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**Wednesday 30 October 2013**

**Journal  
des débats  
(Hansard)**

**Mercredi 30 octobre 2013**

**Standing Committee on  
Public Accounts**

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

**Comité permanent des  
comptes publics**

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 30 October 2013

Mercredi 30 octobre 2013

*The committee met at 0804 in room 151.*

## COMMITTEE BUSINESS

**The Chair (Mr. Norm Miller):** I'd like to call the meeting to order. The first thing we have to deal with is a motion filed by France Gélinas requesting the Auditor General to examine the estimated cost of the cancelled nuclear reactors at Darlington nuclear generating station. Ms. Forster, go ahead.

**Ms. Cindy Forster:** Thank you. We don't intend to proceed with the motion that Ms. Gélinas tabled on October 23, but we do have another motion that we'd like to table today and deal with next week.

**The Chair (Mr. Norm Miller):** Okay, very well. Will is going to get it from you.

Seeing as we're not going to be talking about that motion this morning, then there are a few items of correspondence that should remain confidential. So we shall go into closed session to discuss those prior to having our witness this morning.

We will go into closed session now.

*The committee continued in closed session from 0805 to 0822.*

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE  
AND RELATED SERVICES  
TRANSPORT CANADA

**The Chair (Mr. Norm Miller):** I'd like to call the committee to order. Welcome, from Transport Canada, Mr. Imi Waljee, associate director, operations west, civil aviation; and Mr. Yves Lemieux, acting associate director, operations east, civil aviation. Welcome to the committee. Thank you for taking the time to come in this morning.

To confirm: You've received a letter with information for someone coming before the committee?

**Mr. Imi Waljee:** Yes.

**The Chair (Mr. Norm Miller):** Our Clerk will have you do either an affirmation or an oath.

**The Clerk of the Committee (Mr. William Short):** I'll just start with Mr. Waljee. If you could just raise your right hand. Mr. Waljee, do you solemnly affirm that the evidence you shall give to this committee touching the

subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Imi Waljee:** Yes, I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

Mr. Lemieux, same thing? Thank you. Mr. Lemieux, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Yves Lemieux:** Yes, I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** You have up to 20 minutes for a statement. Use as much or as little time as you like of that, and then we'll go to questioning from the three parties.

**Mr. Imi Waljee:** Good morning, Mr. Chair, and members of the standing committee. I am Imi Waljee, associate director for operations west, and my colleague is Yves Lemieux, acting associate director, operations east. We both represent Transport Canada Civil Aviation, Ontario region.

As associate directors, we are accountable for the effective and efficient management of the civil aviation safety oversight program for the enterprises we are assigned within the industry in Ontario and to support the safety of civil aviation within Canada's borders. Some of our responsibilities include conducting audits and inspections, and managing and overseeing all service, validation and assessment activities associated with various enterprises. These enterprises are comprised of air carriers, airports, heliports, manufacturers, flight schools and maintenance organizations. All this work is done under the authority of the Canadian Aviation Regulations and the Aeronautics Act, while overseeing the integration of safety intelligence and application of risk management processes and procedures.

Civil Aviation's mission is to develop and administer policies and regulations for the safest civil aviation system for Canada, while using a systems-based approach to managing risks. This mission is based on the concept that intervention strategies, such as rule-making, oversight, and certification, are tools used to mitigate risk. While members of the aviation industry are our direct clients, the Canadian public is ultimately the beneficiary of our services.

Transport Canada defines safety as “the condition to which risks are managed to acceptable levels.” Through aviation safety oversight, Civil Aviation verifies the aviation industry’s compliance with the regulations through two sub-activities: service to the aviation industry and surveillance of aviation safety.

While the end product of service is the delivery of a certificate, a licence or other documents to an aviation stakeholder, the underlying purpose of these activities is for the department to reasonably assure itself that individuals, organizations and/or aeronautical products can operate safely and in compliance with applicable regulatory requirements.

Transport Canada conducts system-based surveillance of the aviation system to monitor the aviation industry for compliance with the regulatory framework. This is done through a risk-based approach, primarily through assessments and inspections.

Transport Canada is evolving the manner in which it approaches its surveillance responsibilities of all enterprises it regulates. This evolution in approach is consistent with the principles of safety management systems where the enterprise is expected to take an ownership role in proactively managing their safety risks on an ongoing basis.

Transport Canada’s role is to ensure that all enterprises have effective systems and processes in place for complying with regulatory requirements. The department’s surveillance activities confirm that these systems remain effective.

The ultimate aim of surveillance is to monitor compliance with regulatory requirements. To that end, all enterprises have an obligation to comply with their regulatory requirements at all times. Should a surveillance activity uncover any instances of non-compliance with the regulations, the department will take appropriate action.

Findings of non-compliance are meant to have enterprises correct their systems in such a way that they return to compliance and maintain that state. Regardless of the form of the action, the onus is on the enterprise to maintain compliance with regulatory requirements.

Transport Canada’s surveillance activities fall under two broad categories, planned and unplanned, where unplanned surveillance includes all those surveillance activities conducted in response to an unforeseen event or issue—for example, an accident, an incident, an increase in an enterprise risk indicator level etc.—and planned surveillance includes all those surveillance activities conducted at a predetermined interval in accordance with Transport Canada’s approved surveillance plan.

Transport Canada is taking a standardized, risk-based approach to planning surveillance activities across all operational areas, taking into account all available safety information regarding approved enterprises. Surveillance policy details the process through which risk-based intervals are assigned for conducting planned surveillance activities. Planned surveillance intervals range from one year to five years, depending on the risk profile of an organization.

Both Yves and I are here to respond to your questions on Transport Canada’s regulatory oversight role. We thank you for giving us the opportunity to appear today, and we welcome your questions. Thank you, Mr. Chair.

**The Chair (Mr. Norm Miller):** Thank you very much for that opening statement. We’ll start with the opposition and Mr. Klees. We’ll go with 20-minute rotations to begin with, and then see how much time we have left.

Go ahead, Mr. Klees.

**0830**

**Mr. Frank Klees:** Thank you, Mr. Waljee and Mr. Lemieux, for joining us today.

Transport Canada conducted two program validation inspections at Ornge bases between January 9 and January 24 of this year. You described the safety management system under which you’re working. Can you explain to us, just very briefly, what the purpose is of these program validation inspections and how often they are conducted? You did say that they’re conducted anywhere from one to—five years, was it?—

**Mr. Imi Waljee:** Correct.

**Mr. Frank Klees:**—depending on the risk profile of an organization. With regard to Ornge, could you just give us a sense of where Ornge fits into that risk profile? And how often do you conduct these reports?

**Mr. Imi Waljee:** Okay. I’ll start with giving a very quick background on our policy and how we do our risk profiling.

To set it within context, Ornge has got two companies. One is a fixed-wing operation, which was approved back in 2009. They also have an approved maintenance organization under the fixed-wing operation, which was approved in 2011. The rotary wing is a company called 7506406 Canada Inc., which was approved in 2012. That’s just the context of the organization.

When we look at our planning and how we do our risk-based profile, we have our policy document, which says that we have our system called NASIMS, which is the national aviation safety information management system, which has about 60 to 70 questions where we populate based upon our knowledge of an organization. For example, it asks you questions on: Has the company had a turnover in staff? Has the company grown in size? Has the company got any labour difficulties? We start populating those answers, so that gives us a risk value.

Then the next step we look at is what is the risk profile of this company in the sense of its complexity? How many bases does it have? How many aircraft does it operate? Is it an international operation? Does it have a safety management system in place? Then we tabulate the results of that and we get a risk index.

Then we look at what the impact value of an organization is. The impact value is based upon whether the company has a high profile. Are they going to be in an area which is going to be a risky area? When we tabulate this thing, we use what is known as a surveillance indicator matrix. Once we plot that, it gives us a surveillance value which says that you will do a program validation inspection at a one-year period, a two-year period, a three-year period, a four-year period or a five-year period.

One thing to remember very clearly here is that a risk profile does not identify whether the company is in non-compliance of regulations or whether it is safe or unsafe. What it does is it shows a change in the state of the organization. When we populate it, we say the company is in a stable situation. Let's say now they have a few aircraft. We populate our system, and it shows a change; we get a change in the numbers.

This risk profile is simply a methodology for us to determine where does the company sit in terms of managing change?

**Mr. Frank Klees:** I thank you for that. That's very helpful. Could I ask you where Ornge fits into that risk profile?

**Mr. Imi Waljee:** Let's look at 7506406 Canada Inc., which is the rotary wing. Like I mentioned, it was approved in 2012.

**Mr. Frank Klees:** When in 2012?

**Mr. Imi Waljee:** The certificate was issued on January 16, 2012.

**Mr. Frank Klees:** Okay.

**Mr. Imi Waljee:** Because that is a new company—when I talked in my opening remarks, we talked about how we do our surveillance based on service and oversight. When we talked about service, we said service includes the issuing of a certificate, a document or a licence. When a company—well, I'm not sure it's Ornge, but it says 7506406 Canada Inc.—was approved, we ensured that the company met the minimum regulatory requirements at the time, which say they do have a qualified crew, they have maintenance requirements for their aircraft, they have infrastructure in place. That sets our baseline, based on a risk profile.

Then we say because this is a new operation, and it is in an area of a very risky operation because of the way they operate their helicopters, the way they're doing a service, we want to assure ourselves that they are maintaining regulatory compliance, so we give them one year.

The reason why we say one year is because if you look at the maintenance requirements of an air operator, it says when a new certificate is issued, the air operator has got 12 months in which to conduct their internal audit. When they conduct an internal audit, our expectation is that they are identifying all the shortcomings, and they are fixing them and rectifying them so that they don't go into non-compliance. We come in after a year, to ensure that the company is still maintaining the regulatory compliance.

**Mr. Frank Klees:** Okay. I'd like to then move on to—and again, we're now dealing with the rotary wing report that was dated March 1, 2013.

In a letter, Transport Canada advised Ornge that on-site interviews with key personnel had taken place. There was a sampling of records and observance of work at the base. Transport Canada inspectors, according to that letter, have found a number of non-conformances to the company operations manual, as well as Canadian Aviation Regulations.

For the record, Chair, this is PVI file 5015-17559-17.

I'm reading from the Transport Canada letter dated March 1, 2013. This was addressed to Mr. Robert Giguere, who is the accountable executive. I quote for the record: "There were strong indicators that areas of the operational control system were not effective ... On-site interviews revealed confusion both at the management level, and with the flight crews...."

The letter goes on to confirm that operations at some bases were suspended as a result of those findings. I quote again from the letter: "Flight crew members who had not completed the entire flight and ground training program were removed from flight operations until all training requirements were met. Additionally, flight operations at some bases were temporarily suspended until all program requirements were complete."

Is it a common occurrence, with the operations over which you have responsibility, that flight operations would be suspended by Transport Canada following one of these inspections? Is that something that you see happen commonly?

**Mr. Imi Waljee:** Mr. Chair, it would be speculation on my part to answer if I see that commonly. I'd like to speak to the policy on how we address these shortcomings when they're identified with a PVI, based on our policy and procedures which we adhere to.

In this particular instance, when the shortcomings were identified by the PVI team at Ornge, the company took their own actions of saying, "We will not dispatch any more crew unless we train them." The actions were taken by the company in this particular instance, so—

**Mr. Frank Klees:** I find it interesting that they have now been operating for an entire year, and these non-conformances had been in place for a year. There were nine of them. Four were classified as moderate, two were classified as major and three were classified as critical. Those three critical classifications were related to flight crew training, and particularly in light of concerns that this committee has heard from witnesses over the last number of months that the issue of training was of serious concern and had actually been reported, according to testimony that we've had here, by pilots to Transport Canada and the management at Ornge—yet here we are. We've had this operation operating for an entire year. Now management says, "Well, we'll take these people out of operation. We'll suspend them. We'll park them."

I have to tell you, I have serious concerns, and I think we all do, that we would have an organization that has the responsibility of 24/7 EMS air ambulance operations for our province, and here we find a Transport Canada audit that shows very gross non-conformance with either regulations or the operational manuals.

#### 0840

I'd like to examine some of the specific findings of that Transport Canada report. I'd like to get your assessment of the severity of these findings. I'll read into the record the first one:

"7506406 Canada Inc. was conducting a 'Level D' training program utilizing a Sikorsky SK76B-type full flight simulator. The SK76B-type helicopter has differ-

ences in performance, systems, cockpit layout and configuration compared to the air operator's Sikorsky SK76A model helicopters. After completion of the full flight simulator SK76B training program, flight crews assigned to SK76A aircraft had received no additional training on the 'differences' between the SK76B (simulator) and the SK76A model."

The finding report goes on to say, "Interviews with flight crew, the 7506406 Canada management team and document reviews confirmed that none of the SK76A-type endorsed flight crews had received 'differences' training."

Mr. Waljee, I'm not a pilot and I don't profess to know a whole lot about aircraft or what it takes to fly an aircraft. Is this as obvious as it appears: that flight crew were given simulator training in one model of aircraft, but they were asked to fly in a different model of aircraft where the Transport Canada report actually states that the performance is different, the systems are different, the cockpit layout is different and the configurations are different compared between the two, and yet they were given simulator training in one aircraft and expected to fly in another? Is that as obvious as it appears to me?

**Mr. Imi Waljee:** I'd like to explain our process again, because when we do an inspection, whether it's a PVI or an assessment, Transport Canada's role is to identify non-conformances. Like we said, we do a systems-based approach into the organization, to see whether the system is functioning or not. The way we convey the results of our inspection to the enterprise is through a finding form to identify to the company where corrections need to be made.

Our role is not to speculate or look at the correct direction for an organization. When a finding has been generated and given to the company, the company takes two steps. Number one, they do a short-term corrective fix to bring them back into compliance, and then the second step they do is a long-term corrective action to ensure that the non-conformance identified does not recur again. The onus is on the enterprise to rectify the non-conformances that have been identified by Transport Canada.

Our desire, when we issue a PVI report, is to work with the enterprise in an escalation process. What that means is that our desire is that, where a company is willing and able to make corrections of its own, implement the correct new actions and ensure that those non-conformances don't recur, we work at the level of a corrective action plan. The company will submit to us a corrective action plan to say, "This is what we did in the short term. This is our analysis of the finding and of the root cause, and this is how we are going to be fixing it in the long term so that it does not recur."

We go back and do a follow-up on the enterprise to make sure that the long-term corrective action is effective in fixing those non-conformances. Then we close off the PVI report.

**Mr. Frank Klees:** So let me ask you this: Whose responsibility within the Ornge organization would it have been to ensure that the appropriate training programs

were in place? What is the position within the Ornge organization that had the responsibility to ensure that these programs were in place?

**Mr. Yves Lemieux:** The operations manager.

**Mr. Frank Klees:** And who at Ornge is that?

**Mr. Yves Lemieux:** At the time, I don't know. I don't have—

**Mr. Frank Klees:** You don't know?

**Mr. Imi Waljee:** I'm not 100% sure as to who—

**Mr. Yves Lemieux:** We can get back to you, if you wish.

**Mr. Frank Klees:** The fact is that someone wasn't doing their job at Ornge. What's concerning for us is that given the track record of this organization—quite frankly, I'm not surprised. The reason I'm not surprised is that I highly question how this organization was given its initial operating certificate when it went into business. To the point that you made in your opening statement, in explanation of the role that Transport Canada has and in terms of the measurement, the risk profile, here is an organization that has never been in the business of operating a helicopter or a 24/7 aviation business before. Overnight, they were in the business. Quite frankly, our initial question is, on what basis could these people be qualified?

I want to move on to another finding that is equally as disturbing as the one that we just dealt with. Again—

**The Chair (Mr. Norm Miller):** You have about three minutes, depending on how—

**Mr. Frank Klees:** Well, I'll quickly deal with this, and if you wouldn't mind, I'll take an extra five minutes of my first 20.

Again, it deals with the training issue. I'm quoting from the actual report: "The following are examples of flight crews who had not received required training—flight crews are identified by their pilot licence numbers." It goes through one, two, three, four, five, six—the last one, number six, gives me particularly great concern. It reads as follows: "controlled flight into terrain avoidance"—and it lists one, two, three, four pilots.

There was a May 31 crash of an Ornge helicopter. There's lots of speculation—we won't speculate in terms of what the causes were for that. But one of the things that I've heard from pilots, from front-line people at Ornge, is that there was great concern about the lack of training. Even though there were experienced pilots, what I'm told is that there was very little up-training that was taking place within the organization. This finding is particularly concerning. Again, we have to keep in mind, Ornge now has been operating for more than a year, and to have this kind of gap in training for pilots—this is not Dr. Mazza now; this is after the transition of management took place. This is after the new executives were put in place. This is after we have a new operations manager, a new accountable executive in place—and we have the findings of Transport Canada that fundamental training for pilots had not been put in place. That's very disconcerting for us.

I understand your explanation of SMS, and I understand that a system has now been put in place, where

you're counting on the co-operation of the air operators to actually make this inspection program work—isn't that correct?

**Mr. Imi Waljee:** No, what we are saying is that the responsibility and the accountability to meet regulatory compliance and to remain in regulatory compliance on an ongoing basis is the responsibility of the enterprise.

**Mr. Frank Klees:** That's right, and what we have here is clearly an enterprise that doesn't have the competency, does not understand the implications of not being in compliance and is putting people at risk.

My question to you as Transport Canada—we look to you as the oversight body to ensure compliance. My concern, quite frankly, is whether or not under the current SMS that we have—if there's far too much reliance on the operators themselves and if there isn't a gap here that should be filled in by Transport Canada to be much more proactive. I'll follow up on that in my follow-up questions, but I'd like your thoughts just very briefly on that principle of the role of Transport Canada. I know it was a government decision to basically bring in much more responsibility on the part of the operators, but at this point, I'm questioning the wisdom of that.

0850

**Mr. Imi Waljee:** Okay, so in your speech just now, you had really two questions that I see for me. One was how did we approve 7506406 Canada Inc. in the first place—

**Mr. Frank Klees:** Yes.

**Mr. Imi Waljee:** —and the SMS question.

I'll start with how we approved it. The regulations, under air operators, say the minister shall issue an operator certificate when an enterprise meets certain conditions. The obligation is on the minister to issue the certificate when somebody demonstrates to us that they have the capability and they meet the regulatory requirements—

**Mr. Frank Klees:** I'm sorry to interrupt, but this is very important. Are you telling me that at the time that you issued the certificate, all of these issues—they were in compliance at that time?

**Mr. Imi Waljee:** Exactly.

**Mr. Frank Klees:** So from the time that they went into business, under the current Ornge management, they went out of compliance. Somehow they had these training programs in place and, within a 12-month period, everything went into the basket. Is that what you're saying?

**Mr. Imi Waljee:** What we are saying is that at the time of issuance of the certificate, they met the requirements. We ensured that there were training programs in place, that they had a qualified crew, that they had maintenance requirements for their aircraft and that they had a maintenance control system for their maintenance requirements. They met all those requirements, and that's when we issued them a certificate to say, "Yes, you do meet the minimum requirements."

**Mr. Frank Klees:** Okay, so one other question if I might. There was a transition from Canadian Helicopters to Ornge management, to Ornge. When you did your

initial assessment, had the transition from Canadian Helicopters to Ornge taken place? Or were you basing your certification on the expertise, the training programs and all that involved the operations—were you basing that on the then Canadian Helicopters management?

**Mr. Imi Waljee:** No. So what happens is, whenever an enterprise comes to us and applies for an operator certificate, they have to present to us their manuals and their training program. Everything has to be under the control of the air operator. In this case, it's 7506406 Canada Inc. It has got nothing to do with Canadian Helicopters. This enterprise has to present to us how they're going to be running their business, how they're going to be training their crew and how they're going to be maintaining their aircraft. Then we issue the certificate. It is looking at that one particular company.

**Mr. Frank Klees:** How would Ornge have developed those manuals within the very limited space of time? Isn't it reasonable to assume that what they did was transfer or deliver to you or show you the manuals that were, in fact, Canadian Helicopters' manuals, and put their name on it without having the competency to actually deliver under those standards? Is that a possibility?

**Mr. Imi Waljee:** That would be speculation on my part, sir. We approve a manual which is presented to us by the enterprise, signed off by the accountable executive. That is what we get in our offices, and this is what our inspectors work with.

**Mr. Frank Klees:** And within 12 months, the accountable executive got a letter from Transport Canada saying, "You are out of compliance" with very critical aspects of the operations.

**Mr. Imi Waljee:** Yes, and that's the reason why we do inspections: to ensure that the company maintains regulatory compliance. When we talked about the risk profile, I mentioned to you that, because it's a new operation, we don't know a lot about it, how it is going to be functioning. So we go in there within a year to see what the health of the company is. When we do find non-conformances, we do identify them, and then the onus is on the enterprise to rectify them.

**Mr. Frank Klees:** Thank you very much.

**The Chair (Mr. Norm Miller):** Thank you. Mr. Klees used about 25 minutes, so we'll start with that for the NDP. Mr. Singh?

**Mr. Jagmeet Singh:** Chair, thank you very much.

Good morning. Thank you for being here today. I just want to touch on some of the points that you just raised about—you had indicated that there's a minimum standard that a company or enterprise has to achieve before they receive a certification. Is that correct?

