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Chair

The Honourable Judy A. Sgro

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• (1100)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I am calling to order meeting number 131 of the Standing Committee on Transport, Infrastructure and Communities. Pursuant to Standing Order 108(2), we are receiving a briefing on the transportation of flammable liquids by rail.

The witnesses we have here from 11 until 12 this morning are from the Canadian Transportation Accident Investigation and Safety Board. We have with us the Chair, Kathleen Fox.

Welcome again, Ms. Fox. It's nice to see you.

Also with us are Faye Ackermans, Board Member.

We also have Kirby Jang, Director, Rail and Pipeline Investigations; and, Jean Laporte, Chief Operating Officer.

Welcome to all of you. Thank you for coming back.

Ms. Fox.

Ms. Kathleen Fox (Chair, Canadian Transportation Accident Investigation and Safety Board): Madam Chair and honourable members, thank you for inviting the Transportation Safety Board of Canada to appear before you today so that we can answer your questions relating to the removal of the transportation of flammable liquids by rail from the most recent update to our watchlist.

First issued in 2010, the TSB's watchlist identifies the key safety issues that need to be addressed to make Canada's transportation system even safer. Each of the seven issues on the current edition is supported by a combination of investigation reports, board safety concerns and board recommendations.

[Translation]

Over the years, the watchlist has served as both a call to action and a blueprint for change—a regular reminder to industry, to regulators, and to the public that the problems we highlight are complex, requiring coordinated action from multiple stakeholders in order to reduce the safety risks involved.

And that is exactly what has happened. As Canada's transportation network has evolved, so too has the watchlist: every two years, we put issues on it, call for change, and, when enough action has been taken that the risks have been sufficiently reduced, the issues are removed.

[English]

As for the transportation of flammable liquids by rail, it was first added to the watchlist in 2014 in the wake of the terrible tragedy in Lac-Mégantic, Quebec, and it was supported by a number of board recommendations. In 2016, we kept the issue on the watchlist. We were also explicit about the type of action we wanted to see—specifically, two things.

First, we called on railway companies to conduct thorough route planning and analysis and to perform risk assessments to ensure that risk control measures are effective. Second, we wanted more robust tank cars used when large quantities of flammable liquids are being transported by rail, in order to reduce the likelihood or consequences of a dangerous goods release following derailments.

Since then, Transport Canada and the industry have taken a number of positive steps. Notably, railway companies are conducting more route planning and risk assessments and have increased targeted track inspections when transporting large quantities of flammable liquids.

New standards were established for the construction of rail tank cars, and the replacement of the DOT-111 legacy cars—as in what occurred in Lac-Mégantic—was initiated. Then, in August 2018, the Minister of Transport ordered an accelerated timeline for removing the least crash-resistant rail tank cars. Specifically, as of November 2018, in addition to the earlier removal of the legacy DOT-111 cars, unjacketed CPC-1232s would no longer be used to carry crude oil and, as of January 1 of this year, they would not be transporting condensate either.

Given that kind of action, we removed the issue from the watchlist. However, that does not mean that all the risks have been eliminated or that the TSB has stopped watching.

On the contrary, we are still closely monitoring the transportation of flammable liquids by rail through our review of occurrence statistics, via our ongoing investigations and via the annual reassessment of our outstanding recommendations. To assist the committee, we are pleased to table today an extract from our most recent rail occurrence statistics showing accidents and incidents involving dangerous goods, including crude oil, from 2013 to 2018.

We are now prepared to answer your questions.

Thank you, Madam Chair.

The Chair: Thank you very much, Ms. Fox. We'll go on to our questioners.

Ms. Block.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Madam Chair. In light of the fact that this motion was brought forward by Mr. Aubin, I am going to trade spots and allow him to have the first line of questioning.

The Chair: I think we have the best committee ever, right? Everybody gets along so well. Look at that.

Voices: Oh, oh!

Mr. Ron Liepert (Calgary Signal Hill, CPC): We aren't finished yet. Just wait.

The Chair: Go ahead, Mr. Aubin.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Thank you, Madam Chair.

Thank you, Ms. Block.

I thank all the members of this committee for agreeing to hold this study.

We are looking into this issue because I feel that Canadians, who—like myself—are not experts on railway safety and are seeing the exponential growth of rail transportation, are generally worried about the increase in the number of incidents and need to be reassured, if that is possible.

Ms. Fox, you have already said that, if the risks increased, nothing was preventing the Transportation Safety Board of Canada, or TSB, from putting the issue back on the watchlist. What criteria would you use to make that decision? Instead of always reacting after an accident, would it to not be possible to proactively implement measures that help avoid those accidents?

Ms. Kathleen Fox: When we put an issue on the watchlist, it is because we have determined that a risk has not been sufficiently reduced. We ask the government, the regulatory organization or the industrial sector in question to take steps that would help further reduce those risks. We consider the statistics we have on incidents and accidents, as well as the recommendations that have not yet been implemented.

In the case of transportation of flammable liquids, we have noted that the actions we requested were taken, and that is why we removed that issue from the watchlist. However, if we note that risk management is declining and that the number of accidents is increasing significantly, we will consider the possibility of putting that issue back on the list.

• (1105)

Mr. Robert Aubin: You are talking about mitigation measures, which I understand. May I conclude from this that, if an issue is on the watchlist, it is because it poses an immediate danger requiring swift action, but if that issue is removed from the list, it is because the risk is considered to be controlled?

Ms. Kathleen Fox: The determining factor here is not that the risk is immediate, but rather that it is ongoing and persistent. The issues we have kept on the watchlist are there because the actions we think would better mitigate the risk have not yet been taken.

Concerning the transportation of flammable liquids, we realize that the risk involved in the transportation of dangerous goods by

any mode of transportation is ongoing. In this case, the actions we wanted to see in terms of analysis, risk management and use of more crash-resistant tank cars have been taken. So we have removed that issue from the list.

However, we continue to monitor the statistics and conduct our investigations when necessary. No action has yet been taken in response to three of the five recommendations we issued in relation to the Lac-Mégantic incident, or in response to two other recommendations we proposed after other derailments in 2015. So it is clear that we have not stopped monitoring that safety issue.

Mr. Robert Aubin: Thank you.

The transportation of goods by rail is increasingly prevalent. In your opening remarks, you talked about different car models. The issue of the DOT-111 models has not yet been completely resolved, but we are getting there, and the issue is behind us. As for the armoured CPC-1232 models that were supposed to be one of the alternatives to the DOT-111 models, recent derailments showed that a number of those cars were not crash-resistant. Thank goodness they were not transporting oil, but they could be used for that.

Does the TSB have reliability data for new types of cars, like the TC-117, which are supposed to be risk-free? In light of the latest derailments, have those new cars been taken into consideration? Have you examined their resistance and how they behave when impact or derailment occurs?

Ms. Kathleen Fox: Before I yield the floor to my colleague, who could talk to you a bit about statistics, I just wanted to tell you that, when a derailment involving dangerous goods like crude oil takes place, we always look at the performance of the cars, which we compare to cars used in other accidents.

I will now ask Ms. Ackermans to explain what we have noted about changes in the distribution of tank cars over the last while.

[*English*]

Ms. Faye Ackermans (Board Member, Canadian Transportation Accident Investigation and Safety Board): We haven't tabled this, but we certainly could. When Lac-Mégantic happened, 80% of the tank cars in service for crude oil were DOT-111 or the CPC-1232 unjacketed, which we have called the least crash-resistant or the less robust tank cars. As of today, virtually all of those have been removed from service in North America, and now 80% of the cars are of a much higher quality. We are still looking at, and will continue to look at, when an accident happens, what happens to the cars involved.

