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Chair

Mr. Pat Martin

Standing Committee on Government Operations and Estimates

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• (1100)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): Good morning, ladies and gentlemen. Welcome to the Standing Committee on Government Operations and Estimates meeting number 47. We are assembled today to continue our study on the Standards Council of Canada.

We can welcome today two witnesses, one by video conference, and one present with us in the room.

First of all, by video conference, we have Mr. Jean Rousseau.

You are very welcome, Mr. Rousseau. We apologize for having you attend the committee last week when we were called away for votes in the House of Commons and were unable to accept your testimony. Thank you very much for making the time to be with us here again today.

Also, we are joined by Mr. Graham Rae Dulmage, the director of the standards department, government relations, of the Underwriters Laboratories of Canada, who will make a submission in person to us today.

We are going to proceed in the order that we have in our agenda. We will invite Mr. Dulmage to make a brief opening comment, and then we'll ask Mr. Rousseau and go to questions following both of the submissions.

Mr. Dulmage, you have the floor for opening remarks, please.

Mr. Graham Rae Dulmage (Director, Standards Department, Government Relations Office and External Affairs, ULC Standards and Underwriters Laboratories of Canada): I have been involved in standards for about 30 years, moving from a family that owned a certification body to working for the standards council for three years as the manager of their standards group, and then crossing the table to become the head of ULC Standards. Over those years, there have been a lot of changes in the standards system, and one of them, as you know, is that we have added four more SDOs, standards development organizations, to the system in Canada.

Over the years we've had a number of issues with capacity and delivery of standards. ULC, for example, has 216 standards, increasing at the pace of about four a year, but other parts of the system have declining numbers.

I will stop at that, other than to say that I have worked with CGSB for the last 15 years. I have some colleagues who work there, and I also have a lot of colleagues, of course, at the Standards Council of Canada.

The Chair: Thank you, Mr. Dulmage, for taking the time to be with us here today. I am sure committee members will have many questions for you.

Now we will invite Mr. Rousseau to please make his opening remarks.

[Translation]

Mr. Jean Rousseau (Senior Director, Bureau de normalisation du Québec): Thank you, Mr. Chair.

Good morning, my name is Jean Rousseau. I am the senior director of the Bureau de normalisation du Québec. I am pleased to appear before the members of this committee. I would like to share with you my knowledge about the area of standardization. I hope that my answers to your questions will be able to help you with your thoughts and your inquiries.

My presence here today comes from the fact that the organization I represent is involved in the same area as the Canadian General Standards Board (CGSB) in terms of the services we provide. The Bureau de normalisation du Québec is also governmental in nature. So let me introduce you to the BNQ.

The BNQ was established by the Government of Quebec in 1961. So the BNQ is a little younger than the CGSB. Since 1990, the BNQ has been an operational branch of the Centre de recherche industrielle du Québec, which reports to Quebec's ministère de l'Économie, de l'Innovation et des Exportations. The Government of Quebec recognizes the BNQ as the central organization in matters of standardization, certification and the provision of information about standards, and as Quebec's voice at the Canadian General Standards Board, or any other standardization body.

The initial reason for its creation was to give Quebec an organization that could draw up specifications for all procurements bought by the Government of Quebec. Since then, those needs have changed; the mission of the BNQ today is to act as a partner in business, industrial, social and governmental matters by providing solutions for their needs through the development of standards and certification programs.

The BNQ is a member organization of the Canadian General Standards Board, which is affiliated to the International Standards Organization, the ISO. It conducts its activities in the following areas: developing standards, certifying products, processes and services, and evaluating the competencies of testing and analytical laboratories.

The various accreditations, such as the Standards Council of Canada accreditation that the BNQ holds, guarantees clients that the mandates they entrust to us are conducted according to international criteria that embody best practices in standardization, certification and registration of management systems.

In conclusion, the BNQ conducts its activities in a large number of sectors, including construction, the environment, sustainable development, forestry and public works, health and safety, agriculture and agri-food. Our team has a little more than 50 employees and can call on a large network of subcontractors. In addition, the BNQ is supported by about 700 members of various committees, all of them volunteer.

There you have the organization. I have been working in the standardization area for about 30 years and I will be pleased to answer all your questions. Thank you.

• (1105)

[*English*]

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

It seems both of you have roughly 30 years' background in this field. I think you'll both make a great contribution to the study we have undertaken here today.

We'll go to questions.

For the official opposition, the NDP, Mr. Ravnagat, go ahead for five minutes.

Mr. Mathieu Ravnagat (Pontiac, NDP): Thank you, both of you, for coming here. It's great to have two people who are so experienced in standards.

My questions, to start with, will be a little bit more general, just to get a sense of... The whole standards in Canada picture, from beginning to end, is complex. It functions, but there are questions related to whether the complexity is an issue and whether things could be simplified, what improvements could be made to the system as a whole, and how all the different actors communicate with each other.

Do you have any comments on that?

Mr. Graham Rae Dulmage: There's a fairly lengthy answer. I'll try to give a short one.

If you compare Canada's standards system to those of other countries, we and the U.S.A. are a little different, because we have independent or private standards development systems. Most other countries, such as those in Europe or Australia, have a state-owned or a state-related member body, such as the SCC, which is the member body for ISO. One of the complexities in our system is that we don't have, compared to our peers, a huge number of standards. I think that's because historically, due to our constitution and the way the country is set up, standards are used more to promote or relate to regulatory matters and less for industrial needs, so you see a lower number. Someone might say they have 30,000 standards. A lot of those 30,000 standards might be used by industry. Are they audited? Probably not. So there's a variation in that.

The other complexity we have in the way we develop our system is that as SDOs, we often run into the case where province A or

regulator A refers to four editions back of our standard, but all the rest, or half of them, refer to the latest edition. For us that creates some maintenance headaches and a lot of phone calls from somebody who's trying to figure out which one they should certify to.

Our system has a parallel system called the code system. You have the Canadian Commission on Building and Fire Codes, which I sit on as the representative for SDOs. It writes the codes. It is not formally part of the standards system, but it is a key element. We try to coordinate and work on it very much. We've developed a guideline for coordination between the SDOs. Our biggest challenge is getting members. We're all getting older. The industry in the country is not as strong as it used to be. We don't like to have a representative from a branch plant; we'd rather have an expert.

We carry our weight very heavily at the international level, at ISO and IEC, but I see coming down the pipe the need to really get down to harmonizing cross-country. As a country, and in terms of standards systems, we have to deal with the case that the Europeans and the Chinese are increasingly influencing what we have to write and what we have to measure to. We have to get together as a group and do that.

The SCC has, therefore, changed its way of working. When I was there it was very much inward looking. It's looking out to see how it can drive the system through innovation. To me, the key to our system is that we have to move away from writing standards through regulation to writing standards to create innovation, so that people will want to locate their factories and their research centres in this country and build out from there.

Thank you.

• (1110)

The Chair: Mr. Rousseau, would you care to comment on Mr. Ravnagat's question?

[*Translation*]

Mr. Jean Rousseau: Certainly.

Is it possible to simplify the Canadian system? I would say that the Canadian system works in more or less the same way as other countries in the world. The exception is that, in Canada, activities are controlled by an organization, the Standards Council of Canada. That council accredits organizations in, among other areas, "developing standards". That is the context in which organizations like Normes ULC, the Bureau de normalisation du Québec, the CGSB or the CSA work to develop standards.

The mandatory aspect is another point. Often the mandatory aspect of standards is brought up. I feel that we must make a small distinction. In some cases, standards become mandatory when they are referenced in regulations. But many standards are voluntary in nature. That is a major tool in the economic development of companies and organizations that want to adopt methods on which there is consensus when evaluating products or services.

To conclude, I would add that, when a standards development organization wants to develop a new one, it has the obligation to check whether, anywhere in the world, a standard already exists that has been published by a standardization organization and whether, in Canada, a standard has already been recognized as national. That checking has to be done before establishing a new standard and setting things in motion.

[*English*]

The Chair: Thank you very much, Mr. Rousseau. That's very helpful.

I'm going to go to the Conservatives. I'm pleased to see Mr. Greg Kerr first, as he's expressed a particular interest in this study on national standards. I will remind questioners and people answering that the rounds are five minutes. We try to keep them short so that we can get as many people speaking as we possibly can.

Mr. Kerr, you have five minutes.

Mr. Greg Kerr (West Nova, CPC): Welcome to both of you. I could almost continue with Mr. Ravnat's line of questioning, because this remains a bit confusing to us who are the lay folk in the process.