**Mr. Imi Waljee:** Correct.

**Mr. Jagmeet Singh:** Are there different levels? That's the minimum standard. But if a company has surpassed the minimum standard, do you assign a certain level to that, that this company is in an excellent condition, or that their manuals and their safety protocols—"In the inspection that we've done, we've assessed them at a higher or a lower"—or do you just have a minimum that they need to achieve?

**Mr. Imi Waljee:** Okay. Sorry, I forgot to answer the second question for Mr. Klees when he asked about SMS. I just want to clarify that 7506406 Canada Inc. does not come under the SMS regulations because it is not under a part 5 operation. So SMS rules do not apply to Ornge at this particular time.

**The Chair (Mr. Norm Miller):** Thank you for that clarification.

**Mr. Imi Waljee:** Going back to your question: When I say “minimum requirements,” in order to be issued a certificate of operation, when the company presents to us, we ensure that they meet the minimum requirements, which say you must have a flight crew who’s trained and you have a maintenance program in place.

Then as the company matures, and it starts working with its systems and processes in place, it might start using best practices from industry and do a little bit more than what the minimum requirements are.

When we do our risk profiling that I talked about—we talked about the impact statement. This is where we take into consideration: Does the company have an SMS? Does the company have safety intelligence other than what is normally being presented? Are they using that safety intelligence in the right manner, to improve their operation?

Then we give them a scoring which changes the schedule. Maybe if they have all these best practices, they might go to a five-year period instead of a one-year period or a two-year period.

**Mr. Jagmeet Singh:** I see.

**Mr. Imi Waljee:** That’s how we use this intelligence to set up our program schedule: When do we go and do an inspection on this company?

**Mr. Jagmeet Singh:** Okay. Just to give a range, if a company is just meeting the minimum requirements, that means the risk profile that’s generated would require a yearly inspection?

**Mr. Imi Waljee:** Not necessarily. It all depends upon the change of the company. Like I said, the risk profile sets up a baseline, and as the company is undergoing change—let’s say they add more aircraft; maybe they add extra sub-bases; maybe they start doing an international operation—then it changes the state of that organization, and then it would change the risk number. Then, depending upon where it sits in the risk matrix is whether we would go in there at a one-year period or a two-year period.

**Mr. Jagmeet Singh:** Okay. What is the minimum timeline that you’ll go back into a company? I’m assuming it’s a one-year period. Could it be less than that? Six months?

**Mr. Imi Waljee:** Yes. That’s a very good question. In my opening, I explained to you there is planned surveillance and unplanned surveillance. Planned surveillance is—we have in Ontario approximately, let’s say, just for illustration purposes, 300 enterprises. When we do our surveillance planning, over the five-year period, we look at these 300 enterprises and say, “Where do they fit in this matrix?” to work out when we’re going to pay them

a visit for our inspection purposes. The planned surveillance is between one and five years.

Now, in your question, you said, “Can you go in sooner?” Sure we can. When we get any intelligence that there is something going on with this enterprise, or we see some incidents occur, we go into what we call unplanned surveillance. Then we can go in there and do an inspection, based upon what we have uncovered. So, yes, it can be under a one-year period. Absolutely.

**Mr. Jagmeet Singh:** Okay. You talked about intelligence or incidents. An incident would be, I’m assuming, if there was a serious crash or some sort of accident that occurred. That would be considered an incident, and that would prompt, perhaps, another inspection?

**Mr. Imi Waljee:** Sure. It could be a hard landing or any other incident, besides a crash. It could be any kind of incident.

Also, we get the civil aviation daily occurrence reports, or CADORs. These are also good triggers for us. If there is a CADOR that has been raised that we feel requires our intervention, and we want to go in and inspect the company, based upon the CADOR, we can go in there and look at that. These are the triggers that will make us go in there sooner than the planned surveillance cycle.

**0900**

**Mr. Jagmeet Singh:** And a CADOR is like a daily report that you receive?

**Mr. Imi Waljee:** Correct. Maybe Yves can expand on what the CADOR is.

**Mr. Jagmeet Singh:** And what does it stand for?

**Mr. Yves Lemieux:** Civil aviation daily occurrence report—

**Mr. Jagmeet Singh:** Sorry?

**Mr. Yves Lemieux:** It stands for civil aviation daily occurrence report. These are any incidents that Nav Canada would see—

**The Chair (Mr. Norm Miller):** Excuse me. Can you speak a little bit into the microphone? Not too close—but just for the benefit of Hansard, please.

**Mr. Yves Lemieux:** Okay. There are various categories. Some are relatively minor, and then others require us to follow up on the incident. That’s when we contact the company, and then we look at the process that could have been involved in the incident itself. Then we look at the investigation that the company carried out, the issues that they’ve identified, whatever they are, that they need to correct to make sure that it doesn’t reoccur. That’s basically it. Then we follow up on that and we keep track.

These incidents, also, are looked at again when we do PVIs, and then, also, they may impact on a risk profile of the company if, for example, something reoccurs.

**Mr. Jagmeet Singh:** I see. So the CADORs can impact the risk assessment and, based on that, you might be more likely to have an earlier visit or an unplanned visit.

**Mr. Yves Lemieux:** Absolutely.

**Mr. Jagmeet Singh:** Okay. And then the intelligence you were talking about—is that something where you receive a complaint from someone saying that there’s a



problem here at this base or a problem with this enterprise? What is the intelligence?

**Mr. Imi Waljee:** It can be. Many times, we have our civil aviation issues reporting system, CAIRS, which is a confidential system where people can go in, they can be anonymous, and they can identify some issues with any companies or personnel. Then we are bound to do some kind of a review on that CAIR to see, is it valid? Is there any substance behind what has been reported in there? We do investigate that.

**Mr. Jagmeet Singh:** Sorry, what was the name of this anonymous line again?

**Mr. Imi Waljee:** It's the civil aviation issues reporting system, CAIRS. It's an online system.

**Mr. Jagmeet Singh:** Civilian—

**Mr. Imi Waljee:** Civil aviation issues reporting system.

**Mr. Jagmeet Singh:** Civil aviation—

**Mr. Imi Waljee:** —issues—

**Mr. Jagmeet Singh:** —issues—

**Mr. Imi Waljee:** —reporting system.

**Mr. Jagmeet Singh:** —reporting system. Okay. That's good. And is this a number that anyone—for example, any civilian or anyone who works in the company, anyone can use that?

**Mr. Imi Waljee:** Anybody. It's open to the public. They can file a report in there.

**Mr. Jagmeet Singh:** Okay. And it's completely anonymous?

**Mr. Imi Waljee:** You can be anonymous or, if you want a response, you can say, "I would like a response," and you can give your information. Then once we had looked into what the issue was, we would forward a response to the person to say, "Okay, this is the result of what we did."

**Mr. Jagmeet Singh:** Okay. Now, my other concern: Is there a relationship between what you do at Transport Canada—providing oversight for aviation, which is a very important responsibility, and I appreciate that you're doing that. Is there a relationship between Transport Canada, which is a federal entity, and—is there any reporting obligation to the provincial government? Because there's an overlap—this is a provincial entity that's providing a provincial service, but because they're aviation, there's a federal jurisdiction. Is there any sort of reporting requirement between the federal government and the provincial government, or does the provincial government have any access to these, whether it's the risk assessment or the compliance? Is there any sort of interplay between the two?

**Mr. Imi Waljee:** I don't believe so.

**Mr. Yves Lemieux:** No, no. No, there isn't. The safety of operations is 100% the responsibility of the federal government. We make sure that what we approve—and then, through our surveillance program, confirm that a company continues to be compliant.

Just a little bit of clarification on the statement that the regulations are in place—and we say "minimum requirement": That requirement is based on historical perform-

ance, i.e., we could go for the Cadillac, which would be just out of this world. However, we put in a floor as to where an operation needs to be in order to be safe. That's how we define the regulatory requirement—the standards, for example—and that's how these are established.

It's not unique to Canada; it's worldwide. ICAO, the International Civil Aviation Organization, sets those limits. Some people may be nervous about a minimum requirement. Actually, at minimum, we believe that it is a safe operation. Historically, it has been. If you're compliant at the minimum requirement, you're safe.

**Mr. Jagmeet Singh:** Okay. That's good to know. So the minimums are not the bare bones—

**Mr. Yves Lemieux:** Absolutely not.

**Mr. Jagmeet Singh:** That's good to know. If you're able to—and if you can't, just let me know. Before Ontario had Ornge, there was the Ontario Air Ambulance. Are you familiar with the Ontario Air Ambulance and what their compliance was with respect to Transport Canada and whether there were any compliance issues?

**Mr. Imi Waljee:** I'm sorry. I don't understand your question.

**Mr. Jagmeet Singh:** Sorry. We're speaking of the compliance issues. Between January 9 and January 24, you conducted a PVI on Ornge specifically and you identified some issues with Ornge. Before that, Ornge had received a certificate that they met the standards. Subsequently, when you did a PVI, you had identified some areas of concern regarding training, record-keeping and various other issues.

Previous to the existence of Ornge, which is an entity that provides ambulance service in Ontario—previous to Ornge, there was an entity doing the same service, providing the same service. It was known as Ontario Air Ambulance. Are you familiar with that organization and what their compliance was?

**Mr. Imi Waljee:** We approve air operators on an individual basis; right? So when an enterprise comes to us and they want an air operating certificate, we look at it as an entity, as a stand-alone. The service they provide is whatever they—is it passenger-carrying? Is it air ambulance? Is it aerial work? Their operation is subsidiary. As long as they meet our regulatory requirements to be issued with a certificate, we will issue them a certificate.

**Mr. Jagmeet Singh:** I understand. I'm trying to ask you a question about another entity that existed before Ornge, and if you had any records in terms of their compliance and what standard they were achieving and whether there were compliance issues like training issues or record-keeping issues in that previous entity, but I don't think you have that information before you.

**Mr. Imi Waljee:** No.

**Mr. Jagmeet Singh:** That's fine. Okay. Moving forward, what type of relationship do you have with Ornge? Where does it sit in the risk matrix, and what is your anticipation for future PVIs or inspections, planned or unplanned? What's your expectation?

**Mr. Imi Waljee:** At this present time, Ornge is putting its long-term corrective action plan into place.

What we will be doing is, we will be conducting follow-up to make sure that the long-term corrective action that Ornge has provided to us is being implemented and is being effective. Then, when we do this follow-up inspection, we will go and update our risk profile to see where it comes up.

So every time there is any change in an organization is when we go in there and update our system. As I said, that system is based upon measuring change and how the company is coping with the change.

**Mr. Jagmeet Singh:** Okay. And given the fact that your PVI came back with non-compliance or issues around those topics we've discussed, I'm assuming that that has resulted in a risk assessment that's lower now or—there's more risk associated, so it's going to be a target, versus another company that had no compliance issues which would be maybe less of an issue and they might have a longer duration between their inspections. Is that a fair—

**Mr. Imi Waljee:** Yes. It's possible. Like I said, when we go and do our follow-up, we might find that the company has got good systems in place and they have good, robust processes in place and they're effective. Then, when our inspectors go back and update our questionnaire, we'll see where they fall into the risk matrix.

**Mr. Jagmeet Singh:** At this point in time, you indicated that they're putting together a long-term plan, and you'll assess that once that long-term plan is put together. It has not been presented to you yet, I'm assuming; is that correct?

**Mr. Imi Waljee:** No. The long-term plan has been presented to us because we have accepted the corrective action plan. They are now in the process of implementing it. So we would like to give them some time to implement it, to make sure it's effective, before we go in and check it. There's no point looking at it right away because they haven't had a chance to work at it. So we want to allow them to work at their plan, and then we go in there and inspect to make sure that it is effective.

0910

**Mr. Jagmeet Singh:** What was the corrective action, if you could just outline that again? And how satisfied are you with that corrective action at this point—the immediate corrective action?

**Mr. Imi Waljee:** Well, the immediate corrective action is, like Mr. Frank Klees talked about from the report, the company said, "We are not going to be allowing our pilots to fly unless they get the training." That was their immediate short-term fix. The long-term is, they're putting a system in place to make sure that this issue does not recur again. They presented us with a corrective action plan to say what systems they're going to be changing, how they're going to be implementing it and the timelines under which they will implement it. We accepted their plan, and now we will go back and begin the process of evaluating some of the long-term corrective actions.

**Mr. Jagmeet Singh:** If you were able to compare, just on a broad level, the way Ornge, or the numbered com-

pany that you've given, has handled this situation compared to other companies, are you satisfied with the way they handled it or the manner in which they responded to your concerns?

**Mr. Imi Waljee:** When we look at the approach, we don't compare a company to a company. We look at an enterprise. How did this enterprise deal with it? Are they willing and able to deal with the situation? Are they implementing the corrective actions? We look at it on an individual basis. We go in and inspect and say, "Okay, you told us that you were going to implement a certain action. Did you implement it? Is it effective?"

**Mr. Jagmeet Singh:** Did you get any heads-up or any intelligence prior to your PVI that there were pilots and staff who were concerned about the safety of the night flights or the safety of the flying in general at Ornge?

**Mr. Imi Waljee:** I am not aware of that. I can look into our records and get back to you, but at this time, I am sorry; I don't have that information.

**Mr. Jagmeet Singh:** Sure. I noticed, Mr. Lemieux, you were also shaking your head in the negative. You weren't aware of any intelligence prior?

**Mr. Yves Lemieux:** No.

**Mr. Jagmeet Singh:** No, okay.

Beyond the PVI and beyond the now-anticipated long-term strategy that will be presented to you in more detail, are there any day-to-day interactions between yourself and Ornge? I guess there's the CAIRS reports that you receive. Do you receive those daily?

**Mr. Imi Waljee:** No. I gave an example of intelligence because you asked me the question of what were the types of intelligence we can get, and CAIRS is one methodology under which we get intelligence.

**Mr. Jagmeet Singh:** I see.

**Mr. Imi Waljee:** We interact with the company on a regular basis because we are doing follow-up actions with the company. They submit a manual for amendment because, as they are implementing the corrective action plan, they're changing the processes and procedures, so they submit amendments to their manual for our approval.

**Mr. Jagmeet Singh:** Okay. So at this time, can you describe the regular interactions between yourself and Ornge, and who is it that you're interacting with?

**Mr. Imi Waljee:** We have principal inspectors who are responsible for Ornge. We have a flight operations inspector who looks after the flight operations aspects of the organization. We have an air-worthiness inspector who looks after all the maintenance requirements of the company. Between the two of them, they manage the day-to-day operations of the company. They are interacting directly with key personnel. For example, the air-worthiness inspector would be interacting with the personnel responsible for the maintenance control system—

**Mr. Jagmeet Singh:** At Ornge.

**Mr. Imi Waljee:** At Ornge. The flight ops inspector would be interacting with the chief pilot and the ops manager.

**Mr. Jagmeet Singh:** Okay. In terms of a schedule of how regular that is, it would be the inspectors themselves that would be able to give that information about how often or how regular their interactions are?

**Mr. Imi Waljee:** Correct. It depends upon the submissions from the company, how often they make them, what their queries are, what information they are looking for. It will depend on that.

**Mr. Jagmeet Singh:** Just a quick moment's indulgence: How much time do I have left?

**The Chair (Mr. Norm Miller):** You have six minutes.

**Mr. Jagmeet Singh:** I'll take it on the next round.

**The Chair (Mr. Norm Miller):** Okay, very good. We'll move to the government. Mr. Mauro.

**Mr. Bill Mauro:** Thank you, Mr. Chair. Gentlemen, good morning. Thank you for being here today. We appreciate your attendance.

I noted in your opening remarks that the two of you share responsibility for Ontario; one is east, and one is west, so at least one of you has some familiarity with Thunder Bay, I'm sure. That's my riding, and this issue of air ambulance services, of course, in northern Ontario is extremely top of mind for people, certainly in my neck of the woods, but obviously for the entire province. Which of you is it who has the western—

*Interjection.*

**Mr. Bill Mauro:** That would be you. Okay. I've got a series of questions. But first, I wanted to ask again about the frequency of your visits. I heard you give a response earlier. But I also want you to let me know if any of your visits are unannounced or if they are all scheduled.

**Mr. Imi Waljee:** Okay. We have two methodologies of surveillance. We talked about planned and unplanned. Our unannounced visits are unplanned activities which would be driven by a trigger. It could be from CADORS, which is a civil aviation daily occurrence report, or it could be some intelligence that somebody has given us saying, "There are some issues with this operator. We want to have Transport Canada look at it." We can do that. But normally, out of courtesy, we would call the operators and say, "We are coming in today to look at your records," so that they can prepare the records for us.

**Mr. Bill Mauro:** Okay. So the frequency of visits—somebody asked you earlier about frequency. I'm thinking it was one to four—

**Mr. Imi Waljee:** One to five years, that's the planned surveillance.

**Mr. Bill Mauro:** That's kind of where I'm going. On the frequency, when you responded to that question, those were planned visits?

**Mr. Imi Waljee:** Yes.

**Mr. Bill Mauro:** But the unannounced visits that can be triggered by reasons that you've just explained to us would be in addition?

**Mr. Imi Waljee:** Yes, correct.

**Mr. Bill Mauro:** And those could be anywhere from none to a number, depending on the quality of the carrier

or information that you gather through a variety of means.

**Mr. Imi Waljee:** Correct.

**Mr. Bill Mauro:** What are some of the ways that you would receive information that would trigger an unannounced visit?

**Mr. Imi Waljee:** We get quite a few through our Civil Aviation Issues Reporting System. Another way is that a person might call one of the principal inspectors or maybe one of our technical team leads who's a supervisor of a particular Transport Canada centre; for example, Thunder Bay. Or somebody might call our issues managers, or they might put in a comm request from headquarters. There are multiple ways where information can be given to Transport Canada.

**Mr. Bill Mauro:** Do you have any sense of how many unannounced visits were made to Ornge and its bases?

**Mr. Imi Waljee:** No, I don't have that.

**Mr. Bill Mauro:** I want to just step back a little bit before going forward with the questions as to the beginning of Ornge. You identified, in your opening remarks, three companies, I think: one fixed-wing, one maintenance or refurbishment, and then the third one, the rotary. To be clear, before Ornge began their operation, from Transport Canada's perspective, all three of those different business lines were in compliance, according to Transport Canada?

**Mr. Imi Waljee:** Correct, the three companies that we talked about.

**Mr. Bill Mauro:** Sorry?

**Mr. Imi Waljee:** The three companies that we talked about.

**Mr. Bill Mauro:** So they were all inspected. That's a normal course of procedure—

**Mr. Imi Waljee:** Correct.

**Mr. Bill Mauro:**—when a new operation is starting. You show up, you inspect, and you do your work. They don't get to go lift off the ground before you've been there.

**Mr. Imi Waljee:** Correct.

**Mr. Bill Mauro:** That happened with all three of those business lines. Once Ornge took over from CHC, this occurred. Transport Canada was there on all three business lines and inspected them. You have records that would prove and indicate you were there, inspections occurred, and everything was fine.

**Mr. Imi Waljee:** So just for clarity, Ornge Global Air Inc., which was the fixed-wing, was approved in 2009. Then the approved maintenance organization under Ornge Global Air Inc., which was Ornge Global Technical Services—that's their trade name—was approved in August 2011. Then 7506406 Canada Inc. was approved in January 2012.

**Mr. Bill Mauro:** When did Ornge begin its operations? Those companies you just described, those are what you see as their start dates?

**Mr. Imi Waljee:** Yes.

**Mr. Bill Mauro:** There was a series of questions asked by the other members that I thought were good

questions that made me pause and consider a couple of things. When you, through Transport Canada, go in and do your PVI or whatever other methods of inspection, to confirm compliance; when you go in and you identify shortcomings—first of all, your processes are the same for all carriers, all kinds of carriers? There's no distinction between an air ambulance and a commercial carrier, a charter carrier?

**0920**

**Mr. Imi Waljee:** No.

**Mr. Bill Mauro:** Everybody's treated the same. Your PVIs, whatever it is you do—everybody's treated the same?

**Mr. Imi Waljee:** The inspection methodology is the same for everybody.

**Mr. Bill Mauro:** Okay. The inspection methodology is the same for all carriers in Ontario, and it's the same for all carriers in the rest of Canada?

**Mr. Imi Waljee:** We have our policy document, our staff instruction, SUR-001.

**Mr. Bill Mauro:** Right.

**Mr. Imi Waljee:** We are under issue 5 right now, and all Transport Canada Civil Aviation inspectors conducting surveillance activities had to do it by that policy document.

**Mr. Bill Mauro:** That policy document applies across the country?

**Mr. Imi Waljee:** Correct.

**Mr. Bill Mauro:** Okay. The questions that were asked that indicated—I suppose it's not unusual, although concerning for all of us, that you're occasionally and from time to time going to find carriers non-compliant for some of their responsibilities. Your response was a little concerning for me—and I think probably for all of us, but that's why I asked you the first questions about everybody's treated the same—and indicated that when you find, through your work, areas of non-compliance, it sounds like it goes to an area of some sort of self-regulation where, internally, the operator, the enterprise—in this case, Ornge—has the capacity, the responsibility, to continue operating while they are addressing the shortcomings identified by your investigation. Have I got that accurate?

