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Chair

The Honourable Judy A. Sgro

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• (1105)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call to order meeting 141 of the Standing Committee on Transportation, Infrastructure and Communities. Pursuant to Standing Order 108(2), we are studying the subject matter of clauses 225 to 279, in part 4, divisions 11 and 12, of Bill C-97, an act to implement certain provisions of the budget tabled in Parliament on March 19, 2019 and other measures.

Good morning to everyone. From the Association of Canadian Port Authorities, we have Wendy Zatylny, President. From British Columbia Coast Pilots Ltd., we have Roy Haakonson, Captain and President; and Rob Stewart, Captain and Vice-President. From the Corporation des pilotes du Saint-Laurent Central Inc., we have Alain Arseneault, Captain and President. Finally, from the Cruise Lines International Association, we have Michael McGarry, Senior Vice-President, Global Government Affairs.

I understand that there's a conference for pilots happening and that some of them have joined us in the audience today. Welcome to all of you.

We will now move to our witnesses.

Ms. Zatylny, would you like to lead off?

Ms. Wendy Zatylny (President, Association of Canadian Port Authorities): Thank you very much, Madam Chair.

Good morning, honourable members.

On behalf of the Association of Canadian Port Authorities, we'd like to thank you for the invitation to speak to you today about the proposed amendments to the Pilotage Act.

Our association has been involved in the Pilotage Act review since its beginning, and we are pleased to have another opportunity to express the views of our members on another stage in this important process.

Our 18-member Canadian Port Authorities work very closely with pilots to ensure the safe and efficient movement of vessels in and out of Canada's ports. With the four pilotage authorities on the east and west coasts, the Great Lakes and the St. Lawrence, our members move over 330 million tonnes of cargo per year, both in containerized, bulk and break bulk form.

Without a doubt, pilots are a critical element in a safe, efficient marine transportation system, and they provide an important service

to our members and the marine industry. By working with carriers and ports, pilots share the objective of protecting the marine environment and ensuring fluidity in marine commerce.

With this as a foundation, and given the long-standing challenges within the pilotage system, we are pleased with the Pilotage Act amendments and see them as a step in the right direction. The amendments provide a framework for modernizing pilotage that will reconcile protection of the marine environment, the use of technology, accountability, cost-effectiveness and reliable marine commerce.

To begin, like many of our marine colleagues, we are particularly pleased with the inclusion of a set of principles that will guide decision-making, and hopefully implementation. The principles are a positive example of this collective effort by industry stakeholders and government, and will provide a framework for modernization of pilotage that is safe, efficient, cost-effective, self-sustaining and incorporates tested and proven technologies.

ACPA and its members are also very encouraged by the move to develop a nationally standardized pilot certification program, which would extend and build upon the proven regime now established in the Great Lakes. This would allow crews that have the same knowledge and experience as government-mandated pilots to navigate their ships. Many of these mariners already become pilots and are extremely knowledgeable of local waters due to their frequent transits of such waters. Such a regime could greatly reduce the cost of marine shipping without compromising safety, and could eventually stimulate marine shipping within the Seaway.

Given our positive perspective on the amendments, the remainder of our comments today are aimed at highlighting a few caveats as the implementation of the legislation hopefully moves forward.

One of the biggest changes being brought to the pilotage regime is the centralization of regulatory responsibilities at Transport Canada. While we are supportive of the movement of regulatory authorities to Transport Canada, our members seek reassurance that decisions will be made with a full regard for local knowledge and operating conditions, and that the optional responsiveness that is now the status quo, and that is fundamental to safe and efficient operations, will remain, if not even improve.

To this end, it'll be imperative that Transport Canada receives sufficient funding to support the additional staffing required, that the staffing be done in such a way as to ensure strong links to local port authorities, and that adequate training time be allocated before Transport Canada fully assumes its new responsibilities.

Our members would like to see a mechanism developed that will allow for port authorities' input into the granting of waivers for compulsory pilotage in port waters. In the past, situations have arisen whereby waivers have been issued for vessels that don't have complete knowledge of local regulations, such as those set out in a port information guide.

Given existing strong local relationships, port authorities are able to liaise with the local pilotage authority to manage such vessels to ensure safety of operations within port waters. With the amendments proposing that issuance of waivers be centralized and standardized at Transport Canada, members are concerned that they will not have a local connection to work with to manage any challenges that may arise.

Similarly, our members request the development of a mechanism for ports to participate in the rapid investigation of an incident in port waters. The current system vests primary responsibility for investigating incidents with the Transportation Safety Board, which has the sole regulatory right to collect all relevant details and data related to an incident. The TSB considers this information proprietary.

Given the thoroughness of the investigation process, it takes upwards of a year or more for the TSB to file its report. However, in the interim, the behaviours or conditions that led to the incident can persist while the investigation is under way.

The situation is currently mitigated by the involvement of local pilotage authorities in the investigations, and the pilotage authorities are able to work with the port authorities to more rapidly identify causes and effect interim solutions.

The Chair: Ms. Zatylny, can we have your closing remarks?

Ms. Wendy Zatylny: Absolutely.

Basically, what we want to ensure is that as things are centralized at Transport Canada, whether it's in accident investigation or in issues such as a reporting of non-compliance—that is, non-availability of pilotage services that affect traffic vessel management within port waters—there is a good loop and that port authorities have the opportunity to be part of this process so that we can ensure a good connection to and a maintenance of local knowledge and local relationships to effect real-time local solutions.

• (1110)

The Chair: Thank you very much.

We'll go on to the British Columbia Coast Pilots.

Mr. Haakonson, would you like to begin?

Mr. Roy Haakonson (Captain, President, British Columbia Coast Pilots Ltd.): Madam Chair and honourable members of the committee, thank you for having the B.C. Coast Pilots at this meeting.

Captain Stewart and I are both licensed B.C. coast pilots. It's a company of local experts dedicated to protecting our coast, since the mid-1800s, by supplying unbiased, independent expertise on behalf of the government, the people, to the shipping industry.

British Columbia is home to one of the most pristine and ecologically sensitive marine habitats in North America, but it is also

one of the largest economic portals of Canada. As Canada moves towards amending the Pilotage Act, the coast pilots strongly support the need for a clearly defined purpose clause ensuring that the Canadian public's expectations will be met.

The proposed addition to the Pilotage Act declares that navigational, public and environmental safety be at all times the primary concern, not only when it is practical or adequate. There is no value in a strongly worded economic policy if the public and the first nations do not support or trust the government and industry to protect their inheritance, livelihood and a healthy environment. These are actually basic principles that all Canadians live by.

The wording of the proposed purpose clause clearly shows the Government of Canada recognizes that a national pilotage system must ensure the highest standards of public and environmental protection. This is essential to ensure clean waterways and sustainable economic development.

However, caution must be exercised before introducing any change into a high-performing system such as the Canadian pilotage regime. This is especially the case at a time of great public concern about safe navigation and the marine environment, particularly in the context of proposals to exponentially increase tanker traffic on the west coast. As Mr. Grégoire noted in his review of the Pilotage Act, "the public grows steadily more risk-averse and the 'social licence' for marine transportation declines".

When B.C. Coast Pilots first recommended adding a purpose clause to the act, our suggestion caused objections amongst many participants. The coast pilots felt strongly that the review's objectives of modernization, along with the oceans protection plan, made such a clause a natural and necessary addition. Although there continue to be suggestions to dilute this commitment to the public and environmental safety, the B.C. Coast Pilots remain confident in the wisdom of the current language and the benefits it will bring to the Pilotage Act.

Perhaps no single issue highlights the increased public awareness of B.C.'s west coast than the plight of the killer whales. The vulnerability of this species has resonated with the public throughout Canada.

Our long-standing relationship with the coastal communities through the regional pilotage model has allowed a mutual appreciation of concerns to be developed over the years. BCCP has been intimately involved in the port's enhanced cetacean habitat and observation initiative, and has also worked closely with the DFO and Transport Canada.

The Pilotage Act has undergone an extensive review leading to the proposed changes. However, some interests continue to press for more control and a reduction of costs, in statements that are not always grounded in fact.

For example, we have repeatedly emphasized the need to refer to the independent study that Transport Canada contracted with the AIM Group, which states that in 2016 the magnitude of pilotage costs for Canada's largest port, Vancouver, was 0.018% of the total value of maritime trade. AIM reached the clear conclusion that pilotage does not negatively affect Canada's competitiveness.

The B.C. Coast Pilots support the amendments as they uphold the principles of pilotage—of safety and independence—and we look forward to a meaningful, ongoing engagement in the coming months.

Thank you.

•(1115)

The Chair: Mr. Arseneault, please, for five minutes.

[*Translation*]

Mr. Alain Arseneault (Captain, President, Corporation des pilotes du Saint-Laurent Central inc.): Good morning, Madam Chair and honourable members of the committee.

The Corporation des pilotes du Saint-Laurent central brings together the pilots on the St. Lawrence between Quebec City and Montreal, including the port of Montreal. With 112 pilots and 14 apprentice pilots currently enrolled in the rigorous 24-month training program, the corporation has one of the largest memberships in the country. I personally am a pilot between Trois-Rivières and Montreal, and Vice-President, Laurentian Region, of the Canadian Marine Pilots Association. I also chair its committee on research, innovation and pilotage techniques. I therefore invite you to ask questions on those subjects.

During the review of the Pilotage Act, there was a lot of talk about the costs of and need for a piloting system in terms of Canada's economic competitiveness. So let's look at the facts.

In the last five years, the consumer price index has increased by 11.7%. In that time, pilotage fees on the St. Lawrence have increased by only 8.1%. In the same period, the volume of cargo in the Port of Montreal increased by 28%, reaching 39 million metric tonnes in 2018. This is the fifth consecutive record year. In those five years, there were approximately 110,000 pilotage assignments on the St. Lawrence River, with no significant incidents; 99.8% of those assignments took place with no delay attributable to the pilots. This is against the concurrent backdrop of ever-increasing average vessel size. Between 2007 and 2017, the size of the vessels between Quebec City and Montreal increased by 45%.

For Canada, pilotage is a judicious and essential investment. In a context where shipowners pass their costs on to consumers, pilotage costs about \$6 per year per Canadian consumer. A cost-benefit analysis of pilotage showed that the return on that investment is about \$120 per year per Canadian.

