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• (1540)

[*Translation*]

The Chair (Hon. Jean-Yves Duclos (Québec Centre, Lib.)): I call this meeting to order. Good afternoon, everyone. Thank you for taking the time to be here today. This is meeting number 33 of the House of Commons Standing Committee on Public Safety and National Security.

Pursuant to Standing Order 108(2), which you are familiar with, we're meeting today to study the role of the Canada Border Services Agency in the so-called H₂O highway corridor and port clearance practices.

For the first hour, we have the opportunity to welcome three officials from Transport Canada, namely, Sonya Read, director general, marine policy, Mathieu Grenier, director, marine analysis, and Heather Moriarty, director, ports and seaway policy.

Welcome. You have five minutes for your opening statement.

[*English*]

Sonya Read (Director General, Marine Policy, Department of Transport): Mr. Chair and honourable members of the committee, thank you for the opportunity to appear before the Standing Committee on Public Safety and National Security today.

My name is Sonya Read. I am the director general of marine policy at Transport Canada. I'm joined, as the chair noted, by my colleagues, Heather Moriarty and Mathieu Grenier.

[*Translation*]

I appreciate the opportunity to participate in this important thematic study on the role of the Canada Border Services Agency, as well as departments such as Transport Canada, which support it in port clearance practices, and more broadly, support maritime trade, along the Great Lakes—St. Lawrence corridor.

[*English*]

I understand that my colleagues from the Canada Border Services Agency appeared before this committee on March 26, to speak to the agency's role in supporting trade and the Canadian economy, and to provide an overview of their services vis-à-vis marine cargo examinations and inspections. As my agency colleagues noted, decision-making on port infrastructure and supply chains implicates multiple departments. That is why Transport Canada, Global Affairs Canada, the new Major Projects Office and many other departments and agencies are working together on Canada's trade diversification and supply chain fluidity objectives.

[*Translation*]

As we delve into Transport Canada's role, I would first like to speak to the department's mandate in the marine domain, and then, specifically to how we work with the agency.

Transport Canada's overall mandate is to ensure that Canadians have a transportation system that is safe, secure, efficient, environmentally responsible and technologically advanced—one that supports economic growth and improves accessibility across all modes of transport.

• (1545)

[*English*]

In the marine context, this covers a wide range of responsibilities, including regulating navigation and marine security, overseeing port authorities, enforcing vessel safety standards and protecting the marine environment from pollution.

More specifically, as director general of marine policy, I'm responsible for policy leadership related to the Canada Marine Act, the oversight framework for Canada Port Authorities and the St. Lawrence Seaway, transportation economic policy frameworks for domestic and international shipping in Canada, and broader, system-level issues that influence how marine transportation supports Canada's economic and trade objectives. I'm also responsible for advancing Canada's marine transportation economic policy objectives at key international fora within the global marine sector, as well as for developing, negotiating and implementing international marine conventions and domestic legislation and regulations.

[*Translation*]

Canada's marine transportation system is comprised of a variety of marine assets, public and private ports, as well as the 17 Canada port authorities that represent Canada's 17 largest and most strategic ports. These ports and the seaway are vital to the government's trade objectives. As such, there is a renewed focus on ensuring this critical trade infrastructure is appropriately managed and capitalized to deliver.

I would like to highlight two ways in which Transport Canada is supporting these objectives.

[English]

First, Transport Canada has recently launched the \$5-billion trade diversification corridors fund, which will deliver funding to build and improve the trade infrastructure that connects Canada, with the objective of unlocking access to new global markets and helping double non-U.S. exports. Transport Canada will deliver this program in partnership with other government departments and agencies, including the Canada Infrastructure Bank.

Although I'm not responsible for leading this program, my team and I, along with others, provide advice on how proposed projects align with Canada's supply chain and trade diversification needs.

This brings me to the second area of work I would like to highlight: collaboration with the Canada Border Services Agency.

As you know, budget 2025 announced that the agency would work with Transport Canada and Global Affairs Canada to identify additional ports for container import and export designation, particularly in the Great Lakes–St. Lawrence region, like Quebec City and Hamilton.

As Transport Canada makes investments in transportation projects and the governance and marine transportation corridors, we must work strategically with our colleagues at the agency. This necessitates taking a corridor-level approach when assessing and allocating resources that consider the full supply chain beyond one port.

While the agency is ultimately responsible for decisions related to the allocation of their resources, including new services, Transport Canada provides economic analysis and policy advice on how a proposed project or investment could contribute to Canada's economic priorities, including supply chain fluidity, where there are capacity constraints, resiliency and trade diversification.

[Translation]

Thank you for the opportunity to appear before the committee. We welcome your questions.

The Chair: Thank you very much, Ms. Read. We know you have more to say and you can certainly do so during the question and answer period ahead.

To start, I'll turn the floor over to Ms. Kirkland for six minutes.

[English]

Rhonda Kirkland (Oshawa, CPC): Thank you, Chair.

I appreciate your introduction, Ms. Read.

You mentioned strategic ports. I happen to be a member of Parliament for Oshawa. I think that Oshawa can be a strategic port, albeit it's often overlooked. I'll touch on that a bit, as well as the CBSA collaboration in those additional ports to be identified. I do appreciate that Transport Canada and you also would provide economic analysis or policy advice. I think I have that right from what you said.

Sonya Read: That's correct.

Rhonda Kirkland: Understanding that Transport Canada is responsible for the overall performance of our transportation system, as you mentioned, the committee recently heard from Ian Hamilton,

who is president and CEO of the Hamilton-Oshawa Port Authority, HOPA. He said clearly that CBSA is the biggest roadblock to growth at the port of Oshawa.

Do you see that as a barrier, and do you know why it persists within our system?

Sonya Read: We have a very collaborative working relationship with the Canada Border Services Agency. We work with them, as I noted, to provide economic and policy advice to support resource allocation decisions across the full spectrum of ports in Canada. We work closely with HOPA in respect to their infrastructure needs. We recognize the importance that CBSA services play in respect of the different ports, and we work very collaboratively with them in respect of their decisions on resource allocation.

• (1550)

Rhonda Kirkland: Are you aware that there is no CBSA presence at the Oshawa port?

Sonya Read: It's the Hamilton-Oshawa Port Authority, so it's actually one single port, although it has multiple locations because of the amalgamation of Oshawa, which of course you would know. They provided recently a preliminary approval for a sufferance warehouse in Hamilton related to a project there.

Rhonda Kirkland: As the Oshawa member of Parliament, I often hear a lot about Hamilton in terms of the Hamilton-Oshawa Port Authority. I feel it's important that Oshawa doesn't get forgotten in that, so that's why my questions are very specific.

Right now, if a port can't move containers, which we can't, really, because CBSA clearance isn't available, it feels more like a system failure than an operational issue. Is there anything that Transport Canada can do to coordinate with CBSA to resolve it?

Sonya Read: I think there are a couple of different layers to that question. The first thing would, of course, be a capacity and a project or a facility that would be moving containers, and an understanding of what is going to be moved through a port. That's normally where we start with that.

I know there are lots of different decisions that go into it. CBSA was here earlier. They can talk about the designation process for supports of arrival. Those are often business decisions, and we would, obviously, work with the port authority and project proponents if they were looking for those types of opportunities.

Rhonda Kirkland: Okay. Just to clarify, it would be project-driven. A project would have to be placed in front of you for consideration and in front of the planners for consideration in order for that to move forward.

Sonya Read: In the normal course, we would look at that in terms of whether there is a project or an initiative under way that would require CBSA services in order to advance, and the conversation would orient around that. The two have to go in tandem.

Rhonda Kirkland: We've heard that trained officers on the ground are essential for anything to happen in Oshawa. From a system planning perspective, is there a performance...or a concern? Is a project the only way to get CBSA presence at the Oshawa port?

Sonya Read: I would have to defer to colleagues at CBSA in that regard.

Rhonda Kirkland: Okay. I have one minute.

I know you're totally...so maybe this will go to others. I know we're not talking about airports, but I just thought I would ask this question to you, because you may have the answer.

Interestingly, I was talking to firefighters from Oshawa this morning, along with the International Association of Firefighters. They're concerned that Canada is not aligned with international civil aviation organizations. I'm not sure if you're aware of that in terms of our firefighting capabilities at airports.

For instance, when then president Joe Biden came to Canada, we had to make sure the Ottawa airport had the proper fire safety that matched with what they had in the U.S. Are you aware of any of that?

Sonya Read: I'm sorry, but I'm not. I don't have that information.

Rhonda Kirkland: It's not on any of your wavelengths there. Well, I asked the question. We'll have to ask it to the right person next time.

The Chair: Thank you.

[*Translation*]

Ms. Acan, you have the floor for six minutes.

[*English*]

Sima Acan (Oakville West, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for coming to our committee today.

Since 2018, the government has been focused on modernizing Canada's ports, from assessing ways to improve transportation systems to supporting Canada's competitiveness on the global stage. Recently, the Prime Minister announced the Contrecoeur container terminal project, which has started work.

Although the committee's principal mandate concerns security infrastructure at Canada's strategic marine ports, it's also important to recognize that the improvements to customs container processing

are closely linked to the effectiveness and resilience of our supply chains.

My first question will be this. The national supply chain task force has emphasized that the port congestion must be addressed before any reforms can yield their full benefits. This government is part of the process to streamline federal approvals and to cut red tape. What steps has Transport Canada taken to alleviate congestion in the Great Lakes and St. Lawrence Seaway?

• (1555)

Sonya Read: The Government of Canada has been working closely with ports regarding their infrastructure needs across the Great Lakes and St. Lawrence Seaway system. In terms of projects put forward, there are a number that have been funded throughout the Great Lakes system, particularly at Port Hope but also at the ports of Montreal, Trois-Rivières and Quebec, to name a few.

