OFFSHORE HELICOPTER SAFETY INQUIRY

October 26, 2009
Tara Place, Suite 213, 31 Peet Street
St. John's, NL

October 26, 2009

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COMMISSIONER:
Q. Good morning, ladies and gentlemen. We have with us this morning representatives of Transport Canada who are here to give evidence, or at least one representative to give evidence, and Ms. Fagan will introduce them and conduct the questioning, to Ms. Fagan.
MS. FAGAN:
Q. Thank you, Commissioner. The witnesses today--well, we have one witness and support, so the witness is Michael Stephenson, who is the regional director for Ontario for the civil division. He's also acting general regional director, and you will hear that Transport Canada is divided into five regions in addition to the headquarters in Ottawa, the Pacific, the Prairie and Northern, the Ontario, the Quebec and Atlantic. The regional director for the Atlantic region was prepared to present at the inquiry. However, due to an unforeseen personal matter which came up quite unexpectedly, he is unable to attend. Mr. Stephenson, who is the regional

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director for aviation in Ontario, has graciously agreed to present on behalf of Transport Canada, and as this is the data collection phase the inquiry seeks to obtain information on the current situation with respect to helicopter transportation of workers to the offshore, and the first component will be an explanation of the regulatory regime, and Transport Canada is now going to provide an explanation of Transport Canada's part in the regulatory regime. Mr. Stephenson, being the regional director for Ontario, is in the same position from a regulatory perspective as the regional director for Atlantic. The five regional directors are counterparts of each other so he should be able to give a very good explanation of the regulatory regime. In addition to Mr. Stephenson, we have Lucille Kamal. Lucille is the director of civil aviation secretariat at Transport Canada in Ottawa. That's at the headquarters, and she's been with the department since 1988 and will be supporting Mr. Stephenson. Through some of the presentation we'll refer to the Transport

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Canada website, and in her position she's very, very adept to locating information and it's actually very simple, but she won't be providing evidence, so we will have Mr. Stephenson sworn.
COMMISSIONER:
Q. Okay, thank you.
MS. MICHAEL STEPHENSON, (SWORN) EXAMINATION-IN-CHIEF BY MS. ANNE M. FAGAN
REPORTER:
Q. State your name, please.
MR. STEPHENSON:
Q. Michael Stephenson.
MS. FAGAN:
Q. Now, Mr. Stephenson, before we begin I understand there are some exhibits that we're going to refer to, and the exhibits have been disclosed and provided to the parties and the counsel, and for the record we'd like to have them entered if there is no objection. The exhibits are comprised of a PowerPoint presentation that Mr. Stephenson will refer to, and that's Exhibit #26; and we have the Aeronautics Act, 24; the Canadian Aviation Regulations, 25; the International Civil

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Aviation Convention, which is 27; and a booklet, which describes all the annexes to the Convention, and that's Exhibit 28, so we would like to have them entered so that they could be placed on the website and available to the public as soon as possible. Is that acceptable?
COMMISSIONER:
Q. Yes indeed.
MS. FAGAN:
Q. Okay.
COMMISSIONER:
Q. So you'll do that, Ms. Williams.
MS. WILLIAMS:
Q. Yes, Commissioner Wells.
MS. FAGAN:
Q. With the exception of the PowerPoint, all of these exhibits are available on the websites of Transport Canada, and available through the International Convention in any event. They're being marked as an exhibit and placed on the website for the convenience of the public and the parties.
COMMISSIONER:
Q. Okay.

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MS. FAGAN:
Q. We don't intend to refer to the particular sections of those statutes. They're there as reference material if somebody would like to research some of the issues a little further.
COMMISSIONER:
Q. Okay then.
MS. FAGAN:
Q. Okay, Mr. Stephenson, we'll now begin. I understand you had a remark before I want to lead you into your bio and history.
MR. STEPHENSON:
Q. Yes, and I had the privilege of meeting Commissioner Wells. I just wanted to thank you for the privilege of being here and representing Transport Canada. More specifically, we didn't have that much time to talk. I did mention that I had read the introductory statements that you made earlier in the week last week, and I appreciate-- particularly in the light of this particular tragic accident. The testimony that I'll give today, although it's very general in nature, I hope that you'll find it useful, and I hope everybody else will find it useful in