St. Lawrence pilots welcome the amendments to the act. The proposed compliance regime offers the promise of greater impartiality in decision-making and more systematic enforcement of the act. The emphasis on technology also plays into what is already a major strength of the system. Canadian pilots are recognized internationally for their leadership in navigation electronics and innovative pilotage technologies.

On the St. Lawrence, we played a key role in the establishment of initiatives allowing safe transit of ever-larger vessels in situations that could not have been foreseen only a few years ago, such as two-way night-time traffic into Montreal in the winter. These successes can be attributed to our expertise in rigorous risk analysis studies, comparative analysis, and simulator trials, as well as to our consultations with government bodies and users.

We also welcome the fact that the Pilotage Act, 2019, recognizes the environmental concerns of Canadians.

On the St. Lawrence, the complexity of local issues such as winter navigation, high tides, ever-present shallows, the narrowness of some sectors in relation to the size of the vessels, traffic density, and the proximity of riverfront properties, require a very high level of knowledge of local waters.

The act maintains a rigorous approach, with the result that those navigating commercial vessels demonstrate great skill. This is true not only for the pilots, but also for the captains of Canadian vessels who want to obtain a certificate allowing them to pilot their own vessels.

On that point, contrary to what some have suggested, a certification program for pilots on the St. Lawrence already exists. The program has been updated over the years to make it more accessible. However, it is important to remember that the program, which includes a requirement for a command of French, since communications on the river are mainly done in French, to serve the public interest, not the interests of the pilots and the industry. This is our *raison d'être*. We are independent experts, mandated by the government to ensure that the public interest is predominant on the waters of our river. The act reaffirms that responsibility and we humbly accept it.

Thank you, Madam Chair.

[*English*]

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

Mr. McGarry.

Mr. Michael McGarry (Senior Vice-President, Global Government Affairs, Cruise Lines International Association): Thank you, Madam Chair and committee members. On behalf of the 14-member cruise lines of Cruise Lines International Association-North West & Canada, I would like to thank the committee for this opportunity to comment on the proposed amendments to the Pilotage Act contained in Bill C-97.

CLIA represents cruise lines sailing Canada's coastlines from the Atlantic and St. Lawrence Seaway to the Arctic and Pacific coastal waters. Our industry has a major, positive impact on Canada's economy and supports businesses and communities up and down these coastlines.

Crew members and passengers invest in travel, accommodations and supplies as they make their way to and from our ships, and they support local businesses when they spend money on excursions, food, supplies and souvenirs at our many ports of call. Cruise lines boost local businesses as they provision their ships with food and beverages, fuel and other supplies, and they invest in local port services and spend money on ship repairs, maintenance and equipment.

Overall, our industry contributes \$3.2 billion every year to Canada's economy, and I believe the clerk has distributed the information I provided that outlines our economic contributions.

The Pilotage Act and Canada's overall pilotage framework have gone largely untouched for almost 50 years, during which our industry has evolved dramatically. Members of the CLIA welcome the government's proposed legislative changes, particularly those that aim to help standardize safety rules, rationalize costs, strengthen governance, support innovation and enhance public transparency.

The cruise industry supports pilotage in Canada as a valuable enhancement to the safety and security of passengers and vessels. We know that pilots will continue to play an important role within Canada's marine safety network.

For CLIA member cruise lines, maritime operational safety, the safety of our guests, and the safety of ports the cruise ships visit are their top priority. CLIA member cruise lines have an exceptional safety record, and as an industry we continue to raise the bar through a continual evolution of enhanced best practices and industry policies.

We join with pilots in their unwavering commitment to safety. While the safety records of the pilotage authorities are strong, improvements are needed with respect to the efficiency of pilotage services. We believe that Canada's modernized pilotage regime must focus on enhancing productivity, adaptability and supporting the adoption of new technologies to help ensure the continued competitiveness of cruise lines in Canada.

We were pleased to see much of this addressed at the outset of these amendments in the proposed purpose statement. Throughout the act's review, CLIA raised concerns about the monopolistic structure of pilotage services and the upward spiral in pilotage costs at a rate that far exceeds the rate of inflation. Our members welcome changes that will bring transparency and impartial decision-making to contracts that determine fees for these mandated services.

The evaluation of risk and risk mitigation in Canadian waters can be very uneven between different pilot regions. CLIA supports removing regulatory functions from the pilotage authorities, bringing them into line with other federal agencies, and freeing them up to focus on safety, efficiency and administering pilot services. We are optimistic that these changes will support greater standardization and consistency in the management of risk.

CLIA appreciates that the voices of our member lines have been included in the long-awaited review of the Pilotage Act, as well as your committee's review of these proposed legislative amendments. Overall, we welcome these changes. We also wish to emphasize that there will be more work to do with respect to the development of a

modernized pilotage regulatory framework to give effect to this new legislation and ensure intended outcomes are met.

CLIA looks forward to the opportunity of contributing collaboratively with government throughout this process.

Thank you.

● (1120)

The Chair: Thank you very much, Mr. McGarry. We move on to Ms. Block for six minutes.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): I welcome all of you here this morning and thank you for your testimony.

What we do know, what we've learned and what we are aware of is the fact that the Pilotage Act has not been reviewed for a number of decades. It was definitely time to do a review of this act. We've heard from witnesses that they feel it was a comprehensive review and that there were lengthy consultations around the changes that are being prescribed in the BIA.

While we understand all of that, we do think it's interesting that these recommendations are being brought forward in the budget implementation act. We've also heard testimony from some that this translates into quick passage. We've been encouraged to make that happen as a result of the fact that there does appear to be support for the changes that are being suggested in the BIA.

To be very clear, for us, the time frame for this review is quite short. Our recommendations, should we manage to get any passed at this committee, would be sent to the finance committee, which would make the decision—not the Minister of Transport. I think it should be noted that it will be up to the governing members on this committee to agree to put forward any recommendations to the finance committee. However, we will endeavour to ensure that some of your concerns and recommendations are at least proposed here at this committee.

Again, my understanding also is that the wording in the act and the changes that have been made in this act reaffirm our commitment to safety in the industry.

My first question will go to you, Ms. Zatylny. Will these changes to the Pilotage Act make Canadian ports even safer?

● (1125)

Ms. Wendy Zatylny: I'd like to say that we believe that Canadian ports are very, very safe to begin with, but certainly, the changes that would be brought in, the amendments proposed through this act, we believe would continue to enhance the ever-present movement towards ever greater safety.

The reality is that the marine environment is changing all the time. The ships are getting bigger. As my colleagues noted, there are a lot more transits being done. That's a continuously evolving landscape, but yes, we believe that these changes will serve to continue to enhance safety in Canada's ports.

Mrs. Kelly Block: Second, would a blanket moratorium such as Bill C-48, which imposes a ban on tanker traffic on B.C.'s northern coast, be good for our Canadian reputation and our economy?

Ms. Wendy Zatylny: Well, Bill C-48, the ban, has been challenging to address. Certainly, the scope of the surface area was limited, such that two of the port authorities were not included. They're not caught up in that ban, other than in areas that we are flagging on the regulatory side: to be careful about issues, say, that you don't catch a bunkering, for example, or transportation of diesel.

I believe that in practical terms there is still the ability to continue to move oil. The signal that it sends internationally on its own would probably not have that much of an effect, because it aims to preserve the important space on our west coast, but any kind of reputational decision is made within a much broader context. The concern we have is that it, plus the current discussions around various pipelines, plus all of the other ranges of prohibitions or challenges to development, may end up negating Canada's positive reputation abroad.

Mrs. Kelly Block: I appreciate that and recognize that you are here representing all ports within Canada as the Association of Canadian Port Authorities.

Beyond the moratorium that is being imposed on the northwest coast of British Columbia, and perhaps the impact on Canada's reputation, when we were studying Bill C-48 we had witnesses appear before this committee who were recommending that we impose a moratorium along the entire coast of British Columbia. Then there were those who have asked, if it's for the coast of British Columbia, what about the Great Lakes and St. Lawrence Seaway, or the east coast? You can see how this does then begin to have a bit of a negative impact on our reputation—I think it certainly would internationally.

I will put this another way. How reliant are the port authorities on the reputation of our shipping industry that product can be moved safely in and out of your ports?

The Chair: Ms. Block's time is up.

Possibly, as you're answering some other questions, you could attempt to answer Ms. Block's question at that time.

We'll move to Mr. Iacono.

[*Translation*]

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

My thanks to the witnesses for joining us this morning.

Mr. Arseneault, modernizing the Pilotage Act is necessary to ensure effective, responsible and safe pilotage services, thereby guaranteeing Canada's competitiveness in trade.

In a news release last April 10, you were optimistic in welcoming the initiatives in the reform of the Pilotage Act. You also mentioned the independence of professional judgment.

Can you tell us how modernizing the Pilotage Act will guarantee that independence?

● (1130)

Mr. Alain Arseneault: Thank you for that question, Mr. Iacono.

Yes, indeed, the bill as proposed will extend the existing act that guarantees the decision-making independence of pilots, in the sense that pilots serve the Canadian public. They do not serve shipowners, unlike certificate holders, who might work for a shipowner, for example.

When pilots are carrying out their pilotage tasks, their decisions are free from all commercial pressure. The decisions that pilots make every day on the bridges of Canadian vessels are independent, as guaranteed by the current act and the proposed, amended act. The act guarantees that independence in decision-making, because pilots are not accountable to the captain or the owner of the vessel, or to anyone else. They are accountable to the Canadian public.

Mr. Angelo Iacono: In your opinion, does the modernization mean that traffic and cargo shipments will increase even more?

What form will the innovation take in regard to the modernization?

Mr. Alain Arseneault: The current framework, and the one that is proposed, should ensure Canadians, in a practical sense, that marine traffic will continue to grow in Canada, but in a safe and responsible way. You can read the proposed amendments. The preamble mentions using technology effectively in order to improve the safety and the efficiency of the shipping.

As I said at the outset, this is something we have already been doing in Canada for a number of years. Pilots have always been on the cutting edge of technology. We use the most advanced technologies not only to maintain the levels of security that Canadians will accept, but also to improve the efficiency and the free flow of transportation in Canada in general. Particularly on the St. Lawrence, as I said, where the free flow of the traffic has improved by 45% in the last 10 years, thanks to the advances in technology that Canadian pilots use.

Mr. Angelo Iacono: Safety is number one, of course, in that marine safety is at the heart of the proposed changes. We cannot ensure growth and competitiveness in Canada at the cost of safe transportation.