I think Contrecoeur would obviously be the most recent and probably one of the largest, more significant projects that have been put forward in that regard. That project will be increasing the port's capacity by 60%, which is the largest eastern port expansion in Canadian history. It will add over 1.5 million TEUs of additional capacity there.

We recognize that this is also ensuring that we're able to get ahead of the curve in looking ahead to what the forecast volume demands will be and how we ensure that port congestion does not become an issue that slows down Canada's ability to grow and diversify its trade.

Sima Acan: Thank you very much.

Additionally on that work, how is Transport Canada working with seaway authorities and port operators to address the choke points during the peak shipping seasons?

Sonya Read: We have had ongoing conversations to understand the causes of these choke points appearing in our system. We're continuing our analysis in terms of the fluidity of the supply chain and when those occur. Sometimes they are the result of unforeseen events. Sometimes that congestion happens as a result of weather events or other temporary disruptions.

We work across the modes, with rail, road and ports, to identify areas of concern and potential solutions.

Sima Acan: Thank you very much.

Could you also speak to the infrastructure investments that have been made to modernize Canada's ports through the national trade corridors fund and the improvements to our clearance ecosystem?

Sonya Read: A number of investments were made under previous programs and under the national trade corridors fund program, which included port projects and required new or expanded CBSA services. This included, for example, the project at Duke Point, at the port of Nanaimo in B.C. Contrecoeur actually was first announced under the NTCF program, with a contribution of \$150 million from the Government of Canada as well as \$130 million from the province of Quebec.

There were additional initiatives at the ports of Halifax, Saint John, and Argentia in Newfoundland, all of which also required additional CBSA services.

Sima Acan: Thank you very much, Ms. Read.

Has Transport Canada conducted any assessments to identify ports that have strategic potential, which would require federal support to modernize?

• (1600)

Sonya Read: Through the trade diversification corridors fund, which was recently launched, the first stream is an invitation process. Under the auspices of that funding, which was launched earlier in March, I believe, we've started the process of working with individual ports and other project proponents. It's not limited to ports.

Sima Acan: Thank you very much.

[Translation]

The Chair: Thank you, Ms. Acan.

Mrs. DeBellefeuille, you have six minutes.

Claude DeBellefeuille (Beauharnois—Salaberry—Soulanges—Huntingdon, BQ): Thank you.

Ms. Read, thank you for being here. I'll ask you to provide brief answers. You can answer two short questions with a yes or no.

My understanding is that Transport Canada primarily plays a key strategic coordination role in developing Canada's fluid supply chains. Did I get that right?

[English]

Sonya Read: That's part of our role, yes.

[Translation]

Claude DeBellefeuille: When there is congestion due to containers awaiting clearance at a port of entry, would you say that poses a significant challenge to the overall efficiency of supply chains?

[English]

Sonya Read: We would work with responsible entities, if there were port congestion issues related to clearance.

[Translation]

Claude DeBellefeuille: As you know, for example, for some time now, Montreal has experienced congestion related to containers awaiting clearance.

Do you think congestion at the Port of Montreal jeopardizes the supply chain? Please answer with a yes or no.

[English]

Sonya Read: The congestion at any port would have an impact on the supply chain.

[Translation]

Claude DeBellefeuille: Earlier, you told us that Transport Canada was working on projects to improve supply chain fluidity.

Would you be open to Transport Canada leading a pilot project, in collaboration with the Canada Border Services Agency, to levy fees for clearance services at small municipal ports along the Great Lakes and the St. Lawrence? For example, they could look into decongesting the Port of Montreal under the pilot project, which would be monitored, by assigning two officers to the Port of Valleyfield twice a month.

Would you be open to the idea of exploring innovative and creative ways to develop small municipal ports that would not necessarily be turned into ports of entry?

[English]

Sonya Read: I would say two things.

I will note that I'm not aware of specific congestion issues related to clearance requirements in the port of Montreal at this time.

With respect to collaboration, as noted—and as announced in budget 2025—we are working with CBSA and Global Affairs to look for opportunities in terms of expanding CBSA services in the Great Lakes-St. Lawrence corridor.

[Translation]

Claude DeBellefeuille: Our understanding is that the government has put a lot of effort into the big ports of entry, such as Montreal and Quebec City, which is also an important port.

However, with the exception of the Port of Hamilton, we don't hear much about the small ports. We're looking for creative solutions. Can we think outside the box and support the smaller ports that need the services of a part-time officer a few hours a month? These ports will promote economic development in many regions. Is the department open to discussions or negotiations to identify and test new solutions?

Obviously, Ms. Read, the agency will never have enough personnel to clear all the containers moving through the Great Lakes and the St. Lawrence. We need to be innovative. Is the department open to proposals for pilot projects to try other solutions?

[English]

Sonya Read: In terms of the rules around clearance—the clearance of containers, specifically—I would have to defer to my colleagues at CBSA.

We will continue to work collaboratively with them regarding the need for, and expansion of, potential services along the St. Lawrence corridor.

• (1605)

[Translation]

Claude DeBellefeuille: I do know that clearance services fall under the CBSA, but the Minister of Transport plays a strategic role to ensure supply chain fluidity and reduce congestion. There are ports along the Great Lakes-St. Lawrence corridor. With a bit of support from the CBSA, if you were to decide that this pilot would be a strategic measure, the minister has a big say in decisions to trial different innovative solutions. The CBSA doesn't decide that.

[English]

Sonya Read: As I indicated, the Government of Canada, Transport Canada, CBSA and Global Affairs have committed to working collaboratively, and we will continue to do so.

[Translation]

Claude DeBellefeuille: Would you be open to discussing pilot projects? Would you be prepared to think outside the box to test innovative solutions to clear a small number of containers at smaller ports?

[English]

Sonya Read: As I noted, we will continue to work collaboratively with CBSA and Global Affairs to look at solutions for the expansion of CBSA's port services.

[Translation]

Claude DeBellefeuille: As we know, there are two radiation detection portals in Quebec. Saint-Bernard-de-Lacolle is less than 40 minutes from Salaberry-de-Valleyfield. I think bringing in two officers to clear containers twice a month is reasonable. We expect the department to be open to innovative solutions. I hope we can agree on that.

The Chair: Thank you, Mrs. DeBellefeuille.

I'll now turn over the floor to Mr. Lloyd for five minutes.

[English]

Dane Lloyd (Parkland, CPC): Thank you, Mr. Chair.

Thank you, witnesses.

In your capacity in maritime transport, do you work with helicopter certifications at all?

Sonya Read: No, I'm sorry. I do not.

Dane Lloyd: In our previous study on combatting auto theft, there were some recommendations related to port policing. Back in the 1990s and previous to that time, there was a robust port policing program in this country. That was replaced. We've had witnesses tell us that it's very difficult when CBSA doesn't have jurisdiction in certain areas. There are cross-jurisdictional issues that are preventing the interdiction of smuggled and stolen goods.

What are the thoughts about port policing right now at Transport Canada?

Sonya Read: We work with Canada Port Authorities to look at vulnerabilities from a security perspective. The department has been looking at the security plans of individual ports in order to address and identify potential vulnerabilities.

In terms of port policing, of course, those decisions happened quite a long time ago. They were taken in order to streamline and simplify accountabilities regarding policing. The ports have security capacity, but they are also working with the RCMP and local police in terms of policing and responsibility for criminal activities at the port. The intention at that time—and the continued intention—was to make sure accountabilities are clear in terms of responsibility for policing at ports.

Dane Lloyd: Was that outcome successful, based on that intention?

Sonya Read: I think the accountabilities have been clarified as a result of that. I don't have any data—

Dane Lloyd: Accountabilities have been clarified, but who is being held accountable when vehicles are being stolen from our ports?

Sonya Read: Excuse me. I—

Dane Lloyd: The vehicles are stolen and transported through our port system.

Sonya Read: I think the issue with respect to the movement of stolen vehicles is a very complicated process. Obviously, they come into the port in containers, so it's not necessarily that a port police presence, a separate port police presence, would address that issue more than in the context of the existing municipal and RCMP activity.

What I can say is that Transport Canada has been working alongside federal security partners, including port authorities and the RCMP, to create a national port security committee to provide a forum for federal departments and agencies and police services, including the local police services, who would be best positioned to—

• (1610)

Dane Lloyd: Thank you.

According to a letter sent to the Minister of Transport, the Minister of Public Safety and the Minister of Industry back in September by the Great Lakes and St. Lawrence Cities Initiative, the withdrawal of the Canada Border Services Agency's services from the port of Valleyfield in 2024 reduced clearance capacity in that region.

My question is, why did the government allow for the withdrawal of CBSA from the port of Valleyfield, despite warnings that it would reduce clearance capacity?

Sonya Read: I would have to defer to my colleagues at CBSA.

Dane Lloyd: Okay.

What was the assessment process that was conducted? Was there an assessment that Transport Canada conducted before the removal of the CBSA from the port of Valleyfield?

Sonya Read: That would not have been within our responsibilities.

Dane Lloyd: Okay. I guess, then, my next question, if you're not responsible for the CBSA's involvement at the port....

In February, the Minister of Transport said, "There's no question that our ports are strategic gateways that will help us double our exports to markets beyond the United States." He also noted that to expand trade to destinations beyond the U.S., a significant share of goods would have to transit through ports.

However, our current port policy is not meeting this objective. Committee members were told in February that ports are critical to doubling exports to markets other than the United States, but what has the government done since then to reduce capacity constraints at these strategic waterways?

Sonya Read: Is that since February?

Dane Lloyd: Well, in the last year.

Sonya Read: I would point to the launch of the trade diversification corridors fund, which was announced in the fall and launched a few weeks ago and has started the process of identifying and working with potential project proponents to identify initiatives aiming to support that trade diversification, including the doubling of Canada's exports.