In the most recent accident, only six or seven—we're not quite sure yet of the number—cars out of 37 that derailed were damaged. In Lac-Mégantic about 65 cars derailed and 63 were damaged in the accident. There's clearly a difference in the containment capability, but it will take more accidents for us to be able to have good numbers.

The Chair: Mr. Aubin, your time is up.

We're on to Mr. Hardie.

•(1110)

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair.

I'm looking at your statistics sheets here, and they show quite a number of occurrences in 2013 and 2014. There seems to have been a spike there. Would the bad weather conditions over that winter have played a factor in the ability of trains to stay on the tracks? Do we know anything about why we had that spike in occurrences?

Ms. Kathleen Fox: I would have to go back and do a lot of analysis to determine that, but what we know is that in 2013 and 2014, the transportation of crude oil by rail was increasing significantly. During those years we had the Lac-Mégantic accident, in 2013.

Since then, and especially since 2015, there have been a number of actions taken by the industry and by the regulator to reduce the risk of a derailment or the consequences of a derailment. We also saw a drop in activity during a couple of years. I don't think you can make a direct cause and effect, especially since Lac-Mégantic happened in the summer, but there's no doubt that winter operations are much harder in terms of rail activities than are those in summer, because of the extreme cold conditions.

Mr. Ken Hardie: There would seem to have been—and certainly this is what we have seen and heard about—an increase in the shipment of oil by rail simply because everybody's waiting for pipelines to be built, not least those who are on this side of the House.

The longer trains, heavier trains.... I'm not sure if the new cars in fact have more capacity per car than do some of the ones that have been taken out of service, but there does seem to be a perfect storm developing. When you add abnormally cold conditions that can spike, particularly at certain times of the year, it would seem that we're dealing with an elevated risk. I'm wondering if, in terms of the service characteristics, the way trains are put together, the length, etc., you're convinced that the railways are making those adjustments appropriately.

Ms. Kathleen Fox: I'll ask Ms. Ackermans to respond.

Ms. Faye Ackermans: I took a look, in the last few days, at how long some of these unit oil trains are. Typically, when we have an accident, they seem to be about 100 cars long, according to the data we have. In fact, the oil trains don't seem to be abnormally long compared to some of the other trains that the railroads put together.

With respect to capacity, the new cars have less capacity than the old ones because there's extra steel and extra insulation, so they actually hold a little bit less oil in each tank car.

Mr. Ken Hardie: We know, of course, that it was oil from the Bakken oil fields that was involved in the Lac-Mégantic incident and that, as we learned just from the media reports, it is a much more flammable product than are many of the others. Do you know something about the mix that's being transported by rail? Are there still very high levels of the kind of oil that we had present in Lac-Mégantic being shipped, or are we dealing more now with diluted bitumen and some of those other less flammable products?

Ms. Kathleen Fox: I don't know if we have the statistics in terms of the distribution of the type of oil. We certainly look at that during

an investigation, and that will be part of the investigation into the most recent—last weekend's—accident in St. Lazare, Manitoba. What we can say is that since the last two major derailments in northern Ontario in 2015—if you look at the statistics—until last weekend, we had not had any significant derailment involving crude oil trains. We'll look at that in the context of the ongoing investigation for St. Lazare.

Mr. Ken Hardie: Now, we also had that incident in the Rockies near Field, B.C. It was just last week or the week before, very, very recently. Of course, anybody who remembers Lac-Mégantic could see some similarities. A train that was parked all of a sudden started to roll. The minister came out with a ministerial order very quickly.

Does that incident concern you? Do you think that the remedies that the minister has required to be put in place now until further notice will be adequate? Do we need even further investigation of the safety equipment present on trains?

Ms. Kathleen Fox: With respect to the investigation into the accident in Field, British Columbia, that accident is currently under investigation. The circumstances were different in Lac-Mégantic; it was an unattended train that was improperly secured that ran away. In this particular accident, there were crew aboard the train, and it would be premature for us to determine—we haven't determined yet, we're doing the investigation—all the factors that were at play.

I think any action that the minister takes to reduce the risk of a loss of control is good. Whether it's adequate remains to be seen once we have further information about what caused that particular accident.

•(1115)

The Chair: Thank you very much.

Ms. Block.

Mrs. Kelly Block: Thank you very much, Madam Chair.

I want to thank you for appearing here today to provide testimony on removing the transportation of flammable liquids from your watchlist.

It's already been referenced in light of the three recent derailments in as many weeks. I think the first was on January 24, the next one was on February 4 and now February 14. We've been seeing these derailments happen. Of course, there was the very tragic accident in Field, B.C. where three lives were lost.

I think it's very timely that we're having this study now. I think some people would be asking themselves if it's a good idea to remove this issue from the watchlist, given that there is more oil by rail. Perhaps we need to look at the bigger issue of whether or not we need to be getting oil off rail and into a pipeline. I know that was referenced as well.

I'm just wondering if you could tell me, Ms. Fox, if are you familiar with the August 2015 report by the Fraser Institute comparing the safety records of pipelines and rail.

Ms. Kathleen Fox: I'm somewhat familiar, yes. I've seen the report.

Mrs. Kelly Block: Okay, you're somewhat familiar. Are their conclusions accurate in your opinion?

Ms. Kathleen Fox: We haven't assessed the report in those kinds of critical terms. As far as we know, the information that they used from TSB data sources was accurate. We have no reason to question that. I think the question of rail versus pipeline safety when it comes to transporting dangerous goods is a lot more complex and challenging to answer than may appear on the surface.

It really requires an apples-to-apples comparison. You have to aggregate volume data from various sources. You need a common denominator to compare them on an apples-to-apples basis. That's very difficult.

From our perspective, the risks in pipelines are very different. They relate to, for example, fracturing or fatigue cracks in the pipeline, to interactions with the environment and sometimes to third party intervention, versus rail, where you have hundreds of tonnes of train operating on steel rails in a variety of climatic conditions.

The risks are very different. At the end of the day, our job is to identify where there are deficiencies and where more needs to be done. We don't make those kinds of comparisons as to which mode is safer than the other. We believe that, whatever mode is used, it needs to be done as safely as can be.

Mrs. Kelly Block: In the last Parliament, I was the Parliamentary Secretary to the Minister of Natural Resources. I don't question that rail is a safe way of transporting oil; I just believe that pipelines are a bit safer. I think it behooves all of us to try to move this product across our country using the safest mode possible.

One of the main findings of this report was that rail was found to be over 4.5 times more likely to experience an occurrence when compared to pipelines.

I'm wondering if you've noticed a shift in the numbers to indicate that this ratio is no longer accurate.

Ms. Kathleen Fox: I can't comment on the specific ratio. What I can tell you from our preliminary 2018 statistics, when we look at the number of occurrences in the rail mode, is that there were 1,468 occurrences reported to the TSB in 2018, which included 1,173 rail accidents. That's all types of accidents: derailments, collisions and so on.

When we look at pipelines, we had a total of 110 occurrences reported to us, including one accident. So there is a definite difference in terms of the number of occurrences that are reported to us, recognizing that we only do federally regulated pipelines. Secondly, we have no outstanding pipeline recommendation. Pipelines are not on our watchlist, but there are a number of anecdotal things that can be used to suggest, or to indicate, relative issues between the modes.