**Mr. Imi Waljee:** Yes. Again, to clarify, when we talked about a company responding to our findings, we talked about a short-term fix and a long-term fix, which is expected. In this particular instance, where they voluntarily grounded the crew to make sure they did not fly the next flight, this is the action that the company took. They mitigated the risk right away.

**Mr. Bill Mauro:** Yes.

**Mr. Imi Waljee:** The long-term fix is, they're going to put a process in place to ensure that that does not recur again. That is what we are interested in, to see: Is that long-term fix effective? Is it working, so that this issue does not recur again?

**Mr. Bill Mauro:** I want to look back to one of my first questions. When you have identified some non-compliance, for whatever reasons, and then this other

piece kicks in where the operator, or the enterprise, has the responsibility to fix, does it trigger the frequency, or the unannounced visits from you, more than normally would be the case? Once you've been there once and you've identified some concerns—and everybody's the same; they self-regulate to some degree. I'm not sure that's the best language for me to use—

**Mr. Imi Waljee:** No, it's not.

**Mr. Bill Mauro:** It's probably not. But they have to come into compliance—

**Mr. Imi Waljee:** Exactly.

**Mr. Bill Mauro:** —based upon your findings, and they have responsibility to do that. What does Transport Canada do, once you've identified them? Does your frequency of inspections stay the same? Are you more likely to visit that carrier more frequently on an unannounced basis, on an announced basis? What happens once you've identified—

**Mr. Imi Waljee:** We talked about the company's willingness and ability to come up with a corrective action plan to ensure compliance, right? When we get their long-term timetable, which says, "At this time frame, we will be implementing certain processes, procedures," we would go in there to make sure that they are on track with their timeline. And then, once they have implemented it fully, we would go back again and ensure that the full process is effective.

It is not that we leave them hands-off. We do ensure that we are monitoring their timeline for compliance to the long-term fix. Then we would go back in there again and update our risk profiling and see where it falls in the matrix. Does it increase the frequency? Does it shorten the frequency?

Anything else you want to add?

**Mr. Yves Lemieux:** Just one thing: When a non-compliance has been identified, and then they come up with a plan to correct it—first of all, I want to emphasize again that if, for example, there's a deficiency in the training of a pilot, of a maintenance person, it has to be fixed immediately. The pilot cannot go flying until that's fixed. So when the pilot goes flying, they are compliant.

During the implementation of a corrective action plan, we will go in unannounced and then follow up and ensure that in fact it is progressing at the rate—because the corrective action plan also has a target date, and we will go at whatever frequency that the PIs, the principal inspectors, feel necessary to ensure that they are on track, that they are following up what they were saying that they were going to do, monitor whether it is effective. Then, ultimately, at the end of the period, we have a look at the whole system they have in place now to ensure that this original issue will not occur again, and basically, that closes it.

If we have a concern, for whatever reason, we go into the database and put a flag on this item, and then it may or may not impact on the score, on the risk profile of the company. Again, it depends on the item. If it was administrative, i.e. training records were not being maintained properly—if we're satisfied that the training took place;

however, the training record was out of date—well, this is a non-compliance, but from the safety point of view, there's not.

**Mr. Bill Mauro:** You've gone to the heart of where I wanted to follow up. So when you've identified non-compliance, you are paying more attention to that particular enterprise?

**Mr. Yves Lemieux:** Absolutely.

**Mr. Bill Mauro:** There is obviously a degree of importance—and I'm being careful with my language here because, again, as a non-professional, I'm not in any way wanting to convey that we understate the importance of this work—but there are factors that might be non-compliant that of course would cause Transport Canada less concern than others. As you said in your response, if a pilot was identified as not having, as an example, an appropriate level of training, that's not something that they would be able to—that shuts down immediately this person. Have you ever had that experience with Ornge?

**Mr. Imi Waljee:** One of the reports that Mr. Klees just read out, for example, shows that. The company voluntarily stopped the crew from flying till they made sure they were trained, and then they were releasing them as they got trained.

**Mr. Bill Mauro:** How did they get to that point?

**Mr. Yves Lemieux:** You'll have to ask them.

**Mr. Bill Mauro:** We'll have that opportunity this afternoon.

Transport Canada has the authority to ground civil aviation operations; correct?

**Mr. Imi Waljee:** Correct.

**Mr. Bill Mauro:** Can you give me a sense of some of the circumstances that would lead to you grounding a carrier?

**Mr. Imi Waljee:** I described to you that when we do an inspection, our desired response is to start with a corrective action plan—that is the first step—where the company is willing and able to comply. If the company is not willing and able and they are not really responding appropriately or correcting their non-conformances, we have the option of going to enforcement, where we can levy a fine through our designated provisions. The next step we can also do is issue a notice of suspension. A notice of suspension would have a trigger date which says that you must fix or you must comply and do certain actions for us to terminate the notice before it kicks in. If an enterprise does not meet the conditions for the termination of the notice of suspension, the notice of suspension would come into effect and then the carrier would be grounded.

So we do have the tools to use, depending upon the severity and the situation at hand.

**Mr. Bill Mauro:** Has Ornge ever been grounded?

**Mr. Imi Waljee:** We have not issued a notice of suspension that I'm aware of to Ornge.

**Mr. Frank Klees:** You have.

**Mr. Yves Lemieux:** When they effectively grounded themselves until all pilots were—I believe there was a statement that read that they actually had stopped oper-

ations at various sites, for example. So that was voluntary on the part of the company, again until everything was in place and back into compliance.

**0930**

**Mr. Bill Mauro:** Okay. They're flying today. When was the last time your operations have inspected Ornge?

**Mr. Imi Waljee:** We did a process inspection back in June of this year. The inspectors have been following up on the corrective action plan of the report that was done for the January program validation inspection. So they are in constant touch with Ornge and conducting inspections as they're progressing through their fixes for the long-term corrective action.

**Mr. Bill Mauro:** You have each been doing this work with Transport Canada for some time?

**Mr. Imi Waljee:** Sorry?

**Mr. Bill Mauro:** Five years, 10 years, 20 years?

**Mr. Imi Waljee:** I've been with Transport Canada for 17 years.

**Mr. Bill Mauro:** Seventeen?

**Mr. Yves Lemieux:** Longer—

**Mr. Bill Mauro:** Longer than that?

**Mr. Yves Lemieux:** Twenty-five years.

**Mr. Bill Mauro:** I'm just trying to get a sense of, through your experience of doing the work that you do, how you would compare, if you can for me, this operator with previous operators in terms of non-compliance. I don't know if you're able to do that. I would think you might be able to give us some indication of—I'm not looking for you to tell me that one is better than the other, but it's not unusual to find areas of non-compliance with any carrier, I would expect. Can you give me some sense of that historically—I guess I'm saying, pre-Ornge, post-Ornge?

**Mr. Imi Waljee:** It's very difficult to compare operation to operation because each operation is unique in how they run their operation and the processes and systems they use for their particular operation. Our interest is to ensure if the company is compliant with the regulations or not when we do the inspections, and if a company is in regulatory compliance, then their operating certificate is still valid. When a company is suspended due to a lot of non-compliances, then we would suspend a certificate, but as long as the company has a valid operating certificate, they're in compliance with the regulations.

**Mr. Bill Mauro:** How much time do I have, Mr. Chair?

**The Chair (Mr. Norm Miller):** Seven minutes.

**Mr. Bill Mauro:** I'm going to leave a little bit of time, but I will ask one more question. I just want to circle back to a previous question in terms of—if you can give me a bit of a timeline. Once you have identified non-compliance—and those items, of course, have varying degrees of importance—can you give me a sense of Transport Canada's timeline associated with your follow-up once you've been onsite and identified those areas of non-compliance?

**Mr. Imi Waljee:** When a company has got major non-compliances identified, our expectation is that their corrective action plan is going to be more robust, is going to be more detailed than an administrative one like the one Yves gave, for example, for missing training records. Because the corrective action plan is going to be more detailed, our follow-up would be matching the same way because we want to make sure that those major non-compliances are addressed in an appropriate manner. So our follow-up would be more stringent, would be more hands-on. We would be paying a lot more attention to those specific findings than the administrative types of findings.

**Mr. Bill Mauro:** My last question for now would be this: If you found yourselves, as Transport Canada, visiting a base and found non-compliant issues serious enough that you felt Transport Canada needed to ground the carrier, and given that the carrier is providing air ambulance services in Ontario, what, if anything, would you do to ensure—what's the interface between you and the province through the Ornge board to ensure you wouldn't see a gap in services if you showed up and felt you had to shut down a carrier?

**Mr. Imi Waljee:** Our responsibility is with the air operating certificate—

**Mr. Bill Mauro:** Right.

**Mr. Imi Waljee:** —and the carrier by itself: Is it in compliance with the regulations or not? If there are non-compliances identified, our first step would be to identify to the company—

**Mr. Bill Mauro:** Your first step would be to?

**Mr. Imi Waljee:** To identify to the company the non-compliances, saying, “Look, this is what we are seeing. How are you going to deal with these non-compliances?” Depending upon the response we get—would be whether we take further action or not. And if it's—

**Mr. Bill Mauro:** I guess I'm asking you, if you did take further action and if that action was to ground the carrier, in this case a carrier that's responsible for the provision of air ambulance, there would clearly be a service gap here for the people who are counting on that service. So I'm trying to get a sense of what your role is, if there is one, to ensure that the province has some—I'm just trying to connect those two dots. If there is a connection—

**Mr. Imi Waljee:** We deal with an air operator certificate—

**Mr. Bill Mauro:** Understood. That's where I thought you were going. So to be clear, if you show up tomorrow at a base that does this work, you shut them down; that's it. The province would be left to scramble to ensure that they could—would you make a phone call? Would you send a fax? Would you let the Ornge board know? No communication at all? You just say, “You're non-compliant. You're done.”

**Mr. Imi Waljee:** Let me explain to you about our notices of suspension and how they work. We have two methodologies for our notice of suspension. One is an immediate threat to aviation safety, which is an immedi-

ate thing. For example, that would be a situation—let's say they're ready to dispatch an aircraft, any air operator, and let's say they've got icing on the wings. That is an immediate threat, so we say, “You're suspended. Until you clean up the ice off your wings, you are suspended,” because the company wasn't doing it willingly, right?

The second notice of suspension that we issue has got a time trigger on it, which is based upon three elements of the Aeronautics Act. So under the act, it is for reasons of incompetence. The company does not meet the conditions of issuance of the certificate that we issued to them back in 2012—or in the public interest, this company cannot operate. These are the three conditions under which we can issue a notice of suspension.

When we do the notice of suspension under this part of the Aeronautics Act, we have a trigger date that says, “Here is a notice. We are going to give you a time frame of”—depending on the severity—“30 days, 15 days to meet the conditions for the termination of the notice.” The carrier or an AMO is not grounded at that particular time. They have that time period to meet the conditions to terminate the notice.

**Mr. Bill Mauro:** Understood.

**Mr. Imi Waljee:** When they don't meet that, that's when the notice takes effect.

**Mr. Bill Mauro:** So perhaps for me, it will be a better question this afternoon for Mr. McCallum to see what processes Ornge has in place for them specifically, as well as for their SA carriers, to ensure that if something like this were to occur, there's a plan in place that's going to meet the gap that would be created by a grounding. Okay.

Mr. Chair, thank you very much. How much time did we have left?

**The Chair (Mr. Norm Miller):** Thank you very much. You'll have about 11 minutes in your next round.

We'll go to Mr. Klees. You have 10 minutes.

**Mr. Frank Klees:** Mr. Waljee, I appreciate the information that you're providing to us. I do have one concern, though. I'm getting conflicting information, and we're not here to whitewash things, right? I've heard you repeatedly say that the shutdown of these bases, based on your report—when it was found that there was the gap in the training of the pilots, you repeatedly used the term that they “voluntarily suspended operations.” Mr. Lemieux confirmed, in response to Mr. Mauro's questions, that in fact there was a problem with the training of pilots, then they wouldn't be allowed to fly. Which of you is telling us the factual truth here?

**Mr. Imi Waljee:** What Mr. Lemieux is saying is the same thing. Once the company identifies that the pilots are not trained, they themselves voluntarily stop them from flying till they can train to fly.

**Mr. Frank Klees:** No, no, no. I'm asking a question—seriously, I don't want to be spun here on this. The fact of the matter is, whether the company decided to suspend operations or not, is it not a case that Transport Canada would not allow that company to lift off?

Mr. Lemieux, I'd ask you to confirm: If, in fact, in your inspection reports you find serious problems, as you

did here with Ornge, in the training of pilots, Transport Canada would, essentially, suspend operations. You wouldn't let them fly. Is that correct or not?

0940

**Mr. Yves Lemieux:** That is correct.

**Mr. Frank Klees:** That is correct.

**Mr. Yves Lemieux:** Actually, the grounding, or the halt, in operation took place on the day that we uncovered—they didn't wait for the March report to act. So when the company takes action to meet our satisfaction okay, basically these pilots will not get in a cockpit until we have completed all training and we're satisfied with that. It is still on record that we uncovered this non-compliance. It's not that, all of a sudden, we say, "That's fine. We'll forget about that and that's it."

**Mr. Frank Klees:** So I thank you for that, because it was very disconcerting. It's not a matter of Ornge voluntarily stopping; it's a matter of Ornge having no choice, based on the Transport Canada inspection. This is important.

The reason I wanted to clarify that is that I don't want to leave the impression that somehow—there are two concerns I have: One is that Transport Canada is kind of a nudger or a suggester of safety measures; and somehow that Ornge is so gracious in terms of its response that they voluntarily have suspended. Ornge had no choice, because they failed miserably in terms of training its pilots. Transport Canada stepped in and said, "You cannot lift off with those pilots until you get your training in place." Is that correct?

**Mr. Yves Lemieux:** That is correct.

**Mr. Frank Klees:** Thank you very much.

I know, gentlemen, that you can't speak to policy. I would like to ask this question, though: When was it that this self-policing policy was put in place under Transport Canada? Can you tell us when that transition to this self-policing, this SMS program, took place?

**Mr. Imi Waljee:** There is no self-policing. The requirements for an SMS—again, Ornge is not an SMS company—

**Mr. Frank Klees:** That's not my question.

**Mr. Imi Waljee:** SMS is a methodology for an enterprise to manage risks.

**Mr. Frank Klees:** When did that policy get put in place?

**Mr. Imi Waljee:** I believe it came out in 2006, or 2005 is when for the—

**Mr. Yves Lemieux:** The 705.

**Mr. Imi Waljee:** —705 carriers and approved managed organizations who performed work on—

**Mr. Frank Klees:** Okay. Ornge may not be an SMS carrier. However, under the fixed-wing side of the Ornge operation, the carriers that Ornge contracts with are under SMS.

**Mr. Imi Waljee:** These rules don't apply to the 704 carriers—

**Mr. Yves Lemieux:** Or 703.

**Mr. Imi Waljee:** —or 703.

**Mr. Frank Klees:** We had testimony here last week from Mr. Paul Cox, who is contracted to Ornge as a carrier. He is clearly under Transport Canada SMS operations.

I'm going to just quote you something. The reason I want to pursue this with you is that I have serious concerns about what's happening under that system. I'm going to read from our Hansard transcripts:

"When was the last time that you had a Transport Canada audit?"

His response was, "Two years ago."

"What were the findings of that audit?"

"I know we had quite a few findings."

My question back: "Can you give me an example of some of those findings?"

I'm going to read this into the record, and I want you to tell me whether this response concerns you or not: "A lot of it was quality assurance, new stuff that was coming out, the quality assurance SMS. Transport Canada was very vague on whether they were actually ever going to implement SMS and stuff like that, so it was hard to get to know whether you were going to need to do it or not. It's still kind of up in the air. We have SMS, but we don't have SMS as per the other air operators like Air Canada and big companies. We do it in the same style, but it's not the same."

Here's an air carrier—someone who was contracted to provide air ambulance service to Ornge. He's telling us that he's under SMS. He's telling us that he gets inspected by Transport Canada, but, somehow everything's up in the air; had lots of findings—not sure whether to take them seriously or not. How do you react to that?

**Mr. Imi Waljee:** Let me speak a little bit about the SMS. We had an SMS transition period when the 705 carriers were approved. The next phase of SMS implementation was with the airports. We had the group 1 airports, like Pearson airport, Montreal, Vancouver. The next phase of SMS implementation was the group 2 airports, and this is where the implementation period stopped.

Transport is reviewing the SMS requirements right now and coming up with a plan as to when the rest of the certificates will require SMS. In your particular example—and I'm guessing that this gentleman, Mr. Peter Cox, is a 704- or 703-type carrier?

**Mr. Frank Klees:** Yes, it's Mr. Paul Cox—

**Mr. Imi Waljee:** Oh, Paul Cox? Sorry.

**Mr. Frank Klees:**—and the name of the airline is Wabusk Air.

**Mr. Imi Waljee:** Yes, so that's probably a 703 air operator. SMS rules do not apply to them.

**Mr. Frank Klees:** Why would Transport Canada then inspect it under SMS?

**Mr. Imi Waljee:** No, we don't—okay. There is—

**Mr. Frank Klees:** Okay, let me just add one more thing to the record—and then if you could help me. I'm going to give you a quote. This is from a very large air operator in the province of Ontario. Here's what he wrote

to me following last week's testimony: "Audits, oversight and surveillance by Transport Canada has been reduced to the point that things are going backwards in the industry. Regulations are being broken and certain carriers make little effort to abide by the rules. Transport Canada comes in now to do an audit, and they don't even look at the aircraft. They want to know the paperwork is good. The aircraft could be falling apart or not legally equipped to fly and they would never know."

Now I have to tell you, that concerns me. Does it concern you?

**Mr. Imi Waljee:** Okay. Let me clarify two things you brought up. Number one was about the SMS approach and the inspection. When you mentioned that quality assurance does not apply and it is coming—I just want to clarify that quality assurance is applicable for an improved maintenance organization, and quality assurance is in place for an air operator's maintenance requirements.

Under the SMS rules, the next phase coming to the regulatory framework is quality assurance for the flight operations, but that has not yet been implemented. There are no regulatory requirements for a 705 air operator to have quality assurance. However, the maintenance aspect of the air operator, be it a 702, 703, 704 or 705—that rule is in place for quality assurance.

Our approach to surveillance is a systems-based approach, as we mentioned before. In the audit world, we used to go and we would say, "Give me your stack of paperwork and I'm going to go through it to see where the non-conformances are, and I want to go and look at stuff." The way we do our systems-based approach is that we do a review of the documentation of the air operator or enterprise. Then, the next step we do is we go and we do interviews with the people and we do sampling. What that tells us is that when we do the interviews, are the people responding to us, telling us what has been documented? Then, we do the sampling of end product, be it an aircraft inspection, be it a record inspection. Does the output of that system correlate to what the interview told us and what we read in the documentation? That establishes whether the system is effective or not.

When we look at the documentation and we get a different response when we are conducting our interview, and when we look at the end product, we get a different response, that tells us that the system is broken.

**Mr. Frank Klees:** So Mr. Waljee, here's the problem—

**Mr. Norm Miller:** Your last 30 seconds, Mr. Klees.

**Mr. Frank Klees:** Here's the problem: What we're hearing from the front lines, people who are in the business, is that those hands-on inspections are not taking place. I guess my question to you—and I'll leave you with this—is, who is inspecting the inspectors? If we're not getting that kind of front-line response, we have serious concerns, and not just about Ornge. The big problem of Ornge was a lack of oversight on the part of the Ministry of Health, on the part of the board of directors at Ornge. Now, my concern is that there is a

lack of oversight on the part of Transport Canada. That's very, very concerning to us.

**0950**

**Mr. Imi Waljee:** Can I respond to that?

**The Chair (Mr. Norm Miller):** Sure, you can. We'll move to the NDP, and if you want to start off by responding to that—

**Mr. Jagmeet Singh:** I have no issue with you taking the time to respond.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the NDP. Go ahead.

**Mr. Imi Waljee:** To clarify, I mentioned earlier on that we have issued a new version of our staff instruction 001. Version 5 was issued back in August of this year. The reason why this document was issued was in response to the Auditor General's audit of Transport Canada's surveillance methodology. The Auditor General identified a few shortcomings in our system, like you have identified, and this new version of the staff instruction is there to respond to that.

Part of the strengthening of our surveillance methodology is to have a very robust sampling plan in place. You are correct: There was a time period where inspectors were not sampling to the degree that was required. They were looking at documentation, and they were conducting interviews, and sampling was not being done to the extent that the intention of the document was. This new version 5 has strengthened that process. The documentation that inspectors come back with has to demonstrate that they did sample the end product. Be it an aircraft inspection, be it records or be it a component, there has to be some kind of a sampling to ensure that the output of the enterprise is meeting the regulatory requirements. We have taken care of that issue that you have identified.

Then we have our headquarters, which is going to be doing a quality review to ensure that the inspectors are abiding by the staff instruction and are doing the sampling as prescribed in our policy document.