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understanding our mandate and what it is Transport Canada does. I also wanted to make sure that you're aware that even after my departure this week I am available to you either through counsel or directly to respond to anything else that might come during the proceedings, and again a source of contact for what might go on inside Transport Canada, trying to find your way within that structure.
COMMISSIONER:
Q. Okay, thank you.
MS. FAGAN:
Q. Okay, Mr. Stephenson, before we get into the regulatory regime, can you just give us a little bit of information as to what position you now hold and how long you have been with Transport Canada, and a little bit about your aviation experience.
MR. STEPHENSON:
Q. Sure. As you have mentioned, my substantive position is the regional director of civil aviation in Ontario. I do have a career in aviation before government. I started flying in 1976, myself personally, as a pilot. Stayed in the aviation industry for about 10

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years as an active pilot, and through that period I held positions as a chief pilot. As a chief flight instructor I managed a fairly large company in Toronto for a number of years. I began in Transport Canada in 1988 as a civil aviation inspector in our then air carrier branch. I essentially stayed within that organization as it changed over the years as an inspector, as a superintendent. I stepped out of that role for about two or three years as the manager of our enforcement branch in Ontario. Eventually, about seven years, became the director of civil aviation overseeing that entire branch in Ontario. I was privileged to come to the Atlantic region on an assignment about three years ago and held a position as the director general, so I oversaw the aviation branch as well as the marine and the surface branch, and all the other branches within the region. I'm currently in that position now in Ontario. I've been there for about a year as the director general, again overseeing essentially the same structure but in the Ontario region, and that's just again an assignment that I'm

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on.
MS. FAGAN:
Q. So would it be fair to say that right now you hold the two positions as the regional director for Ontario and the director for civil aviation?
MR. STEPHENSON:
Q. Well, I have a person staffing that position. I try not to do both jobs so I do have an actor in that role, but again I have direct contact with that position, but that is my substantive position.
MS. FAGAN:
Q. Can you please provide the vision and the mission statements for Transport Canada, and then for civil aviation specifically.
MR. STEPHENSON:
Q. Sure, and if you don't mind I'll read them so I actually get them accurately. "The vision for Transport Canada as a whole is a transportation system in Canada that is recognized worldwide as safe and secure, efficient and environmentally responsible. The mission of Transport Canada is to serve the public interest through the promotion of a

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safe and secure and efficient and environmentally responsible transportation system in Canada, and as a result civil aviation has developed its own vision and mission, which is simply an integrated and progressive civil aviation system that promotes a proactive safety culture, and the mission is to develop and administer policies and regulations for the safest civil aviation system for Canada and Canadians using a systems approach to managing risks."

MS. FAGAN:

Q. Thank you. Can you now explain the organizational structure of Transport Canada because it's a fairly large organization, and you have mentioned surface and marine and aviation.

MR. STEPHENSON:

Q. Sure.

MS. FAGAN:

Q. So can you take us through how this large department is divided up?

MR. STEPHENSON:

Q. Sure. It's a federal department, obviously, and it's headquartered in Ottawa. It's built

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out of some fairly large groups of individuals. Obviously, we have a policy group that's again headquartered in Ottawa with small elements in the regions. We have a programs branch that basically oversees all of what Transport Canada has in assets, in real estate. We have a corporate services branch that overseas the financial portions of Transport Canada and the human resources section, and obviously more than I'm telling you about that here today, the departmental general council and communications and marketing. Now the largest group, specifically, is the safety and security branch where aviation is actually housed, so that's kind of the structure and then, of course, we're broken up across the country.

MS. FAGAN:

Q. And how are you broken up across the country?

MR. STEPHENSON:

Q. Well, again five regions, you mentioned it in your opening statement. We have a Pacific region. We have a prairie and north, which geographically is a very large region. We have the Ontario region, which is the borders

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of the province of Ontario. We have a Quebec region, and then we have Atlantic Canada, or the Atlantic region.

MS. FAGAN:

Q. Now you have explained the groups. I understand in addition to the groups you then take the division even further into activity, more of a specific, almost an activity type based division. Can you explain how it's divided?

MR. STEPHENSON:

Q. Sure, and to your question--and I think the relevant group we're talking about is the safety and security group. It's divided into a modal structure, surface, marine. In this case we're talking about aviation. Each one of them has representatives in the different regions. They also have representatives right there in headquarters, so the aviation group I'll speak about. Aviation has a substantial group headquartered in Ottawa, and then they have their counterparts located in the regions where actual field work is done.