Dane Lloyd: Is Transport Canada doing—

The Chair: I'm sorry. I would love to let you go further. Unfortunately, that's all the time we have for now.

We have MP Ehsassi for five minutes.

Hon. Ali Ehsassi (Willowdale, Lib.): Thank you, Mr. Chair.

Thank you also to our witnesses today. I'm very grateful that you could appear before us.

Now, right off the bat, I want to clarify one thing. As I understand it, for a port owner or operator to have facilities, they are responsible for proper detention and proper examination of goods coming in. The onus appears to be on operators and owners of docks and ports. Is that correct?

Sonya Read: Yes. Port terminal operators would—for the most part—have the care and control of cargo entering and exiting through their terminals.

Hon. Ali Ehsassi: For all the equipment, whether it's state-of-the-art equipment or whether it's laser, the onus is on them to actually make all the necessary arrangements. Is that correct?

Sonya Read: I would have to defer to CBSA for the precise investments that are required by individual terminal operators.

Hon. Ali Ehsassi: This isn't a question of investments, though. It's a question of who has the obligation. As I understand it, under the Customs Act there is a provision that says the owners or the operators of a port are responsible for these things.

Sonya Read: That is my understanding, but I would have to defer to CBSA .

Hon. Ali Ehsassi: If you could kindly follow up with us and just clarify that, that would be much appreciated.

Sonya Read: Sure.

Hon. Ali Ehsassi: My follow-up question is on the St. Lawrence Seaway, where, as you know, we have approximately 100 ports and docks. Currently, after budget 2025, there is a mandate to identify how to expand our capacity for incoming and outgoing cargo. Given that there are three different departments that are responsible for identifying and assessing various ports and docks, what are the criteria as you look at all these various options?

Sonya Read: In terms of how we're looking at these initiatives, we would look, for example, to the trade diversification corridors fund. We're looking for projects that expand trade and transportation infrastructure and will help Canada reach global markets, projects that would reduce traffic congestion and delays.

• (1615)

Hon. Ali Ehsassi: No, I appreciate that. That's why I prefaced it by saying there are 100 different docks and ports. I presume that the three departments together are going through this list. How do you decide between the various ones? It would be inconceivable for resources to be provided to all 100. In terms of looking at the comparative advantages of each one of these docks or ports, how do you assess them vis-à-vis one another and decide which ones to proceed with?

Sonya Read: We have been looking at things on a corridor basis to identify issues along corridors. To the extent that you're looking at potential areas where there may be congestion or choke points, those would certainly be priorities when we are talking to potential project proponents who would be interested, for example, in addressing issues, and it may require the expansion of CBSA services as a part of that initiative. As I said, a part of this is happening under the first stream of the trade diversification corridors fund.

Hon. Ali Ehsassi: Would it be correct to presume that there are questionnaires that you're sending out to each one of these operators or owners who are interested in expanding their services? What is the process that goes into it?

Sonya Read: As I said, the analysis is twofold. There is an analysis that is done at a corridor level that is not looking at the individual ports. It's more about the issues along corridors to identify potential choke points and congestion areas, as I said. Stream one of the trade diversification corridors fund is by invitation, and it is looking at reaching out to potential project proponents who may have projects that would help address those issues.

Hon. Ali Ehsassi: Thank you.

[Translation]

The Chair: Thank you.

You have the floor for two and a half minutes, Mrs. DeBellefeuille.

Claude DeBellefeuille: Thank you very much.

Ms. Read, when construction of the Gordie Howe Bridge started, the policy called for the agency to train 46 officers. When the government's strategy and policy officers decided to expand the Port of Montreal, they asked the agency to train officers in anticipation of the expansion in order to undertake clearance. In my opinion, determining whether or not the workforce at specialized ports along the Great Lakes and St. Lawrence need to be increased is a strategic decision. As such, I don't necessarily share your opinion about deferring to the agency at all times.

The Port of Valleyfield is near Glencore, which recycles zinc. The ore is delivered in bulk by boat. These boats carry two containers and have to make a mandatory stop at the Montreal port of entry to have the containers cleared, and this adds to congestion at the port. The containers are offloaded and trucked to the Port of Valleyfield.

Now, could you tell me whether you sincerely believe that this approach reduces congestion in the supply chain?

Wouldn't it be easier to staff the Port of Valleyfield with two officers for what would amount to four work days a month so that the Port of Montreal doesn't have to clear two or three containers on a boat that is mostly carrying bulk cargo?

Given the resources at hand, wouldn't it be more reasonable to back an innovative solution rather than forcing vessels that mostly carry bulk cargo to stop and clear containers in Montreal?

[English]

Sonya Read: I understand that the CBSA may have responded to some other questions while they were here, but they would be best placed to speak to the whole question of the infrastructure and equipment needed to support the presence or the—

• (1620)

[Translation]

Claude DeBellefeuille: No, I'm not talking about equipment. I'm talking about ensuring supply chain fluidity, which is your strategic role. I'm talking about a vessel loaded with bulk cargo that stops at the Port of Montreal to clear two containers, which are then trucked to, and offloaded at, Valleyfield.

Do you think this strategic policy decision made by the government is logical and makes the supply chain more fluid?

The Chair: Unfortunately, the two and half minutes are up.

I'll now turn the floor over to MP Au for five minutes.

[English]

Chak Au (Richmond Centre—Marpole, CPC): Ms. Read, thank you for your attendance.

In your opening remarks, you talked about the five areas of your mandate: safety, security, efficiency, the environment and techno-

logical advances. Do you do self-assessments from time to time? If so, what measures do you use to measure your performance, and what has been your most recent assessment of your performance in these five areas? For example, was performance very good in one of them or very bad in another? What has been the assessment of these five areas?

Sonya Read: With respect to the performance of the department across the full spectrum of its mandate, I would refer to the departmental planning and reporting process, which explains how we have met different targets under the various elements of our mandate.

Chak Au: In general terms, can you confirm that the mandate has largely been met?

Sonya Read: Once again, I think our departmental performance reports demonstrate how and to what extent Transport Canada is fulfilling its role within the Government of Canada and pursuant to its legislation and programming mandate.

Chak Au: Okay.

You mentioned that your focus is on supply diversification. This is the committee concerning public safety and national security, and sometimes I think efficiency and security can be in conflict. We know that the CBSA has said that scanning of containers in and out of the country has been very limited. From your perspective at Transport Canada, do you think that's a very acceptable situation?

Sonya Read: I would defer to the CBSA in terms of getting the balance right between the fluidity of—

Chak Au: From your perspective, though.... Of course, the CBSA would have its point of view, but from Transport Canada's perspective, is the limited scanning of containers in and out of the country acceptable?

Sonya Read: Transport Canada is going to be working with the CBSA and with Global Affairs Canada to ensure that we have the infrastructure and the services in place to support our trade diversification objectives.

Chak Au: I hope that, for my next question, you won't defer it to another department.

My colleague has mentioned that the time for clearance has been a problem at the port of Montreal. Again, do you have a standard for the port of Montreal for the clearance time? Do you have a standard, and if you do, what has been the performance?

Sonya Read: My understanding is that the general standard is about three days in terms of dwell time for clearance of different containers through the port of Montreal.

Chak Au: Is there any data about the actual performance? What percentage would have to go for more than four days?

Mathieu Grenier (Director, Marine Analysis, Department of Transport): Can I jump in, Mr. Chair?

The three-day standard includes the time the container is on the dock to the time it's put on rail and evacuated from the port, so it includes the clearance. We're not aware of any clearance issues. It's more a question of evacuating the container through rail or through truck from that port.

Chak Au: My colleagues have all pointed out that there's a problem with the time for clearance. Are you saying there's no problem?

Mathieu Grenier: We're not aware of a clearance—

• (1625)

Sonya Read: We're not aware of a specific issue.

Mathieu Grenier: —or a specific issue with regard to clearance.

Chak Au: Can I ask that you come back to us with more information in that respect?

Sonya Read: Certainly, we can provide more information with regard to the dwell times and the process.

Chak Au: Thank you.

The Chair: Thank you, MP Au.

To finish, we'll go to MP Powlowski for five minutes, please.

Marcus Powlowski (Thunder Bay—Rainy River, Lib.): I'm one of the two MPs from Thunder Bay. If you look at a map and see how far inland ocean-going boats can go, you'll see that we're really lucky with our geography. Thunder Bay is right in the middle of the continent, as is Duluth. However, we basically take no containers at the Thunder Bay port, even though—from my understanding from shipping people—increasingly, over the years, shipping has gone from bulk cargo to container cargo. If the Thunder Bay port wants to bring in something in containers.... Sometimes it has to. For example, it brought in a windmill. It brought in the big windmill turbines, but the individual parts come in containers. They had to go to Duluth instead of Thunder Bay.

To my understanding, there are very few containers on the Great Lakes, which leads to me to.... Are you familiar with the report by the Chamber of Marine Commerce, "Unlocking the potential of the Great Lakes-St. Lawrence Seaway System: Economic analysis of container reception services in six Eastern Canadian ports"? Are you familiar with that?

Sonya Read: Yes, we are.

Marcus Powlowski: Do you agree with their numbers?

Sonya Read: We have met with the Chamber of Marine Commerce and Aviso regarding their report. We feel it's an important contribution to the discussion around enhancing the competitiveness of the Great Lakes and St. Lawrence region, including on the topic of increasing CBSA services. As I noted, the expansion of services requires an assessment of multiple variables. We understand from Aviso that, for some of their conclusions, they didn't necessarily have all of the data that would be able to support final determinations.

Marcus Powlowski: Thank you.