The issue that I think we also have to keep in mind is that if there is a pipeline spill—and depending on whether it is carrying crude oil or gas—the consequences can be quite significant in terms of the amount spilled compared to the amount carried in a unit train of, say, crude oil. I use the example of the October 2018 occurrence that we're investigating north of Prince George, which involved the rupture and fire of a natural gas pipeline.

If you talk frequency, there are more rail occurrences reported than pipeline, but then you also have to look at the consequences in terms of how much is spilled, what is spilled and where it spilled.

• (1120)

Mrs. Kelly Block: Thank you.

The Chair: Mr. Sikand.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Thank you, Madam Chair.

I represent a riding in Mississauga and we're often reminded of the 1979 derailment, which our mayor was quite aptly named "Hurricane Hazel" for. In 2015 when we were running, there was an incident. I wouldn't call it a derailment but a train did hop off the rails and a minor cleanup was required. In my riding we are quite aware of the safety concerns of rail and transporting chemicals and crude oil. Since 2015 I've gone door knocking and people have a marked difference in their emotions to rail. They feel pretty safe, relative to when I was first running. I think one of the reasons is that we accelerated the phase-out of the CPC-1232 railcars and the DOT-111s.

Could you speak to that and how that's made the entire safety system safer?

Ms. Kathleen Fox: Again, when we talk about the transportation of crude oil, specifically, what's been phased out much earlier than was originally planned are the CPC-1232 unjacketed cars. The CPC-1232 jacketed cars are still in service and will be allowed to remain in service until as late as 2025. However, we are seeing a much greater distribution of reducing use of CPC-1232 cars and increasing usage of the newly developed TC 117 standard following the Lac-Mégantic accident. We'll have an opportunity in this investigation into what happened in St. Lazare this past weekend to look at the performance of those cars, compared to CPC-1232 jacketed cars that are still allowed.

Mr. Gagan Sikand: In terms of the GTA, is it the unjacketed cars that are frequently the ones passing through?

Ms. Faye Ackermans: You can't say that those types of cars are in any particular area. It's really the shipper that determines what car is used to load a product, so we would have to go have a look at who is shipping what and where to be able to answer that question. I don't have the information.

Mr. Gagan Sikand: Okay.

I'd like to give the remainder of my time to Mr. Graham.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): Thank you.

Ms. Fox, the thing that surprised me in your first responses to Mr. Aubin is that we have to wait for more crashes to happen to have more data. Are freight cars crash-tested before they're put into service?

Ms. Kathleen Fox: They are crash-tested, but at a lower speed. Maybe Mr. Jang can provide the specific speed. When you have higher speeds, obviously there is a likelihood of greater damage. What we look at for each of the investigations is the relative performance. How many cars were involved? What speeds were they travelling at? What level of damage was incurred? How did these perform?

We can't say that the 117 cars will never be damaged, or that there's no risk. It depends on the speed and it depends on the crash dynamics at which the derailment happens and where it happens. All we can do is compare the relative performance. I can assure you that with the recent ministerial direction, at least the unjacketed 1232 cars have been removed from transporting crude oil about six months earlier, and petroleum distillates. They are not going to be used for the transportation of crude oil anymore.

• (1125)

Mr. David de Burgh Graham: In my experience, ethanol trains have a boxcar at each end to buffer them. Do you see any safety difference with buffer cars or spacers, in terms of outcomes?

Mr. Kirby Jang (Director, Rail and Pipeline Investigations, Canadian Transportation Accident Investigation and Safety Board): In terms of previous investigations, we have looked at the marshalling of different loaded tank cars and positioning within the train. Any separation between the more dangerous cars is a good thing.

You're probably aware that we have an active recommendation looking at the factors and the severity of derailments involving dangerous goods. Within that analysis, we're asking the railway industry and Transport to look at the risk profiles of various trains to determine whether there should be adjustments to the rules respecting the key trains and key routes. That's a very important aspect. Any train carrying more than 20 loaded cars is defined as a key train. Distribution within the train is quite important.

You bring up a very good factor, in terms of where the buffer cars are located.

Mr. David de Burgh Graham: Thank you.

The Chair: Go ahead, Mr. Iacono.

[Translation]

Mr. Angelo Iacono (Alfred-Pellan, Lib.): Thank you, Madam Chair.

I thank the witnesses for being here this morning.

The Transportation Safety Board of Canada's watchlist contains the main safety issues presented by various modes of transportation that must be remedied. Can you tell us what factors the TSB takes into consideration when deciding that a safety issue must not only lead to recommendations, but must also be added to its watchlist?

Ms. Kathleen Fox: Every other year, the TSB considers a number of factors. We look at accident and incident statistics to identify patterns. We review the recommendations that have not been implemented, as well as the TSB's concerns. We also consult our staff about their recommendations on what should be added to or kept on the list, or what issues should be removed from it. We also monitor other issues that are not on the list. When we add something

to the list, however, it is because we feel that the risk is sufficiently high, that the addition is appropriate and that the corrective actions we called for have not yet been taken.

When it comes to the transportation of flammable liquids, we have two requirements: risk analysis and risk management by railway companies, and the accelerated removal of the least crash-resistant tank cars. Once industry and Transport Canada met those requirements, we removed that issue from the watchlist. A simple activity increase does not in itself justify us keeping an issue on the list. If we believe that the risk is sufficiently managed, we can remove it from the list. However, we continue to monitor it, especially in the case of oil transportation by rail, which is on the rise.

Mr. Angelo Iacono: Thank you.

Transportation of flammable liquids by rail is a particularly significant concern, especially in Quebec, given the Lac-Mégantic tragedy. Transportation of flammable liquids was added to the TSB's watchlist after that event. As that issue has since been removed from the watchlist, it is fair to say that Transport Canada is working to improve the safety of transportation of flammable liquids by rail. Can you elaborate on the steps Transport Canada has taken in relation to that concern?

Ms. Kathleen Fox: I can elaborate, but I think that you will also hear from Transport Canada representatives later, and they will probably be in a better position to give you the details you want.

However, I can tell you that a change was made to the Railway Safety Management System Regulations, 2015. Operating certificates for railway companies were introduced, and the number and extent of checks or inspections of railway companies carried out by Transport Canada was increased. Fines have also been introduced for companies that don't comply with the railway safety act or regulations. Furthermore, the removal of the least crash-resistant cars was ordered, as was the implementation of emergency response plans in case of derailment.

All those measures have reduced the risk, but they have not completely eliminated it. Action is yet to be taken in response to three of the five recommendations we issued in the aftermath of the Lac-Mégantic tragedy, and two other recommendations we issued after the derailments in northern Ontario in 2015. We will continue to monitor this file until all our recommendations have been implemented in a fully satisfactory manner.

• (1130)

Mr. Angelo Iacono: It's good that Transport Canada is a key player in this file, but what about railway companies?

What measures have the companies implemented to make rail transportation safer?

Ms. Kathleen Fox: As I said at the beginning of my presentation, when companies transport large quantities of flammable liquids, the measures have to do with considerations such as the risk management system, inspections, maintenance and risk analysis.

Companies are required to maintain higher standards, especially for key trains or routes. So a measure was implemented to reduce speed for trains transporting oil. However, as we have seen in the accidents that occurred in northern Ontario, speed is not the only factor in derailment. That is why we have asked Transport Canada to carry out a more in-depth study on other risk factors that could lead to new requirements for their reduction and that railway companies will have to comply with.