How will these proposed changes ensure both marine safety and environmental protection on the St. Lawrence?

Mr. Alain Arseneault: I believe that the compliance regime proposed in Bill C-97 is an extremely rigorous process in which Transport Canada and the minister are given very well designed compliance powers. By their very nature, they will guarantee the levels of safety that Canadians expect. You can see it all in the new compliance regime.

Also, by protecting the very nature of the pilotage service as set out in the current act, including the pilots' independence in decision-making, we can ensure that marine transportation in Canada will be conducted safely and with environmental protection, which is a concern that Canadians rightly have.

Mr. Angelo Iacono: How will this change your profession, in your opinion?

Mr. Alain Arseneault: That is an excellent question, Mr. Iacono.

I believe that the act will allow Canadian pilots to continue to flourish in a booming professional environment. For Canadian pilots, this new legislation will allow us to develop our industry, as we have been doing for a number of years, not only at home, but also abroad. Canadian pilots are recognized internationally for their creativity and their reputation in marine navigation.

The new act will give us the tools to continue our development in that regard.

• (1135)

Mr. Angelo Iacono: Thank you.

[English]

The Chair: Mr. Aubin, for six minutes.

[Translation]

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

My thanks to all our guests for joining us this morning.

I have many more questions than time. May I ask you to give brief answers, if possible.

My questions come with two major focuses: maintaining our safety record, which all Canadians agree with, and protecting our biodiversity, all the more important given the quite catastrophic report published today, which you have probably read.

Modernization is a fine word. This is reengineering time for the government. It always means doing more, and doing it quicker and cheaper, while still staying safe and protecting biodiversity.

Briefly, Mr. Arseneault and Mr. Haakonson, do you think it is possible to do more, and to do it quicker and cheaper, while still maintaining our safety record and protecting our biodiversity? It is not just the environment.

Mr. Alain Arseneault: Thank you for the question, Mr. Aubin.

There is no short answer, but I will at least try to give you a quick one.

As we can see with smartphones and artificial intelligence systems in means of transportation, and so on, technologies are likely to evolve rapidly, not just in navigation and shipping, but in society as a whole.

Must we conclude from this that the evolution of technology automatically makes life more effective, quicker, and more efficient? I have yet to be convinced.

In my opinion, it is the role of Canadian pilots to make sure that the development will continue as the environment is being protected.

Mr. Robert Aubin: Thank you.

[English]

Mr. Haakonson, did you want to add something?

Mr. Roy Haakonson: Yes. For the efficient and expeditious movement of vessels, pilots were already developing processes and technology to give us better decision-making tools. I know we work closely with the port in our own district in First Narrows where we're now putting ultra large cruise vessels in the port, which is closing the Narrows to further shipping. Pilots will work more closely and probably with the port in vessel planning, strategies, and management.

Mr. Robert Aubin: Thank you.

[Translation]

Let me come back to you, Mr. Arseneault.

In your opening remarks, you said that you have 14 apprentice pilots. I assume that their dream is to have a career in your organization.

Are any of those 14 apprentice pilots independent captains who are taking the training in order to become certified?

Mr. Alain Arseneault: No. Our apprentice pilots are planning to be licenced in the future. When they are licenced, they will be my colleagues, pilots who are members of the Corporation des pilotes du Saint-Laurent central.

Mr. Robert Aubin: Okay.

In our study, which is all too short, we have been told a lot about the Great Lakes model. You have confirmed that, on the St. Lawrence, for example, vessels have become about 40% bigger. I am no expert, but my geography tells me that we must be at a maximum on the Great Lakes. You cannot have vessels that are too big to fit in the locks. So growth has to be limited.

Are we right to take the Great Lakes certification model and extend it to all Canada's navigable waterways?

Mr. Alain Arseneault: Your analysis of the size of vessels that can sail on the Great Lakes is excellent. There may be more traffic there, of course, but the vessels are of equivalent size.

The question you ask is difficult to answer in a few seconds.

In actual fact, the Great Lakes certification system is the result of an anomaly: on the Great Lakes, Canadian officers on Canadian vessels were exempted from pilotage because of a previous system.

In 2010, that system was deemed to be illegal. It did not comply with the Pilotage Act. It was transformed into a certification system in which those who were exempt took advantage of a grandfather clause and were given pilot certificates. Since the new Great Lakes system has been in effect, only about 10 to 15 Canadian officers have been certified as pilots.

So I have some reservations about exporting the Great Lakes model all over Canada and making it the common denominator of the certification system.

• (1140)

Mr. Robert Aubin: Thank you.

Ms. Zatylny, that is probably what you were referring to when you said in your presentation that vessels that had been certified did not have the required skills.

Did I hear you correctly? If so, can you give us an example of what you were referring to?

[English]

Ms. Wendy Zatylny: The waivers vest with an individual, not with a boat. The case I was referring to was a situation where there was an individual who had received the waiver and was on the vessel, but was not on watch at the time. The vessel was continuing to operate within port waters and was deemed to have the waiver. It was operating as if it had the waiver, although the person who actually had it was not in charge— not on watch. An incident occurred. This is just one example that was brought to our attention by one of our harbour masters, but it speaks to a concern overall.

[Translation]

Mr. Robert Aubin: Thank you.

Mr. Arseneault, I am coming back to you to talk about technology.

Will the effect of the new technologies be to replace pilots or to provide assistance to pilots in making quicker decisions?

Mr. Alain Arseneault: The answer to the second part of your question is “yes”.

As a Canadian, I hope that the effect is not to replace pilots.

[English]

The Chair: Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, everybody, for being here. Some are getting to be old friends, having darkened our doors many times.

Do you charge more for bigger vessels? Is there a sliding scale depending on the size or tonnage of the vessel?

Mr. Roy Haakonson: Yes, there is.

Mr. Ken Hardie: When we started to hear of the pilotage review, one word that kept coming up from the people who were paying the bills was “competition”. The structure we have right now is essentially a monopoly inside of a monopoly.

The issue of competition is code for, “We want some kind of cost control.” I guess what would be comforting to people who are paying the bills is that competition isn't necessarily the only way toward cost control. Then it falls to the pilots. I don't know what you guys earn, but I understand it's pretty handsome, which is the reason many masters on the Great Lakes would prefer to be pilots.

What are you doing to apply some economies or cost controls in the absence of competition for your work?

Mr. Roy Haakonson: That's a good question, Mr. Hardie.

Back in 1998-99, in negotiations with Transport Canada, we gave away our right to withdraw services. We are now under a final offer settlement process where tariff increases can be objected at any stage. We negotiate transparently with industry and the authorities.

Where the income that you might be inquiring about is....You touched on it with size of vessels. With increased size comes increased risk. The duration of time that a pilot would stay on a vessel plays a part in compensation and, obviously, volume.

What we're seeing on the west coast is economy of scale. We're seeing larger vessels moving more cargo. The volume stays the same, but the size has increased exponentially. With that comes additional ongoing training, additional mitigation, more risk assessments, more time that the pilots are constantly looking to mitigate the risks to accommodate industry's demands.

Mr. Ken Hardie: Can you point to technology as one way to improve efficiency, which, again, is code for, say, money?

Mr. Roy Haakonson: True. Technology has allowed pilots to do more of what we're good at, and that's situational awareness, i.e., looking out the window.

Technology has improved efficiency. Particularly I think in the Bernier report, his biggest concern was that you don't have vessels loitering outside of a harbour waiting to come in. Technology has played a huge part in the efficient flow of traffic, especially into Prince Rupert and Vancouver.

• (1145)

Mr. Ken Hardie: I'll have to intercept you there because the time is short.

One of the more interesting changes proposed in this bill would allow Canadian crews that have similar knowledge and experience as pilots to navigate their own ships in compulsory pilotage zones.

This to me sounds like a kind of custom-made approach for the Great Lakes. Can you see any scenario where the shipmaster and the crew coming into the port of Vancouver would meet the qualification to not have a pilot on board?

Mr. Roy Haakonson: Again, we expect this process or the discussions over the next couple of years will be lengthy and in-depth.

In British Columbia, we deal with foreign shipping almost exclusively. The challenge would be for the foreign chief officer or foreign master to gain the required sea time or required local knowledge. Hence, the biggest issue, I think, with the certificate waiver system for industry is that a pilot must demonstrate superior local knowledge. It takes years to be fluent in it, but if we decide that the same local knowledge and expertise has to be completed now by a company master, where the industry stumbles is showing an equivalency or similar knowledge for that master compared to pilotage.

Mr. Ken Hardie: Okay. The issue of certification and the validity of the period for a certified pilot was obviously addressed in this bill. Are you satisfied with the mechanisms in place?

I'll maybe go to you, Mr. McGarry. Are you satisfied that when one of your member ships comes into a port, the pilot getting on may have certification and that this certification is up to date and has been renewed or reviewed appropriately?

Mr. Michael McGarry: Our members are satisfied with their certification. They have a lot of faith in the pilots and their expertise in the job they do. We do feel, however, that standardization of licensing and certification through Transport Canada would be helpful so that you won't have any differences depending on the region.

The Chair: We go on to Mr. Rogers.

Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.): Thank you to our witnesses for being here today.

We heard from some previous witnesses at our last meeting as well that the proposed changes to this act are getting a lot of support and are pretty positive overall.

Wendy, from your perspective, you talked about engagement with local connections to manage challenges that may arise and about closing the loop. What kinds of challenges do you see and how would you use a local connection to make this a more effective process?

Ms. Wendy Zatylny: There were three instances that we had in mind. The first was on issues of non-compliance reporting. For example, if a shipper reports that a pilot is not available, that report goes to the pilotage authority. The pilotage authority is able to close the loop and inform the port authority that there might be either a slowdown or a delay in a ship arriving, so they can work together to better manage the vessel traffic within the port waters, the berthing requirements, the tug requirements and that sort of thing. If that reporting loop is taken out with the proposed centralization at Transport Canada, we support that, but we want to still make sure there is the ability to have a real-time connection or information loop back to the authority of, in this case, a non-compliance report that has been issued that will affect its traffic management and operations. That's one example.

The second example was with the issuance of waivers where, in the case I was mentioning earlier, the port authority and pilotage authority are able to work together to manage the vessel a bit more closely if they're aware of the full conditions of the waivers that are on that vessel.