MS. FAGAN:

Q. Marine, you know, especially to the

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Newfoundland and Labrador public, is a fairly known entity. They generally would understand what is meant by "marine," but could you just explain "surface," what do you mean by "surface."

MR. STEPHENSON:

Q. Sure. Surface, obviously they would oversee railway operations as an example. The other primary piece of our surface branch is the transportation of dangerous goods, so whether it be by--well, specifically by surface, so rail, road or any other means of surface transportation.

MS. FAGAN:

Q. Okay. Marine, I take it, is the ocean, the marine traffic, vessel traffic.

MR. STEPHENSON:

Q. Yes, vessel traffic, whether it be marine--obviously in Ontario our Great Lakes would be our primary area of transport, yeah.

MS. FAGAN:

Q. And then "aviation," what does that cover because that's really where we're going to focus today.

MR. STEPHENSON:

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Q. Sure. Aviation, in simple terms they are the regulatory body that certifies and oversees the, I guess--if I can say that the design, the manufacture and certification of products, of people, of organizations, so "people" meaning pilots, maintenance engineers. When I say "organizations," air operators, maintenance organizations, airports, that sort of thing.

MS. FAGAN:

Q. The civil aviation is subject to a legislation and a regulatory regime. I understand there may be guidelines, various types of advisory materials, so if somebody wanted to research or know what is the legislation and the regulatory framework, what should they look for?

MR. STEPHENSON:

Q. Well, again we can show you on the web, if you'd like. There is a spot--and you mentioned it in your opening statement that we--and you entered the exhibits. You can actually go to the web and find the Aeronautics Act specifically for aviation. It's our primary source of--or source of

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power. In other words, it allows us to make regulations and make standards for operations. We also generate our own internal and external guidance material in order to assist the industry, both outside and inside Transport Canada, on how to carry out our duties.

MS. FAGAN:

Q. So we have the Aeronautics Act, and we have the guidance and advisory materials.

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. And, as well, the regulations, what's the--the acronym, I understand is CARS?

MR. STEPHENSON:

Q. CARS, yes, Civilization--sorry, Canadian Aviation Regulations, or we use the acronym CARS, so again, we'll try not to use that, but it flows quicker than the other.

MS. FAGAN:

Q. Canadian Aviation Regulations.

MR. STEPHENSON:

Q. Yes.

MS. FAGAN:

Q. Okay. Could you give us a sense as to how

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comprehensive, or just the volume that would be involved if somebody--if one of the group here decided they wanted to hit the print button for the CARS, they go into your website tc.gc.ca. They click the "CARS," and then they all of a sudden hit "print," what are they going to end up with?

MR. STEPHENSON:

Q. I printed a sampling. It's a little bit under an inch, and that's basically the commuter regulations that apply to, you know, that class of aircraft that we're talking about today, for example, and that's about this thick, and so it's substantial. I would suggest it would fill this binder plus others if we were to print them all.

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. So you'd be looking at more than 500-package of paper.

MR. STEPHENSON:

Q. Yes, that's correct, yeah.

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MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

Q. And we're not talking about guidance material either, which doesn't seem to end so -

MS. FAGAN:

Q. Okay, so the guidance material is in addition to the regulations.

MR. STEPHENSON:

Q. Right, guidance material not being regulation. It's guidance material.

MS. FAGAN:

Q. And what's the purpose of the guidance material?

MR. STEPHENSON:

Q. It's to help not so much a layman, but it's to help somebody who's working in the industry on a regular basis. It assists them in complying with the regulation, and there are multiple ways of doing such things, but we give suggestions or ideas on how somebody might move forward and comply with a particular regulation or a particular standard, and that's generated by people who know--either internal, or we've gotten a lot of assistance

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from external sources in--by simply seeing how people are complying and using those as best practices and -

MS. FAGAN:

Q. The Canadian Aviation Regulations, the CARS, the substantial body of work, can you explain how it's divided and what section would apply to helicopter transportation. We're looking at the transportation of workers to the offshore.