Their numbers overall look pretty good in the summary of the net economic impacts of container reception services at various points. Ports such as Quebec, Valleyfield, Picton, Hamilton, Windsor and Goderich added \$131 million in value—I guess that is per year. The impact on business income was \$132 million, and on

household disposable income—I guess because of the more efficient movement of goods—it was \$365 million. Then they go port by port—Picton, Goderich, Hamilton—and for all they give pretty good numbers about the economic benefits.

I would point out Quebec City. They said that, "The federal government can recover all costs [of putting in a CBSA port] in just over two months", so I'm a little mystified as to why we're not doing this.

On top of that, if you look at.... They give some other examples of how this improves efficiency. It decreases greenhouse gas emissions, because you're going by water. There's supply chain efficiency.

We've talked about delays in the port of Montreal. According to them, the numbers are that, "Canada consistently posted the highest median port time for container ships, averaging around 1.6 to 1.8 days". In Montreal it's three days. Canada certainly has longer delays than the United States, Germany, Italy or France.

The cost for CBSA, isn't it fairly minimal? I'm just wondering why we don't get out of second gear here. It's not a big investment. There are potentially significant economic benefits from opening CBSA posts. If we're not doing it, when can we hope that we're going to get some answers to this? If we're not, why not, and when are we going to start this?

Sonya Read: My understanding is that there were some data limitations in the report regarding the CBSA, the cost of CBSA requirements for infrastructure and labour to implement proposed services. As a result, those weren't necessarily reflected in the analysis. Because of that, Transport Canada isn't in a position to validate the revenue projections presented in the report or the financial sustainability of implementing individual proposed projects.

Marcus Powlowski: If you're not in a position to verify the numbers and say whether this is a good financial idea, who is? I mean, isn't that the role of the government? If we're going to look at it, and you're being asked to provide a service to help industry, shouldn't we be doing that? I mean, who else do we...? If you're not going to trust their numbers anyhow, why bother asking them?

• (1630)

Sonya Read: I'm sorry, but I just want to be clear. Are you asking me why we asked Aviso for their numbers?

Marcus Powlowski: No. I think you said you were in no position to verify the numbers or whether this was, financially, a wise move. Well, isn't that the role of the government? If we're looking to provide government services, and if part of what we're trying to do is to contribute to trade diversification and improve our economy, shouldn't we be doing that?

Sonya Read: We would do that based on a comprehensive business case if it were presented to Transport Canada. As I noted, we have discussed, with Aviséo and the Chamber of Marine Commerce, the work that they did through this study, so that we could better understand their numbers. We understand that there were some data limitations. As a result of that, we can't necessarily validate their revenue projections in terms of the economic benefits.

However, if those individual cases come forward in the context of a business case, we would be able to validate the process through that. We wouldn't necessarily base it on the Aviséo study, although it is a very valuable indicator.

The Chair: Thank you for that.

Thank you again, Monsieur Grenier, Madam Read and Madam Moriarty, for this presentation and all the work that led to it. We wish you a good end to the day. We'll suspend for a few seconds, for the time it takes you to leave and for the other witnesses to come in.

Thank you.

• (1630)

(Pause)

• (1635)

[*Translation*]

The Chair: Thank you everyone for coming back.

We'll start the second hour, for which we have four guests from three different organizations. First, from Aviséo Consulting, we have Mathieu Paquet, partner, and Guillaume Chartrand, senior consultant. We also have James Hamilton, executive director of the Used Car Dealers Association of Ontario and John Tod, vice-president, operations, eastern Canada, from VIN Verification Services Inc.

Gentlemen, thank you for making the trip and for the work you put into preparing for this important meeting.

We'll start with opening remarks for five minutes from each of the three organizations.

Mr. Paquet, you have the floor.

Mathieu Paquet (Partner, Aviséo Consulting): Mr. Chair and members of the committee, thank you for welcoming us today.

My name is Mathieu Paquet, partner at Aviséo Conseil and economist. I am joined by my colleague Guillaume Chartrand, senior consultant and economist at Aviséo Conseil.

Over the past months and years, we have had the privilege of supporting several ports in conducting economic studies. More recently, in partnership with the Chamber of Marine Commerce, we published a study analyzing the economic impacts of container reception services in six ports in eastern Canada.

This study has been conducted in a very particular context. Canada is facing a major investment and productivity challenge. In fact, since the pandemic, Canada's productivity growth has lagged behind that of the United States. At the same time, the country is seeking to strengthen its economic resilience, improve the flow of its supply chains and further diversify its trading partners, notably through maritime corridors.

Some responses to these challenges involve long-term transformations—artificial intelligence, for example. Others can deliver gains more quickly. Improving trade logistics is one of those concrete levers: It requires relatively limited investment, yet it can have a rapid impact on productivity in the business sector.

Our role, as economists, is to examine the economic impact of these services. We do not assess these projects from an operational implementation standpoint, and the study was not intended to be a market study. The central point of the study is straightforward: container gate services are, first and foremost, a lever for economic efficiency. They enable goods that have already been traded to move more directly, more quickly and more reliably—and, in many cases, at lower cost.

For importers, this can mean more affordable inputs and/or better-controlled lead times. For exporters, it can mean improved access to containers, smoother logistics and enhanced competitiveness in international markets. For the economy as a whole, this translates into productivity gains that ripple through the economy, benefiting businesses, households and governments.

There is already a substantial body of economic literature on the relationship between port infrastructure, trade fluidity and economic performance. We could have drawn on research that links a stock of public infrastructure—such as ports—to productivity gains. However, we sought to be more direct and more precise in our approach.

The main impact mechanisms take the form of reduced transport times, lower logistics costs, improved allocation of empty containers, greater system flexibility, or more efficient use of existing maritime capacity. More conceptually, these mechanisms affect the productivity of the firms and sectors that would use container services at the ports studied.

To measure these effects, we used computable general equilibrium models of Quebec, Ontario and Canada. This is a type of model that most major public administrations maintain. Our results can therefore be readily replicated.

One of the key findings of our study is that these projects have the potential to generate recurring economic benefits through relatively targeted interventions. They also contribute to broader effects that are particularly relevant to the work of this committee: stronger supply-chain resilience, better diversification of points of entry, reduced pressure on the road network and enhanced economic security for the country.

In addition, beyond the economic impacts presented in our study, many stakeholders emphasized to us the importance of ensuring redundancy in access to containerized goods along the St. Lawrence–Great Lakes corridor.

We also paid close attention to the issue of costs related to the Canada Border Services Agency. As detailed information was not available for each project, we adopted a prudent approach based on the Halifax case. Even under a conservative scenario in which CBSA costs would be of the same order of magnitude as those associated with the expansion carried out at the Port of Halifax, the analysis shows that the economic and fiscal benefits remain significant.

Finally, it is worth recalling that our study builds on work initiated upstream. Port congestion has been identified, at the national level, as a strategic priority for improving the performance of Canada's supply chain.

Thank you for your attention. We will be pleased to answer your questions.

• (1640)

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

You have the floor for five minutes, Mr. Hamilton.

[*English*]

James Hamilton (Executive Director, Used Car Dealers Association of Ontario): Thank you.

Good afternoon, Mr. Chair and honourable members of the committee.

My name is James Hamilton. I'm the executive director of the Used Car Dealers Association of Ontario. We represent and advocate for nearly 5,000 motor vehicle dealers, new and used, lessors, recyclers, rental companies and associate members across the province of Ontario, with some members outside of Ontario as well, across Canada.

As this committee studies the Canada Border Services Agency's role in maritime trade and port practices, we want to address a critical security gap, speaking to a data piece. That's vehicle identification number cloning and revinning. Some of you have likely read about or heard about this in the media as a growing phenomenon. It's likely the result, frankly, of organized crime pivoting away from the ports, where we've seen some success in stolen vehicle intervention. They're simply shifting to other means. This is a scam in which thieves will use legitimate vehicle identities to disguise a stolen or salvaged car, making it appear legal to sell. Essentially, criminals create fake VIN, plate and ownership documents to match a similar vehicle in another jurisdiction, or at least with a VIN that decodes as a real VIN. They can then sell that stolen vehicle with a cloned VIN to an unsuspecting buyer here in Canada. Oftentimes,

those buyers are our members, the dealers, who are often on the front line of the transaction. Ultimately, the consumer is the one who's going to be harmed, however. It can lead to innocent buyers being denied insurance in the event of an accident or when they have to make a claim, or the vehicle being confiscated by law enforcement because it is, in fact, stolen and eventually the law enforcement folks track it down.

CBSA maintains a database of the VINs of every vehicle exported from Canada. In order to help law enforcement identify stolen vehicles and reduce the flow of revenue to organized crime groups, our association is presently seeking a data-sharing arrangement with CBSA to make use of that data. This would enable our members, for example, to search whether a VIN on a vehicle they're thinking of buying has already been exported, which would be a red flag to them that it's likely a clone or a revinned stolen vehicle. They wouldn't, of course, buy it. Instead, what they would do is alert law enforcement officials to a potential problem car.

VINs from exported vehicles are particularly useful. The reason is that they're real VINs on a vehicle that really existed and is no longer here in Canada, so it's ripe for use on a stolen car. It's not unlike using a deceased person's identity to create identity theft or fraud, because it's an identity that's real. The VIN was real; it's just not here anymore, so they're ideal. We have seen instances where these VINs are appearing on vehicles that are being purchased by dealers. We think this is yet another way for dealers to have a data source to protect against that. It's not going to solve all the problems. As was mentioned earlier in this session, auto theft is a complicated and complex issue, and there's no one single solution. Whenever somebody suggests that there is, that's probably misleading, but this is another piece, and it's easy to do because the data is there.

Currently, the CBSA is sharing that data, the very data I speak of, with private foreign-owned entities and insurers, but they deny it to Canada's own registered dealers through our association, the very people who could flag these ghost vehicles at the point of trade-in and before resale.

