about 15% or 16% of the pumps annually. That would be roughly.

Mr. Alan Johnston: Yes, it would.

Mr. Marc Garneau: How many inspectors do you think you're going to have to hire in order to do this inspection of every pump once every two years?

Mr. Alan Johnston: In terms of Measurement Canada, we have looked at a total cost of implementing Bill C-14, if it were passed, to be about \$3.7 million, but Measurement Canada plans to reallocate about \$1.7 million of that internally within its existing budget and would be seeking an additional \$2 million.

We would propose to hire approximately 18 more inspectors, but these inspectors' role would not strictly be involved in inspection.

We would be providing strong audit oversight role of the recognized technicians. We would expect the number of recognized technicians could go up significantly if and when the new legislation is made into law.

It's difficult to really determine just how much growth there would be. Again, it would depend on whether the companies would decide to use their technicians full-time doing inspections, or whether they would use them part-time to do inspections and part-time to do other types of work.

Mr. Marc Garneau: My very quick math is that if you're doing about 16% of the pumps every year, you're doing about twice that every two years, which would be about 32%, which would mean you'd need three times more inspectors to do the pumps every two years.

Mr. Alan Johnston: In doing our analysis, we had anticipated that if Measurement Canada were to attempt to do all these inspections, we would need probably an additional 300 inspectors.

Mr. Marc Garneau: So who's going to pay the non-Measurement Canada inspectors?

Mr. Alan Johnston: The device owners would be responsible for engaging the recognized technicians, the companies, and they would pay the fees to them. Bear in mind that a number of these companies already have maintenance contracts, arrangements with some of these companies, so while the individual is there doing some repair work or maintenance work, they could do the certification at the same time. We think this is more efficient than having them do that and then having a Measurement Canada inspector come in and inspect the pump at a later date or at a different time.

Mr. Marc Garneau: Do we have any idea how much the device owners are going to have to pay every two years for the inspections?

Mr. Alan Johnston: We've estimated between \$50 and \$200, depending on the type of device, the location of the device, and things like that.

Mr. Marc Garneau: Is that per pump?

Mr. Alan Johnston: That's per pump, yes.

Mr. Marc Garneau: Okay. So if you have five or six pumps, it's five or six times more.

Mr. Alan Johnston: Yes.

Mr. Marc Garneau: Okay.

Am I right in saying that when there was an analysis done of the state of pumps in the country, 94% were within the established tolerances, 6% were out, one-third of those giving too much gas and two-thirds giving not enough gas?

Mr. Alan Johnston: That's correct.

Mr. Marc Garneau: And how many pumps were assessed in that evaluation?

Mr. Alan Johnston: This assessment was made over a number of years. We look at compliance rates on an annual basis. So over a number of years, the pump compliance rates have varied from 90% to 94% to 89%. But the 94% was as a result of the information that was looked at over a number of years in 2008.

Mr. Marc Garneau: And how would you describe the 4% that are not giving enough? Would you describe that number as being outrageously against the consumer? What words would you use to describe that state of affairs?

• (0925)

Mr. Alan Johnston: Well, I'm concerned. I wouldn't use the term "outrageous". I believe that the majority of the pumps that were out of tolerance were out of tolerance by slightly over one tolerance. My concern is simply that gas is a very expensive commodity. It's a commodity used by all Canadians, and I think the technology available today does allow for these gas pumps to remain within tolerance if they're maintained and inspected on a regular basis.

Mr. Marc Garneau: And the gas station owner who's going to have to \$50 to \$200 more per pump per two years is going to, in your opinion, probably pass that on to the consumer?

Mr. Alan Johnston: I don't have an opinion on that. That's beyond my mandate. Mine is simply related to the accuracy of the devices.

Mr. Marc Garneau: Well, that's my opinion.

I just wanted to put it out there to you.

Mr. Alan Johnston: I would just point out, though, that for truck refuellers that refill large transport trucks and things like that, it's around 80%. If you're looking at retail, it's around 94%. And if you look at the other trade sectors that are involved, we have compliance rates of 70% or 60%.

Again, I want to stress that this proposed bill is much bigger than gas pumps.

Mr. Marc Garneau: This is a detail I wasn't aware of. For diesel fuel for trucks, it's 80% within compliance. And how does the 20% break down, in terms of giving too much and too little?

Mr. Gilles Vinet (Vice-President, Program Development Directorate, Measurement Canada, Department of Industry): With regard to the truck refuellers, the bias is the same if not stronger. For example, in 2008, when we were looking for one pump that would be in favour, there would be three pumps against the truckers.

Mr. Marc Garneau: So it's a 25% to 75% kind of ratio.

Mr. Gilles Vinet: That's for truck refuellers.

Mr. Marc Garneau: Okay. Thank you.

The Chair: Thank you, Mr. Garneau, for those questions.

[Translation]

Mr. Cardin, you have the floor.

Mr. Serge Cardin: Thank you, Mr. Chairman.

Good morning, Madam, Gentlemen. Welcome to the committee.

This bill is called "The Fairness at the Pumps Bill". I am not going to talk about marketing, but with regard to the purpose of the bill, especially following the Canwest article, the emphasis has really been put on that. However, one must not forget that this bill applies to all weights and measures, as well as to electricity and natural gas.

With regard to electricity, I imagine that you have, among other things, done studies regarding electric meters. Are you planning on

increasing the frequency of the inspection of these meters? Have you observed serious deviations between readings?

In the end, electric meters are also the responsibility of the "federal" government. What is the situation? How is this going to work? Do you have a frequency in mind? What kind of a loss might this represent for the consumer? If there is a loss, has it been assessed?

Mr. Gilles Vinet: Yes. I will take that question.

With regard to electric meters, these fall under the Electricity and Gas Inspection Act. Under this act, periodic inspections are already required in the case of electricity and gas meters, which is not provided for under the Weights and Measures Act. Bill C-14 introduces mandatory inspection periods.

Therefore, in the case of electricity and gas meters, this work is already being done. Electricity and gas meters are regularly inspected. The compliance rates are in this area very high, precisely because these meters are checked regularly.

Mr. Serge Cardin: Therefore, under your project, and specifically with regard to the regulations, are you planning on maintaining the same inspection regularity?

Mr. Gilles Vinet: Yes. For electricity and gas meters, there is no change with regard to the inspection periods, except that Bill C-14 aims to increase the fines for faulty meters.

• (0930)

Mr. Serge Cardin: When you talk about fines, this applies...

Mr. Gilles Vinet: It applies to everything.

Mr. Serge Cardin: ... to all devices.

Mr. Gilles Vinet: To all devices, in both acts. However, the introduction of mandatory periodic inspections only applies weight and measuring devices, because electricity and gas meters are already covered.

Mr. Serge Cardin: In that case, the term "weights and measures" covers all devices used to measure. For example, in the food sector, there are scales pretty much everywhere; the butcher has his scales, each cashier has a scale. There is a lot of money involved here, because these deviations can really add up. I believe that people spend more money on average on groceries than on gasoline. So how do things look as far as that sector is concerned?

Mr. Gilles Vinet: With regard to inspections, it is rather the same situation: our ability to inspect devices in the retail food sector is limited. The compliance rates are quite high with regard to the devices, but many of them in the retail food sector are not in compliance.

Mr. Serge Cardin: In the food sector, what is the inspection frequency? Is it every two years?

Mr. Gilles Vinet: It is every five years.

Mr. Serge Cardin: Very well.

Mr. Gilles Vinet: It must be stated that the devices used in the retail sector are in a rather protected environment; there is no rain, no temperature variations, etc. These devices therefore maintain their calibration over a longer period of time, contrary to gas pumps or to devices that are outdoors and subjected to all kinds of weather conditions.

Mr. Serge Cardin: They are perhaps easier to adjust, as well.

Mr. Gilles Vinet: That is not the conclusion we have drawn from our inspections carried out in the retail food sector. When we did a review of the sector and consulted retail stakeholders, be they consumers, consumer protection groups, merchants, measuring device manufacturers, it was agreed that five years was an acceptable period for these devices, in a commercial sector context. But in the other sectors, inspections are usually done every one or two years.

Mr. Serge Cardin: Therefore, generally speaking, the fact that this bill is called the “Fairness at the Pumps Bill”, is attributable to the reality that most deviations occur in the gas and fuel sectors. But you must have done some kind of an evaluation after the publication of the article; you must have verified the evaluation. Approximately how much of a loss to the consumer does this phenomenon represent annually?