I'll start by going back to both of you to follow up. If we were to start over, if we were to start today and design a process—I know efficiency and simplicity are important—it seems to me that this would be confusing to those who use the services insofar as where they go, what they get, and so on go. It seems to me the more international we are in our trade, and the more international we are in our relationships, the clearer we should be about what the roles are.

If we were to readjust or make suggestions on some readjustments, what do you see as the first things that could be done or the priorities that could be tackled that would help make this system a little less complex than it is today?

That question is to both of you, so whoever wants to can start.

The Chair: Go ahead, Mr. Dulmage.

● (1115)

Mr. Graham Rae Dulmage: If we could set the clock back, I think we'd start off with our own internal system and restructure how we handle the use of standards within the provinces and territories, so we would have one set and one common agreement. That goes back to how the agreement on internal trade needs to be pulled into the newer system.

At the international level, we need to be involved, but we need to remember it's for our benefit. You could spend a lot of money going out internationally and get nowhere nationally. If we cannot solve the national issues of coordination, collaboration, and harmonization, I think we will be beaten down by the European bloc and the Chinese bloc. To me, that issue is critical and we have to solve that.

We also have to recognize that the Europeans tend to want to take over ISO now. Whereas before we had quite a lot of influence, it's going to decline. Therefore, North America has to get together and have some common form of standards system. We also have to find ways to be very innovative. That's my answer.

The Chair: Thank you. It's interesting.

Mr. Rousseau, would you care to address Mr. Kerr's question?

[*Translation*]

Mr. Jean Rousseau: Yes, of course, Mr. Chair.

Actually, I would add that it in Canada's interest to have a national system of standards that is quite prominent on the world stage and would also be harmonized inside the country.

There has been some recent action on the matter I raised previously from the Standards Council of Canada. Prior to establishing a standard, actually, you absolutely have to see what is being done internationally in order to really get in line with international requirements, given that we were just talking about external trade. At the same time, before developing international standards, we must use our status as Canadians to have some influence on their content in order to properly position our companies, industries and organizations.

That is what I wanted to mention about this. We must be in a position to exert our influence on the world stage and so we must be harmonized and coherent in Canada.

[*English*]

The Chair: Thank you, Mr. Rousseau.

Mr. Kerr, you still have a minute and a half left.

Mr. Greg Kerr: I'm way too efficient, Pat.

The Chair: You are efficient, sir.

Mr. Greg Kerr: One reason I raise this is that we always find that Canada is the greatest and sometimes the most confusing country, depending on what you're dealing with. I know we've had a lot of debate interprovincially about how you break down the borders so you can trade better. Whether it's a wine issue, or whatever it may be, we sometimes tend to be our own worst enemies when it comes to clarifying what the processes should be.

I think what I'm hearing is that we have two tasks. One is the international that we obviously can clarify, but do we also have to do more interprovincially to reach a more simplistic approach to dealing with standards?

Mr. Graham Rae Dulmage: Yes.

The Chair: That's the kind of answer we like.

Mr. Greg Kerr: Okay. I got that one.

The Chair: Mr. Rousseau.

[Translation]

Mr. Jean Rousseau: That exercise really has to be done; it is important. We were just talking about discussions between the provinces. Provisions on the environment and on health, for example, may well be different in Canada. Using the international standard as a starting point, these aspects have to be specified and made cohesive. It is the same in the provinces. At that point, our system would be quite harmonized, which is what we want.

[English]

The Chair: Next up for the NDP is Mr. Tarik Brahmi, please.

You have five minutes, Tarik.

[Translation]

Mr. Tarik Brahmi (Saint-Jean, NDP): Thank you, Mr. Chair.

I have a question for Mr. Rousseau. I would like to start from Mr. Dulmage's observation that the uniqueness of Canada's standardization system is that it does not directly belong to a State. I would like to set that fact against a background that haunts me personally and should haunt all of us involved federally. I am talking about the rail disaster in Lac-Mégantic. On July 6, 2013, 47 innocent people lost their lives in the centre of a moderately sized town in Quebec, a centre that was completely razed.

In your answer to the first question put by my colleague, Mr. Ravnat, you said that a lot of norms are voluntary in nature. The Canadian uniqueness that Mr. Dulmage was talking about sometimes ends up in a conflict of interests in the establishment of standards. Have you personally observed any conflict between the interests of industry and the interest of the State, which is to protect the public? If not, are there cases where it would be possible?

• (1120)

Mr. Jean Rousseau: That is an excellent question.

The standards development organizations accredited by the Standards Council of Canada use a non-consensual development process. For a standard to be referred to as "consensual," three parties must absolutely be involved. First, if it is a product, there must be the manufacturers, then the users, then people with a general interest. I did not put those parties in order of importance. There could be regulatory organizations, experts, and so on. So there must be a balanced committee for a standard to be considered consensual. Those standards must not be confused by the ones called "industry standards".

The companies and associations that establish standards do very good work but they have no duty to establish a consensus. They establish a consensus between themselves in the case of an industry standard, but then you always have to wonder whether the consensus extends to the two other players, the users and those with a general interest. That is a very important concept. I repeat that it is really considered when a standard is considered "consensual" and meets the Standards Council of Canada's criteria.

Mr. Tarik Brahmi: Could you make your answer a little more specific? The issue of rail safety is of interest to our region because the railway line from Dakota to eastern Canada goes right through it. That is the same line on which the Lac-Mégantic disaster occurred. Are there any particular issues in the area of rail safety?

Mr. Jean Rousseau: Following that unfortunate tragedy, it was said that the manufacturing standards for tank cars should be changed, really improved. So there is already a consensus on that. The effort now should be for the industry to put those new criteria into effect as quickly as possible. The technical knowledge of the issue is understood.

It must first be shared with those involved in regulation and with other parties so that it is acceptable to all. Yes, the industry has concerns, but the users, the consumers, the people who want safe products around them, have concerns too. I have no particular expertise in the railway industry, but I know that there must be consensus in all the areas where you hope to establish a standard.

[English]

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

That pretty much uses up Mr. Brahmi's time, but I wonder if you would like to make a contribution to that line of questioning, Mr. Dulmage.

Mr. Graham Rae Dulmage: I would agree with what Mr. Rousseau said. There is a great need, and in the system we have, as he said, we all have to have balanced committees. We're all audited. Every single standard we write is audited. We have annual audits, so the real idea is that you have to have balance, and you have to have consensus. I think sometimes we run across issues where an authority will substitute law for consensus, and then he runs further and further into a hole and has to come back.

Unfortunately, safety is an ongoing issue. I don't know if Jean noticed it, but in our submissions, our reviews of standards, we must also identify how we are supporting the national public interest, public safety, public good, and the health and safety of communities in the advancement of the economy and trade.

• (1125)

The Chair: That's an excellent point. Thank you.

Next we'll go to the Conservative Party, Mr. Brad Butt.

Brad, you have five minutes, give or take.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Gentlemen, thank you for joining us today.

Prior to being elected to this wonderful place, I was in the association management business for 12 years in the greater Toronto area. I had an opportunity to work with different government officials on different regulations and rules and standards, in this case as it related to the housing sector. It was certainly my impression that the people involved in these sectors, the people who do the hands-on work every day, were far better attuned to the standards and what needed to be achieved than, quite frankly, the bureaucrats ever were. The bureaucrats did the best job they could but they were not practical, hands-on people in the industry.

It seems as if there are several associations and boards all doing the same thing. Duplication is likely going on, which is likely costing companies that have to comply in extra time and extra money. Is that what's happening here? Do we have a duplication of services? Maybe we're not using as much of the expertise of private sector operators who know their businesses and know what needs to be achieved.

If that is the case, is there not some way we can pare this down so we have one set of standards, one body that does the accreditation and sets the standard? Should it not be the goal at the end of the day, to have one seamless system that works for everybody?

I'll start with Mr. Dulmage, and then Mr. Rousseau can certainly comment as well.

Mr. Graham Rae Dulmage: If I understand your question, you want to know if there should be a one-size-fits-all solution or one solution.

In Canada, we're much ahead of the U.S. The U.S. has 15,000 regulators, and we have thirteen times four in the sectors.

You're right that I often run into issues where an authority has an idea but hasn't talked to the sector, and the sectors get up in arms. We now have eight SDOs. We could have a system, such as the Germans do, whereby the accredited SDOs would prepare and publish the standards, and you wouldn't go to an association to get them because you would get these inherent or unintentional biases. You would use the system, let it develop for you, and adhere to it. That, to me, would be where we should go.