The UCDA attended the federal auto theft summit held in Ottawa in February 2024. This was at the height of the auto theft crisis, which was particularly virulent in Ontario and Quebec at the time. The port of Montreal featured prominently as a focal point of concern at that time as well. Much has been accomplished, as I mentioned, since then, and auto theft numbers have been going down, thanks in large part to efforts to make illegal export more difficult for criminals at the ports. Équité, who some of you may know are very active in the auto theft file and have a lot of good data, have suggested that auto theft in Ontario is down 20%, but we need to be cautious about celebrating too much, because auto theft in Canada still represents approaching a \$1-billion loss to insurers in 2025.

- (1645)

Criminals are nothing if not flexible. Revenues derived from stolen vehicle activity account for the third-largest source of revenue for organized crime after drugs and guns, and they use that money to fund drugs and guns anyway. They are not going to forgo that revenue just because one avenue is closing to them. They'll simply pivot. They're doing this by focusing more intently on the domestic market for stolen cars.

It is still the case today that a VIN on a stolen car could be registered in Ontario with an exported VIN. That's because the MTO in Ontario doesn't know that VIN was exported, as it's not getting that data from the CBSA either. At the summit in 2024, the CBSA agreed that data is a major tool in the fight against auto theft. We agree, and we would like to be a partner with the CBSA in protecting consumers in Ontario.

Thank you.

The Chair: Thank you, Mr. Hamilton.

Mr. Tod, you have five minutes.

John Tod (Vice-President, Operations, Eastern Canada, VIN Verification Services Inc.): Mr. Chair and members of the committee, thank you for the opportunity to appear before you today to discuss the role of CBSA in the H2O highway corridor.

To save time, I've provided a bio of my experience.

I appear before you today to offer a clear and candid assessment of where the current system is failing and where meaningful improvement is both possible and necessary.

The reality is straightforward. The system is not working, and the data is unequivocal. In 2024, CBSA intercepted approximately 2,200 stolen vehicles, which is roughly 4% of the more than 57,000 vehicles that were stolen nationally that year. In 2025, that interception rate fell below 3%. This decline persists, despite prior testimony before this committee indicating that 60% of the stolen vehicles are destined for export primarily through the port of Montreal .

Organized crime exploits predictable weaknesses in the export control system. Vehicles are falsely declared as household goods or electronics. Containers are loaded inland and blended in with legitimate cargo. Export documentation can be altered after vessels depart.

Most critically, many stolen vehicles are revinned with VINs that are cloned or altered. They cannot be detected by X-ray scanners.

Only physical inspections and document verification can identify them, yet such inspections occur far too infrequently.

CBSA relies upon a risk-based inspection model. However, physical examinations are conducted on fewer than 4% of the outbound containers—often less. Past audits have indicated that many high-risk electronic lookouts are not referred to secondary inspection. These are systemic vulnerabilities that organized crime and criminal networks have learned to exploit.

As a result, Canada's ports are increasingly being used as criminal gateways. The port of Montreal, for example, processes roughly 70% of Canada's legitimate vehicle exports but remains the epicentre for stolen vehicle activity. However, the problem is no longer confined to a single port. Halifax has experienced a sharp rise in vehicle-related financial fraud. Container traffic through Saint John has more than doubled. Vancouver, which is Canada's largest container port, physically inspects a small fraction of the outbound shipments.

The pattern is unmistakable. Where enforcement presence is limited or inconsistent, criminal exploitation exists and thrives. The absence of a visible deterrent becomes the invitation. These risks are accelerating as Canada's port network expands and global trade patterns are shifting.

To be clear, CBSA faces genuine operational and legal constraints. It cannot inspect every container. Current scanning technology cannot verify VIN integrity. Export data sharing remains limited. Training standards and investigative tools have not kept pace with the sophistication of modern criminal networks.

This is not a failure of CBSA officers by any means, but it is a failure of the system design. The private sector can play a constructive role, but only if it's done correctly.

Let me be unequivocal. Under current laws, private companies cannot and should not exercise enforcement authority in the ports. The outsourcing of enforcement functions risks legal challenges, charter violations and compromised prosecutions. These are real concerns that have been raised with CBSA.

However, there is a viable alternative option. Qualified private sector partners can augment CBSA capacity through expertise and technology scale, provided that the enforcement authority remains firmly with CBSA and governance is clearly defined. Elements of this approach already do exist. That model, however, carries legal risk, lacks scalability and transparency, and has resulted in limited and inequitable access to government-derived data.

With proper oversight, the model can be modernized. Trusted private sector partners can support CBSA through advanced analytics, AI-driven targeting of pre-screening, standardized national training support, and most critically, scalable vehicle examinations across all ports—not just at the port of Montreal.

This is not privatization. It is force multiplication. When criminals believe detection is likely at any port, their behaviour will change. It is possible to reduce random inspections and trade delays and increase capacity without major new infrastructure. VIN fraud is detected more efficiently. Public confidence improves with transparency and measurable outcomes.

In closing, I respectfully offer to the committee five recommendations for your consideration.

First, mandate a national standardized training model for CBSA officers that is focused on consistent, defensible, risk-based targeting.

Second, fully implement the mandatory 72-hour advance export filing to finally close off the post-departure documentation loop-hole.

Third, expand VIN data sharing, under strict governance, to additional trusted private sector partners for anti-fraud purposes.

Fourth, establish fair and transparent service-level agreements for inspection facilities—including qualified vehicle examinations—to standardize timelines, costs and accountability.

Finally, create the conditions to pilot a private sector augmentation model focused on VIN examinations to significantly increase capacity without transferring authority.

● (1650)

Stolen vehicles continue to leave Canada, not because the CBSA lacks commitment, but because the system lacks scale, transparency, modern tools and consistency. To be clear, the process urgently needs to adapt.

With those comments, I'll close. Thank you. I welcome your questions.

The Chair: Thank you, gentlemen.

We'll turn to MP Lloyd for six minutes, please.

Dane Lloyd: Thank you.

Thank you to the witnesses for being here.

I'm going to start with Mr. Tod and Mr. Hamilton.

To clarify, it's not necessarily stolen exported vehicle VINs that are being used. Legally exported vehicle VINs are being used to clone VINs from stolen vehicles in Canada. Is that correct?

James Hamilton: Those would be the desirable VINs to use, because they don't have, by virtue of the fact that they're legitimate, any kind of stain on them. They can create a title chain that looks legitimate, at least at first blush.

Dane Lloyd: How does organized crime know what the VINs of these exported vehicles are?

James Hamilton: I would have to speculate on where they get them from. I would imagine that they're probably from unscrupulous exporters that the CBSA is not unaware of. You may have heard last year that they fined one particular exporter almost \$40 million for having exported 2,400 vehicles without ever declaring them properly through the system.

There's a person who might, for a few dollars, share a VIN.

● (1655)

Dane Lloyd: Criminal actors are getting VINs, potentially, from exporters, and then they're using those VINs to clone vehicles in Canada.

James Hamilton: That's correct.

Dane Lloyd: I raised this issue with Erin O'Gorman from the CBSA. When I'm looking at a vehicle, I can go on the CPIC website and type in the VIN of any vehicle, and it will tell me if it's stolen. That's public information.

Does that contain a list of exported vehicle VINs?

James Hamilton: No. If it did, I wouldn't need to be here today.

Dane Lloyd: Exactly. When I asked the president of the CBSA why the VINs of exported vehicles were not being made available so that the public or stakeholders such as you could check, I was told there were privacy concerns.

Are there? What are the privacy concerns of sharing those VINs?

James Hamilton: John will probably have something to say, but I will briefly say that I don't believe there's a privacy concern if the questions are, "Was it exported?" and, "Is it stolen?" It's yes or no. We're not asking for the owner. We're not asking for any personal details or addresses.

In our case, in a perfect world, we would be told the vehicle was exported to Germany on this date, and that's all.

Dane Lloyd: This might sound like a dumb question, but would it be safe to say that if a vehicle's been exported to Germany and somebody's trying to register that vehicle or sell that vehicle to a used car dealer in Brampton, it's likely that it's a stolen vehicle? Is that correct?

James Hamilton: That's correct.

I'll give you a brief anecdote. A fellow who did work for me as a contractor bought a pickup truck from a private seller. He registered it in Ontario, plated it and insured it. About a year and a half after he bought it for several thousand dollars—it's one of these extended cab pickup trucks that contractors desire—it was stolen from him. His insurance coverage was denied. When we ran the VIN through the limited resources we have, we determined that it had, in fact, been exported to Germany in 2021. The VIN on that truck had already been exported, years before he bought it in 2023.

He was able to register it at ServiceOntario because the MTO doesn't have the VINs from the CBSA either.

Dane Lloyd: A great first step would be for the CBSA to share these exported VINs with the registry agents across Canada.

James Hamilton: From the point of view of being purely altruistic, I don't see any reason it should be a monetization issue.

Dane Lloyd: Let's get back to that.

CBSA is currently providing exported VIN data. This is Canadians' data. It's being provided to two organizations, Équité and Carfax Canada.

What does Carfax Canada use those vehicles' exported VINs for?

James Hamilton: They will take that data and combine it with a vast array of other data they have.

Carfax sits on massive amounts of data—which is a good thing, by the way. If it weren't for Carfax, it would be a lot more difficult for dealers to do their due diligence. However, the cost of assembling all that data is high.

They make it part of their fraud tool, which you will see if you do a Carfax report. It will say that this vehicle has questions, one of which might be that it was exported, so why are you looking at it now in Ontario?

Dane Lloyd: Basically, the Government of Canada is enabling a monopoly to exist, because they're providing this information to one company, and this company is then packaging that public information in their vehicle reports that your stakeholders are paying to access.

James Hamilton: That's correct.

In this case, my members would just pass that cost on to consumers.