Mr. Gilles Vinet: Our evaluations cover the year 2008, but we checked again in 2009, and the results are more or less the same. With regard to gas pumps only, for Canadian consumers, we are talking about the equivalent of 20 million dollars worth of gasoline that was not poured out because the pumps registered errors that were over and above the legal tolerance level. That does not include the high flow truck refuellers; we are talking here only of gas pumps. Clearly, the majority of the complaints that Measurement Canada receives relate to gasoline.

Mr. Serge Cardin: Is the lack of accuracy of gas pumps due to breakage or to other things?

Mr. Gilles Vinet: No. The vast majority of the measurement errors that we see are not due to fraud or tampering. They are due to either a failure to properly maintain and calibrate these devices, or to wear and tear... These devices often remain in service for a long time without being calibrated. Wear and tear is inevitable and these devices become less accurate over time. But in the great majority of cases, it is not a matter of fraud or other such things.

Mr. Serge Cardin: No, I understand. For the retailer, it is easier to adjust the price of gas by a tenth of a cent; the industry will pocket \$40 million as opposed to the \$20 million lost by consumers. That is the reason why there is not necessarily tampering.

So in your view, this \$20 million loss justifies an increase of inspection costs by how much? It is the retailers who pay for the inspections, which cost between \$50 and \$200. What could the annual cost amount to for the merchants, the retailers?

• (0935)

Mr. Gilles Vinet: That depends on the number of gas pumps they have. The inspections are done every two years. If one considers the volume of gasoline that flows through gas pumps during the course of a year, there is obviously no relationship between the \$50 or the \$200 paid out and the quantity of gasoline measured by the device. People can therefore do their own calculations.

One must however realize that, generally speaking, a merchant should have his equipment calibrated every one or two years to ensure that it is running properly. He can use that opportunity to have the device certified by an authorized service provider.

The advantage of the model, as Mr. Johnston stated earlier, is that in the present system, when Measurement Canada goes out to do an inspection and a non-compliant device is discovered, the merchant

must call up a service provider to have someone come out, calibrate the device, repair it, and we then have to go back and check that the device has indeed been repaired.

There is therefore a lot of running around, as well as costs for the merchant and for us, whereas with the new system being proposed, the company authorized to certify the device would be able to repair it on site as soon as it encounters a device that is not providing accurate measurements. It will be able to make the adjustments, do the calibration and the certification, confirming that the device is now up to standard.

All of this information will then be provided to Measurement Canada. We will therefore have the information.

The Chair: Thank you Mr. Cardin et Mr. Vinet.

[English]

Mr. Lake.

Mr. Mike Lake: Thank you, Mr. Chair, and I thank the witnesses for being here.

In the original statement you made you touched a little bit on the history of the program in inspections. I just want to clarify. In the mid-1970s the requirement was amended. So there was a requirement to have them certified regularly. It was amended to be two years. Then it says that government inspectors charged fees for those inspections. So this new law basically takes us back to the way it used to be, except that it's not government inspectors, it's recognized technicians. Is that accurate?

Mr. Alan Johnston: That's an accurate statement, yes.

Mr. Mike Lake: So it's something that's been done in the past. The government inspectors charged fees to the gas stations themselves back then.

Mr. Alan Johnston: That's correct.

Mr. Mike Lake: Do you have any idea what those fees were back then? Obviously, the numbers would be—

Mr. Alan Johnston: I honestly don't know what the fees were at that time. I know they were relatively small compared to the cost today, but the cost of living has gone up significantly since then.

Mr. Mike Lake: Okay.

In terms of compliance, 94% of gas pumps are compliant, but what is the acceptable range? How is that measured? What defines what compliance is?

Mr. Gilles Vinet: On what's an acceptable range, for gas pumps our target is 100% compliance. We hope we can get there. Of course these are all mechanical devices, so there will be things that will happen.

If we look at what is going on in other countries—because this is not something that's unique to Canada, and other countries do also have regular inspection of devices—our analysis shows that it increases compliance significantly. We believe that it should bring us very close, hopefully, to the 100%.

Mr. Mike Lake: What I was asking is 94% are compliant—

Mr. Gilles Vinet: Yes.

Mr. Mike Lake: —so what is compliant? What defines whether they're compliant or not? Obviously 94% aren't 100% accurate.

Mr. Gilles Vinet: The 94% means that 94% are measuring within the legal tolerance.

Mr. Mike Lake: Which is what?

Mr. Gilles Vinet: Which is, for gas pumps, half a percent, or 0.5%.

Mr. Mike Lake: Okay, then 6% are out.

In terms of the news report, the way it was reported, the public reacted fairly strongly, as you mentioned. I think the idea was that obviously people thought that because so many of them were skewed in favour of the traders that people were deliberately messing with their pumps to accomplish that.

Is there another explanation as to why this was happening in favour of traders versus in favour of consumers?

● (0940)

Mr. Gilles Vinet: We don't have a clear explanation as to why it's more biased towards traders versus consumers. It could be wear and tear. In some cases that is more a natural transition in the measuring of the devices. If those are calibrated on a regular basis, it would address that problem.

Mr. Mike Lake: But in terms of why it would be more one way versus another, there might be an explanation that isn't necessarily deliberate tampering with gas pumps. It might be the way certain pumps wear down, that it happens to wear in favour of the....

Mr. Gilles Vinet: It is possible, yes, that some technology, some types of devices, may wear down in a certain way that would penalize consumers. Again, introducing regular calibration and certification would address that.

Yes, we have no evidence that this is a general approach by industry.

Mr. Mike Lake: I just wanted to clarify that. Yet at the end of the day, when a consumer goes to buy gas for their vehicle, it's fair to say that they should get what they're paying for, regardless of why the pump might be out of whack.

Mr. Gilles Vinet: Yes.

Mr. Mike Lake: I think you touched on this earlier, but just to talk about the cost to the consumer on an annual basis, just of gas alone, did you say \$20 million?

Mr. Gilles Vinet: That's right. Well, \$20 million is lost by consumers.

Mr. Mike Lake: Lost by consumers because of this inaccuracy. So it's a pretty substantial issue. And that's just for gas alone.

Now, this bill touches on several other sectors as well. What were those sectors again?

Mr. Gilles Vinet: We have retail petroleum, which also includes the truck refuelers and home heating oil meters, which have very low compliance levels as well. Retail food and the dairy, mining, forestry, and grain industries are sectors that would first be addressed by the bill, because the bill would cover everything. For these eight sectors, mandatory inspection frequencies would be introduced through regulations, not through the bill.

Mr. Mike Lake: You mentioned that measurement compliance rates in some industrial sectors, such as mining and logging, are typically around 50% and the bias is largely in favour of the device owner. How can that be? That seems astonishing—50% non-compliant. That's a pretty big number. Why is it so much higher there?

Mr. Gilles Vinet: There are a lot of factors that contribute to that. We are very concerned about that compliance level, and that's why we believe that Bill C-14 would address a lot of the issues by introducing regular inspection—we're talking yearly—in those sectors.

Of course at the same time we're doing other things in Measurement Canada that do not require changes in the act to address that. But we feel annual inspection is a must, and it will really improve the situation, because at 50% we're talking about half of the devices not measuring within the legal tolerances.

Mr. Mike Lake: I imagine there's been a fairly significant consultation process here. I notice that you talk about an attempt to have a voluntary program, and it seems that there was no take-up on that. So you've had this consultation process on how to go about this. Could you describe that process? Who was consulted?

Mr. Alan Johnston: We identified through StatsCan all the trade sectors where measurement formed the basis of their transactions. We then split it up by sector. Then we formed a team within Measurement Canada. We identified the stakeholders in each of those sectors, and that included both industry and consumer groups, anybody who we felt was affected by the measurement transaction in that sector. We then set up cross-Canada consultations with the stakeholders. In fact, we even trained some of our consumer groups. We wanted knowledgeable stakeholders, so we brought in some of the consumer groups to train them and then we organized these cross-Canada meetings.

Everybody was around the table, including the industry and consumer groups. We went through a series of questions that we had developed, asking them for opinions. For example, did they think mandatory inspections were important? How often? Did they think that Measurement Canada should even be involved in this sector? These are the kinds of questions we had.