Should we have one SDO? My guess is that in 30 or 40 years we will have one, because our economic needs are so great that we'll have to be in sync with the rest of the world, but right now I think the eight we have can do the job, working with the SCC. We do try to avoid duplication if we can.

Mr. Brad Butt: Mr. Rousseau.

[*Translation*]

Mr. Jean Rousseau: The standards are published. The people who work on the technical content of those documents are members of the standardization committees, with all the other members. So you must have a committee with some balance.

However, we must not forget a really important aspect. The standards development organizations, such as the BNQ, the CGSB, the ULC or the CSA, manage a process that copies what the ISO does internationally, as do organizations in other countries.

That idea really has to be understood. Here is the difference. Yesterday, for example, the BNQ published a standard on explosives and safe distances for explosives. The BNQ does not provide the technical content of that standard, because the criteria are established by the experts in the area, the various parties involved, doing a lot of work at meetings of the standardization committees. That is all done under the supervision of the organization, such as the BNQ, that manages the standard development process: the committee work, all the public consultation, reviewing the comments, the official publication of the standards and the follow-up when changes are needed. It is about reviewing the standards in question with the methodology and the frequency required.

That is the information I wanted to add.

•(1130)

[*English*]

The Chair: Thank you, Mr. Rousseau.

That pretty much concludes your time, Mr. Butt, thank you.

Next then for the Liberal Party, we welcome the Honourable Mauril Bélanger for five minutes.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Martin.

[*Translation*]

I am not very familiar with this subject, but I hope that my questions will not repeat those that have already been asked.

My first question goes to Mr. Rousseau.

You said that you have several hundred subcontractors. Could you tell us how those subcontractors are chosen and for what time period?

Mr. Jean Rousseau: Let me clarify the concept of subcontractors. The members of the committees that establish the standards are volunteers. When I talked about subcontractors, I meant for checking the standards. Audits are conducted in order to check products, to verify management system standards or to evaluate laboratories since some activities are seasonal in nature. So we have a great need for a lot of people for a short time.

We also need experts in major areas or with various specializations. That is when we need subcontractors. We have our own employees for a certain number of tasks. Otherwise, we hire subcontractors, people who must be recognized by us. They must meet standards. We have to evaluate their credentials and their performance according to the criteria on an on-going basis. We have to be sure that they have all the knowledge, the know-how and the people skills they need in order to conduct the evaluations.

[*English*]

Hon. Mauril Bélanger: Mr. Dulmage, does your association have people who they also call to do some of the audits?

Mr. Graham Rae Dulmage: No, I should explain. We were founded in 1920, so we're 95 years old. We have 185 employees in Canada.

Hon. Mauril Bélanger: You do your own.

Mr. Graham Rae Dulmage: We do our own follow-up services. We are tied to a large organization with 12,000 employees. For something specialized we would sometimes bring in an outside person, but normally it's all done by the staff.

Hon. Mauril Bélanger: I'm aware of an organization called Accreditation Canada/Agrément Canada. They do the accreditation for hospitals. Is there a linkage at all with either of your organizations?

Mr. Graham Rae Dulmage: There isn't with us directly. I'm aware that they do talk to the Standards Council of Canada. Having been on a hospital board as a treasurer, I was involved in the accreditation audit. It's an area in which I think there could be more liaison and collaboration.

[Translation]

Hon. Mauril Bélanger: Mr. Rousseau, do you have anything to do with Accreditation Canada?

Mr. Jean Rousseau: The Accreditation Canada system operates in parallel, in a way. An international organization develops standards for evaluating hospitals. Yes, there has been discussion with a view to building a bridge between the Standards Council of Canada, Accreditation Canada, the Bureau de normalisation du Québec and the Conseil québécois d'agrément. This is an area that really focuses on hospitals and other services to the public.

Hon. Mauril Bélanger: My last question comes from the document provided by the Library of Parliament.

It says that both the Standards Council of Canada and the Canada General Standards Board represent Canada on the ISO.

How is it that two organizations represent Canadian interests on an international organization? Can you comment on that?

• (1135)

Mr. Jean Rousseau: Yes. Depending on the subject, it may be the Standards Council of Canada or another organization. Countries are members of the ISO. Canada is a member through the Standards Council of Canada. However, they may delegate the secretariat of an international standard committee to representatives of other Canadian organizations, such as the standards development organizations.

Here is an example. For a secretariat named TC 197, which develops standards in hydrogen technology, Canada is represented by a president and a secretary. They come from the Bureau de normalisation du Québec and they lead the committee. The Bureau de normalisation du Québec runs the international committee, which develops international standards for hydrogen technology. I could give you a host of examples involving other standards development organizations.

In some cases, by contrast, we do not want a standards organization to represent Canada because our industry has no need. In those conditions, the Standards Council of Canada represents Canada directly. Sometimes, it is desirable for standards development organizations to represent Canada, but for all the interests involved to be properly represented, those organizations have to take a truly Canadian position.

[English]

The Chair: Mr. Dulmage, would you like an opportunity to respond briefly?

Mr. Graham Rae Dulmage: I think Jean covered it. I am the chair of the international ISO committee on second-hand goods—an interesting topic—and the issue there is that I was appointed by ISO but was delegated by the SCC, as he said. We hold, I think, seven national committees for ISO, and we hold three positions internationally. As Jean said on the facilitation, the SCC is always

the member body at ISO, but certain SDOs may have certain committees that have that subject matter expertise.

The Chair: Excellent. Thank you, Mr. Bélanger.

Next, for the Conservatives, we have Mr. Mark Adler.

Go ahead for five minutes, please, Mark.

Mr. Mark Adler (York Centre, CPC): Thank you very much, Chair.

First of all, I want to address my questions to Mr. Dulmage.

How does our standards regime here in Canada rate internationally compared to others around the world? Who are we most closely identified with?

Mr. Graham Rae Dulmage: I would say that we're rated very highly because our consensus system is very robust.

Mr. Mark Adler: Yes.

Mr. Graham Rae Dulmage: I would say that we are closest probably to the Australian-British model.

Mr. Mark Adler: Okay.

Mr. Graham Rae Dulmage: As for our voting record, when I came to the SCC, the voting failure at ISO and the IEC was 32%.

Mr. Mark Adler: Okay.

Mr. Graham Rae Dulmage: We got it up to no less than 2% or 1%, which is within the margin of the top seven members.

Mr. Mark Adler: Thanks.

As you know, we have a very aggressive trade agenda. We've negotiated over 40 free trade agreements since we achieved government in 2006. Is our standards regime keeping up with the free flow of goods resulting from all these new free trade agreements? If not, what can we do to rationalize it?

Mr. Graham Rae Dulmage: I don't think we're keeping up. We're doing better, but I look at it and say I'd rather be at five after 11 than five before. We're at about five before. We need to be at five after 11. The SCC has a fairly good funding model, but we really have to drive to coordinate internally, and also drive to have the right person at the right table with the right tools and the right resources, to go out and deal with the sense and elect a European group, a Chinese group, and any other group that's trying to get the market, and drive for that. But we need to have a really good plan. That's a system need.

• (1140)

Mr. Mark Adler: Who's responsibility would it be to develop that plan?

Mr. Graham Rae Dulmage: Well in our country, to be honest, the SDOs are not rich companies. The federal government and others will have to get together and drive it with the SCC. The SCC is probably best set to help push that through, but it needs to have that knowledge. If it costs \$10,000 a day to be there, what's the cost if you aren't there, if you aren't involved?

Mr. Mark Adler: Of course.

Mr. Graham Rae Dulmage: I gave an example of the electric vehicles standards which in the U.S. were written 12 years ago. We're just doing them now and we're using the American standards. We should have been doing them 12 years ago with the Americans, if we could have. That's an example of where we missed the trade advantage.

Mr. Mark Adler: Similarly, there are probably areas in which we're ahead of the U.S. but they're catching up. Is that true, or not?

Mr. Graham Rae Dulmage: There are some, but not as many as there could be.

Mr. Mark Adler: Oh, really?

Mr. Graham Rae Dulmage: There are just a few.

Mr. Mark Adler: Okay.

In terms of efficiencies within the regime, what inherent impediments are there to achieving some of these efficiencies?

Mr. Graham Rae Dulmage: Well, one is that in some areas there's an overly heavy administrative burden. As my staff always say, "Are we more interested in the outcomes, or are we interested in dotting the *i*'s and crossing the *t*'s in the process?". That's always a challenge. I think the other challenge is collaborating among the SDOs, and we have successfully done that. Over the past many years, there have been some significant disagreements among the SDOs, which has meant that things have stopped, because they want to work on them themselves internally. They don't want to face out to the world in front of them and work with the people in the country that needs the solutions. That has largely gone, but I still see a legacy of it.