The third area I was going to mention is in accident or incident investigation. Currently, as I said earlier, all of this vests with the Transportation Safety Board. They come in, take the data—they're very proprietary with it—and they go and do their investigation. It takes upwards of a year to receive the report—which speaks to the thoroughness of the investigation—but in the meantime, the port authorities and harbourmasters have to make some pretty quick operational decisions as to what will happen the next day or what conditions have to be changed, at least in the interim, to avoid such an incident while awaiting the report.

To loop back in the port authority, pilotage authority and Transport Canada is important.

• (1150)

Mr. Churence Rogers: Thank you for clarifying that.

From B.C., Mr. Haakonson, you talked about the act having to trust the public and first nations. I think you said that you support this bill and the proposed changes and so on. This is just a very

general question. Overall, does the bill meet your needs and expectations in the B.C. region?

Mr. Roy Haakonson: We were very comfortable when we saw the preamble purpose clause included in the act. We spent a lot of time within the coastal communities and there was a grey area or a vacuum about who the pilots serve. The impression was that somehow the pilots serve industry exclusively, whereas actually pilotage serves the people of Canada, the environment and public safety, in the same context that we all promote the economic well-being of Canada. I think the preamble purpose clause being included strengthens the act on how industry as a whole, shipping as a whole and pilotage as a whole will go forward for the next 20 or 30 years. Yes, we are satisfied with it.

Mr. Churence Rogers: For the cruise lines association, Mr. McGarry, I think you are pretty positive about this bill and the proposed changes. It supports greater standardization from a national perspective.

There were some suggestions by some shipping industry people that it increases costs. Do you have any concerns around future potential costs to the cruise line industry?

Mr. Michael McGarry: The cruise industry, like any industry, is always looking at costs. We are a bit unique in the costs that we face as businesses that work on the ocean. A cruise lines competitor isn't so much another cruise line; it's actually a land-based vacation. Therefore, we're always mindful of costs—government regulations and fees—that will be passed onto our passengers, because if you have a family of four or a family of six, the difference in price from those additional fees could mean the difference between their taking a cruise and taking a land-based vacation. We're always mindful of that.

What we really seek is transparency with regard to costs, and dialogue and a business justification for any increases that may come up. We feel this bill provides important principles that should help to get to those things.

The Chair: We will move on to Mr. Jeneroux.

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): Thank you, everybody, for taking the time to be with us here today.

Captain Haakonson and Captain Stewart, are my numbers right that 99.9% of your industry is incident-free, in terms of assignments and incidents with British Columbia Coast Pilots Limited?

Mr. Roy Haakonson: That's correct.

Mr. Matt Jeneroux: You transport petroleum products.

Mr. Roy Haakonson: Yes, we do.

Mr. Matt Jeneroux: Do these measures make things safer for you and your pilots?

Mr. Roy Haakonson: With the amendments to the Pilotage Act, I think the golden moment through this whole two-year-long and very tiresome process was that the principles of pilotage—meaning unbiased independence—were enshrined. That was a fall-on-the-sword issue for us.

Going forward, when you're talking about mitigation, with the commitment to revamping risk assessment into a more streamlined process, I know that industry is worried about costs, and pilots less so. The risk-assessment process, the TERNPOL process and the PRMM process, are all lengthy, very in-depth procedures.

As far as energy goes, we're confident in the mitigation that we're presently using. The mitigation is rigid, but we're always open to better processes when we talk safety.

I think the amendments go a long way to moving ahead into the future. Technology does play a big part in it. Pilots embrace technology, but again, in the risk-assessment process, it's a new item. Pilots don't have an issue with including it, sir.

• (1155)

Mr. Matt Jeneroux: Are you aware of a major oil spill with a vessel under command of pilots?

Mr. Roy Haakonson: No, sir. Not in British Columbia.

Mr. Matt Jeneroux: Are you aware of anywhere else in Canada where there has been?

Mr. Rob Stewart (Captain, Vice-President, British Columbia Coast Pilots Ltd.): No.

Mr. Matt Jeneroux: Bill C-48 makes 12,500 metric tons of crude oil the cut-off for loading and unloading on B.C.'s north coast. Do Canadian vessels of this size and smaller require pilotage services?

Mr. Roy Haakonson: At this time, no. They come under a standard of care, but 12,500 metric tons is mainly for home heating oil. It's domestic traffic.

Mr. Matt Jeneroux: They don't require pilotage.

Last week, we asked your colleagues at the national association, as well as the Atlantic Pilotage Authority, about the impact of Bill C-48. I'd like to ask you about the real and theoretical implications of Bill C-48, the proposed oil tanker moratorium act. How does this concept of a moratorium sit with your organization?

Mr. Roy Haakonson: Answering as a B.C. coast pilot, whatever the government decides on the moratorium, or Bill C-48, the pilots will only move the product if it can be done safely. It's not our role to have personal opinions on such matters. We can be trusted to carry out all of our commitments responsibly and with the utmost regard to safety.

I'll back up a bit. If the government decides to move ahead on Bill C-48—meaning that it would like us to look at moving the oil on the north coast—that responsibility goes to the B.C. coast pilots, and we become an independent, unbiased authority that cannot be influenced by political, economic or community pressures. We make our decisions based solely on safety.

With the amendments in the Pilotage Act, that independence will be enshrined, so we're comfortable with the decision either for or against the moratorium. We wait on the government's decision.

The Chair: Thank you very much to our witnesses. That was very informative.

I will suspend for a moment, while these witnesses leave and the next witnesses come to the table.

Thank you very much.

• (1155)

_____ (Pause) _____

• (1205)

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

Thank you for your patience.

You will have to excuse the committee. This is the time where they have to manage to eat before they have to go back over to the House. There is no time for lunch, so this is the moment.

With us today from the Department of Transport, we have Sara Wiebe, the Director General, Air Policy; Colin Stacey, Acting Director General, Pilotage Act review; Julie Bédard, Director, Marine Pilotage Programs; and Dave Dawson, Director, Airports and Air Navigation Services Policy.

We have a fair number of people who are with us today. Also, from the Canadian Air Transport Security Authority, we have Nancy Fitchett, the Vice-President and Chief Financial Officer; and Lisa Hamilton, Vice-President, Corporate Services, General Counsel and Corporate Secretary.

From the Air Transport Association of Canada, we have John McKenna, President and Chief Executive Officer; and from Nav Canada, of course, we have Neil Wilson, President and Chief Executive Officer.

Many are faces we have seen over the past couple of years. Welcome. Thank you very much for being here. We'll open up with the Department of Transport officials.

Mr. Stacey.

Mr. Colin Stacey (Acting Director General, Pilotage Act Review, Department of Transport): Thank you very much.

[Translation]

Thank you very much for the opportunity to talk to you about the proposed amendments to the Pilotage Act included in Bill C-97.

[English]

Marine pilotage is essential to ensuring safe navigation and preventing marine incidents and thus to protecting coastal environments. Much of the Pilotage Act has remained largely unchanged since it was created in 1972. An independent review of the act completed in spring 2018 under the oceans protection plan identified the need to modernize the legislation.

Building on the review's recommendations, the amendments in Bill C-97 would strengthen the safety, efficiency and transparency of Canada's pilotage system.

Let me begin with the amendments that would improve the safety regime. The act currently creates a system in which each pilotage authority is responsible for both delivering the services, on the one hand, and regulating pilotage requirements and enforcement, on the other.

Amendments transferring responsibility for developing regulations from the pilotage authorities to the minister of transport would separate the regulatory and service delivery roles and establish a nationally coherent pilotage system aligned with the Canadian marine safety and security regime.

The minister would also be responsible for issuing licences and certificates and for the oversight and enforcement of the pilotage system. The enforcement regime would be enhanced, bringing it into line with other marine safety legislation.

The reinforced compliance system would include administrative monetary penalties, which would allow Transport Canada officials to conduct regular oversight and to work with stakeholders to ensure compliance, and maximum fines would be increased for summary convictions for more serious contraventions, along with possible prison terms.

Furthermore, the minister would obtain the authority to issue interim and exemption orders and direction to pilots to deal with exceptional circumstances and promote innovation.

Where efficiency is concerned, the act currently requires pilotage authorities' fees to be set in regulations, resulting in unnecessary administrative burden and delays. The amendments would allow the pilotage authorities to directly set tariffs without regulations, subject to requirements for consultation and a process for stakeholders to submit objections to the Canadian Transportation Agency.

To augment transparency, the act would prohibit pilots, users or suppliers of pilotage services from being on pilotage authorities' boards of directors.

Furthermore, service contracts between pilotage authorities and pilots' corporations would be made publicly available, as these have implications for other stakeholders.

Amendments would prevent regulatory matters from being addressed in those service contracts, to ensure that regulations are established based on a thorough assessment of risks and consultation.

A new purpose and principles section in the act would increase national consistency and clarify the pilotage mandate. Moreover, arbitrators would be required to consider these principles in final offer selection processes between pilotage authorities and pilot corporations.

In conclusion, the proposed amendments address the most significant issues identified in the Pilotage Act review. The amendments provide for a stronger, modernized pilotage system with increased national consistency and greater efficiency and accountability.

I would like to thank you for your time, and I welcome any questions on these proposed legislative amendments.

•(1210)

The Chair: Ms. Wiebe, would you like to go forward?

Ms. Sara Wiebe (Director General, Air Policy, Department of Transport): Madam Chair, we thank you for the opportunity to speak to committee members today about the security screening

services commercialization act and to highlight some of the important considerations that went into its development.

[*Translation*]

Although CATSA staff works tirelessly and with great professionalism, it is our opinion that the proposed change would create a new entity with an organizational structure that will allow it to be better positioned to carry out the security screening currently provided by CATSA in airports.

As a Crown corporation, CATSA has to meet significant challenges in optimizing its ability to achieve the level of innovation and flexibility that will allow it to improve airline passengers' experience and react more effectively to fluctuations in passenger numbers and to constantly evolving needs.

The proposed legislation on the privatization of security screening services is intended to resolve those problems by permitting CATSA to sell its assets to a private, not-for-profit company that would be contracted to carry out the security screening currently provided by CATSA in airports.

The government chose that model on the basis of an in-depth analysis of the different models used around the world, consultations with the industry in 2017 and the successful sale of air navigation systems in Canada when it created NAV CANADA in 1996.