We did them by the various sectors. We compiled all of this information, which led us to recommending that Bill C-14 be introduced to make changes as per the stakeholders. For example, stakeholders were also asked whether they felt that alternate service delivery was okay. Almost all consumers said they were fine with it, provided that Measurement Canada continued to play a strong audit oversight role, which is a cornerstone of what Measurement Canada needs to do in order to ensure that the recognized technicians are doing their job.

I should also point out that this is not new for us. We have had alternate service delivery in the Electricity and Gas Inspection Act for over 20 years.

• (0945)

The Chair: Thank you very much, Mr. Johnston. Thank you, Mr. Lake.

Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair.

The video that didn't play, is that intended for public or private broadcast?

Mr. Alan Johnston: It's intended for public broadcast. It was developed a number of years ago.

Mr. Brian Masse: So it's not going to be purchased; there's no advertising campaign for this.

Mr. Alan Johnston: No. We use it simply as an introduction to Measurement Canada.

Mr. Brian Masse: Okay, thank you. That's important to make sure, though, because we see some of these things emerge during discussion at debate and legislation.

Mr. Alan Johnston: No.

Mr. Brian Masse: Thank you.

With regard to the process, there's approximately a 60%-40% split between inspectors being Measurement Canada versus those other operators you employ right now. Those other operators, when they go out and inspect a pump, who do they get a paycheque from?

Mr. Alan Johnston: From the device owner.

Mr. Brian Masse: From the device owner, right now.

The public inspectors, do they get a paycheque from the Government of Canada?

Mr. Alan Johnston: They get a paycheque from the Government of Canada. We don't charge for regular inspections or periodic inspections at the present time.

Mr. Brian Masse: So right now we have a system in place where, if you're lucky enough to get a public inspector, you don't get charged for that, but if you have a private inspector, you get charged for that.

Mr. Alan Johnston: First of all, I should have mentioned that all devices under the Weights and Measures Act must be initially inspected by either Measurement Canada or a recognized technician. We do charge for those. However, most of those inspections are now being done by the recognized technicians. We only do random inspections, and yes, we don't charge for random inspections at the present time.

Mr. Brian Masse: So there are random inspections taking place, and that's not new. So what will happen if we move forward with the proposal is the inspector who is authorized will go out to the pump, will maybe do maintenance on that pump, fix that pump and then inspect it, and get a paycheque from that company for doing both regular work on that pump and then later on inspecting it to be in compliance. Do you not see that as a conflict of interest?

Mr. Alan Johnston: No. As I say, we've had this in place both in the Electricity and Gas Inspection Act and the Weights and Measures Act for a number of years. We think that the oversight we have—i.e., if they were to adjust the pumps for whatever reason and it wasn't in compliance—we will be following up. I'll turn this over to Madam

Roussy here in a minute to give you more details, but we would be following up. If we catch individuals doing that kind of thing, we have sanctions we can take against them. We can suspend them.

Mr. Brian Masse: In terms of 1999-2007, when we found the problems there, how many fines were levied during that period?

Mr. Alan Johnston: We've had very few fines. First of all, the prosecution process is very lengthy and very expensive. Measurement Canada has had a progressive enforcement policy in place. Our objective is not necessarily to take everybody to court. Sometimes the punishment doesn't fit the crime. If you're prosecuted, if you're personally charged and convicted, you can obtain a criminal conviction.

Mr. Brian Masse: Well, you're painting a different picture from the minister, who was on CTV pointing down and saying "We're coming after you". That's what he did. You have 94% right now that we're guessing are in compliance, and 6% that aren't, and \$20 million annually that people are being ripped off. We have a system right now where you're saying some were fined. Can we get the exact number? I would like the exact number of those fines. If you don't have them today, then they can be tabled with the clerk later on. But I would like to know how many and how much people were fined.

Mr. Alan Johnston: I have one only that I can recall, but I'll have to check my information.

Mr. Brian Masse: So we've had probably hundreds of millions of dollars of gasoline that hasn't been provided to Canadian consumers over this time period, and there's only been one fine. Is that right?

• (0950)

Mr. Gilles Vinet: It depends what you mean by "fine". We have—

Mr. Brian Masse: Well, a "fine" is when you're caught doing something wrong you have to pay money for it because you did something wrong.

Mr. Gilles Vinet: The only tool we have for enforcement right now is prosecution. Over the last five years, we've had one prosecution by us, but also one prosecution by the Sûreté du Québec, because we started an investigation and we found there was a problem and we worked with the police and decided to prosecute under other legislation. So we had one prosecution case over the last five years, but many counts. That's why I was saying I didn't know what you meant by fines, but there were 12 counts, accusations, for that prosecution. Again, the problem with prosecution is that the amounts we get are very small. The amount of work is really big, and the amount of time is really big, and we end up with a \$300 fine at the end.

Mr. Brian Masse: That could actually be changed by regulations. It could be changed tomorrow by regulations. No, it cannot?

Mr. Gilles Vinet: No, it's set in the act, and Bill C-14 is changing that.

Mr. Brian Masse: Sure, but it could be done on its own, not with other changes to the act.

Here's what I'm concerned about. We're going to add more private inspectors to a system and regime you already have. You are telling me right now that aside from following up with Measurement Canada people, we rely right now on the private inspectors to go forward out there to do the measurement, where we know we're having \$20 million annually, approximately, of misappropriations of consumers' moneys, and we're going to grow that.

I'm really concerned about the fact that you have the companies that are going to employ people to work on a regular basis to do work at their company. That probably is a hefty part of their paycheque, versus that of the quick measurement check, which is \$50 to \$200. Then we're going to expect that it's all going to carry out in the wash and consumers are going to be protected.

What I'm really shocked about is that you describe that as the current regime. I assumed there was actually more oversight happening right now, but it appears there is less follow-up.

How do you reconcile the exact process of following up on those inspectors? Right now you have moved to a process of relying on the private sector to deliver this measurement process that's failing Canadians. We want to increase that. What is your mechanism to put more accountability? Because obviously it's not working right now and you want to build the regime stronger.

Mr. Alan Johnston: I think I'll ask Sonia Roussy to address that question.

Ms. Sonia Roussy (Vice-President, Innovative Services Directorate, Measurement Canada, Department of Industry): I'll take them one at a time, because there are a few points there.

Grow private inspections.... Just to be clear, the private inspectors are authorized service providers, and right now they only perform initial inspections. The point of the bill is to have them perform those mandatory inspections, which don't exist right now. Right now what happens are two things. The private inspectors are doing the initial inspection, which is the first inspection before a device goes into the marketplace. And Measurement Canada does random inspections. That's what is happening now. As a result of that, we have the situation we have with the \$20 million.

Private inspectors are not doing anything else because there's no incentive for them to do it.

Mr. Brian Masse: Obviously it's not working, because if you have that type of chronic problem, they're the ones setting up the faulty equipment right now.

Ms. Sonia Roussy: Well, what's happening is with the private inspectors there is follow-up, and the work they are doing is correct. But what happens with the equipment is that if it is set up and then left unattended, without the repairs, there are seasonal changes that impact on these devices and so on for a year or two, or longer. The device compliance is degrading, but there is no incentive for anyone to go back and do a repair because there's no mandatory requirement.

The Chair: Thank you, Mr. Masse.

Thank you, Madame Roussy.

You referred to prosecution, and I assume that's criminal prosecution.

Mr. Alan Johnston: That's correct.

The Chair: So I think the difference is that in the current legislation, the current law, the burden of proof is beyond a reasonable doubt on the part of the crown because it's criminal prosecution, whereas with the new legislation it would be civil prosecution, with administrative monetary penalties, where the burden of proof on the crown is the balance of probabilities, which is a much less onerous thing to prove.

• (0955)

Mr. Alan Johnston: Yes. We would maintain both.

The Chair: Yes, but you would obviously more likely pursue the administrative monetary penalties—

Mr. Alan Johnston: Yes, definitely.

The Chair:—rather than the criminal prosecution, unless it was quite egregious.

Mr. McKay.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Mr. Chair.

I'm not a regular member of this committee, so I'm a bit of a johnny-come-lately here.