**Mr. Frank Klees:** My concern is that this email came today—

**The Chair (Mr. Norm Miller):** Sorry, Mr. Klees. We have moved on to the NDP.

**Mr. Frank Klees:** My colleague—would you—

*Interjection.*

**Mr. Jagmeet Singh:** I have no problem with you asking.

**Mr. Frank Klees:** Thank you.

Mr. Waljee, I hear what you're saying. My concern is that this email that I shared with you today from a major air operator came today—today. This is what they're experiencing in the field today. So there may be a policy pronouncement, but it's not being implemented, and, collectively, we have a concern.

**Mr. Imi Waljee:** When was the inspection done at this carrier? If it was done prior to August of this year, the new staff instruction was not in place.

**Mr. Frank Klees:** I'm happy to put you in touch.

**Mr. Imi Waljee:** Okay.



**Mr. Jagmeet Singh:** The initial question from my colleague Mr. Klees was, who is inspecting the inspectors? We have the Auditor General, at all levels of government, providing that extra oversight, which is very, very helpful.

I think that's an important point: that if this new instruction is going to ensure that the sampling is done in a more robust fashion so that there are eyes on actual, tangible assets, making sure that the aircraft are themselves inspected—I think that makes sense, and it's reassuring to hear that.

In terms of how an inspection is done, do you have a number of inspectors assigned per province, or is it a number of inspectors nationally and they all go to assignments as needed? Is there a certain number per province?

**Mr. Imi Waljee:** The way we are structured at Transport Canada Civil Aviation is, we have Transport Canada centres—I'll speak for Ontario. In Ontario, like we've mentioned, we have east and west. In the west, I am responsible for the Thunder Bay Transport Canada Centre, the Hamilton Transport Canada Centre and Pearson. Yves is responsible for Sudbury, Ottawa, Buttonville and our aircraft certification folks at 4900 Yonge Street.

Within these Transport Canada centres, we have multidisciplinary teams. These consist of: air-worthiness inspectors, who look after the maintenance of an aircraft; flight operations inspectors, who look after the flight operations portion of the aircraft; cabin-safety and dangerous-goods inspectors. So when we do our surveillance planning, we go in there with the approach of a multidisciplinary team. Depending upon the size and complexity of the organization, we will send anywhere from two inspectors to five, six, seven or more, depending upon if we are doing a program-validation inspection; if we are doing an SMS assessment; how big this organization is; and how many bases it has got. The number of inspectors assigned would vary.

The inspectors would come from the TCC they're responsible for, the geographical area. For example, we talked about Wabusk Air. The Thunder Bay Transport Canada Centre inspectors would be primarily assigned to do the surveillance activity.

Sometimes we have a shortage of inspectors because of the scheduling. Then we would supplement it from other inspectors from our other Transport Canada centres, to help them conduct that surveillance activity.

**Mr. Jagmeet Singh:** Okay. What would the smallest team be, on average, and what would the largest team be?

**Mr. Imi Waljee:** Two.

**Mr. Jagmeet Singh:** Two is the smallest?

**Mr. Imi Waljee:** We always send a multidisciplinary team. So if you hold an air-operating certificate, you have a maintenance component to that air-operating certificate and you have a flight-operations component. We send an inspector for each of those disciplines.

**Mr. Jagmeet Singh:** Okay. I'm just going to turn your attention to the Transport Canada report that we've been referring to. The reference number ends in 17. On the second page, there are finding numbers, and we've

listed them. There are nine findings: three "critical," two "major" etc. I just want to understand what the impact of each of these things could be.

I understand, if you read through, you go into more detail, where you look at each of the findings and then an example of what the finding was, and then the expectation of how it's going to be addressed. Just to understand, kind of in layman's terms or just directly, what would be the impact—just briefly, if you could just summarize.

I'll just go through, for example, the cabin safety. It's a "moderate" classification, so it's not as serious as "critical," obviously. When I read that, it says, basically, that on their duties—persons assigned on-board duties—people weren't instructed on their duties, and that became a cabin-safety issue. What's the actual impact, in simple terms? If you don't know your duties, what could happen? What are the problems with not knowing that? What does that translate into?

Do you follow my question? If I just say to you, "Cabin-safety issue," and the issue is that they weren't instructed on this, what is the actual impact? What could happen? What's the weakness that follows from that directly? I could guess that "cabin safety" means the cabin is not safe, but what does that actually mean?

**Mr. Imi Waljee:** In this particular example, the person who is doing on-board duties—what happens is, normally the captain of the aircraft has to provide a briefing to the people in the back on safety, evacuation of an aircraft in an emergency—"These are the exits. This is where your fire extinguishers are located, your first-aid kit." They give a briefing.

When the configuration of an aircraft prohibits a captain from providing that briefing, they assign that duty to somebody else from the company who is going to be in the cabin and who can conduct that briefing and can inform the passengers that this is the emergency evacuation process in this particular aircraft. That's what this particular cabin-safety finding is—

**Mr. Jagmeet Singh:** Okay, I understand. In the "critical" areas, one of the things that came up was monitoring or being aware of the flight time and the rest periods of each of the flight crew. The safety impact of that is that if you have someone who is not taking enough rest time or has too much duty time, that would impact their ability to safely fly a vehicle or safely fly the aircraft. Is that what I understand that to be?

**Mr. Yves Lemieux:** It could be. That's why the duty time and rest time are there. It's to ensure that people can operate at their maximum capability and not be fatigued.

It's not so much the one occasion. It's just that if there is a continuum of not having enough rest, there's sleep deprivation. Therefore it could affect your ability to do the duties.

**Mr. Jagmeet Singh:** Okay. And if you could just tell me, then, out of these areas that you have addressed—I guess it's safe to assume that the "critical" areas were the areas of biggest concern. Of the "critical" areas, what was the major concern, if you could say what the most serious concern was? Are you able to say what the biggest concern was that Transport Canada had?

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**Mr. Imi Waljee:** What has happened is, like I mentioned before, we had version 5 of our staff instructions that came out. One of the changes in there was the classification of the findings, because what we had identified was that the verbiage of the classification of the findings was not quite accurate enough, and headquarters and our policy people agreed that the definitions needed to be changed.

And so, if you look at version 5 of our staff instructions, which has a policy on classifying findings, you will not see “critical” in there; it is “minor,” “moderate,” and “major.” Also, the methodology of addressing that type of classification has changed. While staff instruction version 4 was in effect, headquarters had issued an internal process bulletin to give us further guidance on addressing non-conformances and taking actions on companies where the reports were given out. It was like a bridge between the existing version 4 and version 5 before it came out.

**Mr. Jagmeet Singh:** Okay, but given that you had some issues with the use of the terms and that you weren’t satisfied, and now you have a new, more clear form where you have the new, redefined ways of classifying, just applying your own analysis to this, what was a major concern that Transport Canada had with Ornge—if you could identify the major, or one of the most important, areas?

**Mr. Imi Waljee:** I think the most important was really the lack of the training for the flight crew. Really, that’s number one. You want to make sure that the flight crew are trained before they go flying.

**Mr. Jagmeet Singh:** Okay. I might have a question from my colleague. How much time do I have?

**The Chair (Mr. Norm Miller):** You have six minutes.

**Mr. Jagmeet Singh:** We’re okay. No more questions. Thanks.

**The Chair (Mr. Norm Miller):** Okay, very well. Ms. Jaczek?

**Ms. Helena Jaczek:** Thank you for coming down to help us today. I guess we’re trying to understand exactly how significant these three “critical” findings in Ornge’s PVI are. Obviously we know that they voluntarily grounded themselves and suspended operations until they had made the corrective action. But in terms of the inspections that are done, what sort of percentage of those would result in something like a “critical” finding? How often would this happen?

**Mr. Imi Waljee:** It all depends on the organization and what we find within the organization. It’s very difficult to have a percentage, because we don’t measure percentages. We don’t really measure how often it occurs.

**Ms. Helena Jaczek:** You don’t measure that?

**Mr. Imi Waljee:** No.

**Ms. Helena Jaczek:** I see. I find that strange. You’d think you’d want to have a sense overall of how often these things would occur. You’re not able to make any comment?

**Mr. Imi Waljee:** We have a system—again, it’s a work in progress—where we do look at the types of findings because, when we talk about the risk profiling of an enterprise and we talk about coming up with a risk indicator level and number, we look at the types of findings that enterprise had received from our inspections. We take that into consideration when we are saying, “Okay, they had a lot of “major” findings or “critical” findings.” It is at that stage when we are taking this into account and consideration, when we are doing the risk profiling.

**Ms. Helena Jaczek:** Is there any trend in Canada, in terms of people moving to riskier and riskier profiles? Or, is it in the reverse? Do we have a sense of what’s happening out there?

**Mr. Imi Waljee:** One of the things I talked about was that, when we do use our risk methodology system, it is more along seeing a change occurring within the organization. When a company has a change in key personnel—for example, they get a new chief pilot, or they get a new person responsible for maintenance—that is a change that has occurred in the organization. Sometimes a change can be for the better or for the worse, but we don’t know, so we say that a change has occurred, and then we see what number gets generated from our risk profile, which might change the frequency as to when we are going to go back and inspect the company.

**Ms. Helena Jaczek:** Yes, I understand the process. I’m just surprised that we don’t have an overview sense by Transport Canada as to, with all these changes, is there more and more risk occurring? One would hope, with companies being educated and obviously, presumably, with the best interests of their passengers and crew at stake, that we would be seeing system-wide lessening of risk. Any comment?

**Mr. Yves Lemieux:** One of the changes you’re talking about, the change in the model that we use from an oversight and surveillance point of view—the reason for this change is that the most critical aspect of air operations is that we’re not there all the time. Therefore, the change is that we want the company to have in place systems and processes that will ensure internal monitoring of their performance and take action when they uncover something, because we’re not there all the time. The accountable executive is responsible, when we issue an operating certificate, to comply with all the regular requirements, so that accountable executive must have in place a self-audit and internal audit capability to monitor their operation. When we uncover non-compliance, it is clear that the system has some deficiencies, and we expect the accountable executive or his company’s organization to actually correct and change the process to make sure that there are no gaps in their monitoring and in their performance. It’s not self-regulation. It’s just that because we’re not there all the time, we want them to have in place procedures that will assess their performance and correct things before we get there to uncover it.

**Ms. Helena Jaczek:** So how do you feel when they tell you that they have an Argus platinum rating? Does

that have any impact on the way that you look at their self-audit systems? Does that reassure you if they tell you that they have achieved that through this third party, Argus?

**Mr. Yves Lemieux:** If, they can demonstrate that it is effective, and when we look and when we sample—all the sampling that we do—and we determine that things are compliant, then we have a level of comfort. That's when the risk profile of the company may be modified; maybe from a three-year cycle they go on a four-year cycle.

**Ms. Helena Jaczek:** Has Transport Canada ever assessed the Argus audit system?

**Mr. Imi Waljee:** I haven't heard of it.

**Ms. Helena Jaczek:** You're not familiar with that?

**Mr. Imi Waljee:** No.

**Mr. Yves Lemieux:** No.

**Ms. Helena Jaczek:** No. Okay. It was quoted to us by many of the air carriers, that they use this as a way of, I guess, self-auditing.

**Mr. Yves Lemieux:** If when we go in, we don't uncover anything, whomever is doing the auditing is effective, whether it's internal to the company or it's a third party or it's an independent individual and all that. That's what we're satisfied with: when we look at the company, that they are compliant.

**Ms. Helena Jaczek:** So they may have used that mechanism, but as long as you see what you require—

**Mr. Yves Lemieux:** The end result, okay—when we do sampling and we see that everything is in place and, more importantly, the company can explain to us how they are monitoring, how they are assessing. They have internal audit reports, for example, every six months, eight months, whatever it is, and all that. This can be used as well for us in the documentation of the company to look into specific areas, particular areas, because we have some concern.

**Ms. Helena Jaczek:** Okay, I see. So it's used by the company to help themselves to meet your standards, essentially.

**Mr. Yves Lemieux:** That's right.

**Ms. Helena Jaczek:** Okay. I think I'm clear.

Now maybe we could just turn to your relationship with the current people at Ornge. In fact, Rob Giguere is the appropriate operations manager or individual that you relate to. Can you comment on how often there is contact? Is it something where you, as Transport Canada, have had a positive relationship? We've heard that they suspended voluntarily at the point of your PVI etc. Can you make any comment related to how this is working between Ornge and Transport Canada?

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**Mr. Imi Waljee:** Rob is the accountable executive, which is at a very high level, right? Like you've mentioned, the accountable executive has to ensure that the company remains in regulatory compliance. So when we have a discussion with the accountable executive of any enterprise, it is when we want to stress the importance of meeting the regulatory requirements, and our relationship

with Rob has been very positive. We haven't had any issues at all with communicating with him.

**Ms. Helena Jaczek:** And you're confident he has the issue of aviation safety first and foremost in your dealings with him?

**Mr. Imi Waljee:** All the discussions I've had with him so far do show that positiveness.

**Ms. Helena Jaczek:** I understand that you've been working with Ornge on the new AW139 aircraft interiors. Have your inspectors been part of that process?

**Mr. Yves Lemieux:** Our engineers have.

**Mr. Imi Waljee:** Yes, the engineers.

**Ms. Helena Jaczek:** Your engineers, yes?

**Mr. Yves Lemieux:** For the modifications.

**Ms. Helena Jaczek:** Are you aware of how that progress—we know there was an interim solution moving towards a permanent one. Do you have any updates for us on that?

**Mr. Yves Lemieux:** No, honestly. I can get back to you if you wish.

**Ms. Helena Jaczek:** Yes. We have been a little concerned. It's obviously one of these issues that there's a stopgap solution at the moment, and we want to be assured that we're moving to something more permanent.

You've mentioned that if you receive intelligence from either an anonymous or a source who wishes to have a report back—are you aware of any intelligence reports that you've received concerning Ornge, say, in 2013?

**Mr. Yves Lemieux:** I don't believe that I have information now.

**Ms. Helena Jaczek:** Okay.

**Mr. Yves Lemieux:** We hear a lot of—we read the paper like everybody else.

**Ms. Helena Jaczek:** I meant to your line; say, a pilot who's concerned, or some sort of intelligence that things are not good in relation to Ornge aviation at the moment. Mr. Klees gets lots of phone calls, I understand, but do you?

**Mr. Imi Waljee:** Currently, right now, I would say no. We haven't received anything over the last little while. There were some emails before with inspectors after the incident that occurred in May.

**Ms. Helena Jaczek:** Yes.

**Mr. Imi Waljee:** But after that, recently we have received nothing that I'm aware of.

**Ms. Helena Jaczek:** That you're aware of.

**Mr. Imi Waljee:** Yes.

**Ms. Helena Jaczek:** Okay, so it's not like you're getting lots of complaints or concerns related to the aviation safety at Ornge.

**Mr. Imi Waljee:** Not recently, no.

**Ms. Helena Jaczek:** Okay, thank you.

I guess we've also been rather intrigued by the installation of this traffic alert and collision avoidance system, TCAS, and also there's the other one, the terrain awareness warning system, TAWS, on aircraft. What's the position of Transport Canada in terms of the need for the installation of these two systems?

**Mr. Yves Lemieux:** I would have to look at what the status is, and the requirement. I think it's voluntary. I understand the company decided to install the equipment on board, but I don't know at what stage it is—

**Ms. Helena Jaczek:** So it's not a requirement by Transport Canada to have this equipment.

**Mr. Yves Lemieux:** That is correct.

**Ms. Helena Jaczek:** Do you have any plans to require installation of these two systems?

**Mr. Yves Lemieux:** We would have to—

**Mr. Imi Waljee:** We would have to check the regulations to see to whom it applies.

**Mr. Yves Lemieux:** Yes.

**Mr. Imi Waljee:** Because the regulations apply only to specific types of aircraft in operation where it is mandatory. The other ones are voluntary; carriers can put them in there.

**Ms. Helena Jaczek:** So as far as you know, if Ornge is starting to require the installation, that's a voluntary upgrade.

**Mr. Yves Lemieux:** Yes.

**Ms. Helena Jaczek:** Okay; thank you.

Maybe we could have some clarification on what the plan is for Transport Canada going forward, if there is any change, and who exactly this is mandatory for.

**Mr. Imi Waljee:** Sure. We can get back to you on that.

**Ms. Helena Jaczek:** Okay. That would be useful.

**The Chair (Mr. Norm Miller):** You're pretty much out of time, although the NDP had six minutes left. Do you want to split that?

**Mr. Jagmeet Singh:** Yes: two, two and two.

**Ms. Helena Jaczek:** Two, two, two.

**The Chair (Mr. Norm Miller):** So you have another three minutes, then, if you want.

**Mr. Imi Waljee:** Actually, Mr. Chair, if you don't mind, something just came to my mind. I would like to respond to Mr. Frank Klees when he talked about the SMS on the carrier. It'll take me about two minutes to explain.

**The Chair (Mr. Norm Miller):** Is that fine, Ms. Jaczek? Mr. Klees?

**Mr. Frank Klees:** Yes, that's fine.

**The Chair (Mr. Norm Miller):** Go ahead. Yes.

**Mr. Imi Waljee:** There is another process we have for voluntary implementation of SMS for companies where the SMS rule does not apply. What we're calling it is SMS in transition. What happens is, for carriers like the 703s and 704s that want to transition to SMS in preparation for the rule coming down, we have staff instruction which provides them with the methodology to be considered as SMS in transition. The carrier that you're mentioning might be an SMS-in-transition carrier, but it's not a full-blown SMS; it's just a small version of a few elements of the SMS.

**Mr. Frank Klees:** Thank you very much. Can I take my two minutes?

**The Chair (Mr. Norm Miller):** Go ahead.

**Mr. Frank Klees:** Just to follow up on the TAWS system: You are getting back to us, but information that I have is that, particularly with regard to the helicopters that are being used by Ornge—the Sikorskys, for example—it is a Transport Canada requirement that if you don't have TAWS, you're not allowed to fly. You leave the impression that it's voluntary, that it's an option. So I have conflicting information. If you would get back to us on that, we'd appreciate it.

**Mr. Imi Waljee:** Yes, we will. The rule will tell us what type of aircraft and operation requires TAWS, and we'll get back to you, because we don't have it.

**Mr. Frank Klees:** Okay. Thank you very much.

**The Chair (Mr. Norm Miller):** Anything else?

**Mr. Frank Klees:** No, I think that's fine. I want to thank you again for being here. As I say, I think you've left us with good information. Of major concern to me, quite frankly, are what I see as the gaps in the oversight system. We'll have time to deal with that at some point along the way. I'm sure you're doing the best that you can, but I do think that we have a problem. We have an issue here that is of a broader policy nature that isn't for you to fix. But it's certainly my intention to be in touch with our colleagues at the federal level to raise some questions about how this SMS system is working and some things that I believe can be done to tighten up the oversight of our air transportation system.

**The Chair (Mr. Norm Miller):** Thank you. Ms. Jaczek, do you have—

**Ms. Helena Jaczek:** Just simply, I wanted to say thank you again for helping us out here. Just to confirm one last time—my colleague from Thunder Bay was obviously anxious about it—but at this point in time, to the best of your knowledge, Ornge's air operations are safe?

**Mr. Imi Waljee:** They currently hold an air operating certificate. As far as the companies holding that certificate, they are meeting our regulatory requirements.

**Ms. Helena Jaczek:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you for coming before the committee today. It's very much appreciated.

We'll recess until this afternoon.

*The committee recessed from 1018 to 1234.*

MR. TED RABICKI

**The Chair (Mr. Norm Miller):** I'd like to call the committee to order and welcome Mr. Ted Rabicki to the committee this afternoon. You have up to 10 minutes to make your presentation. Just to confirm: You received the letter for a witness coming before the committee?

**Mr. Ted Rabicki:** I did, yes.

**The Chair (Mr. Norm Miller):** You can either swear an oath or—

**The Clerk of the Committee (Mr. William Short):** Yes, he's going to swear the oath.

**The Chair (Mr. Norm Miller):** Okay. We'll have the Clerk swear an oath.

**The Clerk of the Committee (Mr. William Short):** Thanks, Mr. Rabicki. Do you solemnly swear that the

evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Ted Rabicki:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Okay. Welcome, and go ahead with your presentation.

**Mr. Ted Rabicki:** Thank you. Good afternoon, Mr. Chairman and ladies and gentlemen of this public accounts committee. My name is Ted Rabicki and I am a former employee of Ornge. I resigned in August and left Ornge of my own accord in September of this year after almost eight years with the company.

The air ambulance experience was my first public sector work experience, and the decision to leave was a very difficult one for me. I wonder at times how this job has inspired me and reflect if there is a linkage to other aspects of public service.

You see, over the last few years, I've joined two fire departments, one on a volunteer basis and the other as a part-time employee. I am proud to serve when I am able. I've spent the majority of my 28-year career in the private sector, mostly in the technical telecommunications base of industries, and have held many positions, from front-line management to executive roles. I worked at small entrepreneurial companies, did some consulting, and led large teams at multi-billion dollar corporations. I'm a professional engineer. I have a dual degree in engineering and business, and I paid for that myself.

My career at Ontario Air Ambulance Services Co. started in a technical consulting role around the time that the Ministry of Health decided to outsource the management of the air ambulance service. It was early 2006. I was charged with ensuring the migration of all communications infrastructure: telephones, radios, recording systems and base communications infrastructure. I had to ensure that the cutover of the lines and the data circuits flowed seamlessly from the Ministry of Health to the Ontario Air Ambulance Services Co. I participated in this three times: once with the Ministry of Health to the OAA when they outsourced, and then followed that with two moves of the communications centre.