I must emphasize that the sale of CATSA assets to this private, not-for-profit company would not compromise security in any way. The Minister of Transport retains his powers over the regulations on aviation security and Transport Canada will continue to play an exclusive role in the regulation and oversight of the security screening services in Canadian airports.

•(1215)

[*English*]

The SSSCA achieves four main objectives.

First, it allows for the sale of CATSA's assets and liabilities to a private not-for-profit corporation. This corporation would be designated by the Governor in Council pursuant to the legislation. It is referred to in the legislation as the designated screening authority, or DSA.

Second, the legislation provides that the DSA will be the sole provider of the security screening at airports, unless the DSA specifically authorizes a screening contractor to provide such services. This will ensure that no other persons or entities can provide airport security screening services other than the DSA or an authorized screening contractor.

Third, the legislation also includes an economic regime to regulate the DSA's charges. As designed, the regime would help to ensure transparency and accountability with regard to the setting of charges. Similar to Nav Canada's legislation, the SSSCA requires the DSA to set charges based on a set of legislative charging principles, and provides interested parties with an opportunity to object to the charges through the Canadian Transportation Agency.

Finally, the legislation allows for the winding up of CATSA's affairs. Once CATSA's assets and liabilities have been sold, CATSA, as a Crown corporation, would be wound up.

This legislation does not create the DSA. Industry would be responsible for incorporating the corporation that would be designated as the DSA under the Canada Not-for-profit Corporations Act. Government and industry would negotiate certain key provisions that would be set out in the constating documents, that is, the articles of incorporation and bylaws of the corporation.

I would like to take a few minutes to address some of the comments made by industry when they appeared before this committee on April 30, 2019.

There was concern about unreasonable timelines. While the government took two years to resolve the discussions with industry to result in the creation of Nav Canada, I suggest to you that the commercialization of airport security screening would not take as long. The government has already been through this process with Nav Canada, and we are applying lessons learned from that initiative.

The Nav Canada asset sale transaction was complex. It involved, for example, the sale of many parcels of land and extensive assets, and also affected thousands of public servants.

I will also remind this committee that industry has repeatedly signalled the need to strengthen CATSA services as among its top priorities for a number of years.

There was concern that the government did not undertake sufficient consultations. We undertook thorough consultations with industry on different models in 2017. We briefed them immediately after the budget announcements, and we took them through the legislation immediately after the budget implementation act was introduced.

There was concern that the legislation did not include details such as the implementation dates. In the briefings that we undertook with industry, we clarified that this type of information would be part of the negotiations. The legislation enables this initiative. It does not set out the terms and conditions of the sale, as this will be the subject of extensive negotiations with industry.

The Canadian Airports Council also raised two specific comments relative to the legislation. They refer to the charging principle referred to in paragraph 26(1)(d), which provides “that charges may be used only to recover costs for security screening services”.

It is our interpretation that this provision does permit the new corporation to raise funds to support innovation as part of the rationale for the setting of service charges. They refer to subsection 24.1 that provides that the DSA may establish charges on passengers or persons other than passengers who are required to undergo security screening under the Aeronautics Act. This element of the legislation does not impose an obligation on the DSA, but is discretionary so as to give the DSA flexibility to charge for services provided to both passengers and non-passengers, if it chooses to do so.

[Translation]

Currently, the government has proposed that the sale of the assets take place on March 31, 2020, on which date the designated screening authority (DSA) would be tasked with providing airport security services.

[English]

The Chair: I'm sorry, you'll have to complete your deposition afterwards.

Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): My apologies, I was told there were—

The Chair: Okay, Mr. Liepert. Let me give you—

Mr. Ron Liepert: I was told there were five presentations.

The Chair: Yes, there are. I'm just trying to make sure we give everybody some time here.

We'll go on to Ms. Fitchett. I'm just watching the clock.

Please take no more than five minutes.

• (1220)

Ms. Nancy Fitchett (Vice-President and Chief Financial Officer, Canadian Air Transport Security Authority): I will be quick, thank you.

[Translation]

Good afternoon, ladies and gentlemen.

[English]

My name is Nancy Fitchett, Acting Vice-President of Corporate Affairs and Chief Financial Officer at the Canadian Air Transport Security Authority, also known as CATSA. I'm pleased to be here with my colleague Lisa Hamilton, Vice-President of Corporate Services, general counsel and corporate secretary.

CATSA is an agent Crown corporation funded by parliamentary appropriations and accountable to Parliament through the Minister of Transport. As Canada's designated national security screening authority, CATSA is mandated by the Government of Canada to protect the public by securing critical elements of the air transportation system.

CATSA is supportive of the security screening services commercialization act contained in Bill C-97. We will continue to support Transport Canada in the transition to a not-for-profit designated screening authority while maintaining seamless operations and focus on communication with our employees.

Ms. Hamilton and I would be pleased to answer any questions you may have that fall within our purview.

Thank you.

The Chair: Thank you very much.

We'll go on to Mr. Wilson for Nav Canada.

[Translation]

Mr. Neil Wilson (President and Chief Executive Officer, NAV CANADA): Thank you, Madam Chair.

Good afternoon to everyone.

[English]

Thank you for the invitation to share elements of what I view as a success story at Nav Canada in moving a critical functional operation out of government—a model for what is before you in clauses 270 through 279 of this bill.

As someone who was involved since the beginning at Nav Canada, I'm happy to share this experience with the committee to provide context to the model and its possibilities, but I note, importantly for the record, that Nav Canada does not hold a position related to CATSA's commercialization.

On November 1, 1996, Nav Canada became the owner and operator of the Canadian civil air navigation system, or ANS, purchasing the system from the government of the day for \$1.5 billion. Today, Nav Canada remains one of the only fully private companies in charge of air traffic control-related services typical of such a provider. The Nav Canada model serves as the organizational and corporate basis for safely and efficiently managing what is the world's second-largest ANS in terms of air traffic movements. Of course, within that model, we continuously seek to improve our relations with all those affected by our operations.

For today's purposes, looking back, the question is, what was behind this model? Simply put, by the 1980s Canada's air navigation system was not working as well as it needed to. While there were areas of excellence such as its operational people, the infrastructure needed renewal and major system projects were falling behind under escalating costs. System delays were increasing, and efficiency was decreasing. All of the stakeholders, including airlines, employees, and indeed the government itself, were unhappy and change was needed.

An analysis of the issues found a government department with highly skilled and motivated people operating under traditional government rules and constraints while attempting to deliver an essential service in real time to a vital and hyper-competitive sector of the economy. Quite simply, it could not keep up—nor, in fairness, was government designed to allow that at that time. Further, in a world of competing government budgetary priorities, the ANS became chronically underfunded over time, and the result was an inability to manage a system that lived up to its requirement.

The stakeholders in the air navigation system came up with the following conclusions. First, band-aid solutions would not work and a paradigm shift was needed. Second, the ANS was in fact a service provider to customers and should be operated and guided by commercial principles. Third, there was no reason that the air navigation system could not operate safely in accordance with independent safety regulation by government, just as airlines did and do. Indeed, by separating the operator of the system from the regulator, an inherent conflict of interest between those separate functions could be eliminated. Finally, the ANS needed to have certainty of adequate funding and the ability to control its costs.

All stakeholders came to these conclusions, as there truly was a consensus that change needed to happen. This included not only commercial carriers and business aviation and general aviation, but also air traffic controllers, airline pilots, bargaining agents of other

ANS employees, and of course the government itself representing the public interest.

Ultimately, these groups together made fundamental decisions that formed the cornerstones of the process: first, that the ANS should be commercialized; second, that key stakeholders had to ensure that aviation issues were understood by the new operational entity; and finally, that each group had to work together for the common goal and respect the others' legitimate but sometimes differing interests at all times. This is ultimately the foundation of our corporate governance structure at Nav Canada.

This governance structure works in concert with two other elements. First is legislation. The Canadian Civil Air Navigation Services Commercialization Act, or CANSCA, was brought into force at the same time. It facilitated the transfer of the system and established our service and rate-charging mechanisms. The bill before you today is markedly similar to CANSCA. The final essential element complementing corporate governance in the legislative framework is the regulatory framework—a framework focused on performance and results, and not on prescription of how the system and the business must be run.

If we fast-forward to today, Nav Canada remains unique and is admired for its structure around the world. We are a private, non-share capital corporation whose governance reflects the needs of the stakeholders we serve. We are driven by our focus on safety and providing value to all our stakeholders, and our standard of safety is regulated appropriately on a performance basis by Transport Canada. Our secure, stable financial model gives us the agility to mobilize funds and seize opportunities in real time. We sell our technology and data, we invest in game-changing initiatives like space-based ADS-B, and we continuously invest to maintain Canada's ANS infrastructure at the cutting edge. We have a reputation as a global leader in safety and technology.

We are also recognized as one of Canada's top employers. The structure we built gives us purpose, focus, and a system of checks and balances that enable success. However, I cannot overstate that at the end of the day it's our people, and their performance within this structure, who have delivered these results.

Thank you, Madam Chair. I'd be happy to take any questions from the committee.

• (1225)

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

On to Mr. McKenna.

Mr. John McKenna (President and Chief Executive Officer, Air Transport Association of Canada): Good afternoon.

My name is John McKenna. I'm President of the Air Transport Association of Canada.

[Translation]

ATAC has represented Canada's commercial air transport industry since 1934. We have approximately 180 members engaged in all levels of commercial aviation operating in every region of Canada.

We welcome the opportunity to present our comments on Bill C-97, as the privatization of passenger screening in Canada is a key aspect of the passenger experience.

[English]

Let me state from the outset that we support the transformation of CATSA, or in this case the creation of a new DSA, if it is to be granted the necessary tools both to maximize efficiencies both in the short term and to be able to keep pace with the growth of our industry. We wholeheartedly endorse the comments made before this committee by the National Airlines Council of Canada on April 30.

Two years ago Transport Canada invited us to comment on the governance and funding models it was considering for what was then referred to as CATSA 2.0. The consultation identified four models, ranging from an enhanced and modernized current model wherein CATSA would remain a Crown corporation with a dedicated air carrier security charge; a non-appropriated Crown corporation wherein CATSA would remain a Crown corporation but would gain new responsibilities to set and collect fees to directly fund its operations and where fees could potentially be differentiated among airports; and an industry-led entity, the Nav Canada model, which would transition CATSA to an independent non-share and not-for-profit entity that would set its own fees and business plans. In the latter model, the government would continue to set security standards and regulations and would inspect operations. Finally, there was a designated delivery by airports model wherein airport authorities would become responsible for security screening and recovery of the costs from airport users to fund operations at their respective individual airports.