I must admit that Mr. Masse's line of questioning is intriguing, in the sense that a private inspector has an inherent conflict of interest. I don't think a private inspector, versus a government inspector, in terms of inspecting the pump is going to do a substantially different job. But the private inspector has built in a conflict of interest, and that is, he wants to sell other services to the gas station owner. I don't know what all those other services might be, but it seems to me that this conflict of interest may be from time to time weighted in favour of the owner of the gas station, versus the consumer of the products at the gas station. Do you have an opinion on that matter?

Ms. Sonia Roussy: I'll explain how the private inspector is set up. I think that would be helpful, to see how we get around possible conflict of interest.

Hon. John McKay: Okay. I've only got five minutes, though, so please be quick.

Ms. Sonia Roussy: I'll try to go quickly.

First of all, with the private inspector, we authorize companies. So they have to be incorporated companies. They're not individuals. They are the authorized service providers. These companies must meet certain requirements—

Hon. John McKay: I can incorporate myself. I could be a company.

Ms. Sonia Roussy: That's right. So you must be incorporated. Certain conditions must be met. Then you would hire people who wish to be recognized technicians—that's the term we use—and to be able to do that, they have to attend training. They have to go through a theoretical examination and a practical examination. They must have equipment that is comparable to what Measurement Canada would use and that has been calibrated by Measurement Canada. They must document the procedures they use, and these procedures must be accepted by Measurement Canada.

So this is the whole qualification process. Once they're finally recognized, they do the work. Most of these companies that are authorized service providers, that's their livelihood. They go out and they're either—

Hon. John McKay: Sole livelihood, or do they sell other services too?

Ms. Sonia Roussy: For the most part, they are repair companies for the industry.

Hon. John McKay: They're repair guys. They go out and repair pumps.

Ms. Sonia Roussy: That's right.

Hon. John McKay: They do that sort of stuff and they do inspections on the side, and that is the issue. The issue is that if I want to keep a customer happy I'm going to say your pump is a little out of compliance but not a lot, and I think we can let it go for the time being; I'll come back in another year or so, and we'll fix it then. But a government inspector could care less: it's either in compliance or it's out of compliance. It does strike me as an anomaly. I can't think of a perfect analogy, but it's like a policeman who says that a person did commit an assault but the police could provide legal services for him too. It's not an entirely perfect analogy, but nevertheless it does seem right.

My second line of questioning has to do with the declining rates in terms of compliance with respect to retail gasoline, then wholesale trucks, and then you get to home heating. Am I interpreting your information correctly to say that the average home heating truck that's delivering oil to some rural consumer is 50% out of compliance?

Mr. Gilles Vinet: No, it's not 50%. What we said before is that 60% of them are not measuring accurately, but the error is close to the tolerance. It's not 50% measurement error, but 60% of them had measurement problems.

Hon. John McKay: So the average truck going around, if there are 60% measurement problems, if I'm filling up for 200 gallons, there's a good chance I'm not getting my 200 gallons.

• (1000)

Mr. Gilles Vinet: But for a truck carrying home heating oil, the tolerance is 0.25%. It's smaller even than for gas pumps. So you would have maybe 40% or 35% of the meters—

Hon. John McKay: So for a truck that's out of compliance, what does that mean in terms of an average fill-up of a 200-gallon tank? A gallon, two gallons, three gallons?

Mr. Gilles Vinet: The tolerance is 0.25%. So if for example we look at 400 litres—

Hon. John McKay: Okay, go for 400 litres, yes.

Mr. Gilles Vinet: —that would be one litre. That's the tolerance.

Hon. John McKay: One litre—that's the tolerance.

Mr. Gilles Vinet: It could be off two litres.

Hon. John McKay: So in terms of the truck pulling into the driveway, there's a good chance that I'm going to get ripped for what—two, three, four litres?

Mr. Gilles Vinet: It's hard to say. For a truck.... I would have to look at our stats to see the average error that has been found.

Hon. John McKay: Most trucks are in fleets. I don't understand why it's so difficult to inspect fleets and actually have an inspector show up more frequently than they apparently do and just run a test on the whole fleet.

Mr. Gilles Vinet: We need equipment to test truck-mounted meters that measure home heating oil. We have portable and fixed provers, and testing involves delivering oil in the provers.

Hon. John McKay: In the provers...?

Mr. Gilles Vinet: There are environmental issues. We have to be careful. We cannot do that anywhere, because there are safety and environmental issues. We cannot do those tests anywhere.

Yes, we can test those devices, but again it's....

The Chair: Thank you.

Did you know that home heating fuel is diesel? There you go. Now you know.

Mr. Wallace.

Mr. Mike Wallace: Thank you, Mr. Chair.

Thank you for coming.

First of all, I want to put on the table that I'm certainly in support of what's here, what's in front of us. I actually happened to have been in the retail gas business for a number of years.

Hon. John McKay: Oh, ho.

Mr. Mike Wallace: So I would like to do a little bit of discussion about what actually happens.

I worked for Texaco and I worked for Imperial Oil, and I had one rural area, which had 30-some gas stations, and about half of them were company-owned. I had two urban stations that were 100% company-owned.

So when we talk about retailers, the person behind the desk actually is an agent. They're not really the retailer. It's Imperial Oil that owns all the land, owns the gas in the ground, owns the pumps, owns everything. In my view—based on the agent agreements that I used to sign—it would be the big bad oil company that would be responsible for the cost.

I could be wrong in terms of how the system works in more rural areas and other areas, but the vast majority of gas stations in urban centres, and the gas there, are owned corporately.

The issue for us in those days was that... I used a service maintenance company—I'm sure they're licensed by you guys—who did all our maintenance. Calibration was often done. I personally did audits monthly on my gas stations, and there was more of a concern about losing product out of the tank that's in the ground than the issue of if we were over or under. We were hoping that it was a calibration problem, because it's a much more expensive and much bigger problem for the oil companies if it's leaky tanks.

I was there when we did a complete tank removal and replacement from steel to fibreglass. So the issue might be different now from what it was when I was there a number of years ago, but I was in the business for six or seven years, and just so you know, for those who don't know, the calibration did happen on a regular basis. When I did an audit and it didn't balance, we had the service maintenance people get their butts out there and get it calibrated to make sure it wasn't a mistake at the pump.

That's why I think it's important for us to keep in mind that there are problems—and there are about 94% or 95% in this case that you're putting—but over 90% are in compliance within the tolerance. The tolerance isn't huge, and they're within the tolerance. And the companies do have a vested interest in fixing that, because they don't want to find out that it wasn't calibration after all, that it was a hole in a 40,000-litre tank that they have underground causing all kinds of contamination, and they do not want to pay for the cleanup.

So that does happen. And I do have faith in our private sector organizations.

I can understand why people think there's a bit of a conflict, but I can tell you that the service company is not interested in ignoring the calibration piece that their customer wants them to be able to fix. They need to make sure that's accurate so they have accurate audits on the amount of fuel they're pumping through the cash register and through the pump so it balances. They need it to balance. I think that's an important piece.

I agree with you on your point that there are probably a few retailers out there who are purposely ignoring the calibration issues, and we need to go after them. And I think more frequent inspections by us and forcing them to do it and providing us the paperwork that they have done it and where they're at is very important, because there are a few where we need to make sure.

I do believe you're right that these are mechanical devices and there are a number of pump manufacturers. I had a variety of pumps at different stations, and some were better than others. Some you had to calibrate all the time. That was years ago, so I'm hoping technology has improved and will continue to improve in that piece.

That was my background. This is important, but you've got to keep in mind that it's not some poor little retailer who is doing it most often. These are big bad oil companies who own most of this stuff, by far.

And will they increase the price? Of course, and things pass through, but I think the consumer would be willing to pay a tenth of a cent more—if that's what it works out to be. And don't forget where the decimal point is on these things, if they know they're getting what they're paying for or not paying for.

My concern is that there are other measurement devices in other industries. We've talked about inspecting gas pumps and stuff. The one that really boggles my mind is on the mining side.

•(1005)

Can you explain if that measurement that the truck comes across that says it's got so much potash or whatever on it may not be accurate, that there's less than what they say and what they're

charging for? How big is that problem? Is that 50,000 meters across the country? Is that a small group? I have no idea. I was shocked to see that 50% are out—

The Chair: Thank you for the question, Mr. Wallace.

Briefly.