Mr. Angelo Iacono: Are departments aware of all the data related to those measures? Has the data been provided to departments?

Ms. Kathleen Fox: Yes, in the sense that the information entered into railway companies' safety management systems must be transmitted to Transport Canada.

[English]

The Chair: Thank you very much.

Mr. Liepert.

Mr. Ron Liepert: Thank you, Madam Chair.

Thank you all for being here today.

I represent a Calgary riding. I have a fair bit of interest in the transportation of petroleum products, and I've got a couple of questions that I hope you can answer.

It is clear that the transportation of oil liquids and condensates is much safer by pipeline than by rail. If we didn't have to ship our oil on rail or our liquids and condensates headed to petrochemical manufacturing facilities in Quebec creating thousands of jobs in Quebec, but could ship it on pipelines the way it is supposed to be shipped....

We don't have pipelines to ship it because of special interest groups that are impeding it—including political parties who are seated to my left—with falsehoods and rhetoric about the safety of pipelines. If it weren't for them, we wouldn't even be doing this study today.

Is that fair to say?

The Chair: That's kind of a loaded question.

Ms. Kathleen Fox: I really can't answer that question.

Mr. Ron Liepert: I will take that as a yes, madam. Thank you.

Ms. Kathleen Fox: [Inaudible—Editor] answer that question.

The Chair: Ms. Fox has indicated that she's not comfortable answering that question.

Mr. Ron Liepert: All right. Then I'll ask you a second question.

I want to go back to this Fraser Institute report. One of the statistics that came out of the Fraser Institute report was that over 70% of pipeline occurrences resulted in a spill of one cubic metre or less, which probably would be the equivalent to what is spilled on a daily basis at gas stations at the pump.

Is that statistic still relevant three years later?

Ms. Kathleen Fox: I can't comment on the statistics in the report. What I can say is that many of the reports that we get are of minor spills or minor releases of product. We do about one or two pipeline investigations a year, when we believe that there's enough to be gained from doing a full investigation in terms of advancing transportation safety. Yes, the vast majority of releases of product that are reported to us are minor.

I just want to qualify that by saying that the risk—as I mentioned earlier, when we were talking about pipelines—is that, if there is a significant spill of product of either oil or gas, the consequences could be quite significant. We saw that with the Prince George occurrence, which we're currently investigating, which involved a rupture and fire involving natural gas.

There are fewer occurrences. Consequences could be potentially more significant. It depends on what's being carried, how much is spilled, how quickly it's stopped and where it happened.

•(1135)

Mr. Ron Liepert: Maybe I'll come back to my first question and try to phrase it another way.

Can you confirm that there are liquids and condensates and oil that is being transported into the province of Quebec on a daily basis that are going to refineries and manufacturing facilities in Quebec, creating thousands of jobs?

Ms. Kathleen Fox: I don't have the answers of how much product is being shipped specifically where. I'm sorry I can't—

Mr. Ron Liepert: But product is being shipped, is that fair to say?

Ms. Kathleen Fox: As far as we know.

Mr. Ron Liepert: Can anybody else shed any light on that?

Mr. Jean Laporte (Chief Operating Officer, Canadian Transportation Accident Investigation and Safety Board): We typically don't have activity data broken down by province, region or facilities. The National Energy Board and Statistics Canada would capture that type of information. We typically capture information about what was shipped and what was spilled, associated with incidents or occurrences.

Mr. Ron Liepert: We do know refineries in the province of Quebec are refining oil products for use by Quebecers. That's fair to say, right?

Mr. Jean Laporte: Yes.

Mr. Ron Liepert: And a lot of that oil is coming by rail.

Mr. Jean Laporte: We don't have accurate and specific data. A lot of the oil that's being refined in Quebec is coming by ship.

Mr. Ron Liepert: Yes, that's foreign oil, isn't it? Now we're getting somewhere.

Do I have any more time?

The Chair: Yes, you have a minute.

Mr. Ron Liepert: What would you suggest we do to try to change the narrative to convince people across the country that shipping oil by pipeline is much safer than by rail? We wouldn't need to be spending taxpayers' money doing studies like this if we had the pipelines to ship it.

Mr. Jean Laporte: Again, that is not for us to determine. Our mandate is very clear; we investigate occurrences. There are regulators, other bodies, other government agencies, that have the responsibility to look at energy products being produced, imported and exported, and to do the oversight.

In terms of pipeline activity, the number of occurrences has been relatively stable, it has dropped a little in the last few years. The quantities spilled when there are occurrences are fairly small, as was mentioned earlier, however, in rail transportation, the data is changing.

If you refer to the Fraser study of 2015, since then, there have been a number of improvements to rail safety and we're seeing some changes in the numbers. In a few weeks, we'll be releasing our formal statistics for 2018 and you'll see in there more current data that could be used by the Fraser Institute and others to do the analysis that you're talking about.

The Chair: Mr. Laporte, once that report comes out, if you could send it to the clerk for distribution to the committee, it would be appreciated. Thank you.

Mr. Hardie.

Mr. Ken Hardie: Thank you, Madam Chair.

I'm going to share some time with Madame Pauzé. First, I have two questions.

Does your board investigate any issues or any incidents involving ships?

Ms. Kathleen Fox: Yes.

Mr. Ken Hardie: How many incidents have you investigated with respect to shipping of all kinds in and out of Burrard Inlet?

Ms. Kathleen Fox: I don't have the numbers at hand to be able to specify how many accidents have involved Burrard Inlet.

We have investigated a number of occurrences off the west coast of Vancouver Island involving all manner of vessels, including fishing vessels, tugs and barges. In my memory, which could be corrected, we have not had spills involving what was being transported, but we have had spills involving what was pulling them. For example, a fishing vessel capsized and released bunker fuel. We had the example of the tug Nathan E. Stewart out west, which released 110,000 litres of bunker fuel.

• (1140)

Mr. Ken Hardie: The focus on the west coast has been the prospect of shipping more oil or diluted bitumen out of the terminal in Burnaby. You're probably aware there are other products, corrosives, other things that would be just as difficult to deal with if they were spilled that have been shipped out of Vancouver for some time.

Ms. Kathleen Fox: Again, we don't have specific data on what's transported where or when. We look at each specific occurrence,

incident or accident, what is on board, what is being transported and the consequences if that spills.

Mr. Ken Hardie: Transport Canada is obviously involved in doing risk assessments. Are you comfortable with the data they have at hand to do that job effectively?

Ms. Kathleen Fox: We have some data that they have access to. They may have other data. I can't speak to what happens internally in the department in their risk assessments.

Mr. Ken Hardie: Very good.

Madame Pauzé.

[*Translation*]

Ms. Monique Pauzé (Repentigny, BQ): Thank you very much, Mr. Hardie. That's very nice of you.

Just before Christmas, I went to Lac-Mégantic to meet with people who were affected by the tragedy. They told me that the turning where the train derailed, when it was going 101 kilometres per hour, was 3.1 degrees or 3.2 degrees. As the companies insisted on putting cars back in service and resuming transportation as quickly as possible, a portion of the turning was rebuilt, and it is even more pronounced than it was when the derailment occurred.

In addition, the cars passing through Lac-Mégantic are transporting propane gas, an even more explosive product. You will understand that the situation is pretty traumatic for the people of that small village. Your decision to remove that issue from the watch list is also traumatic. The people of Lac-Mégantic talked to me about it all day. It was very traumatic.