Shortly after that, I was asked to lead a team to develop a replacement system for the two systems that the Ministry of Health had been using for medical information capture and transport management—loosely, a dispatch system. At the time, the dispatch and medical information systems were running on legacy computer platforms that dated back to 1998. There was no source code available, and there was a hefty maintenance fee. I believe it was in the order of \$17,500 per month in IT charges to support this system with an outsource vendor. The replacement system was rapidly engineered, working closely with the communications personnel and with our vendor at the time, Dapasoft. We went live in May 2007 at a cost of some \$130,000. This received mention in the 2012 Auditor General's report, and the system was still functioning when I left—although I understand a replace-

ment computer-aided dispatch system is close to deployment.

In the same time frame, an RFI was launched to the standing agreement carriers since management was contemplating overhauling the Ministry of Health contract structure. Ontario Air Ambulance Services Co. renewed the standard MOH SA contract at least twice, to my recollection, using their format.

Some key changes that came from the consultation with the SAs was a switch from the Ministry of Health payment model for work based on miles flown to a payment structure based on hours flown and productivity per hour. The notion was to simplify billing and more closely parallel the aviation industry, which has many costs driven on an hourly basis. Fuel management improvement would be an outcome, too. At the same time, a position was taken to raise the safety standard and eliminate piston-powered aircraft from the fleet. With that position came the acknowledgement that the carriers would need to modernize their fleet to pressurized turboprop aircraft. Discussions ensued, and many carriers would need to invest if they were to continue to participate in this market. Out of this was born the first multi-year RFP contract structure and the notion of a guaranteed book of business to support their investment. With some tweaking, that contract structure remains intact today.

It was a very busy time, and I recall many initiatives in play. Thunder Bay was piloting a PCI clinic—percutaneous intervention, I believe—and we had to arrange standby capacity to support this. The pilot was a success, which ultimately led to the third dedicated base of fixed-wing operation in Thunder Bay. Prior to this, there was a dedicated contract in place to service the Sioux Lookout and Timmins bases. The contract was with Voyageur Airways, and I believe they serviced that from the late 1980s up until the late 2000s.

The challenges with staffing the bases and possibly some other motives led to the investigation of the formation of Ornge Air. While the SA markets claim Ornge Air took business away, I believe there is some truth to that, to the extent that the flying relates to the advanced care business and possibly some primary care flying. But I believe this dynamic comes with balancing a fixed and a variable cost environment and maximizing asset utilization.

**1240**

I remember some discussion about putting the request for a new dedicated player to the market, but the decision was made to insource based on costs and control. Many other initiatives were under way. I developed a new, simplified framework for organ transports, a process that is in place today and is both more competitive and simpler than the previous Ministry of Health model.

I assisted in any area I could, including the development of financial models for the helicopter acquisition; supporting the development of the superbase concept; designing alternatives for communication systems for the Ornge fleet; RFPs for fuel farms; and was primed for base modifications for the arrival of the new helicopters;

jet evaluations for the international business; and any other spontaneous task that was triaged to my desk.

After the previous SA liaison left, I more formally assumed responsibilities. Over the last couple of years, in addition to this function, I was asked to oversee and assist with the improvement of parts, materials and equipment flow to support the Ornge fleet.

In the end, the persistent courting of the private sector won my decision, and I have moved on to a different environment of clarity, accountability and performance awareness. Today, as I reflect on my time at Ornge, I would have to say that it has been most interesting.

The core work that is done by the employees and the vendors that deliver the medical transport service in the air and on the ground has a very positive and profound impact on the patients they touch. I've seen it both on and off the job. The professionalism, confidence and courage are inspiring. We must not lose sight of that. There are many passionate employees at Ornge, passionate about the right things. That passion needs to be harnessed and channelled, for if misappropriated or left unattended—well, we know the outcome.

I believe the core management team at Ornge today, with Andy—and yes, that's how we address him—he is on the right track. He is a genuine human being. He has a plan. He has engaged the stakeholders and is looking at the right things, as far as I'm concerned. He and his team, along with the board, need to balance the seemingly opposed forces of medical care and cost. We all need to give him and Ornge the room to move, to breathe, and let him and his team run the company with the right level of support, the right level of oversight and the right performance agreement, and minimize the distractions and sensationalism. Sensationalism breeds paranoia and political fear that cripple management, or it leads to some form of analysis paralysis. It is time to move on.

Thank you for listening, and I look forward to helping you in any way that I can.

**The Chair (Mr. Norm Miller):** Thank you for those opening remarks.

We'll go to the NDP to begin with, and you have 20 minutes, Ms. Forster.

**Ms. Cindy Forster:** Thanks so much. Thank you, Mr. Rabicki, for being here today. I understand you've been here before?

**Mr. Ted Rabicki:** Never.

**Ms. Cindy Forster:** Oh, you've never been here before? This is the first time.

**Mr. Ted Rabicki:** No. This is the first time.

**Ms. Cindy Forster:** All right. You've told us a little bit about your position at Ornge. How long did you actually work there?

**Mr. Ted Rabicki:** I worked there as a consultant from around the 2006 time frame, and in July 2009, I was hired as a full-time employee.

**Ms. Cindy Forster:** Can you explain to the committee why you left Ornge?

**Mr. Ted Rabicki:** I would have to say that it was for personal reasons. I was approached to work at a private

sector company, and when the position and the offer came—and what the job brought to the table—and I looked at my future at Ornge, the private sector won, regrettably.

**Ms. Cindy Forster:** You talked in the final moments of your presentation about the core work of employees and vendors and the great impact that they actually have on patient care in this province, and the need for that passion to be harnessed—or unharnessed, I guess; unharnessed. Did you observe during your time there that employees' suggestions, recommendations weren't listened to, that the management team wasn't seeking advice or input from front-line employees?

**Mr. Ted Rabicki:** Yes. To varying degrees under the different management regimes, absolutely. It was a different culture with Dr. Mazza there. I vividly remember a town hall conference call where one of the paramedics suggested that they be supplied with the equivalent of construction gloves that they could wear at a scene—lots of sharp objects; broken glass, if it's a roadside accident—and the response was, "You're in the middle of a collective bargaining discussion. If you want something, pursue it that way." To me, that was a no-brainer, for the cost that's involved and the intrinsic benefit that comes with it.

Under current management, I believe they have proactively gone out and asked the employees what needs to change, and that information has been supplied. They're distilling it, I know, as we speak, with input from the stakeholders, with input from the board and with the rest of the participants that play in this system, to give the best effort that they have to make it right.

**Ms. Cindy Forster:** Whom did you actually report to at Ornge?

**Mr. Ted Rabicki:** I reported to Jim Feeley, most recently. He's the vice-president of aviation operations for the Ornge fleet. Prior to that, it was Rick Potter.

**Ms. Cindy Forster:** Do you know who replaced you once you left Ornge?

**Mr. Ted Rabicki:** My role was split in two, as I understand. The SA liaison part of it went to a fellow by the name of Ainsley Boodoosingh, and the parts management piece went to John Mokos.

**Ms. Cindy Forster:** When you started out there as a full-time employee, it sounded in your presentation like you had one role, but when somebody left, you also assumed parts of that second role.

**Mr. Ted Rabicki:** No. At the time—it was a couple of years ago—Jim Feeley, my boss, came and said, "We need some help internally to navigate the procurement process, to keep parts flowing in a timely manner. We have personnel that are charged with buying parts and getting them into the hands of the maintenance personnel to repair the aircraft, but, quite frankly, the burden of navigating through the public process requires a lot of resources facing inward." I tried to assist with getting the right approvals in place and the right context around what we were doing so that we would not have a service impact because of parts being delayed getting to the field.

**Ms. Cindy Forster:** Okay. In previous committee meetings, your name has come up a couple of times. The first was with Bob Mackie of Thunder Airlines, who said that you had been very helpful in resolving conflict-of-interest situations when it came to dispatching. Can you expand a little bit on that and your relationships?

**Mr. Ted Rabicki:** Yes. I believe, for the record, that I had a good relationship with the standing agreement carriers. Over the years, we grew from a very formal structure to an informal type of relationship. I don't believe any of them had an issue communicating with me—a concern. I used to get many “rumour” phone calls. I would almost call it a self-policing effect. They all watched each other. It is a very competitive environment.

Bob Mackie made me aware that his flying dynamic had changed, so I investigated and discovered that there was an Ornge employee who was working for a competitor to Thunder Airlines. Ornge has in place dispatch algorithms that are to be followed to maintain the integrity of the business model when sending aircraft on a mission for patient movement. It appeared that those algorithms weren't being followed, so I brought it to the attention of senior management that there may be a conflict there, and I brought it to the attention of the director in the Ornge Communications Centre. It was resolved. My understanding was that that employee had to make a choice to either continue to work at Ornge exclusively or resign. That's what I understood had happened.

1250

There was a code of ethics conflict-of-interest process, or protocol, put into play. We all had to sign it and declare any perceived conflicts—questionable conflicts—that would, in simple terms, impact our ability to execute our duties as Ornge employees.

It wasn't anything dark and ominous in some cases. For me, personally, for example, I had to declare that I fight fires when I'm not at Ornge, and there was—my role is probably a little more benign, as someone who works at a desk, than a front-line employee who has to be on their A-game at all times.

So I think, in the spirit of that, they wanted to understand, to the extent that human rights would let them, what Ornge employees were doing when they weren't working at Ornge. And the OCC personnel—Ornge Communications Centre personnel—every employee had to declare their conflicts.

**Ms. Cindy Forster:** So they weren't actually able to work for more than one employer.

**Mr. Ted Rabicki:** I don't believe Ornge would limit their ability to work for one employer, but they had to declare if they did. Then it was up to senior management to decide if that was tolerable or not.

We've heard, and I've reviewed the tapes from previous sessions where the SA carriers will openly say—and I will confirm that—that there are Ornge medics who work on their days off at the standing agreement carrier operations. In fact, many paramedics work in other jurisdictions, so we'll have paramedic and some management

work as management for land-based systems in the province.

**Ms. Cindy Forster:** Okay. The second time your name came up was during Rick Horwath's Air Bravo testimony that said you were part of the team at Ornge that had tried to convince carriers to lower their bills. Can you talk a bit about that?

**Mr. Ted Rabicki:** Absolutely. The RFP—and it is an RFP. I noticed in some of the discussions it was presented as a tender, and, while not being a procurement expert, I understand there are different constraints and conditions around a tender process than an RFP. Our RFP stated in black-and-white terms that we reserved the right to negotiate, and we did.

Of course we negotiated with Mr. Horwath. His initial bid submission on pricing was 60% higher than what the current market rates were. So I think he read the clause that we would negotiate—and I don't feel it's unreasonable behaviour. Any competitive business person who's fighting for their slice of the pie would do that. History had it that we would negotiate. Previous RFPs have that negotiation provision in there, and we took advantage of that to get value for the patients and the taxpayers in the province.

**Ms. Cindy Forster:** So were those bids high because there were enough players in the sector?

**Mr. Ted Rabicki:** No. I can categorically say that some players didn't change their pricing at all. They came in flat. We welcomed that. Others wanted to take an attempt at the negotiation process.

**Ms. Cindy Forster:** Okay. You talked a bit about being kind of proud of a multi-year RFP that you were able to get going, and it was around the area of IT. Was it in the IT area?

**Mr. Ted Rabicki:** No. The IT work—I'm proud of that, too. It was a very good example of real-time prototyping and design from a software perspective and putting that into play, because there were time constraints.

The infrastructure that was inherited was shaky. I think it was at the end of its useful life, and so there was concern, in simple terms, that if that system went down, there wasn't a graceful way to restore it. So it was a priority to quickly get into play the system that currently—well, it was in play when I was there. We did it with our vendor, with what we now call OCC personnel at the table. “We want it to look like this, feel like this.” Models were built, and they were accepted and put into play. It was very efficient and quick.

Did we get it 100% right? I think everyone has an opinion on what it should look like. Change is difficult on people. The legacy users liked the old green screen technology. The newer users embraced it. Can it be improved? Absolutely. Any system can, absolutely.

**Ms. Cindy Forster:** So it wasn't really about saving money at that point. It was really about making sure that you had a system in place that was modern and could do the job.

**Mr. Ted Rabicki:** The driving force there was stability. There was real concern that if that system went

down—paralysis may be an extreme dynamic—you can work on paper, but it's clumsy and inefficient. So, yes, there needs to be a system; there needed to be a system.

**Ms. Cindy Forster:** Were you at Ornge before Dr. Mazza started?

**Mr. Ted Rabicki:** No.

**Ms. Cindy Forster:** No, it was only after. Can you talk about whether your time at Ornge, under that management model, was a positive experience or a negative experience? Can you expand on that a little bit?

**Mr. Ted Rabicki:** I think overall, if I was going to grade it, I would say it was positive. As I mentioned in my opening remarks, it was my first experience in the public sector. There was a lot of stuff going on. There were a lot of things happening. We were witnessing the branding, which, quite frankly, to this day still somewhat confuses me.

Watching Dr. Mazza move and how quick—I think at the onset, the quick movements and the agenda were the right ones, and then it became too visionary. I believe he became bored with Ontario, and that's why this whole international—well, there are other factors on the international. But the mandate was, according to Chris, that the government told him to cut costs, generate efficiencies and find new sources of revenue. I think the first two were boring work, so he got on the international side of it and I think it became almost exclusive at the end, where all the energy at the end—the end of his career there—was poured into getting that online.

**Ms. Cindy Forster:** Did you have any direct contact with the Ministry of Health during your period of time there?

**Mr. Ted Rabicki:** I did. In the early stages, when we were looking at infrastructure, I met some of the Ministry of Health personnel, more from what I think is called the GMCO, the government mobile communications office, when we were looking at the infrastructure and how we could best use it—at one point we were exploring expanding the radio footprint for the aircraft—and then to the extent that ministry personnel came in at the end, when the investigation started. But outside of that, I know a few of the guys—have made some calls with them: Rob Nishman, Rick Smiles and those folks.

**Ms. Cindy Forster:** What were your relationships like with the ministry?

**Mr. Ted Rabicki:** Good, good. It was open. I know they were watching. When we post RFPs and tenders, you can see who has downloaded them. Nishman's name was always on the list. Yes, I think we had a good relationship at the working level with the ministry.

**Ms. Cindy Forster:** How much time do I have left?

**The Chair (Mr. Norm Miller):** You have three minutes.

1300

**Ms. Cindy Forster:** Okay. I'll save it if I can.

**The Chair (Mr. Norm Miller):** Okay; very good. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you, Chair, and thank you, Mr. Rabicki, for coming. As you know, the reason you

are here is because your name came up during the time when we had the standing agreement carriers in front of us. There were certain allegations made. I think maybe I'll just start with that in relation to the comments of Mr. Horwath from Air Bravo.

From your perspective, your process was the same as it had always been on this particular occasion of looking at the contract? From what I heard you say, you saw a price increase, essentially, when you opened the envelope and looked at the proposal that they had. Through the years, previously, if you saw something like that you would make a phone call and start asking for reasons. Could you just explain or lead us through what that conversation, from your perspective, with Mr. Horwath was all about?

**Mr. Ted Rabicki:** Yes. Perhaps the best way to answer that is to sort of walk through the evolution of the contract. From the ministry vintage—2006 in the first two times—Ornge or Ontario Air Ambulance renewed it on an annual—it was an annual contract, and it was put out for tender. The way the pricing worked was, "Come back and give us a price per mile." There were no guarantees. There was, "If we call you, we want to know what you're going to charge us."

So, philosophically, when you look at that and you say, "Well, (a), there's no bargaining chip on this end; you have nothing to negotiate; and (b), given the different mission profiles that aircraft can fly, you are layering a whole amount of risk into that price point, because that's one-price-fits-all, and that's not necessarily appropriate"—out of that grew this pricing structure that is based on an hourly basis. When we introduced that, we had every carrier in—and I think they referred to that—to meet and make sure they understood what that change meant to them and to make sure that they got that change correct. We supplied them with data. We compared with their data to look at, "How fast does your airplane fly; how much distance can it cover; and how would that translate into an hourly rate?", so that they understood the morphing from cost-per-mile to cost-per-hour.

It was very intensive in terms of the discussions. We had them in several times. I think one of the carriers mentioned the participants. I was at the table. Fred Rusk was at the table. There was a procurement fellow by the name of Conrad Caia; he was at the table. We wanted to make sure that we got it right and they understood the changes to this pricing structure. There were some inherent issues with the cost-per-mile tariff, if I can call it that.

**Ms. Helena Jaczek:** And just to make sure that we've got it clear time-wise—

**Mr. Ted Rabicki:** Yes.

**Ms. Helena Jaczek:** This was before Ornge obtained its own aircraft?

**Mr. Ted Rabicki:** Correct, yes. This was the first version of this cost-per-hour contract which was signed in 2008, yes.

**Ms. Helena Jaczek:** Okay, yes.

**Mr. Ted Rabicki:** Yes, so that is correct.

**Ms. Helena Jaczek:** Because we did hear from some of the carriers that, I believe, at that meeting they felt



threatened, or it was—could you just characterize what—you have, to a certain extent, but you perhaps have read some of the accusations. Could you tell us your side?

**Mr. Ted Rabicki:** Sure. Let me say for the record that I'm not an aviator. I think I was the only employee in Ornge aviation, notwithstanding some of our support people, who was not an aviator. I'm not a pilot. I'm not an aviation maintenance engineer. I was the black sheep in the conscience. That was an interesting dynamic to my role. One thing that I can say, as—what I'll self-label—a layperson, is that the aviation industry is regulated, clearly, and Transport Canada, as the governing body, ensures that a standard is maintained in the field. When you look at how you are supposed to fly an airplane, there's no Cadbury secret there. You fly according to the rules. So I think if there are allegations of stealing trade secrets, I'm not sure there are any trade secrets when it comes to flying. I think plagiarism is acceptable, if that's not a hostile type of term, because Transport will look at it and say, "Yes, we understand these operating procedures. We understand this company operations manual. We've seen stuff like this before and we've accepted it before." That acceptance and commitment to that standard is the most graceful way to get your licence and get into business. There's no valid reason that you would reinvent the wheel and start with a blank piece of paper and try and do that.

In fact, the individual who was priming the very first version of the Ornge Air operations manuals and operating procedures was a fellow by the name of Rick Korswagen—I believe he's overseas now—and he was former vice-president of aviation operations at Voyageur Airways.

Did we hire some pilots from our carriers? Absolutely. Does WestJet hire some Ornge pilots? Absolutely. That's the way the industry works. You start, in an extreme sense, as a bush pilot and you work your way up the experience chain. And the motivated, aggressive, career-oriented pilots? They want to be across the road at Pearson flying the big, heavy metal.

**Ms. Helena Jaczek:** And when they move to the new organization, the knowledge that they have, obviously, is transferred with them.

**Mr. Ted Rabicki:** Absolutely. The Pilatus aircraft that Ornge flies—albeit a newer generation and it has different front end—there's value in that experience. So why not? That makes sense.

**Ms. Helena Jaczek:** In your role as director of aviation contracts, you never saw anything untoward? You weren't receiving any pressure to somehow negotiate contracts in a way that you felt was not businesslike or was inappropriate?

**Mr. Ted Rabicki:** No, absolutely not.

**Ms. Helena Jaczek:** Because there was some allegation, again from Mr. Horwath, that implicated Dr. McCallum definitely in some negative context around the negotiation of price.

**Mr. Ted Rabicki:** No. Why price is important—as I mentioned before in the previous model, cost per mile—

there's no lever. So I sit across the table and I say to the carrier, "Well, is that your best price per mile?" And they say, "Yes, take it or leave it."

The neat thing is, in marketing 101, you have a guarantee purse that is valued because it helps them plan their business; it helps them finance their business. And now we have a viable negotiating platform that we can discuss. In simple economic theory, volume discounts are what we're looking for.

We used the levers that we had to say, "We have a pool of guarantee hours. Clearly, philosophically, fundamentally, the more we give you from a guarantee, the better price performance we expect." I don't see anything untoward there.

We wanted to make sure that they understood, because the way the dispatch algorithm works, once a patient need is identified and there's a requirement to marry that to an aircraft, a list of suitable equipment is produced. Once it's suitable, it meets the criteria, medically, to move that patient. Then we switch to the value equation and what is the most cost-effective way to move that patient. So the more aggressive your price, the more efficient your aircraft, the higher you're going to be on that list. It starts at the top and the first machine goes out. That's how it works.

**Ms. Helena Jaczek:** Exactly. You were there before Ornge acquired its own aircraft and subsequent.

**Mr. Ted Rabicki:** Yes.

**Ms. Helena Jaczek:** Again, from the standing agreement carriers we heard, they were very resentful, obviously—naturally, if it cut into their business—that Ornge was taking this step. Once Ornge had acquired their own aircraft, the standing agreement carriers were also concerned that they were being pushed off into just primary care, inter-facility transports with minimal risk, and they were losing the other part of the business requiring advanced care and so on. But this has puzzled me, because the vast majority of the transports are for inter-facility low-risk transportation, in essence. So help me, if you can, understand how—they were presumably no longer doing on-scene transfers. Actually, is that correct?