Mr. Alan Johnston: These types of scales will sit out in an environment. They drive trucks on them, and basically snow, mud, dirt, you name it, can be on these devices. They are out of tolerance by that percentage for many reasons. Now, they're not out of tolerance by a huge amount. As I said, it's not 50% error, but it's 50% of tolerance from the small tolerance.

The Chair: Thank you very much.

Monsieur Bouchard.

[*Translation*]

Mr. Robert Bouchard: Thank you, Mr. Chairman. I too would like to thank the witnesses for being here this morning to discuss Bill C-14.

Mr. Vinet told my colleague that Bill C-14 covers all meters and measuring devices in Canada. Is that so?

With regard to water meters, does Measurement Canada have a role to play with regard to those that municipalities install for certain businesses?

Mr. Gilles Vinet: At present, water meters are exempted from inspection under the Weights and Measures Regulations. They are covered by the law, but the regulations provide an exemption for water meters. This exception dates quite far back.

Mr. Robert Bouchard: Excellent.

In certain municipalities, when a water meter is installed in a business, it is the merchant who pays. The water meter is the property of the business and it is up to the merchant, who is the owner of the water meter, to prove to the municipality that it is in compliance with the regulations. In that sense, as far as that application is concerned, I do not believe that Measurement Canada has a role to play, since the water meter is the property of the merchant.

If I understand correctly, that does not involve you.

•(1010)

Mr. Gilles Vinet: It is covered by the legislation. That is a sector for which we have carried out consultations. It is a sector that we are presently studying. If Measurement Canada ever deemed it necessary to regulate water meters, then the regulations would have to be amended. It would not be necessary to change the law to cover water meters, but the regulations would have to be amended.

Mr. Robert Bouchard: Excellent. Thank you.

Complaints are usually filed with the police. That means that, in the case of a retailer committing fraud, who does not have the required devices or who refuses to follow an inspector's recommendation in order to correct the situation, a complaint would be filed with the police. Would this complaint be made to the municipal police force, to the Sûreté du Québec, in the case of Quebec, or to the RCMP?

Mr. Gilles Vinet: In our case, when we talk about complaints, we are always talking about complaints made to Measurement Canada by consumers who are of the belief that specific devices are inaccurate. We then investigate. In the context of our work, obviously, if we discover or have strong suspicions that there is fraud going on, then we will inform the police.

Mr. Robert Bouchard: Which police? The municipal police force or the Sûreté du Québec?

Mr. Gilles Vinet: In the case of extreme fraud, in the past, we called upon the Sûreté du Québec. We have, in a few cases, worked with the Sûreté du Québec. At Measurement Canada, when we talk about complaints, these are always consumer complaints and not complaints made to the police. However, complaints to the police are a possibility.

Mr. Robert Bouchard: I would like to provide a concrete example. In Quebec, Hydro Quebec or Gaz Métro supply natural gas to private homes or businesses. Hydro Quebec must purchase meters certified by Measurement Canada. Correct me if I am mistaken. These meters are installed at each property.

Am I to understand that it is up to Hydro Quebec to provide proof, every two years, that these meters are up to standard? Hydro Quebec is therefore responsible for proving that these meters are in compliance with Measurement Canada's requirements, or perhaps that is not its responsibility? Is it Measurement Canada that takes care of verifying if the meters are to standard?

Mr. Gilles Vinet: With regard to electric meters and gas meters, such as those used in the case of Gaz Métro or Hydro Quebec, the law is clear. It is their responsibility to ensure that the meters are accurate.

However, the system is such that an initial inspection of all meters is done, and then there are periodic inspections.

Mr. Robert Bouchard: An initial inspection is done by Measurement Canada?

Mr. Gilles Vinet: No. By authorized service providers, recognized organizations...

Mr. Robert Bouchard: Paid by Hydro Quebec?

Mr. Gilles Vinet: Yes, but in this case, Hydro Quebec is an organization that is accredited by Measurement Canada to carry out device certification and inspection. Therefore, they will verify their meters and fulfil all of our requirements. We do a follow-up on their quality assurance system. We also do an annual follow-up of their operations' audits — they must provide us with information on the results they have obtained.

In a nutshell, the law provides that these meters be verified and inspected again. In the case of electric meters, for example, this is done every six years — or every ten years, in certain cases.

Mr. Robert Bouchard: To summarize, Measurement Canada never involves itself with Hydro Quebec's or Gaz Métro's measuring devices, especially not meters installed in private homes or businesses.

Mr. Gilles Vinet: We only intervene in those cases where there is a dispute, an objection made by a consumer. But usually we do not, no.

Hydro Quebec is accredited by us to carry out inspections on our behalf. It must follow all of our rules and execute the inspections in accordance with the frequency set out in the law. We verify and we audit what Hydro Quebec does.

The only exception, as I mentioned, is for consumer complaints — what we call “disputes“ under the Electricity and Gas Inspection Act — , in which case we test these meters ourselves.

• (1015)

The Chair: Thank you, Mr. Bouchard.

Thank you, Mr. Vinet.

Mr. Braid.

[English]

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Chair.

Thank you to our witnesses for being here this morning.

I will look forward to seeing the video at another time. I presume it's on the Measurement Canada website, is it?

Mr. Alan Johnston: We have it on YouTube as well.

Mr. Peter Braid: Excellent. I'll send a link to Mr. Masse.

Mr. Alan Johnston: I was going to see him privately after and give it to him.

Mr. Peter Braid: I wanted to begin by asking initially about the certified technicians who measure the accuracy of the pumps. Who certifies the technicians?

Mr. Alan Johnston: Measurement Canada certifies the technicians.

Mr. Peter Braid: And how does that process work?

Mr. Alan Johnston: I'll turn this over to Sonia. Sonia's responsible for this, so I'm going to give her the floor.

Ms. Sonia Roussy: The process is one whereby the technicians must receive training from Measurement Canada. Training depends on the device types that they will be inspecting. Typically we're talking four to five days in length for each device type.

Following the training they must successfully complete a theoretical evaluation, receiving a 75% mark or higher. They must then do an on-site practical evaluation, where they actually go through the process and we observe what they do. Again, they must successfully complete that at 70% or higher.

They must acquire equipment that is calibrated and meets all the specifications from Measurement Canada, the test equipment, and they must document and use procedures that have been approved by Measurement Canada as well. So that's the qualification process.

Once they are out doing the work, then they are monitored. We do —minimum—annual surveillance of them, of all the technicians. These could involve audits. We follow up on their work because they are required to submit the results of all their work to us. So when they arrive at a device they must document what the as-found results are—when they got there, what was the condition of the device, what work they did, and then what was the condition when they left.

All of that is submitted to Measurement Canada, and we enter it into a database. This permits us to look up where they have been, and we can show up on a surprise visit and do a follow-up of the technician. If anything inadequate is found during that follow-up, then we immediately raise a non-conformance. If it's a more serious non-conformance, we can immediately suspend the technician or even revoke if it's very serious, where there's a case where we determine there was fraud of some kind. If they're revoked, they will not be able to do business in that front any more. If they are suspended, they would have to put in place all of the corrective and preventive actions so that we could be assured that their suspension could be lifted.

Mr. Peter Braid: Thank you. It sounds like a very rigorous process.

On the certified technicians, I'm just curious: other than measuring the accuracy of pumps for the companies they work for, what other services are they providing to retail gas stations, and how frequently are they visiting and providing those services?

Ms. Sonia Roussy: It will depend on the company, on the authorized service provider. There are some authorized service providers who do only inspections. Some of them will offer repair services. They will do maintenance work on the equipment. It really depends on the business. The majority of the companies have been in business for a long time doing repair services for the industry, depending on what industry we're talking about. So for scale companies and meter companies, their livelihood comes from doing repair work and inspection work once they become authorized service providers.

Mr. Peter Braid: Very good. I have a question about the AMPs, the administrative monetary penalties. This is a new feature under Bill C-14. Is that correct?

Mr. Alan Johnston: That's correct.

Mr. Peter Braid: It doesn't currently exist.

Could you provide a little background on the rationale for the creation of this mechanism, why you believe it will be effective, why the penalties will be set at the levels they'll be set at? Will the technicians have the authority to impose the penalty right then and there on the spot? How will those penalties be used? Will they go into general revenue? Where will the money collected through the penalty process go?