According to your opening remarks, railway companies are assessing risks and carrying out inspections themselves. Once again, it is very troubling for the people of Lac-Mégantic—and it should be for all Canadians—to think that railway companies are being given back the power to carry out their own inspections and assessments.

Earlier, you said that you were suggesting measures and then checking whether they were implemented. Do you trust the representatives of railway companies to tell you?

Ms. Kathleen Fox: First, I can reassure you and the people of Lac-Mégantic: we will never forget what happened there. That was a tragedy.

Three of our five recommendations have still not been implemented. In other words, the TSB is not satisfied with the actions taken in that area.

When it comes to inspections, railway companies definitely must inspect their own infrastructure. However, Transport Canada also carries out inspections and audits of their safety management systems. So it is not quite accurate to say that it's all self-inspection. All companies—be it an airline, a railway company or a pipeline company—must inspect their own infrastructure according to the standards.

In addition, we require the regulatory body—Transport Canada in the case of railway companies—to conduct its own audits and inspections. That recommendation stems from the Lac-Mégantic tragedy, and it is still in effect because we want to see Transport Canada's inspection results.

We have removed that issue from the watchlist because the specific measures that were part of our requirements have been implemented by railway companies and Transport Canada. That is the only reason we removed it from our watch list, which is like a list of measures to be implemented.

We continue to follow and closely monitor transportation of flammable liquids and railway safety. To do so, we are continuing with our statistical studies and our investigations, and we make recommendations we reassess every year.

• (1145)

[English]

The Chair: Thank you very much.

We go on to Mr. Jeneroux.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you for being here today, everyone.

I scrolled through many of the active rail transportation safety recommendations, but most of them are directed at the department of transport. No doubt you've heard that the current Alberta government plans to lease 4,400 railcars to move Alberta oil to market.

I'm curious about those recommendations. Should Transport Canada be acting urgently on them, in light of this oil tanker traffic?

Ms. Kathleen Fox: I'm going to ask Ms. Ackermans to put the statistics in context; then I'll add anything I can.

Ms. Faye Ackermans: We took a look at the data and how much is moving. The NEB issued their crude export data yesterday. There are about 130,000 carloads of product being exported. I haven't seen the Stats Canada data; they will update their data as well. There are probably another 50,000 or 100,000 carloads of crude moving within Canada.

Because all of this extra crude in those 4,400 tank cars is for export market, this means about a 50% increase in the export crude volume that is planned to be shipped by the time it becomes fully implemented in 2020, which, as I understand, is the date.

That's the context.

Ms. Kathleen Fox: I will just add that, in terms of the measures and relating to our watchlist, rail accidents can happen for a number of reasons. Crews don't always follow the signals properly. That is a specific issue on our watchlist. We have the issue of fatigue in all modes of transport now—air, rail and marine—so we're certainly looking at that in the context of rail.

The other two issues on the watchlist that are particularly important are safety management and oversight. We're continuing to track what the industry and Transport Canada are doing with respect to safety management and oversight, as well as our outstanding recommendations, some of which date for more than 10 years, and five of which involve rail recommendations. Three of those five are on the watchlist in some other capacity.

Mr. Matt Jeneroux: Would you do any proactive stuff? The Premier of Alberta applied to the minister to make this happen. Obviously, approval has been given in some form or another. Is there a conversation that you have with the department—perhaps with the minister—in preparation for some of this?

Ms. Kathleen Fox: No, our mandate is to investigate occurrences, incidents and accidents. That's what we do. We gather data, and we share that data with Transport Canada and with the industry—the Railway Association of Canada. We meet periodically—at least once a year—with the major railway companies to find out what they're doing and to signal any concerns we may have.

We have an ongoing dialogue with various stakeholders, including the regulator, as to what we're seeing in our statistics and what further actions we think should be taken.

Mr. Matt Jeneroux: How often do you meet with the minister?

Ms. Kathleen Fox: I don't meet that often with the minister. I met with him to brief him initially when he assumed that mandate. We typically meet a deputy minister on a regular basis and quite frequently at the staff level.

Mr. Matt Jeneroux: There have been three derailments. There is now a whole bunch more traffic coming onto the rail system and you've only met with the minister once, in terms of briefing him at the beginning. That seems a little strange to me.

Ms. Kathleen Fox: That doesn't include any letters that may have been sent.

Derailments happen. They happen as a consequence of railway operations.

When we're talking about the transportation of flammable liquids, there's been one derailment since January—of the three—that involved the transportation of flammable liquids. That was St. Lazare, and we are conducting an ongoing investigation on that.

The Chair: Thank you very much.

We move on to Mr. Aubin.

[Translation]

Mr. Robert Aubin: Thank you, Madam Chair.

We have a Minister of Transport whose trademark is to repeat as often as possible that safety is his top priority. We would like to believe him, but what I am seeing among Canadians is that they have more trust in the TSB, which has a semblance of neutrality, than the minister.

You have said twice today that three of the five recommendations provided in the report on the accident in Lac-Mégantic have not been acted upon, and I am concerned by that. I would like you to remind us which recommendations they are.

I would also like you to explain to us what the meaning of certain comments in your report is, in a lingo specific to you, regarding the current status of a recommendation—“fully satisfactory”, “satisfactory in part” and “satisfactory intent”.

To me, “satisfactory intent” means that no actions have been taken and “satisfactory in part” means that a step in the right direction has been taken, but the issue has not been resolved. The status “fully satisfactory” would satisfy me, as well, but I have a feeling that we are far from it.

•(1150)

Ms. Kathleen Fox: Allow me to reiterate the three recommendations stemming from the investigation into the accident at Lac-Mégantic that are still active.

The first recommendation concerns tank cars. We wanted the tank cars used to transport oil or flammable liquids to be as crash-resistant as possible. A lot of progress has been made in that area, but the recommendation is active because oil is still being transported in other kinds of tank cars than those meeting the latest standards.

Mr. Robert Aubin: Safety standards.

Ms. Kathleen Fox: The second recommendation involved measures to prevent train derailment.

Measures were taken following the Lac-Mégantic accident. Changes were made to the rules for securing parked and unattended trains. I'm going to come back to your other question in a moment.

The third recommendation concerned oversight of railway safety management systems, as well as auditing and inspections.

Those are the three outstanding recommendations. Despite the significant progress that's been made and the measures that have been taken, the deficiencies have not been fully addressed. We are waiting to see what the next steps will be.

Now I'll talk about how we rate the department's response to the recommendations.

Take, for instance, the emergency response assistance plans that were put in place after the Lac-Mégantic accident. Given that the department acted immediately on our recommendation in a manner that was fully satisfactory, we designated the recommendation as closed.

When the department or Minister of Transport announces a plan that, in our view, will remedy the deficiency once implemented, we assess the response as having "satisfactory intent", but we don't designate the recommendation as closed until the plan has been fully implemented. If the board considers that the plan will only partially correct the deficiency, we assess the response as being "satisfactory in part". The measures taken to prevent train derailment are a case in point. We still have concerns regarding the steps the department has taken to date because they may not be adequate to eliminate the risk completely.

Mr. Robert Aubin: On that very issue, I would point to another train derailment that occurred in the past few weeks. The train wasn't transporting anything flammable, but the problem is the same. The minister responded, but after the fact.