**1310**

**Mr. Ted Rabicki:** I would struggle to have a standing agreement carrier do a scene call. Scene calls are events that happen not at an airport—a trauma, a hunting accident, a traffic collision. Thus far, for the most part, the majority of that domain resides with the rotary-wing aircraft.

**Ms. Helena Jaczek:** Presumably—obviously, before Ornge had their own aircraft—Canadian Helicopters did attend at scenes.

**Mr. Ted Rabicki:** Yes.

**Ms. Helena Jaczek:** In this whole move to obtain their own aircraft, was there some thought that this was an emergency public service that required in-house capacity? Was that part of the motivation?

**Mr. Ted Rabicki:** Yes. I think the best way to characterize the business is, it's Ontario Air Ambulance, or Ornge, and everyone thinks in a 911 type of mindset—

but there really isn't. The business has two dynamics. It has that—in the field, it's called a code 4—immediate threat to life and limb that needs to be actioned now. That happens on scene calls, and that happens in inter-facility transfers where a nursing station or a hospital that has a lower capability than a trauma centre or a specialty centre—a patient starts going sideways, if you will. That patient needs to be moved immediately, urgently, to a higher level of care.

Those are the high-risk environments. Those are the environments where, intuitively, you want to make sure your resources are available. Those are the environments where a dedicated model where they do nothing but service that comes into play.

It becomes risky, from my perspective, if you put that in the hands of a charter operator. They've all sat here and said that some of them are exclusive, some of them aren't. But even the exclusive ones aren't available 24/7, necessarily. So there's a risk mitigation that needs to be considered.

**Ms. Helena Jaczek:** In other words, the model that we have now, where Ornge does operate their own capacity and is essentially doing the on-scene exclusively, is a fail-safe for the system. Because again, we heard accusations of overcapacity in the Ornge side of the—

**Mr. Ted Rabicki:** Admittedly, today, absolutely there's overcapacity. Roll the clocks back and you normalize and you say, on a dedicated basis, when Voyageur was in service, they had four King Air 200s servicing the dedicated fixed-wing portion of the business. There was a pair in Sioux Lookout and a pair in Timmins. Then as I mentioned, with the PCI success in Thunder Bay, it made sense to invest. So we went to a model where arguably six aircraft, using that Voyageur philosophy, would be adequate.

I think many people sat here, many SA carriers—and I will support that philosophy. Why 10 aircraft were purchased—there were no valid business reasons, there was no long-term strategy to use those aircraft, aside from perhaps a peripheral notion that maybe on the international side or something. I've heard, and it was swirled around the organization, that there was 25% unserved demand in terms of patient movements, and that's what that capacity was there for. But it's hard to grasp what doesn't happen or what's not there.

**Ms. Helena Jaczek:** In your time over the last couple of years with Ornge actually having the capacity that it did, did you make any recommendations to senior management as to what kind of mix you saw would be ideal or right to cover the 20,000 or so transfers in Ontario?

**Mr. Ted Rabicki:** Yes, in the sense that I think management knows—and I understand Andy is coming. I would be surprised if he sat here and said, "No, we got it right. That's the right number of machines." They know it's not the right number of machines, and I know they're looking at it.

They're looking at the key elements of the business, elements like mission profile—so what should a helicopter be used for? Base locations, the type of resources that

are in play, because the aging helicopters—the Sikorskys, the S-76s—that's not a long-term play. There needs to be a decision made. What are we going to do with that, and how are we going to service those markets? What's the right machine, and what do we do with this surplus capacity?

I did bring to previous management—so this is pre-Andy McCallum, pre-Ron McKerlie—the notion of, look, if we've got these extra aircraft, let's give them to the SAs. Let them fly them. They can staff them; they can put the medics on. That's a good-news story for the province. Let's improve our asset utilization. But there was a fear of abuse, and we even took it to the point of "We'll do the maintenance on them. We'll keep them close to our bases so our personnel can keep an eye on them." No, there was no appetite for that.

**Ms. Helena Jaczek:** By "abuse," you mean that the standing carrier might use them for other purposes?

**Mr. Ted Rabicki:** Yes, or fly them the wrong way—

**Ms. Helena Jaczek:** Fishing or—

**Mr. Ted Rabicki:** —or "drive it like it's a rental," if you will.

**Ms. Helena Jaczek:** Okay. So you had brought that forward to the previous regime and it wasn't listened to.

**Mr. Ted Rabicki:** No.

**Ms. Helena Jaczek:** And you're aware that this type of logical mission profile etc. is being undertaken.

**Mr. Ted Rabicki:** Absolutely. It is a complex business, to say the least. I know Andy has a huge task in front of him, because stakeholder effects—it's not just, "Okay, we want the machine to do this;" it's the markets that we interact with, the patients, the hospitals, the communities and the overall end-to-end process—huge, huge; absolutely huge.

**Ms. Helena Jaczek:** I will reserve whatever time we have left.

**The Chair (Mr. Norm Miller):** Very good. We'll move to the opposition. Mr. Klees.

**Mr. Frank Klees:** Mr. Rabicki, thanks for being here.

I'd like to just pursue the role that you were playing as the liaison with the standing offer contractors, the operators, and I want to focus on the compliance aspect of those agreements. We've seen the RFPs, the request for proposals, that went out. They're very comprehensive in terms of the standard of equipment that must be in the aircraft, everything from the width of doors, if you will—I don't have to tell you; they're extensive. Whose responsibility was it to ensure that the operators were compliant with all of the standards as set out in the request for proposal and, ultimately, in the agreement that you signed with them?

**Mr. Ted Rabicki:** At a large level, I would say Ornge. At an individual level, was there a compliance department specifically? No. Were there oversight departments, like a safety division that looked at irregularities in flying? Yes. Did we do random inspections contrary to what the SA carriers said? We did up until 2011. We would ramp the aircraft. So if we had safety personnel that conducted—we called them spontaneous ramp

checks. In fact, I think when this hearing started, that information was requested and provided—a copy of the ramp checks or at least a summary of what machines were ramped where. So that information is available. Did we do it? Yes. Did we fall off the right path since 2011? Possibly.

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There are formal ways of ensuring compliance—with scheduled, documented inspections—but there's a lot of informal feedback that comes. Our medics participate regularly on a lot of this equipment out there, and if they see things that are off, we hear about it—I hear about it. They complain about it. They refuse to get on the aircraft. Other carriers will note things where perhaps interpretation is being pushed to the limit, and it's investigated.

I think I understand where you're going. It's probably not as formal as it could be. I think that's an item that needs to be decided upon and examined.

**Mr. Frank Klees:** You've probably made yourself familiar with previous hearings—

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** —and you'll know that one of the areas that I'm particularly concerned about is the area of compliance and accountability. I'm particularly concerned about what I just heard you say, and that was that, up until 2011, you felt that the compliance mechanisms were in place and that, since 2011, they've fallen off. Did I hear you correctly?

**Mr. Ted Rabicki:** Yes, you heard me correctly. The context around that is the element of spontaneous inspections—random ramp checks on the airplanes. I don't believe we've done that in the last couple of years. We have put in play, as I'm sure the committee has heard, the Argus audits, where an independent contractor goes and audits the operation. If there's any cause for concern—in terms of Transport Canada reporting through the CADORS system, for example, or any incident—the contract states that the carriers are to identify any unusual incidents or occurrences that happen in their operation. That gets forwarded to our safety department, and they will investigate the event.

**Mr. Frank Klees:** What concerns me about that is that, given the history and given the track record and the number of incidents that we've had, I would have thought that, under the new management, if there was one area where there would be a real focus, it would be on inspection, follow-up and ensuring compliance. As you say, Dr. McCallum will be here later, and certainly I will pursue that with him, because I'm disappointed in what I'm hearing. That's not your issue; that's Dr. McCallum's issue and the issue of the current executive.

If it is as you say, why would the standing agreement providers, one after the other, come forward on sworn testimony and tell us that those compliance audits were not being done—that there were not the spontaneous checks; that there weren't the fly-alongs, if you will; and that they wouldn't hear from anyone from Ornge? Why the contradictory evidence?

**Mr. Ted Rabicki:** Excellent question. I guess we can summons the evidence and examine it. If there is documentation that is signed off and dated that says, "I'm an individual who went out and inspected an aircraft on this date and put my hand to that piece of paper," then that's something that I think we need to investigate.

**Mr. Frank Klees:** So that is something that should be on file?

**Mr. Ted Rabicki:** I believe it is, yes. I remember, when this committee started, the vibration that went into Ornge, the amount of data that was summonsed, and I remember seeing the guys pull those reports together. They wanted the binder of ramp checks; they wanted to see.

**Mr. Frank Klees:** It's interesting that you mention that, because I've had some emails from some of the providers saying that, after Mr. Cox's testimony here, when we questioned him about whether or not he has the TAWS installed—and he testified that as of midnight the night of his testimony, he would probably be taken out of service because he's at the end of his 180-day grace period. Apparently, Ornge—someone by the name of Allison from Ornge made calls to all of the standing offer suppliers asking if they have TCAS and TAWS in place. That, in itself, I find somewhat disconcerting because why wouldn't Allison know whether or not an operator has this equipment functioning when in fact it was part of the agreement? What am I missing here?

**Mr. Ted Rabicki:** I think I would answer it this way: In my mind, oversight can be akin to overhead, and there's a cost to overhead. When a businessperson signs off on a contract and says that they rep and warrant that they will comply, there is an element of professionalism and business trust that they will deliver that. Are there loopholes? Absolutely. We mandate in the RFP that the aircraft must have an autopilot system. And in that same RFP, we say how the machine is flown is entirely up to the operator. To me, I can say, "Yes, I bought a car with cruise control on it," but no one's going to tell me when I'm driving that I have to use the cruise control.

**Mr. Frank Klees:** But that is a different issue, isn't it? The cruise control had better be in the car if it's part of the contract.

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** And as I understand it, you required autopilot to be on the aircraft as standard equipment. That was a condition of the contract.

**Mr. Ted Rabicki:** Yes, as was TAWS—

**Mr. Frank Klees:** As was TAWS.

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** And we have testimony that certainly in the case of Mr. Cox, he didn't have it. Now he testified that he was at the end of his 180 days. Fortunately, we had him in here on the 180th day.

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** And we asked him the question, and I'm not sure what would have happened if he wasn't here. But here's my point: This wasn't his first contract.

**Mr. Ted Rabicki:** No, it wasn't.

**Mr. Frank Klees:** Right. So the TAWS requirement was in four previous contracts, and he was never required to comply with that. Now I'm going to be a little bit—don't take this personally.

**Mr. Ted Rabicki:** I won't.

**Mr. Frank Klees:** I'm trying to get a handle on who does what and who has responsibility for—and I agree with you that oversight is an overhead cost, but the cost of not doing the oversight is the loss of lives potentially, especially in the business we're in here, right?

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** As the individual who is the liaison with the standing agreement providers, would it not have fallen to you, as the individual within Ornge, to ensure that when you sign these people to a contract and you are the liaison—at the very least one of the people within Ornge who would have had the responsibility to ensure compliance would be yourself?

**Mr. Ted Rabicki:** That's a pretty tall order, Mr. Klees. It's a 111-page RFP document. For one human to ensure that every criteria is met across 20 aircraft and half a dozen operators—I think that's a pretty tall order.

**Mr. Frank Klees:** You have a pretty impressive CV.

**Mr. Ted Rabicki:** I'm one human.

**Mr. Frank Klees:** One human being—let me suggest something to you. Maybe I'm oversimplifying. I'm not an aviator either.

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** I have a spent a lot of time on this committee.

**Mr. Ted Rabicki:** Yes, you have.

**Mr. Frank Klees:** And I think I could probably craft a letter to my five standing agreement providers saying, "Here are the critical requirements that we have had of you under our agreement. I want you to sign off on this and confirm with me that this equipment is in place and functioning. By the way, I'm going to be taking a field trip for the next five days, and I'm going to visit you at your base. I expect a tour of your equipment to confirm that what you've written off in your letter here is, in fact, in place."

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I don't think that's a superhuman calling at all. I think that's a fairly straightforward expectation that I think would be respected by the people I'm doing business with. I think it would have been a great transaction for you to report to the board of directors, that this is in place. What am I missing? Why do you feel that is such a high calling?

**Mr. Ted Rabicki:** Well, a couple of things. I think the first part that you alluded to, a separate letter: From my perspective, there isn't a need for a separate letter. We have the contract.

**Mr. Frank Klees:** All right, so we save that amount of time.

**Mr. Ted Rabicki:** Yes.

**Mr. Frank Klees:** How about the site visit?

**Mr. Ted Rabicki:** Well, candidly, would I know TAWS if I were looking at TAWS? No.

**Mr. Frank Klees:** Do you have an engineer in Ornge who would?

**Mr. Ted Rabicki:** Absolutely.

**Mr. Frank Klees:** How about taking that person with you and making a two-person visit?

**Mr. Ted Rabicki:** Fair enough. Now, I think what I'll admit is maybe we didn't go back and retroactively look at all the machinery, but any aircraft that was added to the roster was inspected, to be compliant with the specification sheet.

**Mr. Frank Klees:** So you understand the concern that we hear from the operators. You have some who are bidding into a contract, who are compliant with all of the standards that you require in the agreement.

Now, they're bidding against people who haven't spent—I don't know—the \$100,000, the \$20,000, the \$80,000, whatever it is, to ensure that their equipment is compliant. Now you have a very un-level playing field, and, quite frankly, I think you have also a very different level of quality, if I can use that term, in terms of the performance indicators that you would be measuring.

I can understand why the operators out there would be very frustrated with that un-level playing field. Would you agree?

**Mr. Ted Rabicki:** I agree, yes.

**Mr. Frank Klees:** So you're gone now. Who at Ornge, in today's environment, in today's structure, should assume responsibility to ensure that level playing field and to ensure the compliance with all of those standards?

**Mr. Ted Rabicki:** It could be anyone. We have a safety department. They go out and do routine inspections when there's an issue. We could leverage that. We could leverage our base managers. A lot of these carriers are collocated. I guess there are options. But I'm not in a position to pick a name at this point. I'm sure, as Allison has been calling to validate, that your tactics will be effective in getting some action on this.

**Mr. Frank Klees:** I'll save my time. Thank you very much.

**Mr. Ted Rabicki:** You're welcome.

**The Chair (Mr. Norm Miller):** Well, we'll go to the NDP. You have three minutes left. Ms. Forster.

**Ms. Cindy Forster:** Thanks. I just want to follow up on what Frank actually started there about the compliance piece, because we did have Transport Canada here this morning about their oversight responsibilities. There seems now, with this line of questions, that there is a gap there of some sort.

When we're actually dealing with patients' lives—we're not dealing with picking up garbage, like waste management, or other things that we do publicly in communities—it would seem to me that there should be some more oversight, if there isn't, within that organization. How does Ornge go about actually making sure that that happens? And I heard you, that it can't be one person. One person cannot be responsible for the oversight of five or six carriers and 20,000 patients a year. But does there need to be a department or a team of people that actually takes on that responsibility?

**Mr. Ted Rabicki:** That could be one solution, absolutely.

I will say this, though: There's sort of three layers in play here. There's the baseline, which is the Transport Canada standard, and there's enforcement and oversight on that federally. To the extent that Argus mimics that piece, Argus goes in and looks at that. Then there's a second layer of safety, which is the MNR standards. The Ministry of Natural Resources sets the standards for operators that work on government business. That holds the flight crews to a higher level of experience—Ornge has oversight on that—to make sure that we have above-average experience flying the aircraft. Frankly, the TAWS and these extra collision-avoidance systems—the next generation would have been, I think, a WAAS system—that were planned and put on the aircraft were Rick Potter's idea. In his mind, that would raise the bar. As Paul Cox said, it's not guaranteed that it will improve safety; it's an add-on, and it may not apply in some cases. It's extra.

With all of that being said, I guess at this point, we will put that on the to-do list for the current management to make a decision on. Is it necessary? Do they support the previous management's philosophy that this is a value add in this arena? And if it is, do we want to take action to ensure that that's part of the operating model?

**Ms. Cindy Forster:** Thank you.

**The Chair (Mr. Norm Miller):** Very well. We'll go to the government. You have two minutes left.

**Mr. Bill Mauro:** Mr. Rabicki, thank you for being here today.

The questions that were asked were very serious questions and very important questions, those related to safety. The question I was going to ask I think you've actually just answered, but I think it's important enough that it bears repeating.

Your tender process: You've just characterized the TAWS—and if I'm misinterpreting your interpretation of it, correct me when you answer—as an add-on, not necessarily enhancing safety. Maybe it does; maybe it doesn't. Your answer seems to imply we don't really know if it does, but Mr. Potter decided to add this into the tender. So it gets added into the tender. Your tender then, when they sign off, they've already agreed to have that, notwithstanding another letter that would ask them to do the same thing that their tender has already done.

Nav Canada—and I asked the fellows this morning when they were here, the two gentlemen this morning—has the authority to ground the plane.

**Mr. Ted Rabicki:** Absolutely.

**Mr. Bill Mauro:** So your tender asks for a particular piece of safety equipment which, as I think you've just said, you don't know if it makes things any better or not, but Mr. Potter in his mind felt it did. Your tender asks for it. Nav Canada shows up. They investigate those aircraft and they know that this piece of equipment is not on the plane or the helicopter, yet Nav Canada is letting these people be airborne.

Again, as another one around the room who's not an aviator, I would assume that in the opinion of Nav Canada—their characterization of this piece of equipment would likely approximate your response, that being, “We didn't have it for the previous 100 years. We don't necessarily feel it's enhancing safety”—or certainly they don't feel that it's a requirement to make these operators fly more safely.

If I'm wrong, I want to know I'm wrong, and hopefully you'll tell me that, because if something is missing here when it comes to safety, it's important that we know about it.

Nav Canada has chosen not to ground these planes. They don't have it. I'm interested in your—

**Mr. Ted Rabicki:** Let me answer it this way, and I'll try to be brief. The organization that sets the standard for air operations for the province of Ontario is the Ministry of Natural Resources. It's not on their list of requisite equipment.

**The Chair (Mr. Norm Miller):** Very well. Thank you—and I think you meant Transport Canada there, didn't you, Bill?

**Mr. Bill Mauro:** Thank you, Chair.

**The Chair (Mr. Norm Miller):** Yes. We'll move to Mr. Klees for your last four minutes.

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**Mr. Frank Klees:** Four minutes?

**The Chair (Mr. Norm Miller):** Yes.

**Mr. Frank Klees:** Okay. Thank you.

I'd just like to go back to that conflict-of-interest issue with the dispatch centre that you were engaged in with Mr. Cox—Mackie; Mr. Mackie, right?

**Mr. Ted Rabicki:** Mr. Mackie. Correct, yes.

**Mr. Frank Klees:** At length, Mr. Mackie testified how his business went down. He was concerned about it, heard that there was someone who was working for—I believe it was Air Bravo—

**Mr. Ted Rabicki:** Correct.

**Mr. Frank Klees:** —and at the same time working in the dispatch centre. He brought it to your attention. You said you were going to look into it.

When you said you were going to look into it, what exactly did you do?

**Mr. Ted Rabicki:** The first thing I did was to validate the dispatch algorithms. It's a mathematical model to make sure that the most current information is in there. I had one of our analysts run it, in the event that it was a legitimate glitch, if you can call it that. The two systems that they use came back and validated, no: They think they were functioning properly.

So I went downstairs and said to management that there appeared to be a human intervention happening here. While I didn't have any evidence, it appeared that there was this conflict going on, and I brought it to the OCC, the director's attention, and let our senior management know as well—because the way these algorithms work, they have visibility on competitive pricing in them. I was concerned that there was an integrity threat here, that if an individual was working for a given vendor, he

would have the full price suite available, which compromises the competitive nature of this marketplace.

It appears—I didn't loop back with the OCC director—that there was an intervention of sorts and things went back on track. The conflict of interest is noted at our legal counsel's level—and, like I said, I heard peripherally that the outcome was yet to make a decision on the employee. The employee needed to make a decision on which company he would stay with.

**Mr. Frank Klees:** I heard about that; you mentioned that. What confuses me about that—and we'll follow it up with Dr. McCallum—but if in fact that employee already has had access to that information, to even give the employee at that point in time an option to do either I would think is not a very good management decision. But we'll hear from Dr. McCallum, I'm sure. He's here, and we'll hear from him next.

Here's my last question to you: In retrospect, given the experience that we've had with Ornge, apart from the financial mess that we have on our hands, still the most significant issues that we have as a legacy here are the number of times Ornge was not able to respond appropriately, on time. We have the referrals to the coroner of lives lost in cases where the inability of Ornge to respond in a timely manner may or may not have contributed to those deaths in one way or another. But that is a legacy that we have to deal with.

If there was one recommendation that you would have in terms of going forward on how to prevent those—and I know you can't prevent every error, but structurally, what change would you recommend be made to the system that would be in the patient's interest and efficiency of operation?