MR. STEPHENSON:

Q. Right. The division--and I'll just read them so I get them correct. They're in nine parts, Part I being a general provision section. Part II is one that covers the registration of aircraft and the manner in which you deal with the ownership and registration of aircraft. The third part is aerodromes, airports, and heliports. The fourth one is personnel licensing and training. Some of them are obvious and some of them are not so obvious to a layman in any case. Part V is a our air worthiness section. Part VI is our general operating rule section. Part VII is the commercial air services section, which is

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something we may talk about a bit today, not specifically but in general terms. Part VIII is the air navigation services, which is the section that governs the matter which we provide navigational services, in other words the creation of the navigational system, the management of air traffic controllers and that sort of thing, and then Part IX is the repeals and coming into force, the section we use for rules that come into force and that are being repealed. I should say from a safety and security perspective, aviation in particular, we generally work within Part II to Part VIII. That's the piece that our staff would work with on a regular basis. That's the piece that an air operator would look at on a regular basis more so then, obviously, Part I and Part IX.

MS. FAGAN:

Q. Where would you find the safety standards in the regulations?

MR. STEPHENSON:

Q. Safety standards are--the regulations themselves will point to a standard. They'll speak of a standard in accordance with the

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Canadian Aviation and Safety Standards, so it'll literally point to them in words. You can find them on our website as well. I don't know, did you enter the standards as well or just the regulations, I don't recall, in your submission for evidence, but they can be found on the web.

MS. FAGAN:

Q. Yeah, we haven't put in the standards.

MR. STEPHENSON:

Q. Okay.

MS. FAGAN:

Q. We've just put in the regulations, but the standards are, as you say, available. If somebody wants to know a particular standard for -

MR. STEPHENSON:

Q. If you go to our website--and I'm now looking at the regulations. The standards are available usually right on the same page, and again we could demonstrate that if you wished.

MS. FAGAN:

Q. Okay. The Canadian Aviation Regulations, how are they created in that who is involved? I mean, it's fairly obvious that Transport

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Canada's, you know, staff may be involved, but do you consult with anybody else?

MR. STEPHENSON:

Q. Yeah. First of all, Canada is probably one of the first companies--or countries rather to put together a fairly comprehensive consultative process. We're bound to do it by regulation. We have a--it's an acronym, and I want to make sure I pronounce it correctly. Do I have it here? Yes, I do have it here. It's the Canadian Aviation Regulation Advisory Council, or CARAC, and it is a council that, as I said, started working fairly well in the early 90's. It's progressed over time to become a very robust consultative process. It's controlling council, which are individuals inside Transport Canada who are called CARC. Just remove the "advisory," and you have CARAC to CARC, and it's the group that actually makes the final decisions to make recommendations to the minister for regulation, but the CARAC process is a very comprehensive, consultative process. When we make regulations, we simply just don't make a regulation. The need has to be identified.

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The manner in which we might try to resolve a regulatory issue has to be discussed. The discussions are very comprehensive on--or participants in that, I'll say "a regulation," participants in the evolution of a specific regulation might involve labour who will come to the table. Might involve the airlines themselves or the air operators themselves. It might involve, or it usually involves large associations who will represent probably more fulsomely the operators that can't come to the table because they're from perhaps other parts of the country. Most of these meetings take place in Ottawa. I know they've made an effort to move them out, but generally they're centered in Ottawa, so the associations play a significant role there to represent the various industries whether it be airports or whether it be pilots, or whether it be maintenance or manufacturers or whatever. They form technical committees, and they literally will have discussions, and they might even come up with something as basic as recommended wording for a regulation, or a recommended approach that they would then

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present to CARC, the council themselves, to have more additional discussion. CARC may actually send them back to do additional work if they don't think it's suitable for what it is they're trying to accomplish.

MS. FAGAN:

Q. You have included in your presentation some organizational charts to show the reporting.

MR. STEPHENSON:

Q. Sure.

MS. FAGAN:

Q. You know, we now have the regulation. Somebody has to enforce it. Somebody has to make sure that the air operators and the manufacturers are all complying, and somebody is developing the regulations, so can you please go through the reporting as to how all of this fits together? I mean, we had our regions.

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. But they have to connect and communicate and take direction.

MR. STEPHENSON:

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Q. So can I show you our org chart for--starting with our headquarters, basically?