Dane Lloyd: What would you say the estimated cost of that is to Canadian consumers?

James Hamilton: Well, we're talking of millions of dollars in this kind of business activity. A Carfax search costs around \$46 to \$48.

Dane Lloyd: Is that per vehicle?

James Hamilton: Yes, that's for each VIN they search.

Dane Lloyd: Okay.

Mr. Tod, did you have any thoughts on this you wanted to share?

John Tod: I agree with what James said regarding access to the VINs that are exported. You can walk through any Costco or any parking lot across Canada and check the VINs. It's open to public display.

The same thing applies to searching for your vehicle. Any of us can go online to the CPIC public site to search a VIN number to determine whether the vehicle is stolen or not.

I'm not so clear on what the issues would be regarding the confidentiality of those VINs.

Dane Lloyd: Yes.

Did you have any more recommendations? You gave us five very good recommendations.

What I've been told is that sometimes the registry agents aren't even checking the CPIC website to see if a vehicle's stolen. They're just going ahead and registering these vehicles.

John Tod: Yes, sir. In some provinces that is correct.

I think that the registry offices lack the analytical capability at the desk. I'll take Ontario, for example. You have 300 and some ServiceOntario desks with multiple counter staff. For the products they're responsible for, from A to Z, there's a lineup out the door usually. They're not trained to be fraud investigators. They're not trained to be auto theft investigators. A good start is to give them the tools at their desks to enable them to identify these potentially stolen vehicles.

● (1700)

The Chair: Thank you, Mr. Lloyd.

Let's turn to MP Ramsay for six minutes, please.

Jacques Ramsay (La Prairie—Atateken, Lib.): Thank you, Mr. Hamilton and Mr. Tod. It's very interesting.

My question is for Mr. Paquet.

[*Translation*]

Mr. Paquet, you were here for the previous presentation. I was trying to understand the economic analysis Transport Canada was undertaking. The details I got showed a logistical analysis and a technical analysis. I didn't understand the technical analysis.

Perhaps you understood it better and can unpack what the officials from Transport Canada told us. In your opinion, what type of technical analysis is Transport Canada doing?

Mathieu Paquet: You would have to ask the officials from Transport Canada. We didn't talk about it when we met.

Jacques Ramsay: They were critical of your analysis. Would you like to respond to them?

Mathieu Paquet: Yes, I was a bit taken aback.

If you read our study, you will see that it has a lot of details on methodology. We were very transparent. We're open to working with them. We can redo some modelling if they wish.

I would say that in all the methodology choices in the report, we were consistently within the minimum threshold. We made extremely cautious choices at all times.

Assuming the six projects are undertaken and we meet again in five years' time, are we going to see similar results as those in the study? I think we'll have more striking results because our methodology choices were very cautious.

Jacques Ramsay: Just so I get this right, can you tell me whether your analysis took the economic development of the regions around the port into consideration?

Mathieu Paquet: No. All the impact levers like the ones you refer to were excluded from the analysis. In fact, the stakeholders we spoke with said that if the projects go forward, they would be more willing to invest and to increase economic activity. This could therefore contribute to the gross domestic product and tax revenue. However, this was excluded from the analysis because we did not want to speculate. We wanted to make cautious assumptions. I would even add that all additional investment expenditures were not taken into consideration. We were extremely cautious.

Jacques Ramsay: I don't want you to speculate here, but nevertheless, I'm going to ask you the following question: Do I have any reason to believe that this economic development could result in higher numbers than the numbers you came up with?

Mathieu Paquet: You would be correct to assume that if other variables that were not factored into the equation were taken into consideration, the results would be higher.

Jacques Ramsay: Tell us about your findings.

Mathieu Paquet: In terms of added value, meaning gross domestic product, on an annual basis, the impacts from productivity gains from the six ports are as follows: The Quebec City project would add approximately \$60 million to the real GDP, the Valleyfield project \$5.2 million, the Picton project \$26.9 million, the

Hamilton project \$10 million, the Windsor project \$24.6 million and the Goderich project \$4.5 million. We're therefore looking at recurrent impacts of approximately \$130 million a year on real GDP just from productivity gains. I believe the impact on federal government tax revenues would be approximately \$79 million.

Jacques Ramsay: That's for six ports.

Mathieu Paquet: Yes.

Jacques Ramsay: How many ports in the Great Lakes and St. Lawrence region could benefit from the measures you referenced in your study?

Mathieu Paquet: That's a good question. I'm sure other ports may be interested, but the study only focused on the six ports that took part in the study.

Jacques Ramsay: Okay. That's all.

The Chair: Thank you, Mr. Ramsay.

Mrs. DeBellefeuille, you have the floor for six minutes.

Claude DeBellefeuille: Don't I get the rest of his time?

• (1705)

The Chair: Well—

Claude DeBellefeuille: I was joking.

Gentlemen, thank you very much for your testimony.

Mr. Paquet, I was a bit uncomfortable earlier during the testimony from Transport Canada. I felt as though they were passing judgment about the depth of your study. You do represent a well-known firm. I think you're working on the economic benefits of Alto, which means you are well known within the government.

I would therefore ask you the following question: Do you think your economic study is pessimistic, realistic or optimistic?

Mathieu Paquet: I would certainly say that it's a very cautious study, for the reasons I started to list earlier. If we look at the time scale for the projected impacts, we're certainly on the conservative, more cautious side of the time scale. We included it in the study. We were very transparent when we spoke about the more technical elasticity factors. For example, the literature gave us two numbers, namely, 0.6 and more than 2.0. We could have taken the median value or the higher value, and that would have been fine, but we chose the lowest value, which gives slightly lower results. As I said, we were extremely cautious.

Claude DeBellefeuille: Perfect.

Could you explain something for me? Earlier, in my discussion with Transport Canada, I tried to bring up the fact that the Port of Valleyfield is close to, and complements, the Port of Montreal. Can you tell us about this?

Mathieu Paquet: I listened in and I think you gave a very good example. As part of the response, I would say that the Port of Montreal is a high-volume port, and I think the Contrecoeur expansion backs that up. However, there are also benefits to using specialized ports. The Port of Valleyfield is one example of these specialized ports that have specialized infrastructure and vessels, which means that cargo that used to be handled in Valleyfield up to 2023 could be processed in a way that expedited the flow of the logistics cycle. The question would have to be put to the Port of Montreal, but I think the fact that it has to process goods that require a certain amount of attention as well as a high volume of goods requires special attention, and that may cause additional delay. That would have to be confirmed with the Port of Montreal.

Claude DeBellefeuille: Can you tell me how your findings about the Port of Valleyfield have taken your estimated costs of mobile screening services into consideration?

Mathieu Paquet: That's a good question.

I would say barely, for one simple reason. The study includes an annex that describes how we arrived at \$54,000 in costs for the Canada Border Services Agency, or CBSA. Among others, it refers to \$2.1 million for the federal government and \$5.2 million in impact on the GDP. Even if we were mistaken and the annual costs for the CBSA were 10 times higher, at \$544,000 instead of \$54,000, when we look at the ratio of costs for the government within the CBSA against tax revenues, it's still an excellent ratio. Furthermore, an analysis of the GDP ratio is also excellent.

Claude DeBellefeuille: CBSA has often told us that it's not optimal for it to invest in the Port of Valleyfield. There is such a high demand for officers that mobilizing two officers for a few hours a month is not a good investment for the agency. However, your study indicates something entirely different.

Mathieu Paquet: Yes. I would even go further. Our study only measured productivity gains related to goods that would go through Valleyfield. However, for the reasons that I mentioned earlier, there could be potential gains for the Port of Montreal to focus on higher-volume goods, and this was excluded from the study.

Claude DeBellefeuille: In your opinion, what impact would opening up services have on regional development?

Mathieu Paquet: It would certainly be positive.

I know that my colleague has done a lot of work on that, and so I will defer that question to him.

Guillaume Chartrand (Senior Consultant, Aviséo Consulting): Thank you for your question, Mrs. DeBellefeuille.

I think better access to strategic infrastructure would be of great benefit to the various regions studied. Right now, access to clearance infrastructure is limited to one region along the St. Lawrence—Great Lakes corridor.

Moving points of service closer to production would make supplies more affordable for our producers. They could also access empty containers, which they can then load for export in a more affordable and effective manner. All of these impacts make the regions studied more attractive for direct investment as well as foreign investment. We have the example of the Port of Valleyfield to illustrate that.

General Dynamics plans to invest \$700 million and wants to build 14 or 15 buildings to expand production. Its investment would be enhanced by clearance services in a port that specializes in the type of hazardous goods the company wants to import.

• (1710)

Claude DeBellefeuille: I'm glad that you've provided a concrete example, because it's true that the government has invested millions of dollars in General Dynamics. The Port of Valleyfield is an important transport facility for inbound international goods. We also have Glencore Canada, which processes zinc and is right next to the Port of Valleyfield. Those are some examples.

Guillaume Chartrand: Indeed.

Claude DeBellefeuille: These examples are self-explanatory, and it's hard to understand this kind of push-back from the Department of Transport or the agency to find ways to clear a few containers a month. It doesn't make any sense. You, on the other hand, have shown there are business opportunities.

The Chair: I'm sorry, Mrs. DeBellefeuille, but unfortunately, your time is up. That's a great point, but we have to move on to the next person.

Ms. Kirkland has the floor for five minutes.

[English]

Rhonda Kirkland: Thank you.

Mr. Paquet and Mr. Chartrand, I appreciate your comments regarding Valleyfield. I don't know if you were here earlier, but I'm part of the Oshawa portion of the Hamilton-Oshawa Port Authority.