**Mr. Ted Rabicki:** I'll pick up on what you said. The answer is really simple: There needs to be a very crisp and understood, defined standard for air ambulance operations where it is really air ambulance. Where it is an emergency, there needs to be an appropriate emergency response standard. With all due respect, what's documented today in the performance agreement is way too loose. The answer is simple. It lies before us in other EMS types of services. The land ambulances have very discrete milestones on response to cardiac patients and coverage and time to patient. The fire department has metrics on breadth and depth of response in a time-sensitive manner. Take that and bake something that becomes a standard for the air service. The front-line people will understand it, the carriers will understand it, the employees will understand it, and overall, you'll be on a path for a better system.

**Mr. Frank Klees:** Very helpful. Thank you.

**The Chair (Mr. Norm Miller):** Thanks for coming before the committee. We appreciate it.

#### ORNGE

**The Chair (Mr. Norm Miller):** Dr. McCallum, welcome back to the committee. I think you're the last presenter, as far as I know.

**Mr. Frank Klees:** We'll see.

**The Chair (Mr. Norm Miller):** We'll see. You've already been before the committee. You've already sworn a past oath, so just remember that that is in place. You have 10 minutes for an opening statement, and then we'll go to questioning.

**Dr. Andrew McCallum:** Thank you, Mr. Chair. Members of the committee, I thank you for the opportunity to speak with you once again. Much has happened since my last appearance before the Standing Committee on Public Accounts seven months ago. I sincerely hope our collaboration with the committee over this period has been helpful.

We welcomed committee members, at Mr. Klees's suggestion, to our head office in Mississauga for a tour and a presentation. Our staff has gone to considerable effort to fill the committee's requests for information. In doing so, I am confident that we are demonstrating action on our commitment to transparency and oversight. Your insights are valuable to us, and we look forward to seeing your final report.

When we first met, I indicated to you that it had been a challenging time for the 600 paramedics, pilots, communications officers, physicians, aircraft maintenance engineers and head office staff. Since that time, as everybody knows, the organization suffered an unspeakable loss when four members of the 7793 Ornge Moosonee crew died when their air ambulance helicopter crashed shortly after takeoff en route to transport a patient. These men—Capt. Don Filliter, First Officer Jacques Dupuy, flight paramedic Dustin Dagenais and flight paramedic Chris Snowball—died in the service of Ontario, and we will always remember their sacrifice.

As difficult a time as this has been, I continue to be impressed by the resilience of our staff. Our Moosonee base recently resumed operations on a 12/7 basis and will be returning to 24/7 operation next week. I'm proud of our Moosonee team members and their dedication to the patients of the James Bay community. I also wish to thank our staff in other bases as well as our partners at James Bay Ambulance, who worked diligently through this period to ensure that patient transport was delivered professionally and to the best of their ability.

The transportation safety board investigation into the accident continues, and we are co-operating fully. We want to emphasize that we are not waiting for the report to look at ways to make our operation safer.

One special area of focus is our helicopter night operations. We've been looking at this issue for some time, actually, predating the accident. A number of steps have been taken in this area. Pilots have been undergoing formal continued flight into terrain or CFIT training before they file IFR, or instrument flight rules, flight plans. In fact, I'm told that, as of today, about 95% of the pilots have completed that training, which means they can resume those flights. Our rotor division is updating the standard operating procedures with respect to night operations, and training is under way on all these revised SOPs.

A specific area of concentration has been black hole helipads, which are typically at remote sites with little cultural lighting in the area. For several months, we've been trialling the use of solar lights at the three busiest of these helipads, accounting for about 60% of the trips. The response from pilots has been uniformly positive. As a result, we've begun a project that will see these lights installed at approximately 90 currently unlit sites across the province. This should be viewed as a waypoint on the journey, not a destination, as we look at other manoeuvres to make—and enhance—operations even safer.

I understand that the committee is interested in discussing how standing agreement carriers fit into the air ambulance system in Ontario. Standing agreement carriers, or SA carriers, as you've come to know them, are private air carriers that deliver primary care and advanced care ambulance services under contract to Ornge. They perform nearly half of the 18,000 transports that we do per year. Needless to say, they play a vital role, particularly in northern Ontario, where, in many cases, an aircraft is the only means of moving a patient. The request for proposals for SA carriers was conducted in an open and transparent process that meets broader public sector procurement guidelines. In addition, we have an open door policy, as you've heard from some witnesses, with the representatives of these companies. Any specific concerns that they have they can bring forward to us, and they will be addressed in a timely fashion. In some cases, when warranted, we will ask a third party to conduct an investigation, and you have, I believe, heard testimony from the carrier representatives to that effect.

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Under the performance agreement, Ornge is mandated to ensure that SA carriers meet the aviation requirements of the Canada Transportation Agency, Transport Canada and the government of Ontario through MNR's operation standards. An internationally recognized firm, Argus, conducts audits for us annually of the SA carriers. Any outstanding deficiencies are identified by Argus, and the carrier produces a corrective action plan to each finding that must satisfy the auditor.

Nonetheless, there's always room for improvement in our processes, and we are actively looking at additional measures that should be taken to ensure that our carriers are held to the highest standards of safety and quality. This is a responsibility we take seriously. There are a number of specific improvements under way which I would like to share with you.

We continue to break with the past by dealing with certain legacy issues tied to previous leadership at Ornge. A few months ago, we completed the sale of two surplus AW139 helicopters that had been in storage and were not required for patient care. In addition, we sold a hangar in Oshawa that no longer fits in the organization's plans. In dealing with these legacy issues, we are demonstrating a commitment to using taxpayer dollars wisely and providing value for money.

On the operations side, the implementation of a new computer-aided dispatch system, or CAD, as it's com-

monly known, is under way. This has been a top priority in order to more effectively dispatch our crews and improve our ability to gather data and information.

We continue to make recruitment a top priority and are working on plans to ensure we meet, on a more consistent basis, the level of care required in our vehicles. Beyond these day-to-day improvements, our focus is firmly on the future.

When I was here in March, I told you about three challenges we faced. I told you that we needed to focus our activities, and we've made great strides in that regard, in that we've concentrated our operations and divested ourselves of assets that are not useful.

I told you of our need to develop a strategic plan. Last month, we invited external stakeholders, all of our union leaders and management to come together to discuss and debate the central issues we face. The strategic planning exercise has been entirely inclusive, and our discussions generated some healthy debate. In broad strokes, there were three areas of focus: first, increasing transports that improve patient outcomes; second, improving the integration of the transport and transfer process; and third—and this speaks to the third challenge that I outlined in March—devising an appropriate financial plan to ensure viability and recognize cost drivers. The draft strategic plan will soon go before our board of directors and ultimately will go the Ministry of Health and Long-Term Care for their opportunity to comment. This plan is essential to mapping out the future of Ontario's air ambulance system.

We also recently announced our new base management structure and base staffing model. The new structure will ensure bases are locally managed, with managers being responsible for all staff and operations at the base level, in contrast to before, when we didn't have that management structure.

We have retained several excellent Ornge staff and been able to recruit a number of well-qualified candidates from both aviation and the military to fulfill these roles.

In closing, I want to say that I believe we're on the cusp of doing some really good things. I think, as you've heard in the testimony of the last while, change does take time, and we still have some issues that we'll manage.

As we move forward, we are impatient, but we want to make—and we are making—steady progress. I ask that we be afforded the latitude to make the necessary improvements, with the goal of providing the best possible care and transport to all of Ontario's patients. Thank you.

**The Chair (Mr. Norm Miller):** Thank you. We'll go to the government: Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you for the update, Dr. McCallum. Yes, it has been many months since we heard from you originally and from the time we visited Ornge in Mississauga. We have heard from many, many witnesses, as you know.

I think I'll start in terms of the relationship with the Ministry of Health and Long-Term Care. This is pretty fundamental to what we know went wrong under the previous management of Ornge. Can you just give us an overview of your relationship to officials at the oversight

branch and your staff's interaction with them so that we can be assured that they are monitoring the quality improvement plan and whatever other items you have that you discuss with them? Could you just give us an overview of what that relationship looks like?

**Dr. Andrew McCallum:** Certainly. Well, the structure as it's currently constituted is one where the ADM responsible for us has a director who reports to her: the director of the emergency health services branch. That person also holds the title of director of the air ambulance oversight branch. Under the director are a number of personnel who are policy advisers, who speak with my staff more than daily—several times a day. We provide a daily report. We provide statistics to them on an ongoing basis. We have a monthly meeting in which we explore issues of mutual interest in depth, with members of the ministry and members of my staff present, chaired by myself and/or the ADM responsible.

We have much more frequent conversations than that on issues that arise from time to time.

We have a budgetary process that involves full transparency and discussion of the financial situation as it currently exists.

The ministry was invited to provide input in the strategic planning exercise and of course will be invited to comment on the strategic plan as it develops more fully.

So it's a close working relationship. There's no question that they are the regulator and the overseer, but we have a free exchange of information. I would say that it is a completely different relationship than what I understand existed previously.

**Ms. Helena Jaczek:** Further to that, obviously we've had the opportunity to review some of the metrics provided to us by Richard Jackson, the director of the oversight branch. I suppose we noticed that progress towards some of your goals in terms of staffing with appropriate level of care for the paramedics, availability of pilots and so on was slow. In other words, the training that you've undertaken and so on has not yet reached its full potential. Can you just give us an update on when we can expect to see some improvements in terms of staff availability at the right level of training?

**Dr. Andrew McCallum:** Well, I'm like you; I'm impatient. I wanted this to be dealt with literally yesterday, because it's something that, of all the things that I'm concerned about—there is a concern, as you know, being a leader, in any situation. But what worries me a great deal is that we don't meet the level-of-care commitment that we're meant to meet.

What that really relates to is two things. One is, to some extent, the availability of appropriately qualified personnel who are in our employ now, for a variety of reasons. The second is that the pipeline to train them is not efficient at the present time. So it's such a consideration for me that I've pushed hard to make it one of our major strategic goals. We have a goal to have the appropriate level of care undertaken within 12 to 18 months—

**Ms. Helena Jaczek:** From now?

**Dr. Andrew McCallum:** From now. The challenge is that it will require some fairly aggressive action on both

the part of the management and the union. We'll need co-operation from our collective bargaining partners. We're eagerly pursuing that, and we'll get to where we need to get to. If we can't get there, then I'm going to be open to looking at other models that would satisfy the need to have critical-care level of care in our air ambulances, because that's what's required.

**Ms. Helena Jaczek:** You were telling us previously about accelerated training programs and so on. Along the way to 12 to 18 months, is there an interim step where we'll have some improvement?

**Dr. Andrew McCallum:** There is. We've got a pilot project under way with one of the community colleges. I'm not sure how far down the road it is, so I won't say the name, but we have a pilot project for them to train advanced-care-paramedic flight, entry-level people. That's a very big thing for us because it means that we would be able to hire people and have them, after appropriate certification by the base hospital, work on our aircraft in tandem with a critical-care paramedic, and that aircraft would be at the critical-care level. So the mixture of CCP and ACP allows us to get the airplane to critical-care level of care and meet that obligation for that aircraft.

So we're very optimistic—Bruce Farr, who is our special adviser for paramedic operations, spearheaded a lot of this—that we'll be able to expand that program and get people in the pipeline more quickly. That's the critical first step. So there's reason for optimism there.

**Ms. Helena Jaczek:** In terms of the redesign of the interiors of the AW139s, there was an interim solution that, of course, has improved—

**Dr. Andrew McCallum:** Correct.

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**Ms. Helena Jaczek:** You're working towards the permanent solution. Can you give us some progress?

**Dr. Andrew McCallum:** Yes. There's an RFP that has been issued for the provision of the permanent interior in the AW139s. It's still open, I think, until November 15, so we're not sure which proponents will come forward. Of course, that's embargoed at the moment. But I anticipate that we will be able to—depending on what the ultimate contract is negotiated—it's going to take us another 12 months to get this done.

I stress for the committee, though, that the interior we have now is a workable interior. It's functional, but it's not ideal.

**Ms. Helena Jaczek:** So in other words, all the design work for the new interior has been done? It's basically going out—

**Dr. Andrew McCallum:** Well, it would depend on who the successful proponent is, how much work has been done.

**Ms. Helena Jaczek:** Oh, I see. So they're going to actually do the design and then—

**Dr. Andrew McCallum:** Correct; the engineering and design. In an aircraft, any time you modify the aircraft, the amount of regulatory change that's required is remarkable—and the oversight.



**Ms. Helena Jaczek:** Right. So you've basically done a functional specification, and then it's up to them to come back with the way it looks?

**Dr. Andrew McCallum:** Correct.

**Ms. Helena Jaczek:** Okay.

**Dr. Andrew McCallum:** For example, a roll-on/roll-off stretcher. I think I can say that one of the concerns the paramedics continue to have is that they have a sled and not a roll-on/roll-off stretcher.

**Ms. Helena Jaczek:** Okay. In terms of the standing agreement carriers, we obviously heard from them about their concern in terms of some of their businesses having essentially become far smaller on the air ambulance side. Obviously, some of them have diversified into other fields. They accuse Ornge of having this excess capacity that is sitting there not being used and, I guess, are questioning whether Ornge knows how to run a business. That was the implication.

Can you respond in terms of some of these accusations and how you might be going about looking at the capacity issue?

**Dr. Andrew McCallum:** I'll say two things. One is that I think any aviation professional would say that having more than one backup for every active airplane is more than would be justifiable. Certainly, we're aware of it, and it's something that's being studied. It really matters to us, though, what the strategic plan ultimately leads us to, and that's critical. We would be premature to make a decision that these aircraft should be disposed of, for example, or moved in some other way, without knowing what the organization is intended to look like in the next five years. But I would say that if things were to continue as they are now, then clearly something would need to be done, because those are excess assets.

**Ms. Helena Jaczek:** The strategic plan will address that? It's going to the board—

**Dr. Andrew McCallum:** It's a key step.

**Ms. Helena Jaczek:** It's a key step—and then action will follow from them?

**Dr. Andrew McCallum:** Correct.

**Ms. Helena Jaczek:** In terms of, again, the issue of negotiation around the standing agreement carriers and their discussions with Mr. Rabicki, who we've just heard from—again, there was some implication that something improper occurred around negotiation of price. Mr. Rabicki, I think, has certainly been very clear, from his perspective, that it was always known to applicants to serve as standing agreement carriers that that was part of the process and, therefore, nothing improper occurred at all. Can you comment at all on that?

**Dr. Andrew McCallum:** Well, I can tell you that I was very troubled by the comments that were made. I will say first of all that I don't have any direct involvement nor did I have any awareness of the actual nuts and bolts of the RFP process as it was stated. I found that very troubling, and—

**Ms. Helena Jaczek:** This is in reaction to Mr. Horwath, from Air Bravo?

**Dr. Andrew McCallum:** Exactly. In fact, there's absolutely no truth to it whatsoever.

However, understanding the process better now, as I do, the process is a several-layered process. The first is to ask for a price based on volume, and that's normal. As you'd understand, the higher the volume delivered, the price ought to be adjusted, based on that.

That was the second round. In other words, the first round's purpose was, as I understand it, to establish the guaranteed number of hours that an operator could get. If they were to get more hours, a negotiation would occur to see what kind of price could be had for excess hours. I think that's entirely appropriate. It's written into the RFP process. All proponents would have known that. The process, as far as I can determine—and this is very important to me—was entirely above board and entirely ethical.

**Ms. Helena Jaczek:** Another witness referred to a concern related to a conflict of interest where a dispatcher preferentially either avoided one standing agreement carrier to be dispatched, or dispatched a carrier for whom they were employed. There was some allegation that there was some improper issue going on with the application of the algorithm, and apparently, you were in some way involved in sorting that out. Can you explain to us—

**Dr. Andrew McCallum:** I had a call from Mr. Bob Mackie, the president of Thunder Air, expressing his concern that it appeared that the excess hours were not being allocated equitably among the carriers. Of course, it was the first I'd heard of it, so I undertook to follow up, and I spoke with our legal counsel. The decision we took was that it would be best to get an external third party to audit both the process and also the allocation of the excess hours. That's what's under way right now, and we will certainly be willing to share that once the report is back.

**Ms. Helena Jaczek:** And it was found that there had been a conflict of interest.

**Dr. Andrew McCallum:** I haven't drawn a conclusion. There are a couple of things that you're talking about that are mixed together. The conflict of interest with respect to the dispatcher did have some overlap with the concern about the excess-hour allegation, but, as I understand it, the concern with that particular dispatcher was that he was working for one of the carriers while he worked for Ornge. He no longer works for a carrier. He was told he had to make a choice.

**Ms. Helena Jaczek:** Mr. Rabicki referred to some conflict-of-interest declarations required—

**Dr. Andrew McCallum:** Correct. Every employee is required to declare their conflict of interest, if it exists, perceived or real, every year. That's maintained by our CAO and general counsel, and he acts on disclosures that would cause trouble either as perceived or real conflicts.

**Ms. Helena Jaczek:** Apart from that specific allegation related to one particular instance, you're also reviewing the dispatch algorithm. Is that correct?

**Dr. Andrew McCallum:** Yes, that's fair to say. I think it's also fair to say that the air ambulance and helicopter EMS is a small community. Where there are private carriers, people often work for them during their

off-days and off time. As any other employer, we don't have the right to dictate to someone what they do on their days off—with certain exceptions in the air environment, where duty and crew restrictions come into play—but we do have the right to say, "You may not use either position to advantage one of the organizations." That's the concern.

**Ms. Helena Jaczek:** I understand that you have developed your strategic plan and some things may not be fully decided, but could you ever see a day where Ornge would dispose of its entire fleet and contract out 100% of the business?

**Dr. Andrew McCallum:** I can foresee many possibilities, and I wouldn't discount any particular possibility. At the present time, I think it would be premature to determine that we would radically change the provision of services yet again.

I would also express a note of caution, in that on the land EMS side, actions have been taken in the last 15 years to consolidate them in the public sector—albeit partly in the municipal but partly funded by provincial governments—and remove private carriers, and the reason for that is that the standardization of them is very difficult.

There's also, however, an advantage of having private carriers in the mix because of redundancy and the ability to—a question, I think, Mr. Mauro asked this morning—withstand the sudden shutdown of one of the carriers.

**Ms. Helena Jaczek:** In other words, you're saying all options are being examined very carefully, and as you move forward in your position as the CEO of Ornge, you will make the recommendations based on logic and based on—we heard the term "mission profile" etc. That is the way you see things going forward?

**Dr. Andrew McCallum:** That's fair. We certainly, I think, have to do what's right for the patients of Ontario and as good public stewards. Those are the drivers that I look at. If the decision leads us towards one particular model, then we need to go down that path.

**Ms. Helena Jaczek:** I'll reserve whatever time we have left.

**The Chair (Mr. Norm Miller):** Very well. We'll go to the opposition. Mr. Klees?

**Mr. Frank Klees:** Dr. McCallum, thank you for being here again with us. I'd just like to pick up on the dispatch issue because we had some discussion with Mr. Rabicki on this as well—just to close the loop on it.

Based on Mr. Rabicki's testimony, he was contacted, he checked things out. According to him, it was determined that the system itself was functioning properly; that it was human intervention; that there was an individual identified who was working for both Ornge dispatch as well as—what was the name of the airline?

**Dr. Andrew McCallum:** Air Bravo, I believe.

**Mr. Frank Klees:** Air Bravo—and that that individual was then given an ultimatum to either choose Air Bravo or Ornge. From what I hear you telling me, he chose Ornge and he's now working at Ornge in the dispatch. Is that correct?

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**Dr. Andrew McCallum:** That's my information, yes.

**Mr. Frank Klees:** I'd just like to pursue that with you. I find that somewhat disconcerting because if in fact that individual chose to act unethically, which clearly he did if he was making decisions in that dispatch centre to drive business to one particular carrier, surely that can't qualify as ethical practice within Ornge's standards. Do you agree?

**Dr. Andrew McCallum:** Well, your premise is incorrect. You're taking it from the position that it was demonstrated that he assigned aircraft. We didn't demonstrate that, but we did understand that there was a perceived conflict of interest, and on that basis, he was told to stop his employment. We don't agree on the premise. Had that occurred, I would agree with you, but we didn't establish that.

**Mr. Frank Klees:** Okay. So it was just coincidence.

**Dr. Andrew McCallum:** I don't know the details of where the allegation arose, but I can tell you that it wasn't established. That's all I can tell you.

**Mr. Frank Klees:** Okay. I'd like to just pursue the compliance issue. We spent a considerable amount of time with Mr. Rabicki, talking about how the standing agreement providers bid into their business and how it is subsequently awarded. I understand the subsequent negotiation because that's part of the deal. They agreed to that, so they bid in, and then subsequently there is an ongoing negotiation between Ornge and them.

The concern, however, that I was focusing on with Mr. Rabicki is that these agreements are very extensive and they contain very specific requirements in terms of the equipment that the aircraft must have and the specifications of the aircraft. A concern that has been expressed to us from the providers is that there's a very unlevel playing field; that while some carriers are bidding into these agreements and are compliant with the specifications, others are given the same agreement that contains the same requirements but are not enforced. So you have a very unlevel playing field, where it costs one carrier a certain amount of overhead to be able to comply with your agreements; other carriers bid into that business and are obviously able to lowball that because they don't have the overhead costs. Mr. Rabicki admitted that Ornge does not do a very good job of holding providers up to the standard of compliance. We had an example here of Mr. Paul Cox, just last week, who, when I asked him if he has the TAWS equipment installed, said, "Well, tonight at midnight I'm out of business."