• (1020)

Mr. Alan Johnston: First of all, only Measurement Canada inspectors can take enforcement action, so the recognized technicians will be doing inspections; they will not be taking any enforcement action. As for where the money goes, any money that is collected through the AMPs will go to the consolidated revenue fund. Measurement Canada is 100% appropriated, so we would not keep any of this revenue.

There are a number of reasons we think AMPs will be more effective than prosecution. For one thing, prosecution is a long process. As I said earlier, I think sometimes the penalty doesn't fit the crime, so to speak. They can have a criminal record, which wouldn't allow them to travel. We think that it's also a very lengthy process to go through the courts. The use of AMPs would allow us to correct and identify those problems right away. We think we would get—I'll

call them "retailers" for lack of a better way of putting it—their attention right away. It would be more effective in terms of overall compliance in the marketplace.

The Chair: Thank you very much, Mr. Braid. Thank you, Mr. Johnston.

Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair.

Let me make sure this is correct. The retailer will be the one getting the bill for this new inspection in terms of the gas pump or diesel pump.

Mr. Alan Johnston: That's correct.

Mr. Brian Masse: I think this is one of the reasons it seems unfair. You look at the oil and gas companies right now. They're enjoying windfall profits. They're obliterating the earth—and BP is an example. They're getting windfall tax cuts. Then the \$50 to \$200 fee is going to be passed on to consumers, along with the HST, who will basically get what they pay for as a free market decision to buy that actual product. That hardly seems fair.

Mr. Alan Johnston: I can't comment on a lot of that. The device owner under the Weights and Measures Act is responsible for maintaining the device in an accurate state. Therefore if we levy a charge or the recognized technician levies a charge, it would go to the device owner, and that may be the retailer or it may be the oil company.

Mr. Brian Masse: So is there going to be a greater disparity in terms of the \$50 to \$200 cost? Is that going to be higher because, for example, if you're a rural retailer it could cost a lot more money to have somebody drive sometimes hundreds of kilometres out to a location? We looked at some of the stats here in terms of the number of inspectors. There are zero on Prince Edward Island, for example. So if somebody has to come from the mainland shore to Prince Edward Island to inspect the pump, what would the cost of that be versus what it would be for someone in downtown Toronto?

Mr. Alan Johnston: First of all, we have a number of recognized technicians or authorized service providers who are in rural areas. We have them in Thunder Bay. We have them in the Saguenay. We expect that, as Ms. Roussy said earlier, there's no real incentive for these companies to get into the business right now because there are no mandatory re-inspection periods.

We're anticipating a growth. We're anticipating that a lot of these companies that are now getting their devices serviced by somebody will pick up to do those inspections at the same time. There could be a cost because more travel will be involved, but we would anticipate that these private companies would be able to engage a number or become the service provider to a number of companies in a local area. So instead of travelling up and back once a week, they could be up there for a week, and that would spread out those costs. If in fact they couldn't get the work done, then Measurement Canada would have an obligation to get that work done.

Mr. Brian Masse: How much competition is there in the industry of actually inspecting pumps? In terms of a region, how much competition is there? Are there several companies you could select from?

Mr. Alan Johnston: Yes.

Mr. Brian Masse: Okay, so despite the fact that there are a few hundred of them among yourselves, publicly owned, and privately licensed, they're competing. Even if there are five in Saskatchewan, for example, they're competing against each other on a regular basis for the entire province of Saskatchewan?

Mr. Alan Johnston: Yes.

Mr. Brian Masse: Really? So you'll actually tender out there and get bids?

Mr. Alan Johnston: We don't tender. It's up to the companies to go out and basically market themselves to do this work on behalf of Measurement Canada. Bear in mind that we do not have mandatory inspection periods in place right now, so there's very limited demand for that. But if we get mandatory inspection periods, these companies would go out and engage these device owners or retailers, would offer their services to them. They may already be providing maintenance or repairs, and they could have this additional inspection function to allow them to provide a complete service—come in, recalibrate, repair, and certify a device all at one time.

• (1025)

Mr. Brian Masse: What evidence do you have that there's competition? You're suggesting that there are five of them in Saskatchewan. Are these companies bidding against each other not only for just Regina and Saskatoon but also for northern Saskatchewan?

Mr. Alan Johnston: I'll maybe ask Sonia—she has detailed plans—but the answer is yes, they do compete with each other.

I can't think of any complaints we've had where somebody felt they were being gouged. Of course there's a limited number of inspections—I want to be honest. But we haven't run into that problem in the past, and we certainly don't anticipate it in the future.

Sonia can give you some more details.

Mr. Brian Masse: Yes, thank you.

Ms. Sonia Roussy: We have been tracking where they are located, through maps, for two reasons: to make sure they are moving to the remote locations—which has been happening—and also to see that we have a number of companies in each region, so we do get that competition. While we don't track what they charge—and we've just done a survey to find that out—we are seeing that we're getting a number of companies coming into the various regions.

We have not seen an indication of any monopolies being formed or anything.

Mr. Brian Masse: Okay. Maybe we can have that tabled. That would be interesting. I think that's one of the things that keeps them honest.

If we're not tracking what they're charging, maybe we could find some of that information.

Do I have more time, Mr. Chair?

The Chair: Please be very brief.

Mr. Brian Masse: I'll spend my time, then, to ask if we can get an answer—because they won't be able to answer this anyway—but perhaps from the researchers. I'd like to know approximately how

much gasoline and other measurement we're able to determine has been lost to the consumer, from 1999 to the present time, and also the taxes paid on those materials? Could those be provided to the committee? It would be interesting.

The reason I'm going with that is if we get another chance my question would be related to the request for an additional \$2 million, which we haven't gotten to yet, and the \$1.7 million reallocated to Measurement Canada to make this happen.

Thank you, Mr. Chair.

The Chair: Okay, thank you.

Mr. Masse actually has three pieces of information that he'd like to solicit from you, if you could submit it to the clerk, one that was mentioned earlier, in another intervention, and the two right now. If you could review the transcript and provide that to the clerk as best as possible, that information would help us in our study of this bill.

We're now going to Mr. Van Kesteren.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you all for coming. You've certainly answered most of the questions.

I'm curious. The bill the government has introduced was something that your department felt was necessary, obviously. I have two questions I need to ask. Is there something we haven't asked you that really is a burning issue with Measurement Canada that was another catalyst, another reason for preparing this bill?

The second question would be how do we compare with the rest of the world? Were we lagging way behind? Was this something that was outdated? How do we compare to the U.K. or somewhere like that? Maybe you could comment on that.

Mr. Alan Johnston: I'll start by answering your second question first.

Yes, most industrialized countries, or most countries in the world, have a system whereby there are mandatory reinspection periods. Canada is unique in that sense. So, yes, we are lagging behind in that area.

Our fines are really low. Most countries have introduced much larger fines. The proposed fines would bring us in line with other jurisdictions. The U.S., for example, has mandatory inspection periods. Although in the U.S. it's a state responsibility, it's not a national responsibility. So, yes, this will modernize the Weights and Measures Act and the Electricity and Gas Inspection Act. I think it will give us the tools to do our job.

In terms of questions you didn't ask, I want to make it clear that we started this process way back in 2000 or 2001. We decided as an organization, obviously with the support of our department, that the way to go was to provide a strong audit oversight role and to look at providing services through the authorized service providers. This was not as a result of any particular media event or anything like that. The alternative was to ask the government for 300-plus more inspectors, which in this day and age I didn't think would get very far.

Nonetheless, we haven't reacted to this in the sense that this has all come about as a result of some of the recent media attention. This is something we've been working on for a long time. This is something our organization believed in, that this was the way to go. I know it's unusual for a government organization to say we don't want to grow, but that's what we were proposing many years ago.

Thank you.

•(1030)

Mr. Dave Van Kesteren: So this is something whose day has come. It's time to make the changes.

The other area I'm not fully convinced of, and I want to make sure our consumers have a feeling for, is the angst of if this is going to be sufficient. I'm referring to those inspectors who would operate under a private....

Are you absolutely sure that you have in place measures so you wouldn't get somebody who would collude with an independent or something? That's the question most consumers are going to ask. You're making these inspections, you've got people in place to do that, we've heard, but are you absolutely convinced you have the means of keeping these guys in check, that you've got enough legislation to make sure they will always be 100% honest?

Mr. Alan Johnston: When we went under these trade sector reviews, we asked all the consumer groups and the consumers who were involved if they were comfortable with the use of these recognized private technicians. We explained what they would do and how they would do it. We had 100% feedback that they were comfortable with that as long as Measurement Canada maintained that strong audit oversight role.