According to the Chamber of Marine Commerce's study, "Unlocking the potential of the Great Lakes-St. Lawrence Seaway System", the port of Hamilton-Oshawa—and for reference, people always just say HOPA—has completed construction of its container terminal aimed at increasing inland capacity. The report states:

What remains is the part-time presence of CBSA officers on-site to conduct container inspections under a sufferance warehouse licence, for which the Port Authority resubmitted its application on May 9, 2025.

We know there will be a great economic impact on the Great Lakes region when this licence is obtained, as you've made clear. According to your study, would the port of Hamilton-Oshawa have the capacity to become a first port of arrival?

[Translation]

Mathieu Paquet: That's possible. We'd have to check with the Hamilton-Oshawa Port Authority. I suppose they will conduct a specific study on the issue of marine containers. However, our study focused on its project, which is a rail project.

[English]

Rhonda Kirkland: Just for clarity, when we're talking about a \$10-million investment in the Hamilton-Oshawa Port Authority, we do not mean an investment in Oshawa. We mean an investment in Hamilton.

Is that correct?

Guillaume Chartrand: I believe all investment numbers in the study are in regard to the Hamilton rail terminal, which is a sufferance warehouse.

Rhonda Kirkland: Okay. I just wanted to clarify that, because we so often hear about HOPA, but it really should be called the "HPA", because Oshawa often gets left out of it. Thank you so much. I appreciate that.

I'm going to move to either Mr. Tod or Mr. Hamilton.

Mr. Hamilton, how often are you seeing cases where stolen vehicles are being revinned or cloned and then resold in the marketplace? You may have mentioned this in your intro, but remind us. What are our numbers looking like?

James Hamilton: I don't have the actual numbers on that. That's something law enforcement would probably be better placed to answer. Of course, different jurisdictions have different instances. Peel continues to be a hot area, covering Brampton and areas like that. Durham and Oshawa also have pretty high instances.

Again, from my own experience and having spoken to many people in law enforcement, it's not an uncommon thing. It's becoming more of a problem.

Rhonda Kirkland: Thank you.

I actually have a follow-up meeting on this with the Durham Regional Police Service and the port. I will be talking more in depth, locally.

A dealer unknowingly buys a cloned vehicle. Help me understand what happens next in that transaction. Who absorbs the loss? What are we looking at, for the average person?

James Hamilton: If we're talking about a well-done re-cloned vehicle.... That's something organized crime has done well enough to get past the process of.... They fool the dealer into buying it. They fool the consumer into buying it from the dealer. You could be looking at a year, or years, after that transaction before it's identified as a stolen vehicle. By then, the bad guy is gone with the wind, long gone. Most of the time, you don't know who that party was anyway, because they used false identities and things like that.

The loss will be visited on the consumer in the first instance. Then it's on the insurance company that underwrites the vehicle, because the police are going to seize that vehicle and return it to the insurance company, which pays out to the customer for the loss.

• (1715)

Rhonda Kirkland: Would you say that this issue is having an impact on insurance costs or claims for individuals? I think I know the answer to that, but it's just for the study's sake.

James Hamilton: I think I can guess what the answer would be. If Équité were asked that question, they would say that \$1 billion in auto theft claims alone in 2025 means someone is paying that bill.

It's not going to be the insurance companies. It's ultimately passed on to the consumer.

Rhonda Kirkland: Thank you.

You and Mr. Tod have both made it very clear that the current approach of being reactive versus preventive is a real problem. I did not realize that CBSA does not provide the exported VINs to dealers, let alone to the MTO. That was a shock to me.

There was a recent case involving a ServiceOntario employee—I don't know if you're aware of it—who used their position to facilitate fraudulent vehicle registrations. This highlights insider access to registration systems.

How significant is the risk posed by individuals with legitimate system access?

I am happy to hear from either one of you.

John Tod: It's a great question.

It's a significant risk. The more you can take ambiguity and discretion away from the service desk, in whatever province.... Have access to the correct information at that desk. Those vehicles need to be flagged at that point in time. It's not a complex formula to put together. They just need the tools. However, you still come back to the same point. Those vehicles can be identified only through a physical examination.

If I may, I'll take a couple of seconds of your time to go back to your first question.

The reality is that I don't think anybody knows how many vehicles are going through the ports. Outside of a stolen vehicle being used to commit another crime, the three main destinations are the ports, the registries and the parts market. Building a deterrent in at the ports, at the registry desks and in the parts market would help offset those costs—the enforcement resources spent trying to resolve that. What we're saying is that it's about having a built-in deterrent.

[Translation]

The Chair: Thank you, honourable member.

[English]

Rhonda Kirkland: That went very fast.

[Translation]

The Chair: Ms. Acan, you have the floor for five minutes.

[English]

Sima Acan: Thank you very much, Mr. Chair.

All my good questions were asked by Madame DeBellefeuille, unfortunately, so I will move to my revinning questions with Mr. Hamilton.

Mr. Hamilton, auto thefts in Canada dropped by 18% in 2025, nationwide, and it was driven by a national action plan. We will see more positive news on those crimes as well. However, my questions are primarily about the issue of revinning, an issue that is impacting exported vehicles and causing a heavy burden on both consumers and your 5,000 dealership members. In my discussion with the Canadian Finance and Leasing Association, one proactive suggestion was the implementation of a remote VIN plate verification system as a solution to the problem of revinning. The goal is to move from a reactive model to an intelligence-led approach using technology and real-time data sharing, which can be more proactive, as we can imagine.

Could you please share with us how a searchable database for exported VINs might improve system integrity by allowing the dealers to identify the ghost vehicles before they are resold to unsuspecting buyers?

James Hamilton: Dealers have, over the years, grown very comfortable with using various pieces of data to try to appraise a vehicle for purchase and for resale. In Ontario, we're a heavily regulated industry, and they are required to do due diligence. They're not unfamiliar with doing searches to see if a vehicle was in an accident, to see if there's a lien on a vehicle or to see who the previous owners were so they can declare it to the ultimate consumer correctly.

This is another data piece, a significant data piece, when we talk about export VINs, for the reasons I've mentioned. It gives them an ability to fairly easily and swiftly determine whether they have a problematic vehicle. If a VIN on the vehicle they're thinking of buying is showing up as having been exported sometime prior, that vehicle technically shouldn't be in front of them, so there's some question that's raised. It's a red flag, and that's something law enforcement should be looking at. They will come to look at the vehicle to determine, through the hidden VINs that are elsewhere on the vehicle that only law enforcement know about, if it is a problematic vehicle.

What we don't want is the harm that we've discussed ultimately at the consumer end, with them having the vehicle seized or having an insurance claim that costs everybody at the end of the day.

• (1720)

Sima Acan: Thank you.

UCDA has an interest, as you also mentioned to us today, in having a data-sharing arrangement with the CBSA. Your organization, as I mentioned, represents approximately 5,000 dealers of new and used vehicles. I know that the CBSA mentioned to you, Mr. Hamilton, that privacy concerns surrounding the VIN's personal information are considered customs information under the Customs Act. In addition, CBSA shares some information with two organizations, Équité and Carfax, but not all the information. They share only a certain amount of information.

Could you please elaborate on what a collaborative data-sharing arrangement between your organization and CBSA would look like

in practice? Specifically, how would your organization's data-handling protocols help bridge this information gap while ensuring that the privacy and security standards are strictly maintained?

James Hamilton: Speaking for our organization, we're already familiar with the security protocols that are required for the handling of that kind of data, because we receive from the Ministry of Transportation in Ontario plate registration data, data on vehicle ownership and the names of people who own the vehicles, and we get lien search data from the Ontario government through the different ministry that provides it. They all have us requiring security, cyber-protection and privacy protocols whereby we purge data on a regular basis. We don't hold it longer than we need to. We're sensitive to those issues. I would have to say that we would be as cognizant of those concerns as Carfax is.

Sima Acan: Thank you very much for your answer.

Mr. Tod, one of the steps in combatting vehicle theft is our ability to scan and improve the ability of our ports of entry to process containers. Unfortunately, criminals present themselves as legitimate importer-exporters, act like brokers, or say that they are in the used car business when exporting through our ports. Could you speak to the importance of intelligence sharing as a tool to catch fraudulent actors or stolen vehicles?

John Tod: I could speak to it a bit, not being in the policing and intelligence community anymore. I think that the more information that's shared, the better. There's no doubt about it.

I think there are some safeguards that have to be put into place, particularly when you're dealing with a private sector company in that type of environment, whether it's part of the insurance industry or not. Definitely, the greater the information sharing, the better. It helps to build that network of information that goes back to put cases together long before they reach the ports, for sure.

Sima Acan: Thank you very much.

[Translation]

The Chair: Thank you, Ms. Acan.

[English]

I'm sorry to interrupt again.

[Translation]

Mrs. DeBellefeuille, you have the floor for two and a half minutes.

Claude DeBellefeuille: Two and a half minutes is short.

Mr. Paquet, speaking from an economic standpoint, to create wealth, would the government be well advised to invest and support small and medium-sized specialized ports to diversify and enhance supply chain fluidity? Did your study draw that conclusion?

Mathieu Paquet: The study drew the same conclusion that there were gains in terms of productivity, tax revenues and gross domestic product for Canada, Quebec and Ontario. It also spoke about modestly diversifying and expanding Canada Border and Customs Agency services at the six ports studied.

I would also like to say that we're talking about relatively focused investments for all the projects considered, not billions of dollars. These investments could have an impact fairly quickly, depending on when the port projects reach maturity.

Claude DeBellefeuille: The agency has challenged the \$54,000 in costs to bring two officers to the Port of Valleyfield to clear a few containers a month and has said that the cost would be much higher.

You have said that even if it's higher, it is a cost-effective project. Is that correct?

Mathieu Paquet: Yes. I'll come back to the ratios. If you multiply \$54,000 by 10, you get \$540,000. The study came up with very conservative assumptions, or \$2.1 million per year for the federal government. From an economic standpoint, these ratios make a lot of sense. If you look at real gross domestic product per year, we're talking about \$5 million.