Mr. Mark Adler: Oh, really?

The Chair: That concludes your time, but I wonder if we could ask Mr. Rousseau if he might want to comment on either of the questions you put.

Mr. Mark Adler: You're very liberal with your time, Mr. Chair. I appreciate that.

The Chair: I wouldn't use the word "liberal" myself, but perhaps "generous".

Mr. Rousseau, would you like to answer at all the points that Mr. Adler raised?

[*Translation*]

Mr. Jean Rousseau: There have been improvements in recent years, but much still remains to be done. Of course, there is the question of a budget. But we must still focus on the areas in which Canadians have a real interest in influencing the standards established internationally. To be in a good position to do so, we have to highlight the advances that our Canadian technology has made possible. We also have to anticipate what will be asked for internationally, but, to do so, much still remains to be done. We need a budget to do that monitoring so that we can help our companies involved in international trade.

I agree with Mr. Dulmage that the Canadian system is comparable to those in other countries. He mentioned Australia and Great Britain. Our notion of consensus is very robust and that allows us to establish credibility. However, that applies to consensual standards.

The points of comparison are not at all the same with other kinds of standards. The notion of consensus is really very strong in Canada and that is to our advantage. We also have to make it possible for our companies to make use of it internationally.

[*English*]

The Chair: That concludes our first round.

If you don't mind, the chair will take the liberty of one question. I noticed a theme in some of the questioning regarding the harmonization of standards as they relates perhaps to international trade. Has it been raised with you that our standards regime is somehow a non-tariff barrier to trade? In the interest of harmonizing international standards, is there pressure to harmonize at the lowest common denominator, or to dumb down our standards, to facilitate freer trade? Is this a subject that the regulatory regime deals with?

We'll hear from Mr. Dulmage first, and then perhaps Mr. Rousseau.

• (1145)

Mr. Graham Rae Dulmage: I have experienced all three that you mentioned. There are people who want us to dumb down to the lowest. They usually get told they can't. There is pressure to harmonize the north and south, or all three, and there is pressure on the Europeans. Generally so far the system has been able to argue against it, but I see a continuously ongoing drive. The drive is trade, so we have to be aware of that.

We had a fire truck standard that required a fire truck to have a steel ladder. The City of Montreal asked why that was, and we said it was because 20 years ago somebody made a steel ladder. In some cases, we've had some things that were a little bit of a trade barrier. I think when we go through the upcoming agreements we're going to hear more of this, and we have to be prepared to have a considered and well thought-out answer.

The Chair: Mr. Rousseau, would you like to respond briefly?

[*Translation*]

Mr. Jean Rousseau: Certainly.

The idea of an obstacle to trade always has to be verified. In other words, standards must not be an obstacle to trade. If we require something from companies in other countries and other provinces, we have to require it of our own companies. We must base our standards on what may exist internationally and consider the aspects that could have implications in Canada, such as on the environment, for example. Environmental and health matters are subjects on which we can contribute when we are establishing a national standard for Canada from the starting point of an international standard.

The standardization system allows us to make the necessary adjustments while still considering the standards that exist internationally. We can determine if some particular aspects apply to our country and, if so, we can include them in a Canadian national standard.

[*English*]

The Chair: Thank you very much, Mr. Rousseau. That's very helpful.

We have time for two more rounds of questioning, one for the NDP and one for the Conservatives. Then I think we'll have to thank these witnesses and move on to our next grouping.

Now it's time for Mr. Mathieu Ravignat.

You have five minutes, please, Mathieu.

[Translation]

Mr. Mathieu Ravignat: Thank you, Mr. Chair.

Mr. Rousseau and Mr. Dulmage, you're both incredibly experienced when it comes to using and working with standards. So I was wondering whether you had any amendments to propose to the Standards Council of Canada Act in order to make the work of standards development agencies, or SDOs, easier. It could be a change to more clearly define the areas in which each organization is allowed to develop standards, for example.

Would you recommend any legislative changes to that end?

[English]

The Chair: Who would like to begin?

[Translation]

Mr. Jean Rousseau: I want to make sure I understand your question. Are you referring to the Standards Council of Canada or the Canadian General Standards Board?

Mr. Mathieu Ravignat: I'm referring to the Standards Council of Canada Act.

Mr. Jean Rousseau: Okay.

The act was amended in order to change the council's operating procedure. I believe improvements have been made over the past two years, the purpose being to ensure that issues are thoroughly discussed.

For example, when we want to establish a standard and another standardizing body already has one in place, we have to notify the other organizations and tell them why we want to create a new or complementary standard. The Standards Council of Canada implemented that process, and organizations have to follow it before a new standard can be accepted. There's considerable scrutiny around that, especially in recent years.

• (1150)

Mr. Mathieu Ravignat: Mr. Rousseau, are there any other improvements you would propose to the act?

Mr. Jean Rousseau: In my view, cooperation with the council is positive, particularly around standards activities. It's not really about allocating areas to organizations but, rather, ensuring that they are taken into account, so that when there is an existing standard, organizations take it into consideration. That being said, I don't really have any specific issues in relation to the Standards Council of Canada Act.

[English]

The Chair: Mr. Dulmage.

Mr. Graham Rae Dulmage: The only one I would suggest, and it's a matter of clarification, is that the SCC is supposed to approve national standards of Canada, and though we are now moving towards this it's not exactly covered off. Other countries such as the

U.S. allow the SDO to declare a standard without going to the SCC with the formal documentation as part of that process. That gives a speed advantage to a harmonized standard. The act right now doesn't clarify the rules for that, so if that could be fixed and discussed that would be greatly helpful.

The Chair: You have two minutes.

Mr. Mathieu Ravignat: That was it.

The Chair: We'll go to the Conservatives, Ms. Wai Young.

Ms. Wai Young (Vancouver South, CPC): Thank you so much for being here today and shedding light on this.

I note that in the documentation we received, it says,

SCC has requested that CGSB review and update standards that had not been maintained according to our accreditation requirements. Although CGSB did withdraw more than 650 outdated standards from its collection, over half of the standards currently in CGSB's catalogue remain out-of-date. This situation is problematic for key stakeholders, including regulators, industry and consumers.

Can you shed light on this and on what can be done?

Mr. Graham Rae Dulmage: I have sat on the code commission for the Canada fire and building codes for the last five years and have been in attendance for the last 12, and it has been somewhat embarrassing to sit there and hear the members go on and on about CGSB's lack of updating. I understand the problem they have is quite similar to the one most of us have. Perhaps the code standard is old and perhaps it could have been made long term, but no one may want to do it anymore. They have a large number, and I have a few. I would say, if no one's using them, get rid of them. There's no use having them on the books. We may have to work out a transition plan to allow people to move forward, but if no one's using them I don't see the purpose of maintaining them. Look for another solution; maybe it's international and maybe it's somewhere else.

Ms. Wai Young: Mr. Rousseau, do you have a comment on this?

[Translation]

Mr. Jean Rousseau: Yes. A significant number of standards are indeed outdated, meaning, they have outlived their technical usefulness. A National Standard of Canada must be reviewed at least every five years. In the case of non-national standards, the review period can vary. SDOs have made a major effort in this regard, perhaps a bit forced into it by the Standards Council of Canada.

Be that as it may, when the Standards Council of Canada audits an SDO, the verification process is rigorous. Every single time, it examines what the organization has done to really keep its catalogue up to date. That means ensuring that no national standards of Canada are past the five-year review period and that other standards have been reviewed within a five- to ten-year window.

I can tell you that the Standards Council of Canada auditors have really been making a tremendous effort when reviewing SDOs. The number of SCC-accredited standards development organizations now stands at eight.

•(1155)

[English]

Ms. Wai Young: Very quickly, I wanted to ask about this whole standardization between Canada and the U.S. For myself, it's been a huge learning curve to come here and learn about how many things are part of the supply chain, and where things are integrated quite closely with our largest trading partner and necessarily so.

Would you say they are so far ahead of us that we really need to scramble to catch up? What do we need to do to attain that level?

The Chair: Go ahead, Mr. Dulmage.

Mr. Graham Rae Dulmage: I think they are ahead of us, because their industry drives their need to innovate. We have to change how we respond to that need.

I am actually doing a joint standard for North America, the first one ever under the RCC pilot program. It's for, oddly enough, balloon-type backwater valves to stop your house from flooding when you have leakage. That will be the first primary test of whether or not you can do this. The deadline for publication is December 2016. That's the solution we have to move to.