We've described that to you already, and I'm not going to go into that again, but to say we can be 100% certain, nothing is 100% certain. I'd love to say I can get 100% compliance at gas pumps, but it won't happen. We're reasonably assured, or strongly assured, that we have in place the measures and the sanctions to ensure that if there are issues we can deal with them quickly and decisively.

Mr. Dave Van Kesteren: That's all I have.

The Chair: Thank you, Mr. Van Kesteren.

Monsieur Rodriguez.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Thank you, Mr. Chairman. I will quickly ask two questions, after which I will turn the mike over to Mr. Garneau.

We touched upon the matter of how we compare ourselves, internationally, with what is being done elsewhere.

I am just wondering: the 0.05% margin for error that is acceptable according to your standards, is that what is in place in comparable countries? How is that level determined? How did you arrive at that percentage?

Mr. Gilles Vinet: I will answer that question.

It is the same tolerance level internationally: 0.05% for gas pumps. When the tolerance calculations are done, several factors come into play. There are financial factors, but there are also technical factors, because there is the matter of measurement uncertainty.

At a given time, it is all fine and well to have a little tolerance, but if people are not able to have measurement devices in order to do a good inspection, it is worthless. Technical uncertainty is taken into account as well as the financial impact.

In a nutshell, the 0.05% level is an international standard.

Mr. Pablo Rodriguez: I have a question that might seem odd, but can the temperature fluctuations we experience in Canada — for example, we go from very high temperatures in the summer to very low temperatures in the winter — have an impact on the devices and on the deviation or cause some problems?

Mr. Gilles Vinet: It is certainly more difficult with regard to the accuracy of these measuring devices because they have to work when it is very hot in the summer and very cold in the winter. This requires more regular calibration and maintenance work.

Mr. Pablo Rodriguez: I will quickly ask one final very short question.

We often see, when we fill up at the pump, that there is a difference between the price at the pump and the price at the cash. In such cases, it is the price at the pump that is the right one. First of all, why is there this difference? And does this happen often?

Mr. Gilles Vinet: It is because that legal device is inspected and certified at the gas pump.

Therefore, in the case of a problem with the console in the wicket, the legal device is the one that the consumer saw. This is why we require that the price be indicated in that way. In the case of a conflict inside, it has to be clear that it is the gas pump outside that provides the legal measurement to be used in the transaction.

Mr. Pablo Rodriguez: Does this happen often? It has never happened to me and I am constantly at the gas station.

Mr. Gilles Vinet: No. As far as I know, it does not happen often.

Mr. Pablo Rodriguez: Thank you.

Mr. Marc Garneau: Thank you.

When the government announced this act, it did so in a certain way. Indeed, it stated that its purpose was to protect the consumer. In reality, in my view, the consumer is going to see the additional inspection costs that the business owner is forced to absorb passed on to him. These costs are going to be passed on to the consumer.

Did the government consider a different option, for example hiring more inspectors within your organization, in order to ensure a higher inspection frequency so as to respect the targets that you have set for yourselves? If not, why?

•(1035)

Mr. Gilles Vinet: We considered all of the options in order to try and determine which model was the best. We looked at what has been done in other countries. Our conclusion is that the model proposed in the bill is the best one.

If we were to hire more inspectors to carry out this work, if that were possible, we would need at least 300 inspectors. Even in that scenario, one must realize that the cost for the industry would be quite significant. It would mean that we would inspect a greater number of gas pumps and other devices, but without any intention nor possibility of calibrating them.

It would mean that every time we found a faulty device, the merchant would have to call the service provider and have someone come out and do the calibration. We would then possibly have to go back to redo the inspection and ensure that the calibration was done properly.

Mr. Marc Garneau: I wanted to underscore the fact that the priority, here, is not really consumer-based. From what you have just told me, the consumer was not your priority. It was other factors and other criteria.

Mr. Gilles Vinet: Our priority is always accurate measurement, and this is in the interest of the consumer. It is for the merchant as well, but it is for the consumer, because the consumer is the vulnerable party in the transaction.

In fact, our aim is to ensure that the devices are accurate. We have recently seen in the marketplace that there are an awful lot of devices that do not respect the legal tolerances with regard to accuracy. That is really what our purpose is.

Mr. Marc Garneau: The way this has been outlined, I believe that, in the end, it is the consumer who will be forced to pay.

[*English*]

The way this was projected in terms of a communiqué—and I realize you're not the creator of the communiqué—was that consumers were being chiselled or gouged at the pump. The implication was that this was largely because of dishonesty on the part of the gas pump operators.

I would like your assessment on how much of it is due to fair wear and tear—and pumps do get out of calibration—and how much, in your opinion, would be due to tampering. Tampering, of course, is not a good idea, for a whole bunch of reasons, and it's not even in the interests of the owner.

The way the communiqué came out, it was projected as though there was a lot more tampering going on to gouge the consumer than I believe is the case. What are the statistics, in your opinion?

Mr. Gilles Vinet: Well, we cannot be 100% sure, but our data clearly show that the vast majority of the infractions with regard to accuracy are due to wear and tear, or negligence, such as companies not having their devices calibrated over the years. Is that fraud, or is that...? I think there's a lot of negligence and there's a lot of wear and tear.

We cannot rule out that there are definitely some cases where some cheating is going on. Now, is it the majority? No, it is definitely not the majority of the errors.

[*Translation*]

The Chair: Thank you, Mr. Vinet and Mr. Garneau.

We still have 25 minutes to go in the meeting. If it is the wish of the committee to hear more questions and comments, we are free to continue. It is your call.

Are there other committee members wishing to ask questions? Very well.

[*English*]

We'll continue. I know there are certain members who want to adjourn just before 11 o'clock because of the briefing that's to be held at that time on Bill C-28 and C-29.

Mr. Mike Lake: If all members of the committee want to adjourn, I'd be fine with that. I have some more questions, but it's up to....

The Chair: Okay.

Mr. Masse.

Mr. Brian Masse: I have a couple of quick questions.

The Chair: Okay, so we'll continue. We'll continue with Mr. Lake, and we'll get to everybody.

Mr. Lake.

Mr. Mike Lake: I disagree with Mr. Garneau's characterization of the communiqué, and I want to get that on record. There was certainly some discussion that said chiselling, or whatever you want to call it, was not okay. But I don't think it was ever said that this was the entire problem.

Certainly, though, there's concern when we see that a far greater percentage of the inaccuracy is weighted towards the retailer as opposed to the consumer. I think Canadians would be concerned about that, and we saw after the original report that this was the case. Whether that was because someone was cheating the system or because they were being negligent in fixing their inaccurate pumps, which might have been purposely negligent in some cases, we don't know. You might not tamper with a pump, but you might know a pump is inaccurate. We have to figure out what the situation is.

At the end of the day, Canadian consumers should get what they're paying for. Through the consultations, if I'm not mistaken, it seems that the retailers have agreed with that right off the bat. It's in the retailers' interest to ensure that Canadian consumers are getting what they paid for. Correct me if I'm wrong, but the retailers themselves, to their credit, have recognized that this is an issue, and have said as part of the consultation that it needs to be corrected.

● (1040)

Mr. Alan Johnston: In our consultations, we found that the retailers supported mandatory reinspection periods—two years for gas pumps, one year for propane—depending on compliance rates. So you're correct.

Mr. Mike Lake: Right, and that's to the retailers' credit.

I want to chat a bit about the recognized technicians again. We've talked a lot about this situation. Taking up Mr. Masse's point, there's been some conversation over the last couple of days about the number of inspectors in different regions. To me that illustrates more about the problem we're trying to solve than it does about what this bill is going to do. If I'm not mistaken, the bill will take measures to correct that. Because of this bill, there will be a demand created for these technicians because the retailers have to have their pumps inspected. This demand should follow population patterns across the country. Where there are gas stations, which is everywhere, there will need to be inspectors. Am I correct?

Mr. Alan Johnston: You're correct. We now have a certain number of inspectors trying to cover the marketplace. There's no requirement for reinspections under the Weights and Measures Act. What we're looking at is supplementing the inspectors, operating under the act, with these recognized technicians. We will have much greater marketplace coverage. We'll have regular re-inspections of these devices, which should improve the overall compliance of these devices in the marketplace.