**Dr. Andrew McCallum:** I heard that.

**Mr. Frank Klees:** All right? Then we heard that the next day, someone from Ornge was making calls to all the other standard-offer providers, asking if they have the equipment installed.

There were two things that concerned me about this. Number one is that we had a provider who was flying, who had a contract and who didn't have the equipment installed and then had to be taken out of service. The question I have is, where is the compliance requirement

on the part of Ornge for these providers? It was a particular concern when I heard back from other carriers saying, “We got a call from Ornge asking if we’re compliant.” I would have thought that Ornge would know whether or not they’re complying.

I’ll just add this last comment. Mr. Rabicki indicated to us here just an hour ago that Ornge was requiring compliance and had a compliance system in place prior to 2011. In his words, that has actually fallen off since 2011. I would have thought, given the context of Ornge, that if anything, we would have been stronger on the compliance side than allowing it to fall off.

I’d ask you to comment on that. Why are we not doing a better job of requiring compliance with the very standard specifications of the agreement? Why are we not following up? What does Ornge intend to do to rectify that?

**Dr. Andrew McCallum:** It’s a fair question, and I would say at the outset that I think it’s a fair criticism as well. It’s something that I wasn’t aware of, and it’s something that I think if you asked me to explain why it happened, I can only tell you that the period of turmoil that started in 2011 may have had some effect, but beyond that, I can’t speculate as to why the ramp check frequency would have fallen off.

What we’ll be doing going forward, though, is, as you’ve heard, we’ve hired new base managers who are responsible for the entirety of the operation, and one of their tasks will be to conduct both announced and unannounced ramp checks of the SA carriers to ensure that there is compliance with the contractual requirements.

**Mr. Frank Klees:** Okay. You announced a strategic planning process a few weeks ago.

**Dr. Andrew McCallum:** I did.

**Mr. Frank Klees:** I’m interested in that. I know that you’ve been following these hearings, and one of the fundamental principles that we keep hearing is that perhaps Ornge should not be in the aviation business, that one model that should be considered is to divest itself of the aviation side of the business, focus on the health care delivery side, focus on the dispatch side and allow companies that have the experience on the aviation side to do that part of the business.

Is your strategic planning exercise open to looking at that model, or are you intent on building on Dr. Mazza’s scheme?

**Dr. Andrew McCallum:** The short answer is yes, we’re open to all models. You would know, because I know you have a business background, that proper strategic planning should consider all aspects of what the company does and what’s best for the mission that the company is trying to achieve.

One of the considerations in the strategic plan is the fleet composition and how it’s operated. We’ll certainly be looking at that over the next 12 months or so.

I would say that I’m agnostic about it at the moment. I think that the people who fly for us, the people who work on our aircraft, the people who run the aviation side are extraordinarily competent. I think it’s one of the un-

intended effects of a process like this: that they’re constantly reminded of the past and the challenges that were faced, and certainly ongoing challenges, as you’ve alluded to already. I say this because I suspect the audience is out there. I want them to know that I value what they do, that I think that they’re very valuable to the province, whether or not they’re working for Ornge, and I’m proud to have them working for Ornge at the present time.

But I think that any leader in an organization like this has to say that in strategic planning, we should look at all options.

**Mr. Frank Klees:** I’m encouraged to hear that.

Mr. Rabicki, also, in his closing comments, made what I thought were very helpful comments. When I asked him if there was one piece of advice—and you were here to hear that—

**Dr. Andrew McCallum:** I was.

**Mr. Frank Klees:**—it was that the performance indicators should be tightened up and very specific in terms of the service delivery. He also made reference to the fact that the current performance agreement is far too loose in terms of the performance indicators that are identified there, and we’ve been saying that. Some of us have been saying that for some time because we’ve also heard that through testimony.

From that standpoint, I’d like you to comment. Having heard what Mr. Rabicki said, your reaction to that and what we could expect from Ornge, either through the strategic plan or—I mean, that’s something that you can move on immediately.

**Dr. Andrew McCallum:** Absolutely. KPIs are something we can move on immediately. Although, remarkably, it’s more complex than you would think, and there are two parts to the answer.

I have an enormous amount of respect for Ted; he’s a very practical, thoughtful, intelligent guy who has a very good understanding of the emergency medical services system. He’s right. There do exist useful benchmarks in the land ambulance world and the firefighting world. Remember, though, that they’re working in two dimensions, not three. They’re working near to base, not far. They’re working with one kind of vehicle, not many. So there are some challenges, but that—in no way would I argue with him that we could have better KPIs. I would agree with that entirely, and I think we can work on that.

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The second complexity, though, is that, remarkably, with our current state of information technology at Ornge—when I came to Ornge, I was surprised to learn that our systems don’t talk to each other very well. This is a common failing in complex systems where IT is sort of grown by sedimentation, as you know. For example, our aviation systems don’t speak well to our dispatch systems, and the time synchronization is not what you would want. So if you want to measure events that occur in minutes and seconds, you need to have time synchronizing across the system, as you’d appreciate immediately.

For example, how long it takes us to get out of that base, into the helicopter and on the way to a scene call right now is difficult to collect. It won't be in six months, and that's when a KPI like that will become valid and useful. It doesn't mean we don't make every effort now to improve our shoot time, which is what the firefighters call it. Nonetheless, if you said to me, "How confident are you in the accuracy of that information?" I couldn't tell you I was confident at the present time, but I will be. If this committee is still hearing evidence on this matter, I'd be happy to come back and tell you about it.

**Mr. Frank Klees:** Okay. How much time do we have?

**The Chair (Mr. Norm Miller):** You have eight minutes.

**Mr. Frank Klees:** I'll save it for a little bit later. Thanks.

**The Chair (Mr. Norm Miller):** Very well. We'll go to the NDP. Ms. Forster.

**Ms. Cindy Forster:** Thanks. Good afternoon, Dr. McCallum.

**Dr. Andrew McCallum:** Good afternoon.

**Ms. Cindy Forster:** In my questions, I want to zone in around the issues of contemplation of contracting out the entire operation versus contracting, or the public sector taking over, the entire operation—

**Dr. Andrew McCallum:** So going the other way and having everything brought in house.

**Ms. Cindy Forster:** Going the other way. My question kind of comes from some of the earlier comments, but it also comes from my former municipal hat, where we contracted out services. Waste management, recycling, for example, is one area where we had a dozen operators in the Niagara region. We had a really good level of service from most of them.

At the end of the day, we end up with one large operator who puts a lowball bid in the first time and knocks the rest of the players out of the field.

The next time around, the prices are now bumped up by millions, and there are no little operators any longer to create any competition in that sector.

I just want to hear your thoughts on that piece.

**Dr. Andrew McCallum:** Well, I'll respond in the same way I responded to Mr. Klees's question, which is that I would consider anything that would benefit Ontarians and deliver the service that they need to have delivered with the appropriate stewardship.

I think that you're right, that you can get into a situation where a single private provider leads to highballing of the price. Of course, that's the risk of not having more than one SA carrier contracted. There's real value in having a number of viable private carriers working for us and with us.

I think that there's a risk of going to the single public service model as well. I mean, there's always a pro and con, as you know, and I wouldn't say there's entirely pro or con one way or another. But I will say that we would look at all the available models, including the current

one, to see which is the best way to go forward based on the strategic plan.

**Ms. Cindy Forster:** Now, I know you may not have been there at the time, but when the decision moved forward to move from total mileage to an hourly kind of rate—somebody talked a bit about that today—if the volume of hours that are guaranteed increases, the price should go down.

**Dr. Andrew McCallum:** Volume discount.

**Ms. Cindy Forster:** Right, volume discount, but we're talking about patients here; we're not talking about widgets. Is that because these guaranteed hours are sometimes standby hours?

**Dr. Andrew McCallum:** Well, yes, that's fair to say. The fact is, as you know, that the cost of the first hour is the highest cost they have, and the marginal cost of the last hour flown is the least. That's the reason exactly. So if you're guaranteed 600 hours a year, there are two purposes. One is to say what the carrier can expect. The second is to allow them to go their bank and obtain letters of credit, if they need it. That's the reason.

But to your point about patients: We never forget that. These are patients. And the patients' experience is exactly the same, whether or not the hourly rate is different.

**Ms. Cindy Forster:** Okay. Now, there was some previous testimony about Argus, which is a third-party auditor.

**Dr. Andrew McCallum:** Correct.

**Ms. Cindy Forster:** Are you still using Argus?

**Dr. Andrew McCallum:** We are.

**Ms. Cindy Forster:** And it came up in the testimony of Mr. Mackie of Thunder Airlines about a third-party audit organization contracted by Ornge offering to spend extra time or an extra day auditing Thunder Airlines for a platinum rating, and that Argus would charge a fee and a monthly payment of \$150 for issues associated with obtaining a platinum rating. Now, Mr. Mackie said that he found that to be "a gross conflict of interest" and he forwarded that email to Mr. McKerlie, but he never received a reply. So can you comment on the integrity of relying on Argus audits?

**Dr. Andrew McCallum:** Certainly. As I understand it—and I'm not the aviation expert, but I try to make myself familiar with all things that matter to the organization—

**Ms. Cindy Forster:** Right.

**Dr. Andrew McCallum:**—Argus is an internationally recognized safety audit firm in the aviation business. This approach to someone they're evaluating on behalf of a third party, to suggest that they might want to sell them a separate service to enhance their rating, which has no bearing on the original rating, in our view, is entirely inappropriate. I understand that at the time this was made known to Mr. McKerlie, there was a communication with Argus on two counts: one was to tell them to stop doing it and we would not continue to use them if they did it any longer; and the second was to the operators, to advise them that in no way were they obligated to accept this, that it had nothing to do with the rating with us. In fact, it doesn't have anything to do with their rating with us.

**Ms. Cindy Forster:** Does Ornge have any kind of quality assurance checks that actually check—

**Dr. Andrew McCallum:** What Argus does?

**Ms. Cindy Forster:** —Argus's work?

**Dr. Andrew McCallum:** I can't speak to that, but I can undertake to take back to you to find out how we check or do quality on the quality assurance people. I'll make a note of that.

**Ms. Cindy Forster:** I now want to move to whistle-blower protection and the provisions for the standard agreements. Mr. Cox was here from Wabusk Air, and he indicated that in his agreement there were whistle-blowing provisions included in the contract with Ornge, but others noted that it was difficult to complain about an organization that is entirely in control of the standard agreements business and revenues. I'm wondering if whistle-blowing is in all of the agreements with the various carriers?

**Dr. Andrew McCallum:** I don't know, but again, I'll find out for you. I can tell you that, as you probably know, the whistle-blowing process is well entrenched. It's entirely independent. It's anonymous, so we would not know which air carrier had complained, if that came to us, because it comes through an independent third party. I can tell you that to date we've had no complaints.

**Ms. Cindy Forster:** Mr. Rabicki, at the end—I think he was asked a question by Mr. Klees that if he could do one thing in light of his time at Ornge that would kind of improve the system, it was around making sure that you have a tighter operating standard, and he referred to operating standards for firefighters, for police.

**Dr. Andrew McCallum:** Yes.

**Ms. Cindy Forster:** Do you have any idea how Ornge can actually work on that and improve that for better patient outcomes?

**Dr. Andrew McCallum:** Well, from the operational standpoint there's two things actually, if I could be permitted two. The first is the mission profile. The mission profile, which defines how we use the asset to best advantage for the patient and match the patient's needs best is number one, because if we do that and get that right, we're going to be able to provide, again, a highly efficient, highly responsive service to patients at a time they need it. That really is number one.

The second, then, is to develop measures that would allow us to properly understand how we're doing against that process. At the present time, we have throughout the province—you've heard that there's unmet need. Part of the reason there's unmet need is because of the opportunity cost of mismatching vehicles to the patients' needs. For example, we're not always using the most expeditious means to transport; we're not always using the most cost-efficient means to transport, with the proviso that there's the same outcome that occurs; and we're often doing things to facilitate transport that would be, in my mind, completely avoidable if we had a more organized and integrated system, like moving assets and people all over the province to cover parts of the province that aren't covered.

**Ms. Cindy Forster:** In the past, there were big relationship problems between management and employees at all levels at Ornge. Can you comment a bit on how that has changed? Mr. Rabicki spoke a bit to it, but he hasn't been there for a couple of years.

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**Dr. Andrew McCallum:** I think it's a work in progress, to be frank. There are pockets where I'd say we've made good progress, and there are areas where we still have work to do.

The labour relationship is improving overall, I think. People understand that the current management is entirely focused on doing the right thing and trying to get the organization back to the place of respectability that it ought to occupy. We are in contract negotiations at the present time with a number of our unions, one fairly advanced. That's always a challenging time, but we're respectful of their issues and I think they understand ours, and we're working that through.

I've been to all but two of the bases now. It's surprisingly challenging getting around the province with the number of things that have happened. So that's a goal: to get out and meet people. I try to be as available as I can be, and I think it's fairly true of all the execs in the organization. I've had a number of people come into my office, who some of the people around this table have seen, and say, "I've never been in here before." It's kind of nice to be able to say, "Well, you're welcome here."

**Ms. Cindy Forster:** Those are all my questions.

**The Chair (Mr. Norm Miller):** Very well. We'll go to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Just quickly, I want to clarify one other allegation Mr. Horwath from Air Bravo made. This is a direct quote from his testimony: "Well, one thing I can see is that it became apparent that they"—and that presumably means Ornge—"allowed the unionized medics to more or less dictate whether an airplane was to go flying or not, based on how they felt about the weather, instead of leaving that to the pilot's choice." Can you clarify for us, is that the case?

**Dr. Andrew McCallum:** I don't accept the premise. I don't think that's a true statement. It's always the pilot-in-command's decision as to whether or not the airplane is going to go flying.

**Ms. Helena Jaczek:** Thank you.

**The Chair (Mr. Norm Miller):** Mr. Mauro.

**Mr. Bill Mauro:** Dr. McCallum, thank you for being here. Can you describe for me again, before I get to my question, a ramp check?

**Dr. Andrew McCallum:** A ramp check is just what you would think it is. It's walking up to the airplane and asking to see the relevant equipment and documents that are supposed to be carried aboard to the aircraft, based on the regulation under which that ramp check is being conducted. If it's a Transport Canada ramp check, they use the Canadian air regulations. If it's us, it will be the contract.

**Mr. Bill Mauro:** You had expressed a concern that Ornge isn't doing them as much or as frequently or at all compared to what they used to?

**Dr. Andrew McCallum:** To be frank, I don't know the frequency. I can tell you I accept what Ted Rabicki said. It appears that the frequency has diminished, if it's there.

**Mr. Bill Mauro:** I think he said that up till 2011 they were doing them, and then they stopped the ramp check piece. It wasn't the only piece they were doing, but that piece stopped for some reason.

**Dr. Andrew McCallum:** That's correct. All the other checks continue, like the Argus safety checks etc., and those are done on-site.

**Mr. Bill Mauro:** I need to just respond to it, though, because you mentioned in an earlier response to a question from one of the other members that Transport Canada can still ground an aircraft, and when they do their inspections, they still have the authority, and there is a layer of inspection there beyond what your organization does that would ensure the physical safety of the aircraft.

**Dr. Andrew McCallum:** Correct.

**Mr. Bill Mauro:** Okay. The enterprise model—both Ms. Forster and Mr. Klees have asked. I'm interested in that as well. You've kind of answered it. On a go-forward basis, you're currently reviewing what the organization will look like in terms of whether it's a fully public model or a fully private model. A hybrid model, I guess, is what we currently have. Are you needing a signal back here before you can make that decision—I think that's what you're very nicely trying to say—or is that something that you were going to embark upon? And what's the time frame around that review?

**Dr. Andrew McCallum:** I think it's up to the management of the company to recommend to the board what makes the most sense for the operation. I wouldn't characterize it as looking for a signal. We obviously are entirely dependent on government funding, so there's a considerable amount of clout with that. So if we were told to do something, we of course would be in a position to listen.

**Mr. Bill Mauro:** What's the time frame?

**Dr. Andrew McCallum:** To look at that?

**Mr. Bill Mauro:** Well, I thought you said you are looking at it now.

**Dr. Andrew McCallum:** It will be the next six to 12 months, as part of the fleet and base location, and aircraft allocation.

**Mr. Bill Mauro:** Thank you, Mr. Chair.

**The Chair (Mr. Norm Miller):** Very well. Mr. Klees.

**Mr. Frank Klees:** I'd like to pick up where my colleague Mr. Mauro just left off, because I think this is central to how we move forward. What I think got us into the mess that we are in—or were in, and you're trying to work it out—is that Ornge and Dr. Mazza took the position that they could do whatever they choose to do. Essentially, their interaction with the government was, "We're here to brief you, but we're going to do this, notwithstanding what you might think."

That attitude was actually reinforced by Ministry of Health testimony saying that, "Yes, we were told this, but it was made very clear that the Ministry of Health has

nothing to say here. All they need to do is give us the money." So what I'd like to do is get a commitment from you that, once your strategic planning process is done and once the recommendation has been made to the board and the board endorses the go-forward strategy, that, then, will be taken to the Ministry of Health, and the Ministry of Health, because they're the ones who are funding, will in fact have the final say. Can you confirm that for me?

**Dr. Andrew McCallum:** Certainly that's the way I intend it to go.

**Mr. Frank Klees:** Okay. We had Transport Canada in this morning, and the reason that we did is because we wanted to review the two inspection reports that they did at the beginning of the year that you're familiar with. I won't go over the details of that again, but there were some findings there that were very, very disturbing.

Can you confirm for us that all of the steps necessary to bring Ornge into compliance have been taken, that all of the findings that were contained in those two reports for both fixed-wing and rotor-wing have in fact been dealt with and that Ornge is now in full compliance?

**Dr. Andrew McCallum:** To the best of my knowledge, yes.

**Mr. Frank Klees:** I wonder if we could get from you, Dr. McCallum, something in writing confirming that to the committee.

**Dr. Andrew McCallum:** Sure.

**Mr. Frank Klees:** And if, in fact, there are still some outstanding items on any of these findings, that we would be apprised of them.

**Dr. Andrew McCallum:** Sure.

**Mr. Frank Klees:** And one final request I have of you: In the 7506406 Canada Inc. report—that's the rotor report—

**Dr. Andrew McCallum:** Right.

**Mr. Frank Klees:** —one of the findings was that flight crews had not received the required training in six different categories: aircraft servicing, ground handling, emergency procedures, aircraft surface contamination, aeromedical resource management, line indoctrination and, the last one, controlled flight into terrain avoidance. There were 22 pilot licences that were identified as pilots who had not received that training.

I would ask you to provide the committee—in confidence; this is not for public consumption—with the names of those pilots that those pilot licences relate to.

**Dr. Andrew McCallum:** Would you permit me to take that under advisement? I'm concerned about the privacy issue for them there. I have no objection to doing it, but I'd like to respect their privacy.

**Mr. Frank Klees:** No, no; by all means. Again, as a committee, we would commit to hold that private as well. It's not for public consumption, but we would look forward to hearing that.

**Dr. Andrew McCallum:** I understand the intent, and I can tell the committee that the CFIT training, as it's known—controlled flight into terrain—has been accomplished.

Some of it was an issue of documentation; some of it was an issue related to the fact that the simulator they fly is a newer version of the actual Sikorsky aircraft that we fly. You can't find simulators that are exact duplicates of the S-76A. There were differences between the two which led to some confusion and some difficulty with the documentation.

**Mr. Frank Klees:** Yes, and, of course, one of the other findings of the report was that, while they were trained on the one simulator, they were then asked to fly in a model that was considerably different in terms of configuration. According to the report, there was no training in what the differences were.

**Dr. Andrew McCallum:** I think it's a fine point that there is no documented training, which isn't to say—in medicine we always have the dictum: If you don't write it down, it wasn't done. I accept that we can't verify that it was done.

**Mr. Frank Klees:** Okay. If you would get back to us on that request, I'd appreciate it.

**Dr. Andrew McCallum:** I will. I'll take that under advisement.

**Mr. Frank Klees:** Thank you.

**The Chair (Mr. Norm Miller):** Okay, very well. Do you have some more questions, then?

**Ms. Cindy Forster:** I just have one question. What is line indoctrination?

**Dr. Andrew McCallum:** I'm not sure that I'm the best person to answer the question. My understanding is it is indoctrination as to how the flight line operates and how the aircraft is serviced on the ground.

**Ms. Cindy Forster:** Okay. Thanks.

**The Chair (Mr. Norm Miller):** Is that it?

**Ms. Cindy Forster:** That's it.

**The Chair (Mr. Norm Miller):** Okay. Does the government have any further questions?

**Ms. Helena Jaczek:** No.

**The Chair (Mr. Norm Miller):** Mr. Klees, do you have any further questions?

**Mr. Frank Klees:** No.

**The Chair (Mr. Norm Miller):** Okay, very good. Thank you very much, Dr. McCallum, for coming before the committee today. We appreciate it.

We are adjourned.

*The committee adjourned at 1440.*

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