The Chair: Mr. Rousseau, very briefly, would you like to respond to Ms. Young's last question?

[Translation]

Mr. Jean Rousseau: Yes, absolutely.

As Mr. Dulmage said, we have to start thinking about binational standards, those developed jointly by Canada and the U.S. Agreement on standards is possible in North America. Work has been done in the area of electrical products, for example. Mr. Dulmage mentioned products related to plumbing. These are products that circulate throughout North America, and our companies have to adapt. It's important for Canada and the U.S. to have discussions, and SDOs can do that by working within established processes.

[English]

The Chair: Thank you, Mr. Rousseau.

We're almost out of time, but I'd like to give the Liberal Party one more opportunity to ask a brief question.

Go ahead, Mr. Bélanger.

Hon. Mauril Bélanger: Thank you.

There are some technologies that evolve very rapidly. How do we keep up with the norms, if the technology evolves more rapidly than the norms do? Or has that happened in the past?

[Translation]

Are there cases where the technology has evolved more quickly than the standard? And if so, how do you keep up?

[English]

The Chair: We'll go to Mr. Dulmage first.

Mr. Graham Rae Dulmage: Let Jean go first.

[Translation]

Hon. Mauril Bélanger: Mr. Rousseau, you may go ahead.

Mr. Jean Rousseau: It varies from sector to sector. Take IT, for example. It's an area where change happens at a breakneck pace, and it's important to make sure that applicable standards adjust accordingly. Industry needs must dictate how frequently those standards are adjusted. That way, it's possible to take precursors like additive manufacturing and 3D technologies into account. It's a field that evolves at lightning speed, and the standards community can certainly adjust its approach to ensure that standards lead to innovation. Allow me to explain. Instead of setting specific objectives, organizations can develop performance standards rather than prescriptive ones.

And the same goes for codes. Building codes are really heading in that direction. Rather than describe something, standards describe a desired performance, providing the parameters in which businesses in the field can innovate. That's how.

[English]

Mr. Graham Rae Dulmage: I have this tsunami hitting me right now—alarm systems. Alarm systems are a virtual technology, and we run the main committees in Canada for alarm standards. These are hitting us big time, because as Jean said, you have to write performance standards. The performance standards, therefore, have to have metrics that can be measured carefully so that if there is an innovation, you can always address it.

One of the rules we have in our system right now, which I confess I probably wrote, is that you must have a maximum five-year cycle, and you can do only three amendments. I think it's no more than one-third of the document within that five-year cycle.

We may have to change our means to allow.... Some SDOs in the U.S. have it. They call it "continuous improvement". We may have to do that. It goes back to the fact that we need research to back that up. We need the funding, the support, and the encouragement of the young entrepreneurs in the country to get involved and to tell us what they need to move forward.

•(1200)

The Chair: Thank you to both of our witnesses for very interesting presentations.

Mr. Graham Rae Dulmage, from the Underwriters Laboratories of Canada, and Mr. Jean Rousseau, from the Bureau de normalisation du Québec, we appreciate your contributions very much.

Mr. Rousseau, thank you for the special effort you made to come back and see us again. We will benefit very much from your testimony.

We're going to suspend the meeting briefly while we thank this panel of witnesses and excuse them.

•(1200) _____ (Pause) _____

•(1205)

The Chair: We'll reconvene our meeting then. We're going to welcome our next witness before our study on the Standards Council of Canada. Representing the Standards Council, we have Mr. Michel Girard, the vice-president for strategy for the organization. I'll have to let him introduce the guest he has with him because I can't read that far without my glasses.

You understand, Mr. Girard, this is a working lunch. So you'll forgive us committee members if we take advantage of this time to feed ourselves while we listen to your opening remarks.

The floor is yours, sir.

Mr. Michel Girard (Vice-President, Strategy, Standards Council of Canada): Thank you. I have with me Véronique de Passillé. Véronique is our director of government engagement at the Standards Council of Canada.

The Chair: Very good. Welcome.

Mr. Michel Girard: I just hope that during my brief statement I don't cause any indigestion for committee members.

Mr. Chair, if you allow me, I will read my statement and then as you get to dessert, we'll be able to entertain questions.

On behalf of the Standards Council of Canada, I appreciate the opportunity to provide my comments on the programs and activities of the Canadian General Standards Board. As you are aware, the SCC is Canada's national accreditation body. We accredit organizations that are in the business of developing and maintaining standards. In our lingo, we call those bodies standards development organizations, so when an organization develops standards, the acronym we use to refer to it is SDO. You'll hear me talking about SDOs. I apologize if I get into acronyms. We also accredit bodies that certify products to ensure they meet the standards. Those bodies are called conformity assessment bodies or CABs. So you have organizations that develop standards and organizations that test products according to those standards. We accredit both types of organizations at SCC. SCC, it's very important to note, does not develop standards itself, so we are not in the business of developing standards, and we do not certify products either. From that vantage point, SCC is not a competitor to the Canadian General Standards Board, CGSB. Our role is to accredit this organization when it develops standards or in a case where it certifies products. That's our relationship with CGSB.

Up until three years ago, there were only four organizations that were accredited to develop standards in Canada. One was the CGSB. That's the subject of our discussion this afternoon. Then there's the Canadian Standards Association, CSA, which is the largest one in Canada. So that's another one. You also heard Rae Dulmage earlier this morning from Underwriters' Laboratories of Canada, ULC; and Monsieur Rousseau from the BNQ. So those are the four organizations that we accredited previously. Since 2012 the number of SCC-accredited bodies to develop standards has been expanded to eight. So now we accredit eight organizations. The additional organizations include the American Society for Testing and Materials, ASTM. It's a very large U.S.-based organization with hundreds of standards being used across Canada. There is Under-

writers' Laboratories, UL; the Air Conditioning, Heating, and Refrigeration Institute, AHRI; and the last one recently, the National Sanitation Foundation, NSF, which is in the business of developing standards for water quality and testing. I will explain the impact of this important development in a few minutes.

In order to maintain SCC accreditation, all SDOs must follow a standards development process that we have developed and are maintaining. This process is based on internationally accepted guidelines. It is in compliance with the Code of Good Practice from the World Trade Organization. In a few words, it promotes the open, transparent, and inclusive standards development process. The SDOs that we accredit must establish standards development committees that consist of a balanced matrix of representatives from affected stakeholders. That's one thing. The second thing is that committee members are selected based on their ability to represent a combination of interests and expertise. No single group in our committee structure can dominate the agenda or decide the outcome. A balanced matrix of interests means a balance between regulators and industry, consumers and academics, so that you come to a consensus when you develop a standard.

One important aspect of our process is that—and you heard it this morning—the developer of the standards is required to assess the need for revisions at least every five years. If that needs to be done more frequently, then the SDOs will do that. This is an important feature of the standards development process. In response to technological change, health and safety, and market conditions, many standards are under almost constant review and revision.

•(1210)

I want to talk to you about trends regarding standardization in the country, which impact CGSB, consumers, and regulators.

Over the past decade, we have seen a clear shift from developing and using domestic standards to developing and using either North American or international standards in Canada. Our catalogue of domestic standards, which used to contain more than 5,000 different documents about 15 years ago, has shrunk to 2,600 this year—so it's been diminished by roughly half—and that downward trend will continue, so we'll have fewer and fewer specifically Canadian standards in our current marketplace in terms of standards development. Conversely, we have seen a significant growth of activity at the international level. If you think about the major standards development organizations internationally, such as ISO, IEC, which deals with electro-technical standards, and ITU, which deals with telecommunications, their combined catalogue of standards exceeds 30,000 documents. We see about 1,000 to 2,000 standards being published every year by these three large organizations, so the catalogue of standards internationally is growing by leaps and bounds.

Our role at SCC is to coordinate the effective participation of more than 2,600 Canadians in international standards development activities to ensure that our strategic interests are reflected in the key standards that are being developed. The issue here is that we have to make a distinction, given the scope of activity, between those areas in which we have to agree and accept that we are standards-takers, while accepting that these international standards can be used in Canada, and those areas in which we have to become standards-makers, areas in which we have a strategic interest in ensuring that those standards reflect our needs. That's a distinction that wasn't made in the past and now we need to focus on it more and more. We're seeing industry reducing its investment in domestic standards and at the same time, when you look at regulators, we're seeing increasing reliance on international standards.