In light of the fact that measures weren't taken until after the Lac-Mégantic derailment and subsequent to a number of other train derailments, can we really say that the department is doing enough? Do you think the recently announced measures are satisfactory or only satisfactory in part?

Ms. Kathleen Fox: Problems linked to uncontrolled and unplanned movements or runaway trains can be attributed to three factors. The first is a loss of control, as was the case in the Field accident. The train was attended, but for reasons yet to be determined, it derailed. The second factor is a change in car

distribution in the yard. The third factor concerns unattended and improperly secured cars, as was also the case in the Lac-Mégantic incident.

Each of those factors has to be examined to determine whether the measures taken will reduce the risk of a train or some of its cars derailing, but we aren't there yet.

Mr. Jean Laporte: I'd like to add something, Mr. Aubin, if I may.

We assess all of our outstanding recommendations on an annual basis. In fact, we are working on that right now. In late March or early April, the cycle will come to an end. Transport Canada provides us with updates on all the recommendations. We will reassess them over the next two months, and the findings will be made public in April or May.

•(1155)

[*English*]

The Chair: Thank you very much.

Thank you to our witnesses for providing that valuable information.

We will now suspend for a few minutes until our next panel comes to the table.

•(1155)

(Pause)

•(1200)

The Chair: I'm calling the meeting back to order.

Welcome to our witnesses.

From the Department of Transport, we have Kevin Brosseau, Assistant Deputy Minister, Safety and Security; Brigitte Diogo, Director General, Rail Safety; and Benoit Turcotte, Director General, Transportation of Dangerous Goods.

Thank you all very much. I'll turn the floor over to you folks.

Mr. Kevin Brosseau (Assistant Deputy Minister, Safety and Security, Department of Transport): Thank you very much.

Good afternoon, Madam Chair and committee members. My name is Kevin Brosseau. As mentioned, I'm the assistant deputy minister of safety and security at Transport Canada. I am joined by Brigitte Diogo, the director general of rail safety, and Benoit Turcotte, the director general of transportation of dangerous goods. Given that our time today is short, I will keep my opening remarks similarly short to ensure that we have sufficient time for your questions.

Canada maintains one of the safest rail transportation systems in the world as a result of shared efforts between numerous partners, including other levels of government, railway companies, the TSB, as you just heard, and communities.

[*Translation*]

Transport Canada remains committed to improving public safety as it relates to the transport of dangerous goods by rail.

[English]

Transport Canada takes its leadership role seriously, and has a rigorous and robust rail safety regulatory framework and oversight program in place. We've taken significant actions to enhance public safety during the transport of dangerous goods by rail, including flammable liquids by rail, under the pillars of prevention, effective response and accountability. I'll list a few of these actions. They include reducing permitted train speed and accelerating older tank phase-out timelines for the transport of crude oil. In addition, the department has implemented new requirements related to liability and compensation, classification and emergency response, means of containment standards, and additional inspections in key route and key train requirements. Through these actions and 33,000 oversight activities per year, and others, Transport Canada is committed to promoting a rail safety culture in order to keep Canadians safe.

With those words, we look forward to taking your questions.

[Translation]

Thank you.

[English]

The Chair: Thank you very much, Mr. Brosseau.

Ms. Block.

Mrs. Kelly Block: Thank you very much, Madam Chair.

Thank you for being here. You're helping us make the most of this very brief half-hour that we have with you today. As I commented to the earlier panel, I appreciate that we're here as a result of a motion that was brought forward by my colleague Mr. Aubin. I made the observation in the last panel that I think it's a timely briefing—I won't necessarily call it a “study”—in light of the three recent derailments in as many weeks. One was tragic in the loss of life that was experienced.

To follow along the same line of questions I had for the previous witnesses, are you familiar with the August 2015 report by the Fraser Institute comparing pipeline and rail safety records?

Mr. Kevin Brosseau: I personally am not, but I'll turn to my colleagues before we answer as a department.

Mr. Benoît Turcotte (Director General, Transportation of Dangerous Goods, Department of Transport): I am not familiar with the report.

Ms. Brigitte Diogo (Director General, Rail Safety, Department of Transport): I am.

• (1205)

Mrs. Kelly Block: Can you tell me, Ms. Diogo, if, in your opinion, the Fraser Institute's research and conclusions are accurate?

Ms. Brigitte Diogo: I think the report makes some very good points in terms of the analysis it conducted, but as an official of the department, I'm not able to comment on whether it was a good report or not. We took a look at the report.

Mrs. Kelly Block: I know there often is a misunderstanding in terms of where pipelines fall and under which department they fall. I know they fall under the Department of Natural Resources. Oftentimes, people think they fall under Transport because it's transporting a commodity. I'm wondering if you have conversations

with the Department of Natural Resources around the issues of transporting oil by rail or by pipeline, or if you work closely together on those issues.

Ms. Brigitte Diogo: We work closely in the sense that we share information. I think Natural Resources has a lot of information that feeds into our work in terms of volumes of goods that are being transported. I think in the past they were exchanging in terms of “is rail better or is pipeline better”. I think the conclusion is that no matter what the mode of transportation is, it needs to be made safely. That's where, as government officials, our emphasis should be: that regardless, it needs to be made safely.

Mrs. Kelly Block: I appreciate that. It was going to be my next question.

In the previous Parliament, I was the Parliamentary Secretary to the Minister of Natural Resources, and I know that pipelines have a safety record of 99.99%. That would have been in 2013 to 2015. I think rail had a 99.997% safety record. There's not a lot of difference. However, I think that for most of us, we believe that you would want to see oil transported through a pipeline rather than on rail, for any number of issues, not the least of which is the accidents that can occur when a train derails.

I'm wondering as well if you would comment on the fact that most of the safety recommendations on the active rail transportation, on the watchlist, are directed at the Department of Transport. I'm wondering if you can comment on whether or not you believe that there is a lack of resources to do all the things that could and should be done in order to protect Canadians.

Mr. Kevin Brosseau: I'll start and then turn it over to my colleagues, who are both responsible for their particular sector so that we're driving the priorities forward.

Organizationally, Transport, like every other government department, manages its resources based on the priorities that are set and uses the resources that it has, delivering on a risk-based approach, a priority-based approach. Of course, we know that addressing the watchlist issues and responding to the TSB recommendations, which we take very seriously, are a priority area and accrue resources accordingly. I'll turn it over to my colleagues, who perhaps will be able to put a finer point on that.

Mr. Benoît Turcotte: It's a very good question. I would say that the government has invested heavily in both the rail safety program and the TDG safety program since the tragedy of Lac-Mégantic.

Our resources in terms of our ability to examine the risks in the transportation of dangerous goods system have been increased. Our program size has more or less tripled. This has allowed us to do tremendous things in terms of examining what those risks are in the transportation of dangerous goods system.

We know that crude oil remains one of the higher risks that we have identified as a program. The volumes will fluctuate. As a program, we're very conscious of that. We do look at the volumes of crude oil being shipped. We've tripled the number of inspections we conduct, from about 2,000 pre-Mégantic to about 6,000 on a yearly basis, ongoing. We're very proud of that.

I would say that we do have enough resources in the transportation of dangerous goods program to fulfill our basic mandate to properly regulate and oversee the transportation of the dangerous goods system.

• (1210)

The Chair: Thank you very much.

Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

I really did want to ask Mr. DeJong a question with respect to multimodal strategies and program integration, but apparently he's not here. I'm going to attempt to ask you three the question, and hopefully you can help me out.