Even if we were far off the mark, this is still a good project.

• (1725)

Claude DeBellefeuille: The agency confirmed to the committee that mobile radiation portals are legal and that they met the requirements of the agreement with the United States. Saint-Bernard-de-Lacolle and Lacolle municipalities are quite close to Valleyfield and strategically close to the Port of Valleyfield, which could have the services of customs officers.

How would you explain that reluctance to support a project such as the one in Valleyfield?

Mathieu Paquet: You'd have to check with the government of Canada. We only looked at the economic side of things. As the study shows, this project makes a lot of economic sense.

Claude DeBellefeuille: Thank you.

The Chair: Thank you very much for this discussion.

Mr. Gill, you have the floor for five minutes.

[*English*]

Sukhman Gill (Abbotsford—South Langley, CPC): Thank you to all the witnesses who are testifying here today. It's been a pleasure to listen in on the discussion today.

My first question is going back to the used car dealerships and those dealers. How often are they coming across cars with these VINs that are compromised? Could you expand on that, please?

James Hamilton: It is increasingly common. It isn't to the extent where it's every other deal, for sure, but we mentioned the pivot that organized crime will engage in. As it becomes harder for them

to easily export stolen cars out of various ports, they're going to pivot. One of the ways they pivot is in the domestic market.

They're not going to necessarily seek to send a car to Dubai. Now, they're going to try to sell it to someone in Brampton. Inevitably, our members are going to and are seeing this more commonly. They learn about it usually as a result of a police officer attending to seize the vehicle or take it from one of their customers.

John Tod mentioned salvage parts. That's a growing concern. Again, organized crime has realized that the constituent parts of a vehicle are worth quite a lot of money. You have catalytic converters and airbags, and these things are worth a lot of money. Revinning or cloning can also feed into the salvage and recycle market, and that is a growing concern for that market as well. This has many different tendrils.

Sukhman Gill: Mr. Tod, would you like to expand on that?

John Tod: I can add some numbers and context to that.

In Alberta and Saskatchewan, where we provide the service on behalf of those two governments, we're finding a stolen or revinned vehicle among roughly every 80 to 90 vehicles, depending on the province.

Translate that over to Ontario with its population, and with one million vehicles entered into the registry every year. If we're talking 1% to 2% of those vehicles having a fraudulent, problematic, cloned or stolen VIN—whatever you want to call it—it adds up, very quickly, to a large number of vehicles going into the registry, being legitimized and being sold to unsuspecting consumers. The only way you can identify them is through a physical examination.

Sukhman Gill: We see how this organized crime thing pivots to ships. We see, in the research, how the police and all the services there are trying to make sure they can get on top of it.

You mentioned some pivots. What is your biggest worry factor, given how organized crime is playing out?

James Hamilton: In a perfect world, I'd like to see a national registry, where all the registries—Alberta, Ontario, Quebec and B.C.—are linked in such a way that they can easily determine whether a VIN is registered in a certain place at a certain time, and whether that VIN isn't appearing in, say, two jurisdictions at the same time. Believe it or not, that happens. You could run a search on Carfax. If it showed a registration being used in Quebec and B.C. at the same time, everyone would go, "Well, that's a clone." If we saw the same VIN in the U.S. and Ontario....

I suppose what I'm saying is that we have the data. It's there. It's just a question of how it's used.

Interestingly, when we went to the 2024 federal summit that got this discussion kicked off—it was quite successful in that regard—there were people in the room who could really make a difference. The RCMP, I learned, were not providing VINs on the CPIC database to Interpol. They had been asked to do that for many years, but they just weren't, for whatever reason—privacy or otherwise. Within two weeks of that conference in February 2024, the RCMP started sharing those VINs with Interpol. It was as simple as throwing a switch. It was low-hanging fruit. Not all data solutions are going to be that easy, but Interpol found thousands of vehicles in Europe that came from Canada as a result of that sharing.

It can be meaningful, and it can cost very little to nothing. It's just a question of will.

• (1730)

Sukhman Gill: I also recall your mentioning how crucial it is that CBSA data be shared with all organizations like yours. I want to understand why that is being delayed to this extent.

What can we do to make sure we are taking advantage of the information we collect? You follow all the measures. You follow all the protocols. What are the roadblocks here?

James Hamilton: That's an excellent question to which I wish I had an answer.

One of the surprises, I suppose, when we embarked on this was.... We thought we were on the side of the angels with the request we were making to CBSA. I stand somewhat surprised at how difficult it has proven to be to get them to see the advantages. They have never told us why they've chosen to share it with Équité and Carfax but not with organizations like ours.

I'm not suggesting that Carfax and Équité shouldn't have it—quite the opposite. I think more should, if they are proper users and can show they have legitimate reasons.

The Chair: I'm sorry, MP Gill. Thank you for that great conversation.

Sukhman Gill: I just got started.

The Chair: Thank you, Mr. Hamilton.

We'll now turn to MP Ehsassi for five minutes.

Hon. Ali Ehsassi: Thank you very much, Mr. Chair.

Thank you also to all the witnesses.

Mr. Hamilton, I have to say that your remarks have been really fascinating.

This is one of my concerns: Given that you explained to us the cascading effect this has, and that some of your members are buying these cars because they don't know any better.... For the buyers, obviously it's *caveat emptor*. How can we try to nip this in the bud so that it doesn't happen anymore? This is going to tie up the courts. It's going to lead to vulnerable Canadians having to take matters into their own hands. What can we do to make sure dealers aren't mistakenly dabbling in this stuff?

James Hamilton: That, again, is an excellent question, and it speaks to education. I said earlier that if CBSA tomorrow were to say, "Okay, Jim, here's the data," it would not make all of this go

away. I never would suggest that. It's a piece, but you're pointing out another piece, and that's education.

Dealers in Ontario are now required to take mandatory education. Salespeople and motor vehicle dealers must meet, every year, educational requirements, and part of that education is teaching them how to assess a vehicle correctly and what to look for.

There are some identifying features you can look for with a revinned or cloned vehicle. John has more experience on the enforcement side. The VIN plates on the dashboard are very specific, with proper rivets. If they're really well done, they can fool ordinary people but not an expert. Some of them are not so well done, and if dealers were educated to look for that and to compare the VINs on the dash versus the driver's door and the trunk, each of which has a VIN plate, they will see that sometimes the sloppier criminals won't even bother to fix those, so you will have a VIN on the dash that doesn't match the one on the door. That's a red flag.

Simple things like this could be done.

Hon. Ali Ehsassi: Thank you.

I also have to say that I agree with you that privacy considerations shouldn't get in the way of the CBSA's actually sharing some information, but that has to be determined.

My next question is this. You alluded to the fact that since 2024, when we had a summit, the numbers are down 20%, but I'm of the view that it's far too little. There has to be more that we can be doing to improve those numbers.

From a technological or high-tech equipment standpoint, for our authorities to do a better job trying to get in the way of these criminal gangs and making sure that cars aren't stolen and exported, what more do we need?

James Hamilton: I'm going to defer to John to some extent.

Hon. Ali Ehsassi: I'm going to ask the same question of John too.

James Hamilton: Okay. Fair enough.

I would say that from what I understand, the CBSA has some work to do in developing a bit more of a technology solution for the reporting of VINs. When a vehicle is exported, a lot of self-reporting is still relied on and collected informally. The VINs are not being collected in an easily digestible way. If you were talking to someone in IT, they would have some solutions to suggest what they would prefer to see with bulk data. My understanding is that they're working on that, but we don't get a lot of information as to what the timelines are with CBSA. I would say there's a lot of work to be done and probably some money to be spent to make sure they can more effectively record VIN data.

• (1735)

Hon. Ali Ehsassi: Now we go to Mr. Tod. In your remarks you actually touched on this, that the CBSA needs more high-tech tools and equipment. What would that constitute?

John Tod: That's a great question.

This committee has made a number of great recommendations in the past, and I think going to the scanners and those types of things....

I'm not going to talk so much about the technology part, as there are people who can provide better advice on that. If I could offer this, I would say that as far as I can see, the scalability of it is the issue, meaning the ability to scale up to examine vehicles with CBSA. Moreover, part of the issue is that the CBSA lacks any clarity as to the responsibilities. It's very confusing. You heard from other witnesses as to who has the role in the ports to assist the CBSA, whether it's the police or the private sector.

To go back to your first question, sir, of how to stop the re-vening issue, this committee back in 2024 made some really great recommendations. I think it was Commissioner Tom Carrique of the OPP, representing the CACP, who recommended that every province have a legitimate VIN examination program. You adopted his recommendation. When a consumer or somebody comes to a

registration desk, and if there's any issue, that permit has to be defined and be consistent. If there's any issue with that VIN, the vehicle would not get sold but go off for a legitimate examination before it could go on to an unsuspecting consumer. If you put that deterrent in place, the criminals would move elsewhere.

The Chair: I'm sorry to end that great conversation.

Thank you, everyone.

[*Translation*]

Thank you, gentlemen, for coming here today and for dedicating so much time and effort to prepare for this meeting.

Have a great afternoon.

[*English*]

For MPs, please stay a few additional seconds regarding the timetable.

[*Translation*]

We'll continue our study on Thursday with some other great witnesses.

We'll have the spring economic statement next Tuesday, 28 April, and so we won't have a meeting on that day.

As you may know, next Thursday, 30 April, we'll have two ministers: The Minister of Public Safety and the Minister of Immigration, Refugees and Citizenship to testify on Canada's ability to remove foreign nationals with a criminal record.

As you probably know, Bill C-22 passed at second reading yesterday. The clerk of the committee has already requested you to consider the witnesses you would like to suggest to appear for this study, which is just around the corner.

Thank you, and have a good afternoon.

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