SCC maintains a database of all standards that are incorporated by reference in federal regulations. In 2014, we found more than 1,160 different standards incorporated in federal regulations. Only 38% of those standards are domestic. Everything else is either a standard from the U.S., a regional standard or an international standard. The trend is continuing, so as our domestic catalogue is shrinking, we see regulators using more and more regional and international standards.

I've spoken to you about the accreditation of those four additional SDOs in Canada. We should note that these organizations have been active in the country for many years. For example, ASTM, which is a very large U.S.-based testing business, has more than 1,400 Canadians participating in its committees. It's not as though it's a U.S.-based organization that has no roots in the country. It has significant roots in the country. We're just recognizing a fact of life now with the accreditation of this organization in Canada.

In terms of the trends, we're also seeing that Canadian business interests have been loud and clear on the need for one standard, one test accepted everywhere, in order to maintain their competitiveness vis-à-vis other regional markets, such as those in Europe and Asia. This is why our accreditation of these new standards development organizations makes sense: they will allow for the development of joint Canada-U.S. standards.

From a public policy perspective, we also need to step up our efforts on the standards front to develop more joint Canada-U.S. standards in order to support the objectives of the Regulatory Cooperation Council, the RCC. One example that we've recently announced is that UL will be developing joint Canada-U.S. standards for life jackets and marine abandonment suits. These will facilitate the harmonization efforts between Transport Canada and its counterparts in the U.S. Once developed, these standards will be adopted as national standards for Canada as well as the U.S. These standards will replace outdated domestic standards that are currently in CGSB's standards catalogue.

Over the course of the last three years, as part of its maintenance process, SCC has reviewed and looked at CGSB's standards catalogue. We've seen a trend here that I think is important for you to be aware of. We've asked CGSB to review and update its standards that have not been maintained according to our accreditation requirements. Although CGSB did withdraw more than 650 outdated standards from its collection, over half of the standards currently in its catalogue remain out of date. This situation

is problematic for key stakeholders, including regulators, industry, and consumers.

As you continue your study, I hope this provides some context surrounding standardization in Canada, and I would be pleased to take any comments or questions.

• (1215)

The Chair: We'll begin with our rounds of questioning right away.

For the NDP, the official opposition, Mr. Mathieu Ravignat, you have five minutes, please.

Mr. Mathieu Ravignat: You recently accredited four standards organizations. Is there a long-term vision or a long-term plan with regard to how many we will need? Is it on a case-by-case basis? Is it to answer needs that arise? Is there a macroanalysis as to where you're going with these accreditations?

Mr. Michel Girard: In our system we have a document called *CAN-P-1*, which we use for the accreditation of standards development organizations. There criteria in that document state that an organization is required to have a presence in Canada; that regulators and other users must be taking advantage of those standards now, and that the documents being produced as national standards in Canada must be available in both official languages. So there are criteria for the accreditation of these organizations.

Standards development organizations could apply to SCC for accreditation, and we would have to audit their capacity to deliver standards for the country, but doing so needs to be advantageous for Canada and for them.

We were very pleased to see ASTM, UL, NSF, and AHRI submit applications for accreditation, because we felt we had significant gaps in our standards catalogue. Now we have eight organizations that I think can collectively meet the needs of Canadians.

There may be applications from additional organizations in the future, but I would say that the bulk of the gaps we identified are now being filled by those eight organizations.

Mr. Mathieu Ravignat: Do you get a sense that the eight are covering the playing field well enough?

Mr. Michel Girard: Yes. I think if you look at the combined catalogues of these organizations, you cover a lot in addition to what we use internationally through the ISO, IEC, and ITU.

• (1220)

Mr. Mathieu Ravignat: And has accrediting the extra four created more competition in the standardization field?

Mr. Michel Girard: We are now seeing more choice, and stakeholders decide what standards they need to meet their objectives. Our sense is that in Canada there should be only one standard covering a given subject and not two, three, or four competing standards. The way we've oriented the system now, as Rae and Monsieur Rousseau explained earlier, if an SDO believes there is a need for a standard, it will submit its request through a central repository that we have established at SCC, and if other organizations are supportive or not opposed, then that standard will be developed and adopted as a national standard of Canada. So it's based on the expertise of the organizations and their ability to deliver what stakeholders need.

Mr. Mathieu Ravignat: Do you have a sense that the fact that there are more organizations has lowered the costs for clients?

Mr. Michel Girard: There certainly is more choice in how the standards will be paid for in their development and use. That's clear. Organizations like ASTM are global organizations. They will develop standards that can be used around the world, in a hundred countries. They can be translated into 15 languages. So their business model is very different from that of an organization that focuses on only the federal government, for example, or on Canadian consumers. That gives them an advantage and can lower their cost.

Mr. Mathieu Ravignat: Do you conduct annual audits of the standards development organizations?

Mr. Michel Girard: Yes. It is part of SCC's role. Once an organization is accredited, there's an annual audit, findings are made, and the results of the audit are circulated back to the clients.

Mr. Mathieu Ravignat: What do you identify as being the major goal or major criteria of evaluations?

Mr. Michel Girard: We use the *CAN-P-1* document for our audits so we want to make sure that the standards development organizations have the right staff in place to develop and maintain standards. We want to make sure the standards that are being developed are using the balanced matrix of interests, so we're looking at that. We also want to make sure the standards catalogue is up to date as much as possible. Those are the main areas we cover, and the auditors spend a couple of days talking to the staff, talking to management of these SDOs, and looking at their documentation.

The Vice-Chair (Mr. Greg Kerr): We now go to Mr. Warkentin for five minutes.

Mr. Chris Warkentin (Peace River, CPC): Mr. Girard, thank you so much for being here. We appreciate your testimony as well as the advice you can offer.

I'm reading the last part of your testimony, and you highlighted a number of things with regard to the CGSB that concern me, quite frankly. You mentioned there are 650 outdated standards within their collection. Obviously, they weren't keeping up. I suspect that means that other organizations were updating the standards, and so the private sector as well as government were going to those organizations for those updates. My question would be, while they still do have remaining catalogues, some of which are updated, some of which aren't, are there any areas in which the CGSB is the only organization that has a standard? Are there any areas in which no other organization has taken up the field of building standards for those elements? If so, what areas would those be?

Mr. Michel Girard: That's a very good question. Thank you.

With the four new SDOs that we've accredited, there is a catalogue of up-to-date standards available for almost every need that Canadians have. I would say that when it comes to, for example, textile standards that CGSB maintains, you have up-to-date alternatives available elsewhere. It's the same for glass standards. I would say that maybe a handful of CGSB standards would be unique. I'd be surprised if there were that many, because other countries are facing the same kinds of issues that Canada is. We have global patterns of trade. We have supply chains that are very integrated among Canada, the U.S., and other major trading partners, so it would be pretty exceptional to see a CGSB standard that only Canadians need and only Canadians use.

• (1225)

Mr. Chris Warkentin: Great. Obviously the role has changed, and the world is changing very fast when it comes to this. Obviously there is a desire, as you talked about, to integrate our standards with those of other countries so that we can trade with them better. From what I'm hearing, there seems to be a diminished need for the CGSB. I think we've highlighted that basically the private sector or other organizations have taken up the entire field that they currently fill. Can you see any element of what they do that could not be offered by some of these other standards organizations?

Mr. Michel Girard: No. I think CGSB was a very useful organization 40 or 50 years ago when it was closely integrated with the procurement system of the Government of Canada. It developed standards and specifications that were then tested by Public Works, because Public Works had laboratories. Those laboratories were closed in 1977. Since then the value of the catalogue has diminished and there are up-to-date alternative standards out there that can be used and are being used by Canadian regulators and industry.

Mr. Chris Warkentin: Does the existence of the organization create additional red tape for the government and its contractors? Obviously, we've established now that there are other organizations that everyone's using. Is there an impediment in having them there?

Mr. Michel Girard: We haven't looked in detail at the CGSB catalogue to see if there are duplicative standards, but I can say that I've heard some anecdotal evidence that in Canada we are having to undergo two tests for products that are perfectly fine with one test in the U.S.

One example of that would be for the glass doors in your shower stalls. They need to be tested twice to be used in Canada, once with an ASTM test, and once against a CGSB standard. The standard was developed and has not been updated since 1990. In my view, a standard that is many decades old has diminished value, and yet we need to pay for those shower doors that have the two logos.

In other sectors, we're being told that the cost of certifying a mature product can be between 2% and 4% of the cost of the product that you pay for. So if the same shower door is being used in Canada and the U.S. but it needs to have two certifications in Canada, then there's a contributor to the price gap. That hasn't been documented systematically, but I would say that anecdotal evidence shows that there may be instances where a CGSB standard would lead us to having multiple certifications with very old, outdated standards.