As you may know, I had the privilege yesterday on behalf of the committee to table a report essentially moving toward a Canadian transportation and logistics strategy. In the process of authoring that report, we recognized strategic areas in our travels throughout Canada, essentially located in the Niagara and Vancouver and Seattle areas. I learned a lot. As I said earlier, what we learned most was the identification of those strategic trade corridor areas within the nation.

With that said, Niagara was identified as a strategic trade corridor. Within the Niagara region, as you can well appreciate, over time there are areas that were identified under official plans at the municipal level allowed to grow in an industrial manner, but over time, they became more of a residential area that is attached to an industrial area.

Right now I'm working with one situation in the city of Thorold, where we have a shunting yard that is literally right next to a water course, an aquifer, as well as a residential area. I have received a lot of, not only complaints, but also concerns with respect to safety in that area because of what's being shunted by trains and, of course, what those trains are carrying. There are concerns relative to noise, safety and so forth, which I'm sure you can well appreciate.

How do I successfully facilitate with, in this case CN, a solution to relocate that shunting yard? By the way, it was relocated from another area, and then the problem just moved to that area. How do I successfully facilitate with that partner, CN Rail, a more appropriate area of relocation for the shunting yard?

Ms. Brigitte Diogo: It's very similar to issues that many communities across Canada are raising in terms of the concern of proximity to rail operations. I think CN has a whole infrastructure in terms of how to conduct community engagement. I would say that the best approach would be to connect to CN at the most senior level.

I also think that, when it comes to issues of noise and vibration, the Canadian Transportation Agency is also a good venue to bring some of these issues forward. They have the mandate to examine these types of issues.

Mr. Vance Badawey: Thank you for that.

I have met on site with CN Rail, but to no satisfaction—besides being very much pacified—with respect to trying to deal with that specific issue. To their credit, we did deal with another issue. That very issue, again, hasn't been dealt with to the satisfaction of the

community. The next step, of course, is to involve the community, which I intend to do.

You also mentioned bringing in the CTA, and getting them involved as well.

Ms. Brigitte Diogo: Yes.

Mr. Vance Badawey: Great.

Madam Chair, how much time do I have left?

The Chair: One minute.

Mr. Vance Badawey: I will pass the rest of my time to Mr. Hardie.

Mr. Ken Hardie: I understand that Transport Canada can now assess administrative monetary penalties. You're nodding, so that means yes. Have you done it yet, and what effect do you think that's going to have?

Ms. Brigitte Diogo: This is one of the new regulations that were put in place after Lac-Mégantic. It came into effect in April, 2015. Like many of the tools that we have been given, it has been used. In fact, on our website, all of the penalties that we have issued are listed there. To date, we have issued a total of half a million dollars in penalties to various railways.

The tool is really how to bring companies back into compliance, but our work doesn't stop there. Issuing monetary penalties can address an issue in the short term, but we continue to follow up on a particular issue to ensure that the measures a company has taken are lasting.

In our experience, it's a very good tool. We are very careful in how we use it, because our penalties are pretty high.

I think that overall, when we do our inspections, we've seen improvement in the compliance that the railways have to achieve. The defect rates are going down. I can't say that it's due to penalties, because it's not an automatic penalty. Overall we think that it's another tool in our series of measures.

• (1215)

The Chair: Thank you very much.

Go ahead, Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

Thank you to the witnesses for being here today.

When I hear the Department of Transport officials describe Canada's rail transportation system as one of the safest in the world, despite the deficiencies, I'm certainly glad I don't live anywhere else, to put it mildly.

In previous studies, the issue of railway auditing by inspectors came up. Am I right to think that the majority of inspectors—who aren't all that numerous—do more inspections on paper? In other words, they flip through railway reports, ticking boxes before giving the green light.

Of the total number of inspectors, how many are on the ground checking whether the tracks are in good condition or the wheels of the cars have cracks?

Ms. Brigitte Diogo: Thank you for the question.

We currently have about 140 inspectors, out of a total of 156 positions. All of them have to go out to the field. They do their work in two stages. First of all, they do a paper-based evaluation using data provided by the railway. It's important to conduct a paper-based review to see what the company has done, what it has identified and whether it has followed up on its own findings. That information helps us determine what to focus on during the on-site inspection.

Mr. Robert Aubin: I see.

You take a risk-based approach, then. You examine the information on paper, and if there are any red flags, you send out an inspector to examine the situation. Is that correct?

Ms. Brigitte Diogo: No. I think that's an oversimplification of the work we do.

Every year, we develop an inspection plan using a number of sources of information. We review the volume of transported goods, past inspection results, safety management system audit findings, as well as accident-related data. We look at a set of economic data to measure the risk in different areas.

Mr. Robert Aubin: The number of inspectors at Transport Canada has been dropping for years, even though rail transportation has grown exponentially. At the very least, doesn't that call for an adjustment on your end? It seems to me the number of inspections should keep pace with the growth in rail traffic.

Ms. Brigitte Diogo: The number of inspectors has actually gone up significantly since the accident in Lac-Mégantic. The government gave us a lot more resources and better equipment to carry out that function, and the number of inspections has gone up as a result.

Mr. Robert Aubin: According to the figures I have, 25 out of 141 inspectors are actually on the ground. The others merely do paper-based inspections. Are you disputing that?

Ms. Brigitte Diogo: Yes.

Mr. Robert Aubin: Very well. I'll do some homework.

With a risk-based approach, how can Transport Canada be proactive, not reactive, whenever a rail occurrence or accident happens, as we saw a few weeks ago, with the minister's response to a train derailment? The department could have introduced measures immediately following the Lac-Mégantic accident. It's been six years since the tragedy, and three out of the five recommendations have not been implemented.

Can you at least tell us that, in the upcoming March report, your response to the TSB's five recommendations on the Lac-Mégantic accident will receive a "satisfactory intent" rating?

• (1220)

Ms. Brigitte Diogo: That is our hope.

Mr. Robert Aubin: It's not a matter of hope; it's a matter of action.

Ms. Brigitte Diogo: I'd like to finish answering your question, if I may.

The department has taken a number of measures in response to the TSB's recommendations. We've taken all of the recommendations

related to the accident seriously and have been working very hard to implement them.

As you mentioned, it's an industry, a sector of the economy, that's changing, and the risks are changing as well. With every reassessment, the TSB calls on us to examine different facets of the issue, and that's what we are doing. With every reassessment, the department has provided a meaningful response and that work is ongoing.

Mr. Robert Aubin: I was rather surprised by something I learned earlier.

[*English*]

The Chair: Make it very short, Mr. Aubin, please.

[*Translation*]

Mr. Robert Aubin: Very well.

I was rather surprised to learn that the Minister and his TSB counterpart had met very little, and that the public views the TSB as a very credible organization, on the whole.

Shouldn't Transport Canada and the TSB have a closer working relationship?

Mr. Kevin Brosseau: Mr. Aubin, even though Ms. Fox doesn't meet with the minister,

[*English*]

within our department we meet on a regular basis. Monsieur Laporte and I have met frequently over the past month. It is a regular ongoing conversation, discussion, sharing of information and best practices to be able to respond best and for the TSB to have a real important view in terms of what our work is.

Brigitte, perhaps I could just let you augment that.

Ms. Brigitte Diogo: Yes. I would also like to add that the TSB is an independent agency, and in fact it does not fall under the portfolio of the Minister of Transport.