[Translation]

It was obvious from the very first meeting with Transport Canada and Finance Canada officials that the NAV CANADA model was going to be preferred. It was so obvious that, shortly afterwards, CATSA retained the services of John Crichton, who led the NAV CANADA negotiating team throughout that 18-month transaction process.

[English]

Today we are faced with a reversal of the successful Nav Canada process. While the bill establishing Nav Canada was drafted at the end of the negotiation process and reflected the collected stakeholder recommendations, the process we are faced with now is quite the opposite. A simple construction analogy would be that the roof and walls are being put up before the foundation is set.

Given the short time at my disposal, I will only comment on the financial impact on passengers and our industry. A price tag of \$500 million is being shamefully attached to this privatization in an effort by the government to cash in on CATSA's book value. Again, to use a construction analogy, we could say that the government wants to sell back to passengers the house they have already paid for twice. Twice because CATSA has generated well over \$500 million in surpluses over the CATSA budget allocations even in the past five years.

Transport Canada tells us that the book value price is non-negotiable. We believe that anything other than a nominal price of one dollar is not acceptable and could very well compromise the

process. A solid precedent was set when the government divested itself of hundreds of airports across Canada under a previous Liberal government.

[Translation]

Another concern is that to pay this shameful price tag, the new DSA will have to include the debt payment when settling the new passenger screening charge. Need I remind the members of this committee that Canada already has one of the highest, if not the highest, aviation security charge in the world?

Finally, when asked, the government did not deny that it would probably seek compensation for the loss of the hundreds of millions generated by the ATSC surpluses. This is probably why Bill C-97 doesn't abolish the ATSC currently being collected. If not through the current ATSC, added to the new fees charged by the DSA, how would the loss of this general revenue be compensated if not by additional fees and charges to our passengers and carriers?

● (1230)

[English]

I have only raised some of the serious industry financial concerns in this matter, but that is not to say that we don't have operational and governance concerns that need to be addressed. Containing the costs to the public levied by the DSA is critical to maintaining Canada's competitiveness in the North American economy and to address the leakage to the U.S. market of travellers seeking cheaper fares. It is government's responsibility to ensure that its policies support rather than hinder the competitiveness of the air transport services in Canada, much in the same way it continues to do so for passenger rail travel.

Once set, the new DSA will be in place for the next 10 to 20 years. Canadians deserve that this process not be governed by an electoral agenda and that all concerned take the time required to develop a strong, efficient, autonomous, transparent and well-governed model. We are not satisfied at this point that this is the case.

Thank you.

The Chair: Thank you, Mr. McKenna.

We'll now move to Mr. Liepert for five minutes.

Mr. Ron Liepert: Thank you, Madam Chair. You scared me initially. I apologize for all the things that were flying around here.

Ms. Wiebe, I'm not here to defend Canada's airlines, but they certainly raised a number of issues last week that Mr. McKenna has added to today. I know you tried to start to refute some of those.

However, I must say that with Transport Canada's track record recently with some of its actions, you have things like the passenger bill of rights, the imposition of a carbon tax—whether that's your doing or not—and the grounding of the MAX 8s, how can the airlines, quite frankly, trust Transport Canada to do this right in such a short period of time? What's the big rush to be herding it through the budget bill rather than an appropriate way where there could be discussion on an appropriate basis?

At the end of the day, it's middle class Canadians that this government always seems to hold up as the one group they're trying to make life better for, yet all this is going to do is add extra costs to middle-class Canadians.

How can airlines and Canadians trust Transport Canada at this stage with the track record you have?

Ms. Sara Wiebe: There are so many facets to the question that you ask. I'm not sure where to start.

Let me start first by elaborating a little bit on the comments I made.

Mr. Ron Liepert: I'd ask you to make it very tight because I've got a number of other questions to ask.

Ms. Sara Wiebe: As I said in my opening remarks, I believe that given the time frame we took with the creation of Nav Canada, it should not be remarkable how much time it could or should take for the discussions with the industry, both the airports and the airlines.

Mr. Ron Liepert: The question is, how can airlines trust Transport Canada, once the bill is passed, to be in a position to listen to their concerns?

Ms. Sara Wiebe: As I stated in my opening remarks, this is enabling legislation. It does not create the designated screening authority. It is through the negotiations that most of the details the airlines are raising as concerns would be discussed. That includes the sale price. That includes the transfer of staff. That includes the implementation date.

We are reacting to comments made to us repeatedly by industry over the years that they want this situation. They want the issue of CATSA services to be addressed as a priority. We are treating it as a priority.

We have timelines that we have communicated to industry. As for planning purposes, I state to you that obviously if the negotiations require longer timelines, then we will have to adjust those timelines. But in the interim, we are working towards a timeline that we have indicated to industry to try to get the DSA established by April 1, 2020. We think it's doable.

Mr. Ron Liepert: I'm going to stop you there.

I want to ask you about this transfer of assets. Again, it seems to me that middle class, travelling Canadians are going to be paying for these assets twice. Why is the government... I'm assuming the dollars that are going to result from the sale to the non-profit are going to go back into general revenues.

Why would this not be a transfer, as was suggested, for one dollar because these assets have already been paid for?

• (1235)

Ms. Sara Wiebe: Respectfully, the issue of the sale price is going to be part of the negotiations. I can't speak to that specifically, but I can tell you that no decision will be made until we enter into negotiations with industry on that issue and the other issues that I mentioned. That will be part of the negotiations.

Mr. Ron Liepert: If that's a commitment to the airlines, then I think it's probably something they'd be happy to hear.

I wanted to ask Mr. Wilson something quickly.

My understanding is that you were involved quite extensively prior to the Nav Canada move. Do you see this as similar to Nav Canada? Certainly there was a lot longer period of negotiations with Nav Canada than is being proposed here today. Give me your impressions on whether this is a comparison that can be made or not.

Mr. Neil Wilson: In terms of the bill that's before you, it is very similar if not identical to the key features of the legislation that enabled the transfer of the assets out to Nav Canada. There are a few small differences around the charging principles and those sorts of things, but by and large it's very much the same.

Some of the concerns that I think existed at the time of the privatization of Nav Canada—the inadequacy of funding, the ability to respond on an agile basis to the needs of those who require the services, in this case, security screening or in another case the navigation services—certainly are the same and resonate at that level, yes.

Mr. Ron Liepert: If I could ask—

The Chair: I'm sorry, Mr. Liepert, but your time is over.

We'll go to Mr. Iacono.

[Translation]

Mr. Angelo Iacono: Thank you, Madam Chair.

I'll let Mr. Wilson finish his answer to the question that my hon. colleague Mr. Liepert asked.

[English]

Mr. Neil Wilson: I was essentially finished.

There are certainly similarities. As you've heard from Mr. McKenna, I believe industry supports this. I know that the airports support it. There's obviously lots to negotiate, as I understand.

We don't have a horse in this race; we're outside of it. But yes, there certainly are a lot of similarities to the Nav Canada situation and model.

[Translation]

Mr. Angelo Iacono: That's an excellent comment. What advice can you give us?

[English]

What are the best practices, the dos and don'ts that we should look into?

[Translation]

What should be done to make this process as smooth as possible?

[English]

Mr. Neil Wilson: Again, it's not for me to intervene in negotiations between the parties. What particular interests or concerns each side may have are not for me to comment on.

[Translation]

Mr. Angelo Iacono: Do you have any recommendations?

[English]

Mr. Neil Wilson: I can tell you that the legislation that enabled the transfer to Nav Canada has survived the test of time. It has remained unamended since 1995.

In terms of the process of negotiations, it's an ambitious agenda that is being set out. There are some concerns on the side of industry about that. I think the parties need to move forward expeditiously, but negotiations will be what they are.

[Translation]

Mr. Angelo Iacono: Thank you.

Ms. Fitchett, what importance does CATSA place on innovation? What obstacles are preventing it from being more innovative?

[English]

Ms. Nancy Fitchett: Innovation is extremely important to CATSA. In terms of technology and efficiencies, we obviously have a fixed budget that is provided through parliamentary appropriations. We try to do everything we can within that budget to innovate and to provide the best wait-time service levels that we can.

[Translation]

Mr. Angelo Iacono: Thank you.

Ms. Wiebe, you talked about innovation. How will the new model improve passenger services and lead to efficiency gains?

Ms. Sara Wiebe: Thank you for the question.

Mr. Angelo Iacono: You may answer in English if that's easier for you.

Ms. Sara Wiebe: Thank you.

[English]

In terms of the model that created Nav Canada, we saw the ability of this new corporation to have stable funding, to have the ability to do long-term planning. They were able to be more flexible and nimble in terms of taking a look at new technologies. When we took a look at how we could apply all these elements similarly to a new corporation that could do airport security screening, we felt that was the recipe we wanted for the entity that would provide this important service to Canadians.

• (1240)

[Translation]

Mr. Angelo Iacono: Is it fair to think that an improvement in efficiency could have a negative impact on passenger safety?

Ms. Sara Wiebe: Thank you for the question.

[English]

Absolutely not. This is a point that we emphasize every time we provide a briefing on this proposal. Security will not change. The Minister of Transport will continue to have his or her responsibilities with regard to the aviation security regulations. Transport Canada will continue to have their obligations and responsibilities with regard to the oversight of the operations of CATSA or the new corporation with regard to those regulations.

Security will not change.

[Translation]

Mr. Angelo Iacono: Once the new model is in place—

[English]

The Chair: You have 20 seconds.

[Translation]

Mr. Angelo Iacono: —what will the traveller's experience be?

[English]

Ms. Sara Wiebe: Again, I feel sorry for Mr. Wilson, because I'm going to keep referring to the Nav Canada model.

If we take a look at what Nav Canada was able to achieve in terms of being more nimble, more flexible, they were able, over time, to actually reduce their service charges. They were able to bring new technology to bear in terms of the provision of those services—an essential service to the safety of Canada's air navigation services.

That's what we want for the new corporation that will provide airport security screening.

[Translation]

Mr. Angelo Iacono: Thank you.

[English]

The Chair: We'll go to Monsieur Aubin.

[Translation]

Mr. Robert Aubin: Thank you, Madam Chair.

I'd like to thank each of the guests for being here.

Again, I have more questions in my head than time to ask them. So I would ask you to provide concise answers.