The Vice-Chair (Mr. Greg Kerr): We'll now turn to Mr. Brahmi, for five minutes.

[Translation]

Mr. Tarik Brahmi: Thank you, Mr. Chair.

Mr. Girard, I represent the constituents in the riding that was devastated by the Lac-Mégantic disaster on July 6, 2013. My constituents in Saint-Jean-sur-Richelieu are questioning the balance between rail safety standards and oil transportation risks. I mention oil transportation, but you could probably tell us about other such cases.

In your remarks, you talked about the growing trend away from domestic standards. In Quebec's case, it would even be provincial standards because we have a provincial regulating body. So there is a shift away from provincial and national standards towards binational, or regional, as you said, and international standards.

Because of that trend, are safety considerations specific to our reality likely to fall by the wayside when it comes to the transportation of dangerous goods by rail? By their very nature, international standards require broader consensus, resulting in added risk at the local level.

Does the trend concern you?

• (1230)

Mr. Michel Girard: That's a great question.

We can't be involved in all international standards development activities around the world. Having the presence of mind to know which standards are strategically important, or even essential, to Canada is necessary. And those are the committees we need to contribute to. When Canada determines that certain products or processes are strategically important to the country, committees are established with a view to shaping those standards on the international stage.

Canada is well-received. Our representatives are extremely effective when participating in these international meetings, whether at the ISO or elsewhere. The same is true when you look to the U.S. As I see it, it's necessary to determine which standards are of strategic value to the country and whether health- or safety-related issues need to be considered in a different light. That is the way to establish a standard, and ensure that international standards and our needs coalesce.

Given the four new SCC-accredited organisations in Canada and the process we follow, we require that the Canadian process be applied when standards for use in Canada are being developed. The balanced matrix approach I mentioned earlier ensures that consumers, Canadians, have a place on the committees. That is the de facto approach to developing and maintaining these standards.

The first step is making choices, and the next step is to make sure those standards are aligned with our expectations and needs. As Mr. Rousseau pointed out earlier, if an international standard isn't to our satisfaction, we can always modify it and incorporate additional criteria.

Mr. Tarik Brahmi: My question relates strictly to the rail sector. Are there cases where business interests and public safety conflict? A regulator's number one concern is, after all, public safety.

Mr. Michel Girard: Our job is to make sure that SDOs adhere to the process, and that's what we do.

When a draft standard is ready, we post it on the organization's website. That is how we make certain the public has 60 or 90 days to provide feedback. All comments must be individually examined by the chair of the technical committee, and a response must be provided in writing to address the validity of the comment and, if applicable, the manner in which it will be incorporated into the standard.

Hence the importance, from our perspective, of adopting a strategic approach to priority setting. It's the only way to make sure that standards reflect the concerns of consumers, Canadians, and regulators. Regulatory authorities have a vested interest in ensuring that standards meet their needs to allow for referential incorporation.

[English]

The Chair: Next is Guy Lauzon for the Conservatives.

You have five minutes, please, Guy.

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Welcome to our guests. It's nice to have you here.

You mentioned, I think, Mr. Girard, that the CGSB is at about 50%; it has reviewed about 50% of its standards. Public Works has a target, I understand, of 75% for this organization by the end of this fiscal year. What do you think the chances are of it meeting that target if it's only at 50% now and there are apparently thousands?

• (1235)

Mr. Michel Girard: That's an interesting question. I wouldn't want to speculate on its behalf. What I can say in terms of trends is that in the 1990s CGSB's catalogue had about 1,700 standards. Five years ago it had fewer than 1,000. Now CGSB is down to about 300. Two weeks ago it withdrew another 20. So my sense is that, in order to meet accreditation requirements, it has only two choices: It can either access additional funding to update the standards and re-establish technical committees and get going or withdraw the older standards where there's no financial support to update them.

My sense is that, if there is no need and nobody is willing to pay for the update, it will have only one choice and that will be to withdraw more standards from its catalogue.

Mr. Guy Lauzon: And for all intents and purposes it wouldn't be effective if it had very few standards. It wouldn't be a player if it were down to twelve standards or two standards or something.

Mr. Michel Girard: I know. It has competent staff and if it has the right technical committees, it is possible for it to continue with a very limited scope, but if there are up-to-date alternative standards out there, maybe that's—

Mr. Guy Lauzon: Other organizations are doing the same things. Okay, I think I hear you.

In your address, just to build on what Chris said, you mentioned that the situation with CGSB is problematic to stakeholders and to regulators, but to industry and consumers.... I used to be involved somewhat in industry, and of course I'm a consumer and I've experienced frustration. I bet you there aren't any members of Parliament around the table who haven't dealt with some organization in their riding, some company that is just frustrated to death with these myriad standards.

So can you elaborate on the problems that CGSB would create for me as an entrepreneur, a business owner, or a stakeholder?

Mr. Michel Girard: I think the example I gave a few minutes ago about the laminated safety glass standard being old and the requirement for two tests of limited value points to an issue. If you look at their catalogue of standards, you'll see there are other areas in which the standards are maintained by CGSB but could also be referenced in the national model codes, such as the building codes.

Mr. Guy Lauzon: And that same shower door is costing me as a consumer more money because of....

Mr. Michel Girard: It's because of the double certification. Now, if there are significant differences in Canada—

Mr. Guy Lauzon: That's fair.

Mr. Michel Girard: —then yes, we need standards that are adapted to our particular context, but inside a home, what is so different in Canada, in terms of our showers, that we require something different from a marketplace of 350 million people in the U.S.? I remain to be convinced of that.

Mr. Guy Lauzon: Actually, you know, I think our quality of life here in Canada and the quality of our products, the quality of our production.... I refer to agriculture. We make some of the best agricultural products in the world. I don't think Canada has to worry about the quality of our production of goods and/or the production of our food or anything. I think we can live up to just about any standards internationally.

Is that a fair statement?

Mr. Michel Girard: We use international and regional standards. That's the reason Canadian manufacturers are able to connect to global supply chains. So from that perspective, yes.

Mr. Guy Lauzon: Somebody else mentioned that our marketplace is worldwide. It's the world. It's no longer even North America.

Can we satisfy the international standards, if you will, around the world, in the way we're operating here in Canada?

• (1240)

Mr. Michel Girard: I would say yes, to a point.

Given the scale of activity, we need to be strategic in where we invest our limited resources to make sure that the critical standards we need reflect our industry, our concerns, and our processes. That's the challenge for us.

Mr. Guy Lauzon: Can you elaborate a little on that?

Can you give me an example?

Mr. Michel Girard: About four years ago, under the clean air agenda, SCC accessed additional funds to develop standards to help

northern communities adapt to a changing climate. There were no international standards for managing homes when the permafrost melts. It did not exist; there was no need.

We put money on the table. We issued an RFP, a request for proposal, and all of the accredited SDOs were able to compete in order to get the contract. CSA was able to deliver the contract. They've now issued standards for snow loads in the north, for permafrost melting, and for thermosiphons, which are tools you use to keep the permafrost frozen, and even for community drainage systems.

We are world leaders now, and I think that eventually you'll see these standards being reflected internationally as well. That's what we need to do in this country. We need to use our limited resources and focus on critical areas, and agree and accept to be standards-takers in areas where there's no additional risk. This way, we all win.

There's credibility in the system. It is invisible to most people, but it's there.

The Chair: Mr. Girard, you are out of time.

Mr. Michel Girard: You don't worry about your elevator in the morning. You don't worry about getting shocked when you flick the switch on. That's a given. Yet, that's what the standards system does for us.

The Chair: I'll have to stop you there.

Thank you, Mr. Lauzon. You're well over your time.

Next, for the Liberal party, is Mr. Mauril Bélanger.

[*Translation*]

Hon. Mauril Bélanger: Thank you, Mr. Chair.

Mr. Girard, what are the standards around standards accessibility?

Mr. Michel Girard: The standards for standards accessibility?

Hon. Mauril Bélanger: I'm referring to the public's access to standards.

Mr. Michel Girard: Standards are posted on the websites of the various organizations that develop and maintain them. The trend—

Hon. Mauril Bélanger: Is that mandatory?

Mr. Michel Girard: Mandatory?

Hon. Mauril Bélanger: Is that mandatory?

Mr. Michel Girard: How do you mean?

Hon. Mauril Bélanger: Do the groups you established have to post them online?

Mr. Michel Girard: Absolutely. It's mandatory.