[*Translation*]

The Minister of Transport is not responsible for the TSB.

[*English*]

The Chair: Thank you very much. We'll go on to Mr. Hardie.

Just as a reminder, this panel is only here till 12:30, so there's Mr. Hardie, Mr. Iacono and Mr. Liepert who we're trying to get through before we end this panel.

Mr. Ken Hardie: Okay. We'll do our best here.

Quickly then, going back to the fines that have been levied—your administrative fines. How many of them have been to short-line railways?

Ms. Brigitte Diogo: I would not like to say it from memory, but I believe it's two.

What I would suggest, Madam Chair, is we'll provide a list to the committee.

Mr. Ken Hardie: The reason for that is just out of the ongoing concern we have for the financial health of the short-lines and their ability to stay up to speed on all of the safety regulations. The locomotive video and voice recorders, I think, are imposing quite a cost on them. That's not to say it shouldn't be done, but I think we're all continuously concerned about how well they can hold up, based on their own realities there.

Can you talk about your risk assessment process, particularly when it comes to the transport of dangerous goods? Are you satisfied that you have enough data? Are you collecting enough information about the kinds of shipments being made, how they're being made, when they're being made, etc.? We're managing risk as opposed to doing other things that some people would see as more effective. Talk to us about risk management.

Mr. Kevin Brosseau: I'll let—okay, go ahead.

Mr. Benoit Turcotte: From the perspective of the transportation of dangerous goods, we do a number of things. Our program has been organized around risk, and we take that very seriously. It drives a lot of what we do, including our inspections.

The first part of how we go about this is that we've developed a risk register. We update it on a continual basis in terms of all the intelligence we gather—the 6,000 inspections we do per year, all the research we do, what we're hearing back from the field and our inspectors when they actually do their inspections, where the non-compliances are and so on. That helps us tremendously.

Then, we produce every year a program environment document that documents all of that, not only the risks in the transportation of dangerous goods but program risks as well. That drives a lot of what we do. That influences our national oversight plan, which is a document we establish every year, and it lays out our priorities. We've developed a risk ranking of all our known transportation of dangerous goods, TDG, sites. That could be a Canadian Tire, an oil field or any place where dangerous goods are handled and/or transported.

• (1225)

From that, it drives a lot of our inspections. For example, when talking about crude oil, we inspect and put a high priority on inspecting transload facilities. This is where the crude oil trains are loaded with oil. This current fiscal year, we'll have inspected more than half of all known transload facilities. This is where we target those crude oil trains, to make sure that the crude oil is being placed in the appropriate tank car, that they have the appropriate transport documentation, that their personnel are trained, that they are loading the crude oil appropriately. We check all that very carefully.

That, again, feeds into our risk-based approach to inspecting dangerous goods.

The Chair: Thank you.

Mr. Iacono.

Mr. Angelo Iacono: I would like to start by bringing some clarification and setting the record straight with respect to my colleague MP Liepert's comments before when he was questioning Ms. Fox.

Quebec now gets most of its crude oil from North American producers. Western Canada is now Quebec's top source of crude provider. Much of that stems from the 2015 reversal of Enbridge's Line 9 pipeline. Quebec's refineries now get 82% of their oil from North American sources, thus only 11% comes from, as an example, Algeria. This is just to bring some clarification to your comment.

My question is with respect to risk assessment. What oversight measures have been taken in order to see to it that the companies comply with the rules?

Mr. Benoit Turcotte: With our transportation of dangerous goods rules and rail safety rules we prioritize the sites based on the sort of risk they bring forward. For example, if a site hasn't been inspected in a number of years or if it has a history of non-compliance, we will inspect it more frequently, even on an annual basis. That's generally our approach in addition to what I just mentioned to Mr. Hardie a few moments ago.

Mr. Angelo Iacono: Thank you.

Madam Chair, I'll give the rest of my time to Madam Pauzé.

[*Translation*]

Ms. Monique Pauzé: Thank you.

Lac-Mégantic residents gave me photos they had taken of existing tracks that trains still use on their approach to Lac-Mégantic. I posted them on my Facebook page and I've shown them to a lot of people, and everyone's reaction is the same. No one can get over the fact that trains are still travelling on such badly damaged tracks.

And here's something else. A farmer in my riding showed me tracks that pass through his property. He said he's the one who maintains them and tightens the screws because no one else does.

By the way, those trains travel past General Dynamics, which is in my riding. Suffice it to say, if there were an accident, my entire riding would be obliterated. The company is like a powder keg.

That brings me back to what you said earlier: you should see an improvement in compliance.

Doesn't the situation call for rules that are much more stringent, given the two examples I just gave of companies not maintaining the tracks?

Ms. Brigitte Diogo: Thank you for the feedback.

If you have any complaints, you should share them with us.

We've done many rail inspections in the Lac-Mégantic area, further to concerns raised by residents. A special effort has been made in the area to make sure railways comply with the rules. Any specific issues should be brought to our attention.

I will just end by saying that we're in the midst of examining the rules and standards around rail maintenance, so that could result in changes in the future.

• (1230)

[English]

The Chair: Thank you very much.

We go on to Mr. Liepert.

Mr. Ron Liepert: Thank you, Madam Chair.

Just to make sure that we have the facts on the table correctly, it was the Conservative government under Stephen Harper that approved the Enbridge reversal, so let's get that on the table.

Mr. Vance Badawey: All right. I'm proud of you.

Mr. Ron Liepert: There is still oil going into Quebec by rail. There is still oil and gas coming from the United States, and it is not....The 82% is counting American products coming into Quebec. All of these jobs that are being created in Quebec, whether it's western Canadian oil, foreign oil or oil from the United States, are all jobs that are being created in Quebec at refineries, at petrochemical operations.

I'm glad that the member has put it on the table so that our friends who are sitting to the left of us, who keep talking about the oil and the bad things that come out of oil.... Maybe they need to know that there are thousands and thousands of jobs that are being created in Quebec every day at refineries, whether that oil comes from the United States, Algeria or western Canada. It goes in by rail because there is no additional pipeline capacity. If they would get out of the way and let pipelines be constructed and quit being an impediment to pipelines....

I'd like to ask our witnesses this. Can you give us an idea of how many extra employees Transport Canada has had to bring on to be

inspectors of oil by rail because we don't have adequate pipeline capacity in this country?

Mr. Kevin Brosseau: I'll defer to my colleagues. I don't have that number available to me.

Mr. Ron Liepert: Give me a rough number. How many inspectors do you have? I think you said that you had increased it threefold.

Mr. Kevin Brosseau: We tripled the inspector cadre of our department. That was post-Lac-Mégantic, a number of years ago, obviously. Those numbers are tripled. My colleagues can give you the exact numbers, or we can provide them to the committee.

Mr. Ron Liepert: Is it fair to say that if oil wasn't being shipped by rail, we wouldn't have had to have tripled those numbers?

Mr. Kevin Brosseau: I don't know if that's really the answer. I can't give that answer. It was important that we were able to respond, and—

Mr. Ron Liepert: But you responded primarily because of Lac-Mégantic, right?

Mr. Kevin Brosseau: Lac-Mégantic was, obviously, a traumatic event for this country.

Mr. Ron Liepert: And that was oil being shipped by rail.

Thank you.

The Chair: Thank you very much.

Thank you to our witnesses, to our officials from the department. We appreciate your coming.

We will suspend for a moment before we start the committee business.

[Proceedings continue in camera]

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