My first question is for you, Mr. Wilson, because NAV CANADA is still the model being proposed to us. To be able to make a fair comparison, could you please tell me, if you remember, what the financial value and size of the infrastructure that the government transferred to you was. Remind me again of the year it was done, so that we can understand the passage of time.

[English]

Mr. Neil Wilson: The transfer was in 1996. The assets that were transferred were literally across the entire country, from coast to coast to coast. We have over 2,000 pieces of property in places of this great country that...I don't even know where they are. We have something like 16 linear feet of documents to document all of those assets and those properties.

The purchase price that was paid by Nav Canada was not based on the value of the assets. It was based on a different approach to valuing the business. It was on a discounted cash flow basis. It didn't really bear a relation to the assets that were coming over, given the state of the assets that were at that time.

[Translation]

Mr. Robert Aubin: Can we have an idea of the size of this transaction or was it done under cover of secrecy?

[English]

Mr. Neil Wilson: During the negotiation process, there was confidentiality around the process certainly, but since then, by virtue of the provisions of the Access to Information Act, which makes lots of information in the hands of the government available, and our own public disclosure through securities regulations and those sorts of things, most, if not all, of the details of our transaction are publicly available.

[Translation]

Mr. Robert Aubin: Thank you.

I'll come back to you, Ms. Fitchett or Ms. Hamilton. You can choose who will answer.

You come back here year after year to get the credits approved. For everyone in the industry, it seems obvious that the amounts collected for security fees and what is paid to CATSA to provide services annually don't match. This means that more money is collected for security measures than is invested in the system.

If you were given the full amount of money collected, would you be able to meet the standards that the industry wants to achieve?

[English]

Ms. Nancy Fitchett: Sure. The ATSC is collected by the Government of Canada and does not flow to CATSA. As you mentioned, CATSA comes for parliamentary appropriations. The total amount of the ATSC, if that were to flow to CATSA, would certainly enable us to have a higher budget and deliver a higher wait-time service level, among other things. I would not say that this would necessarily increase the nimbleness of...the fact that we are a Crown corporation.

• (1245)

[Translation]

Mr. Robert Aubin: Thank you.

I have a question for Mr. McKenna now.

Earlier, you said that with this new approach, even security fees could vary from one airport to another. I understand the idea and I must admit that it worries me a little. Maybe you don't have that expertise, but I'm still asking you the question.

If each airport begins to determine its own security costs, can we develop regional airports such as those in Trois-Rivières, Sherbrooke or elsewhere that are designed to allow business people to reach major national airports or to host low-cost airlines? It will become virtually impossible for small regional airports to develop.

Is my view the right one or am I on the wrong track?

Mr. John McKenna: I think you're on the wrong track. I said that one of the models considered would allow airports to have different prices. There was no discussion about the possibility of having different prices at different airports. This may be part of the negotiations, I don't know, but it's not the case at the moment.

What the legislation would allow CATSA to do is to provide services on demand at some small regional airports. If this were the case, these services would be billed according to a method to be determined. In any case, this could be too expensive for small airports, given their customer volumes.

Unless I'm mistaken.

Mr. Robert Aubin: Okay. That's basically the situation—

[English]

The Chair: You have only 10 seconds left.

Mr. Robert Aubin: Okay. Sorry.

The Chair: Mr. Hardie.

Mr. Ken Hardie: Gee whiz, I should have downed a Red Bull or something to get all the questions in.

Mr. Wilson, it would appear very clearly that your experience is being used as something of a template as we move forward on this issue. Talk to us about the dispute resolution system. Inevitably there are going to be rubs between users and the organization, particularly over costs but perhaps over service levels, etc. When we're talking about security screening, that's often the focus of some angst on the part of the paying customers. The dispute resolution system, the conflict resolution system that you've employed, has that worked well? Can it be looked to as an example for CATSA?

Mr. Neil Wilson: That's a very good question.

There are two areas in which you want to have dispute resolution. One is with respect to the fees or charges. The other, as you noted, is with respect to the level of service.

With respect to charges and fees, for Nav Canada we must implement our charges or change our charges in line with certain charging principles that are contained in the legislation, in CANSCA. They are very, very similar to the charging principles that are in the bill before you. There are, as I say, a few differences, but they are very similar.

The dispute resolution mechanism is an appeal by the customers or by anyone affected to the Canadian Transportation Agency. In the course of our history, since 1996, there have been two appeals. We've been successful on them. We've been very successful, as Ms. Wiebe noted as well, in not raising our charges. In fact, we haven't raised our charges since 2004. We've lowered them four or five times since then, so there hasn't been much of a reason to have appeals.

On level of service changes, there are regulations around that. We give notice of changes in level of service. There are regulations around safety. Transport Canada is involved to make sure that anything we're proposing to do is done in a safe manner. If it's done that way, it's up to the business to decide how best to provide the service to our various customers and stakeholders.

Mr. Ken Hardie: Great. Thank you.

I want to talk about the pilotage changes. I was relieved to see that the study recommendation to amalgamate all of the pilotage authorities into one body wasn't followed. There's an effort to amalgamate the St. Lawrence and the Great Lakes, but it's very clear that operating conditions and safety necessities vary depending on where you are in the country.

At the same time, though, we see the regulatory powers being centralized. I'm just concerned as to how much of a one-size-fits-all regulatory regime is going to emerge out of this and how well that will reflect the different conditions that we have coast to coast to coast.

•(1250)

Mr. Colin Stacey: This is also enabling legislation. As a result of this legislation, there will be considerable work afterwards on the development of a regulatory framework that will bring together a single coherent set of regulations. In doing so, we recognize the absolute importance of regional, local factors in pilotage. We would expect that local stakeholders and the pilotage authorities themselves would play a very important role in terms of consultation in the development of that regulatory approach.

We certainly recognize the importance of local conditions, the importance of regional specificity in the pilotage system. We'll make sure that's taken into consideration.

Mr. Ken Hardie: There is a concern, though, that in the contracts between a pilotage authority and, say, a pilot corporation, conditions could enter into those contracts that might paddle against the flow of where the national regulations are going to go. How are you going to manage that?

Mr. Colin Stacey: Very specifically, one provision in the bill is to ensure that issues that should be dealt with in regulation are not included as part of service contracts between the pilotage authorities and private pilot corporations.

Mr. Ken Hardie: All right.

I'll turn the rest of my time over to Mr. Badawey.

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

The Chair: You have 30 seconds.

Mr. Ken Hardie: Don't blow it all in one place, Vance.

Mr. Vance Badawey: You know what? Take it. Go ahead.

Gee, thanks, Ken.

The Chair: Okay. Thank you very much.

Mr. Sikand.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): I'll share a lot of time with you, Vance.

Sara, in your opening statements you mentioned that, during implementation, a lot of models in the world were considered. Can you describe or tell us what models those were?

Ms. Sara Wiebe: When we were preparing to consult with industry, we looked at the different models around the world, as I mentioned. We looked at, for example, the transportation security agency in the United States. They have a model whereby they have the regulatory instrument and the operations in the same organization.

We didn't think that was something that works for Canada. I think we talked a little bit earlier about the Nav Canada experience. We felt it would be better for us to have the regulator separate from the operations.

We also took a look at different experiences in the United Kingdom and in Australia, for example. I'm just going to look at Dave to make sure I'm saying this correctly.

In the United Kingdom, the airports run the operations of the security screening and it's the airport that then gathers the fees and includes it in their other fees they collect, such as landing fees.

We also looked at the models that Australia has, where the airports run it, but the government collects the fees.

We were aware of the different experiences around the world and looked at how we could apply them to the Canadian experience. You've heard us say repeatedly that Canada is unique. Canada is such a large country with different regions. We have a very dense population along the U.S. border and a very sparse population in the north and some other regions. We have airports across the country. If you look at a model whereby the airports would run it, our concern was that this could create an inconsistency in terms of how all of these different airports in Canada would run airport security screenings.

Taking a look at the different experiences, we came back and again looked at the experience that we had with Nav Canada. We came back to the recommendation currently in Bill C-97, which is that we take the recipe created by the creation Nav Canada.

Mr. Gagan Sikand: I guess my next question would be for Lisa or Nancy. In assessing CATSA, what are your success indicators? How do you measure how successfully it operates?

Ms. Nancy Fitchett: Our corporate dashboard includes a number of metrics for a variety of areas at CATSA. The top priority of course, as was mentioned before, is security effectiveness and providing the highest level of security possible for the travelling public. There are also a variety of measures around wait times, customer satisfaction and technology availability, etc.

•(1255)

The Chair: Thank you very much. I'm afraid our time is up.

We need to use that last couple of minutes for some committee business prior to Ms. Block having to leave us.

I will suspend for a moment. Could the witnesses and the members of the viewing public exit quickly?

Thank you.

[*Proceedings continue in camera*]

•(1255)

(Pause)

•(1300)

[*Public proceedings resume*]

The Chair: We're in open session.

What's the intent of the committee with regard to the letter to the finance committee?

Mrs. Kelly Block: Madam Chair, given that we've just heard more testimony today, I think we would appreciate the opportunity to come back with our recommendations, or expand our recommendations, at one of our meetings next week. As you've pointed out, we have until the 17th to get a letter back to the finance committee. Give us a chance to go back and look at the recommendations. Amendments were suggested today. We can provide anything we would like to see in a letter to the committee by next Tuesday.

The Chair: That would be the 14th.

Mrs. Kelly Block: Yes.

The Chair: All right. Everybody's in agreement. If you have any suggested amendments or recommendations, please see that they are funnelled through the clerk, I believe, and we will deal with them on the 14th.

Will we take 15 minutes of the meeting, in the last hour, or would you like to deal with it following the one o'clock meeting?

Right now, we have the minister for an hour, and then we are dealing with colleagues' motions.

Mrs. Kelly Block: That's this Thursday. Next Tuesday—

The Chair: Tuesday, the 14th is what I'm talking about.

Mrs. Kelly Block: Right, but that would be the logistics strategies

The Chair: I'm going to take 15 minutes off.

Mrs. Kelly Block: I recognize that we have two meetings instead of the four that were originally asked for, so I'm not sure how Mr. Rogers would feel about carving off 15 minutes from that study. Will 15 minutes do it? I'm not opposed to lengthening a meeting, if we have the opportunity to talk about it, and ensure that it fits with everybody's schedule.