With the current trend, we're seeing more and more SDOs making their entire catalogue accessible online in view-only format. On the CSA's website, for example, people can consult standards page by page, without having to purchase them. They make the essential information on the standard available online.

Hon. Mauril Bélanger: Does that mean outdated standards are also accessible?

Mr. Michel Girard: Yes. Outdated standards that are in an organization's catalogue are accessible until the technical committee decides they are no longer useful. Then, they are withdrawn. People can go to the public library to consult old standards that have been withdrawn from the market.

Hon. Mauril Bélanger: When an SDO submits a proposal to create a standard but one or two other organizations have an interest in doing that as well, what happens? How do you decide which SDO will develop the standard?

Mr. Michel Girard: Currently, SDOs are asked to consult and to figure out, through consensus, which organization will develop a given standard.

Hon. Mauril Bélanger: And if there's no consensus?

Mr. Michel Girard: That hasn't happened so far.

Hon. Mauril Bélanger: It's never happened?

Mr. Michel Girard: No.

Hon. Mauril Bélanger: And if it ever does?

Mr. Michel Girard: A decision would have to be made at a later point, likely through a joint process involving the Standards Council of Canada and the SDOs. But, as I said, that hasn't happened yet.

The big question for us is mainly where does a standard need to be developed, where are standards missing because of a lack of resources to develop them. In Canada, there are so many gaps in the standards market that SDOs aren't really in competition with one another.

•(1245)

Hon. Mauril Bélanger: Okay.

In terms of the trend to adopt continent-wide or international standards, has Canada ever been opposed to a standard developed by another organization?

Mr. Michel Girard: That can happen.

Hon. Mauril Bélanger: Has it ever happened?

Mr. Michel Girard: I can't give you any examples, but it can happen.

What I'm getting at, in response to your question, is that if Canada was ever in need of a standard and didn't have the resources to develop it but regional or international resources were available, Canada could adopt that standard. A technical committee would be formed to study the standard and could make any changes or adjustments it saw fit. Statistics-wise, the vast majority of international or regional standards used in Canada are adopted as is.

Hon. Mauril Bélanger: Who adopts or develops food standards?

Mr. Michel Girard: We aren't involved in that.

[English]

In English we say "SPS"—sanitary and phytosanitary—and "non-SPS".

[Translation]

We don't deal with sanitary and phytosanitary standards. The Canadian Food Inspection Agency has Codex Alimentarius for that. It has a whole slew of organizations that develop and maintain food safety standards.

Hon. Mauril Bélanger: What relationship do you have with them?

Mr. Michel Girard: We share information on a case-by-case basis, but there really isn't much integration.

As far as the ISO's role is concerned, it will have standards for tractors, engine fuel efficiency and things of that nature. Food safety is entirely separate.

[English]

Hon. Mauril Bélanger: I have a question for you, Mr. Chairman. As we go through this, will the committee look at the norms for food?

The Chair: Those are not currently part of the study. Any questions in that regard were to be asked within the context of the study. We'll be hearing from the Canadian General Standards Board next, Mr. Bélanger, and then we'll be wrapping it up.

Hon. Mauril Bélanger: Okay.

[Translation]

Thank you.

[English]

The Chair: Next is Mr. Warkentin.

You have five minutes, Chris.

Mr. Chris Warkentin: Thank you, Mr. Girard. This is very helpful information. I think the next meeting is going to be interesting, because we are of course going to need to seek additional clarification.

With regard to some of the discussion we were having earlier, I started to become concerned not only for those companies that are trying to import things to Canada but also for the small business owners and their companies, for those folks here in Canada who might be trying to export things internationally. If there are two different standards, one that is outdated in Canada, which you have to meet, and then of course one internationally, which you have to meet in order to reach the international market, there is a need for international standard compliance, and then we'd have a different one here domestically.

There is a cost to testing for these companies. Could you venture a guess? I'm sure every product has a different cost. When you talk about 3% or 4%, that is once the company is mass-producing these items. When it's for the first item that moves off the line, there's a huge cost. Would we say that it's hundreds of thousands of dollars in some cases? Are we talking millions of dollars for testing?

Mr. Michel Girard: Oh yes, for prototype products, we see in mature sectors such as electrical or plumbing that the cost of prototyping a new product could be up to 50% of the expected revenues for the first year. If you multiply the number of requirements, that makes Canadian SMEs less competitive.

I'll contrast this with what is happening in the European Union. For the past 20 to 25 years the European Union has been putting a system in place so that once our European counterpart to the SCC, CENELEC, approves a standard, every single country under the commission, the European Union, will have to adopt that same standard and withdraw any competing standards from their books. We're talking here about France, Germany, and Italy. The Europeans have created a common market of 600 million consumers.

Here in Canada, because jurisdictions within Canada are not aligned, we hear industry telling us that they sometimes have to do two, three, or four tests for products in order to access the Canadian market. In the U.S., it's one or two. Generally speaking, it is one for the continental U.S. and then one additional one for California, because California has more stringent requirements for energy efficiency and those types of things. But that is two tests for 350 million people versus two, three, or four tests here for a market of 35 million people. That's why we believe there's a really urgent need to align standards among jurisdictions in Canada.

• (1250)

Mr. Chris Warkentin: So for the small business trying to start up, if you talk about 50% of their revenues for the first year, and then multiply that by the number of tests, I suspect, it puts these guys out of business before they even start.

You mentioned shower doors, and I recall that when we were in the construction industry, oftentimes there were products we could not access. They might be from a retailer such as Home Depot or something that has a presence in both Canada and the United States, and the retailer would simply tell us that while the product was available in the States, they wouldn't bring it to Canada simply because the redundancy didn't warrant the small market Canada would provide for that product. They would leave it on the American side, and we couldn't import it to Canada, so consumers on the Canadian side sometimes don't even have the right to pay more for that product. They might have no access to that product.

I am thinking of some of the novel and innovative products that could make life easier for Canadians, such as different technologies to reduce encumbrances within the home for those people who are physically disabled or things that increase energy efficiency but that are not available in Canada simply because companies are not willing to pay for additional testing since the market in Canada is so small compared to what they can access around the world based on a single test.

You are nodding your head, so maybe you see this.

Mr. Michel Girard: I am nodding my head. We hear anecdotal evidence that our standards system is a couple of years or sometimes three years behind what is happening in the U.S. on an ongoing basis. The codes that we maintain here in Canada are one edition back from what's happening in the U.S. That is why we believe there is such an important, urgent need for us to develop more joint standards, so that, in areas that are of critical importance to us, we are at the table right from the get-go to ensure our interests are protected without causing mayhem for industry and SMEs.

The Chair: That concludes your five minutes, and it also concludes our first round of questioning.

As a point of clarification, Mr. Girard, some of us are still wrestling with the role and functions of the Standards Council and the CGSB. I am just looking at some of the questions prepared by our analysts. The budget for promotion of the activities of the CGSB was about \$60,000 annually, but it does not have the right to advertise itself to the public or to users, whereas the budget in the main estimates for the Standards Council of Canada is \$500,000 just for the one element of promoting the northern infrastructure design, planning, and management regarding climate risks.

Why would the CGSB not be allowed to promote itself? Is that part of a downward spiral in relevancy, so that if nobody knows about them or about what they do, they will be less likely to use their standards in the general conditions for new construction projects or whatever? How do you explain that? Do you have any insight into that?

• (1255)

Mr. Michel Girard: No, I don't. The CGSB operates as an agency of the Department of Public Works and Government Services.

The Chair: But you are a crown corporation that receives money from the federal government as well.

Mr. Michel Girard: Yes, we are a crown corporation. We get annual appropriations. Our job is to make sure that key decision-makers in the country are aware of the challenges we are facing as a nation when it comes to standardization.

The Chair: Do both of you go to represent Canada at international conferences, etc.? Who has primacy when you represent Canada?

Mr. Michel Girard: Well, SCC is the member body, so we are the ones coordinating the participation of Canadians at international committees. I believe CGSB has about 45 to 50 technical committee members participating in ISO committees. They do it through us, and we manage about 2,600 Canadians participating in ISO and IEC committees. CGSB is just one of the organizations that have an interest in participating.

The Chair: It's a mouse and an elephant.

Mr. Michel Girard: In a sense it is.

The Chair: I understand that the NDP has no further questions.

Mr. Butt, you're next, if you have any further questions.

Mr. Brad Butt: I'm good, Mr. Chairman, thank you.

The Chair: Well, then, perhaps that concludes the interest of the committee in interviewing these witnesses.

We thank you, Mr. Girard and guests, for appearing before us today.

The meeting is adjourned.

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