MS. FAGAN:

Q. Yes, I -

MR. STEPHENSON:

Q. Does that make sense?

MS. FAGAN:

Q. You have two organizational charts.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. So whichever one makes the most sense -

MR. STEPHENSON:

Q. Yeah, so the one--I'll just wait until you give me the thumbs up, we're on the screen.

MS. FAGAN:

Q. Yeah, it's on the screen.

MR. STEPHENSON:

Q. Okay, very good, so what you're seeing here, if I can take the mouse just for people in the room, and again for people at home I'm not sure they'll be able to see this, but the director general for civil aviation resides in Ottawa. This is that box here, and that's the aviation director general, obviously, and

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you'll see on the left side of the screen, the blue and the yellow, they are the individuals that reside in headquarters. They reside in Ottawa. The groups here then, circled here in yellow, they're the groups that actually are the ones that actually generate regulation, or they create regulation. They also develop the standards. They also give standards advice or guidance to those who are on the ground actually doing field work, and the groups on the right-hand side that are in green are the operational groups. You can see the regions on the far right. I'll explain those in a minute, but the ones that are green in the middle actually also are headquartered in Ottawa, but they're operational groups that actually physically do field work. The director of national operations and the staff he has--or she has, actually, reporting to her are the groups that actually look after our major airlines in this country, so they're dedicated to that particular group of airline and the maintenance organizations around them. The director of national aircraft certification is the--it's probably close to a

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hundred professional engineers and all of the support that goes with that to deal with the certification of aeronautical products like aircraft or the modifications to aircraft and so on and so forth. They also have a small contingency of engineers in the regions as well, not directly linked to them. They're in the regions. I'll get to them in a minute, and then the director of international operations, and that individual, again another woman we have in Ottawa, have a small group of staff that deal with the licensing or the certification of foreign operators who may wish to operate in Canada, and so we work with her international colleagues to do some connection there. On the far right you'll see a dotted line to the regions. The dotted line expresses a functional connection to our headquarters. As you can imagine, in a region being a distance from Ottawa, we want some line authority over the top of all of what goes on in a region, and that's the role that director general plays. That's the role I played in Atlantic Canada. That's the role I currently play in Ontario as the director

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general, so underneath me in this case in the Atlantic region would be the director of civil aviation, Arthur Allan, who we've mentioned earlier, so he would report to the director general. The director general is an administrator. That's his primary role. He certainly does have the ability to interact with the modes, but from a technical perspective if questions need to be asked, Arthur, for example, Arthur Allan, the director of civil aviation, wouldn't necessarily consult the director general. He would direct his questions to headquarters in Ottawa, and that would be the case with all of the regions. I mentioned that the national aircraft certification organization here has staff on the ground in the regions. They don't have again a direct line, but they have a functional authority over the top of them as well. I know that's too much, but to give you an idea.

MS. FAGAN:

Q. Okay, and you can correct me if I'm wrong, as I understand it in the Atlantic region there would be your civil, your surface, and your

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marine.

MR. STEPHENSON:

Q. Correct.

MS. FAGAN:

Q. And those three sort of modes of transportation would be--the administration would go to the director general for the Atlantic.

MR. STEPHENSON:

Q. Correct.

MS. FAGAN:

Q. And they would look after the administration-type needs of the surface, the marine, and the aviation.

MR. STEPHENSON:

Q. That's correct.

MS. FAGAN:

Q. However, if there was a particular technical, aviation-related topic that was really precise and specific to an aviational question, the regional director in the Atlantic region would go to the director general of aviation in Ottawa for some direction or guidance or information if it's aviation question.

MR. STEPHENSON:

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Q. That's correct and, as you can imagine, there'd be more than one question so it wouldn't normally be director to the director general. It would be--there is connections with all the staff below that happens all the time.

MS. FAGAN:

Q. Okay, so it's not only the director -

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. You're saying that the staff -

MR. STEPHENSON:

Q. The staff are all connected. They have those linkages. The flow of information in questions moves all the time.

MS. FAGAN:

Q. So that's what's meant by the dotted line.

MR. STEPHENSON:

Q. Correct.

MS. FAGAN:

Q. You're looking to two sources. If you were in the Ontario region or the Atlantic region, you'd look to two sources. An administration source would be the director for your region.

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A technical topic mode type source would be the headquarters for that mode in Ottawa.

MR. STEPHENSON:

Q. That's correct.

MS. FAGAN:

Q. Okay. The certification of the aircraft, is the certification of an aircraft basically dealt with in Ottawa at headquarters or does the regions get involved in the certification of aircraft?