If committee members indicate today that they are happy to sit for an extra half an hour and to have a week to discuss what's going to be in the letter, we'd be happy with that. It's up to Mr. Rogers or the rest of the committee whether they just want to carve off time from the study we already have.

The Chair: Mr. Rogers.

•(1305)

Mr. Churence Rogers: Madam Chair, I'd be fine with an extra half hour, if that's agreeable to the committee. I think we need the two meetings to discuss the transportation logistics strategy with regard to the east coast, so I'd suggest an extra 30 minutes.

The Chair: We will do our two-hour session, and then add an extra half an hour for our response to finance.

Is everybody in agreement with that? It would be the last half hour. Okay.

Mr. Jeneroux.

Mr. Matt Jeneroux: I'd like to speak on a different topic, if I may.

The Chair: Okay, we're still in open session.

Mr. Matt Jeneroux: I don't want to cut into the time you're talking about the BIA.

I just want to recommend a small change to the motion that was passed here unanimously, inviting the Minister of Indigenous Services to the committee. He's apparently unavailable for the next 177 days. However, we have the officials from the department coming on the 28th of this month.

I would like to request that in the absence of the minister, the invitation be extended to parliamentary secretary, instead of the officials. I will quote from the Prime Minister's website on the guide for parliamentary secretaries. Under point 4, "Standing Commit-

tees", the second bullet point says, "In the absence of a minister, [the parliamentary secretary's role is to] explain and defend the minister's position before the committee."

I request that this be done for this particular meeting.

Thank you.

The Chair: Do you mean invite the parliamentary secretary in addition to the officials, or just the parliamentary secretary?

Mr. Matt Jeneroux: Invite the parliamentary secretary in addition to the officials. I accept that.

The Chair: Okay.

Mr. Vance Badawey: In the proper protocol for a motion that's already been passed, you can't amend something. It would have to be a new motion.

The Chair: It would have to be rescinded, and we need 48 hours' notice.

Mr. Matt Jeneroux: With all due respect, Madam Chair, the motion was for the minister. The minister wasn't available, so the clerk extended the invitation to the officials. However, I believe that a step was missed in that process. The invitation should have been extended to the parliamentary secretary, who then could have invited the officials if he wanted to, or come by himself. I believe it's more of an administrative thing, not necessarily a new motion.

The Chair: Well, we adopted our work plan and it called for the departmental officials to be here. That was the work plan that was adopted in our subcommittee and then the committee as a whole.

Mr. Matt Jeneroux: It's still a motion, though, Madam Chair. The motion is—

The Chair: Regardless, at the moment the clerk is telling me that you have to rescind that motion and place another motion, which you have time to do.

Mr. Matt Jeneroux: Okay, Madam Chair. I'd like to move the following motion:

That the Committee invite the parliamentary secretary to the Minister of Indigenous Services to appear on the Minister's behalf to update the Committee on the status of delivering infrastructure directly to indigenous communities, including the doubling of the Gas Tax Fund, announced in Budget 2019, and that the meeting on this study currently scheduled for Tuesday, May 28, 2019, be televised.

The Chair: It's a new motion.

Ms. Block is going to speak to that motion.

Mrs. Kelly Block: I'm obviously going to speak in favour of the motion.

I guess my next question would maybe for the clerk or for you as the chair.

Given that my colleague cited something that is on the Prime Minister's website, do you or the clerk ever entertain the notion that when a minister is not available that should then be extended to the parliamentary secretary? That's their role.

The Chair: No, not unless it is specifically indicated and requested.

Mrs. Kelly Block: However, the departmental officials weren't requested to come.

The Chair: Yes, okay.

Mrs. Kelly Block: You and the clerk made the decision that in the absence of the minister, you would invite the departmental officials.

Did you come back to the committee? I maybe missed the meeting where you came back to the committee and advised us that the minister was not going to be available for the rest of the session. Therefore, would it be a friendly amendment...or would it be reasonable to invite the departmental officials?

Did that come back to the committee?

• (1310)

The Chair: It was all about the departmental officials and the minister initially, and—

Mr. Vance Badawey: Madam Chair, it was [*Inaudible—Editor*] the minister initially.

The Chair: —when we did the work plan, we agreed that the departmental officials would be here. It was never suggested from anyone that the parliamentary secretary would come in his place. It was not requested, nor was it suggested by anyone.

Mr. Badawey.

Mr. Vance Badawey: Madam Chair, that discussion was held in the subcommittee—

Mrs. Kelly Block: The discussion was in the subcommittee?

Mr. Vance Badawey: —with respect to having the departmental officials come to the meeting. That was agreed upon in the subcommittee.

Mrs. Kelly Block: Right.

My question is this. When we found out that the minister couldn't come—it was raised here—I advised my colleague that the departmental officials were the ones who were being invited. He has indicated, as the mover of the motion, that he would like the parliamentary secretary to be here. It seems like that should be automatically offered or looked at, given that it's part of the process when a minister is not able to attend.

The Chair: For three and a half years, we have been doing committee business, and at no time has it been suggested.

I'm sorry, Monsieur Aubin has the floor.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

It seems obvious to me that, if a chain of command were to be established, the parliamentary secretary would be directly under the minister. It seems to me that this goes without saying.

For all the times we ask a minister to attend a meeting and the minister is unable to attend, should a motion be introduced requiring the chair and clerk to systematically invite the minister's parliamentary secretary in the minister's place?

Between the time we, the members of the committee, agree to receive a minister, and the time we receive the response regarding

the minister's availability—or unavailability—time passes. But time is the least of we have here.

In that case, I plan to table a motion for next Thursday and ask that the Standing Committee on Transport, Infrastructure and Communities systematically invite the parliamentary secretary of a minister who, for one reason or another, refuses our invitation.

[*English*]

The Chair: That would be fine. We'll look forward to seeing that.

I have Mr. Badawey and then Mr. Jeneroux.

Mr. Vance Badawey: I'll be brief, Madam Chair.

For the most part, I think we can't make any assumptions. It's just not fair to the team to make any assumptions that any individual should be invited.

If in fact you want the parliamentary secretary to be invited—the minister, or anybody for that matter—just make it a part of the motion. That's simple. It's very clear what our expectations are as a committee. We'll go from there.

To have all this, what I would call, “rhetoric” is not helpful.

The Chair: Mr. Jeneroux and then Monsieur Aubin.

Mrs. Kelly Block: It's not rhetoric.

Mr. Vance Badawey: It's rhetoric.

Mr. Matt Jeneroux: Ignore the member—

The Chair: Mr. Jeneroux.

Mr. Vance Badawey: [*Inaudible—Editor*] part of the motion.

Mrs. Kelly Block: Stop it—

Mr. Matt Jeneroux: Does Mr. Badawey know that I have the floor?

The Chair: Mr. Jeneroux, you have the floor.

Come on, guys. Let's go, or I'll just end the meeting.

Mr. Jeneroux, you have the floor.

Mr. Vance Badawey: Stop the politics.

Mr. Matt Jeneroux: Mr. Badawey is still going on.

The Chair: Mr. Badawey, Mr. Jeneroux has the floor.

Mr. Matt Jeneroux: Madam Chair, the constant interruptions by Mr. Badawey are—

The Chair: I'm going to end the meeting if we can't just.... Let's just be calm. Everybody knows what everybody wants to accomplish. Come on.

Mr. Jeneroux.

Mr. Matt Jeneroux: Madam Chair, I want to be clear where I'm getting the information from so that you can make an adequate decision when it comes to future requests.

I don't believe we necessarily need to list the minister, the parliamentary secretary and officials in every single motion we make. It's assumed, essentially, by the document on the website here, which says, "Justin Trudeau, Prime Minister of Canada" and "Guide for Parliamentary Secretaries".

This is under point 4, "Standing Committees". I'll read up to the point—

The Chair: We've read it, Mr. Jeneroux. We understand it.

Mr. Matt Jeneroux: I hadn't included this part, Madam Chair.

Mrs. Kelly Block: Can he have the floor ?

• (1315)

The Chair: He already read that out once. We understand the point.

Mr. Matt Jeneroux: I only included one point, so I want to make sure that you're referring to the adequate website when going to it.

The Chair: Thank you.

Mr. Matt Jeneroux: Again, it says, "Justin Trudeau, Prime Minister of Canada" and "pm.gc.ca", then "Guide for Parliamentary Secretaries". In point 4, "Standing Committees", it says:

In light of their Government duties, parliamentary secretaries do not chair standing committees. For the purpose of clarity, a parliamentary secretary cannot be, or stand in for, a voting member of a committee that falls under their responsibility as [a] parliamentary secretary.

The parliamentary secretary's key role in relation to a standing committee responsible for reviewing his or her minister's department is to:

provide leadership on Government issues to the members on the committee;
in the absence of the minister, explain and defend the minister's position before the committee;

assist in providing information on the Estimates of organizations in the minister's portfolio and any other administrative matters; and

where appropriate, facilitate public service appearances before the committee and intervene if necessary to address political issues that may arise.

I think that makes it clear, Madam Chair, that there's no need to include a parliamentary secretary in any sort of motion. It should

then be assumed that the parliamentary secretary will be invited in the absence of the minister attending.

The Chair: It is not the practice for every committee. It has never been raised until this meeting that any of the committee members would like PSs to come.

Mr. Aubin is suggesting that he's going to introduce a motion, which is fine—do that at another point—but it's not automatic that a PS come. If you want a PS to come, then request it, as you've done now in your motion, but it is not tied to the other motion that you had planned. At the moment, the indigenous affairs department officials will be here. You have a motion that you want the PS to come. We will vote on that at our next meeting when you appropriately move it. We will deal with it at that time.

Mr. Aubin.

[*Translation*]

Mr. Robert Aubin: Thank you, Madam Chair.

I wanted to make a little correction, because I feel like I'm being accused of playing politics. For my part, I feel like I'm being political. We're all in politics here. Our leanings are often very similar and sometimes differ. With all due respect to the officials, I would like to point out that at the committee, when we ask to meet with a minister, it is because we want to meet with a political authority and have a dialogue with that person. I think that in the absence of this authority, it is highly desirable that the minister's parliamentary secretary be able to step in, given that this is part of the parliamentary secretary's duties. That will be the subject of my motion.

So if that's being political, then yes, I'm being political. I'm a politician.

[*English*]

The Chair: Thank you very much.

All right. The meeting is adjourned.

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