We're going to be working to improve marketplace coverage through the use of these private sector technicians. This will improve measurement accuracy in Canada. Keep in mind that we will continue to do marketplace monitoring—that is, random inspections of the marketplace—and we will also be the sole agent responsible for taking enforcement action under AMPS or taking cases to court.

Mr. Mike Lake: I'm sympathetic to some of the concerns that some of the members of the committee have had regarding the role of these recognized technicians. I think there are some good questions there. Who inspects the inspectors? Give us a little more detail, if you could, on that part of the program. I think those are fair questions that are being asked.

Mr. Alan Johnston: I'll defer this one to Sonia.

Ms. Sonia Roussy: I think I've described the qualification process at length. It requires quite a few steps and hurdles, if we can call them that, to actually become recognized.

Once recognized, we have what we refer to as audit teams in each of our regions. We have some 26 people who are full-time auditors at Measurement Canada, and their job is to follow up on the work that is done by these recognized technicians. Our random inspectors also assist in that process, and we do follow-ups in terms of surprise visits to where these technicians have been. We perform an inspection as if we're there for the first time, and can compare our results to their results to ensure that the work they have done is adequate.

So far, because there has been little incentive for these kinds of technicians, we have 68 of them across the country, hired by 26 organizations. We believe that with the passage of the bill we would have many more, which would help with the competition and the pricing between the technicians.

• (1045)

The Chair: Thank you, Madame Roussy and Mr. Lake.

Monsieur Cardin.

[*Translation*]

Mr. Serge Cardin: Thank you, Mr. Chairman.

Earlier, you seemed to say that temperatures could have an impact on the workings of these devices. However, I always thought that temperatures could also have an impact on volumes as well. That being the case, if a deviation did creep in, how important would it be?

Mr. Gilles Vinet: Earlier, when I talked about temperatures, I rather had in mind the impact on the mechanics involved, but you are right: the temperature has an impact on the volume of any liquid, including gasoline. In Canada, the great majority of gas pumps are corrected to 15 degrees, which means that the variation in temperature is taken into account. Therefore, as far as measurement

is concerned, no matter what the temperature, consumers will always get a fair measurement.

Mr. Serge Cardin: That is what the little sticker says, in other words that the mechanism rectifies...

Mr. Gilles Vinet: The pumps correct the effect of the temperature, such that temperature variations cannot change the quantity received.

Mr. Serge Cardin: You were saying earlier that there have not been very many charges laid. We can therefore quite easily presume, especially in the case of gas retailers, given the fact that the volume is not that high, that there are perhaps few retailers with bad intentions and wishing to defraud people. In fact, the deviation or the correction at the pump would have to be rather sizeable in order for it to be a paying proposition. The retailer or the corner store owner is not going to start playing around with that. In brief, the problem is mainly mechanical: breakage can occur more quickly than normal or be brought about by insufficient maintenance.

Lastly, the monetary penalties that you want to impose are more aimed at instilling fear in people. One would really have to act in very bad faith in order to be handed a certain penalty. There is great potential — like what you call "transaction": the minister may provide a partial reduction or the complete cancellation of a penalty.

This leads me to the matter of review by the minister. If someone is facing a fine, he or she may contest it. One may, before the minister, invoke the principle of the balance of probabilities: the minister could determine whether or not there has been a violation on a balance of probabilities. What does that mean?

Mr. Gilles Vinet: You are talking about the issue of monetary penalties. At present, the only mechanism is the laying of charges. In fact, our aim is to ensure compliance. That means that if cases of non-compliance arise, we wish to have a progressive application of the law. It is an important tool allowing us to impose fines in cases of negligence or inaccurate devices. However, in very serious cases, we would lay charges.

In those cases where administrative monetary penalties would be imposed, there would be mechanisms for appeal, which are written into the act. In such cases, certain circumstances are taken into account.

We have consulted other departments that have used this administrative monetary penalty approach. And based on our experience, there are very few appeals. The purpose of the administrative penalties is to give a clear message to retailers, namely that they have made a mistake and that they will receive a penalty but will not have a criminal record. Most of the time, it would appear that people pay, get the message and comply.

The law provides mechanisms for those wishing to appeal. This is therefore one of the mechanisms you mentioned and which allow people to defend their point of view.

Mr. Serge Cardin: Earlier, you mentioned that inspection fees could vary between \$50 and \$200. In the case of gas pumps, how do you explain such a large spread?

•(1050)

Mr. Gilles Vinet: Several factors explain the \$50 to \$200 spread. There are gas pumps, but there are also other devices. The complexity of the devices can also be a factor impacting upon the inspection fees.

One must realize that at present, there are in the system a lot of authorized service providers, but there is not much work. It is important. It is just the initial inspection. There are a lot of authorized service providers, but very little work.

But with Bill C-14 we will see an eight-fold increase in the number of inspections required under the law. Given that the workload will increase, there will be more competition. We are expecting that these companies will hire people to do... The number of inspections per year will go from 47,000 to 300,000.

The Chair: Thank you, Mr. Vinet.

I now give the floor to the last member who will be asking questions, Mr. Masse.

[*English*]

Mr. Brian Masse: Thank you, Mr. Chair.

I just want to give the department an opportunity to explain the redistribution of resources here. It's going to reallocate \$1.7 million internally. What is going to change in terms of the department's functioning? Are you able to shift the funds and not compromise other work? What is behind that?

Mr. Alan Johnston: We think it will be complementary. We are going to shift resources, because we're going to have these recognized technicians, these authorized service providers, doing the majority of the inspections. We will be targeting our random inspections. We'll be doing fewer inspections. We will be targeting inspections in areas where we think there may be problems or issues. We'll have more technicians to train and oversee, so we see that shift of resources as complementary to the additional...

We're going to get a lot of bang for our buck by reallocating that \$1.7 million internally. Hopefully, we'll get the additional \$2 million, and that will complement us in our ability to really zero in and monitor what's going on in the marketplace.

Mr. Brian Masse: What's going to be lost in the department, though, from the \$1.7 million that's reallocated?

Mr. Alan Johnston: We will probably be doing fewer inspections.

Mr. Brian Masse: You will be doing fewer inspections. If you are doing fewer inspections, that is a little bit of a concern. You're seeking \$2 million, though. Right now, this government's actually

cutting and requesting that departments cut. What makes you believe that you'll get the additional \$2 million? Right now, the minister has even been requested to cut.

Mr. Alan Johnston: We've made our case. We are going through the process of trying to obtain these funds. We're under a strategic review. We've had no results yet, and we have no indication that the government is going to turn this down. I can't answer that, because it hasn't happened yet.

I should also point out, though, that if this is fully implemented, we see going from approximately 42,000 inspections a year to maybe up to 300,000. When we say that we're going to be doing fewer inspections, somebody is going to be doing more inspections. Measurement Canada will take its resources and use them to target problem areas, rather than to just go out and do inspections because we do inspections. This is the important thing for us. We'll have blanket marketplace coverage that we cannot achieve now.

Mr. Brian Masse: This is why I asked, though, Mr. Chair... Obviously, a \$3.7 million shift is required to make this happen, and this is why I'm asking. I'd like an estimate, from 1999, of how much potential phantom gas, and the tax the government collected from that phantom tax, there was over that time period. There is going to be a need for the department to make a case. The government had been benefiting from revenue from a product not actually sold, not because there was a government conspiracy about it but because of the situation that has evolved. There is probably an argument to be made that if the department is going to implement this and consumers are going to be protected, it is going to need resources.

The Chair: Okay. Thank you, Mr. Masse.

On that note, any spending, whether it's through the main estimates or the supplementaries, must come through this committee.

In that light, as a final note, we have, actually, the supplementary estimates (A) for approximately \$200 million that the committee can review. Mr. Wallace has indicated to me that he wishes to set aside at least one hour—one half of one meeting—in the next four meetings to review these estimates. I will endeavour to do that. Unless there are strenuous objections from members, I'll try to set aside one hour of one of the next three or four meetings to review the supplementary estimates (A) so that the committee can vote on them and determine whether we want to adopt them and report them to the House.

Thank you, Mr. Johnston, Madame Roussy, Mr. Vinet, and Mr. Cotton for your testimony today, and I thank all members of the committee for their questions and commentary.

This meeting is adjourned.

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