MR. STEPHENSON:

Q. Well, because of the resources available in Ottawa, I mentioned to you, for example, in headquarters, and I don't know the exact number, but they have very close to a 100 engineers. It might be 60 or 80, but it's a large number of engineers that they have available to them, and engineering is a complex issue. People become experts in certain areas. In the Atlantic region, and again I don't remember the exact number, but they might have two or three. I know in Ontario I have about 10, so in Ontario it's a fairly large industrial area so obviously it would make sense we'd have more, but it's

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still not that many, so even in the region when we deal with products we rely on our headquarters' colleagues to assist us in--when we get into specialty areas because they have a broader group available to them. So to answer your question directly, when it comes to the certification of an aircraft in its entirety, normally handled in Ottawa.

MS. FAGAN:

Q. Okay. The civil aviation for Transport Canada, that entire branch, about how many people or employees would be involved in civil aviation. I mean, we have Transport Canada. Generally, how many are devoted to civil aviation, and then how many would be devoted to civil aviation in the Atlantic region?

MR. STEPHENSON:

Q. Sure, so Transport Canada has about 600 employees. Aviation across the country, including headquarters, is about 1,500. Here in Atlantic region, aviation is about 80 people.

MS. FAGAN:

Q. Marine and surface in the Atlantic region, how would they compare to the 80? Would marine

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have more than the 80 or less?

MR. STEPHENSON:

Q. Yeah, Marine in Atlantic has substantially more. To just pull an number out of my head, my recollection is it's about 150, 160, and contrast that to Ontario, if I may, just to give you a sense--marine is substantially smaller in Ontario. The Great Lakes there are very active, but we simply don't have that kind of traffic so I'm going to again say about 40. Aviation in Ontario is about 200 employees, just to kind of give you the contrast.

MS. FAGAN:

Q. Because it has to do with the level of activity for that particular mode.

MR. STEPHENSON:

Q. Exactly.

MS. FAGAN:

Q. Okay. The prairies would have pretty lean in marine.

MR. STEPHENSON:

Q. The prairie's marine is relatively small, right.

MS. FAGAN:

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Q. Okay.

MR. STEPHENSON:

Q. Yet aviation is quite large.

MS. FAGAN:

Q. There is a second organizational chart that you have included in your slide presentation, and before we move on to some of the other topics perhaps you could go through and explain what this slide demonstrates.

MR. STEPHENSON:

Q. Sure, and that's just a very simple graphic of what the Atlantic region civil aviation branch looks like. You'll see essentially the same mirror across the country. Currently underneath a director we have the branch divided into several groups. Our commercial and business aviation division, that's the group that deals primarily with commercial operations from an operations perspective, in other words, the pilot side and the manner in which they fly aircraft. The business piece, just forgive me, somebody may have a question about that. It's a minor issue for this inquiry, but not for the business community, but operating a business jet, for example,

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there's a small business contingency that we regulate business aircraft to a higher standard than a simple private aircraft that somebody might fly around. Once you get to a certain size of aircraft, we have stronger operational regulations.

MS. FAGAN:

Q. So the business part, that would be, say, a corporate jet for a -

MR. STEPHENSON:

Q. Correct, whether it be as a Learjet or even a Boeing 747 in corporate operations, so we leave that with that group because they have expertise in the operation of larger aircraft. The general aviation division does everything from the licensing, process of licensing, literally the administrative of handing over a license as we all do with our driver's license, to the actual certification of pilots. Flight instructors, they examine flight instructors. They hold and control the piece that talks about the licensing portion of pilots, pilots specifically. Also just the general, private pilot who might want to write an exam, general aviation looks after that.

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System safety is a group that's been changing over time. It's getting more and more dynamic. It's a group that is--it's basically a place where data has been collected. Traditionally, it's a place where data has been collected on events that occur in our system. They do analysis. They have traditionally provided guidance or information out to the industry as a whole. Certainly, they talk to each other, work with our headquarters folks to try and determine our direction from one year to the next on where we might focus on education and so and so forth. I think, as I say, that's changing over time. It's actually getting quite progressive. Your opening discussion on Monday, actually, Commissioner, tweaked my interest when you talked about culture and that sort of thing, and system safety has been working in those particular areas, human factors and so on and so forth. The aerodromes and aeronavigation is the regulatory piece. I don't think I mentioned Nav Canada specifically, but Nav Canada in or about 1996 or so in the last century, we

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divested Transport Canada's role of looking after the entire aviation navigation system. Prior to that, we were about 25,000 employees. We divested ourselves of that piece because we were the regulator and the operator, and one might see a conflict there, so through policy we decided to separate ourselves. Nav Canada as a not-for-profit corporation was developed, and our aerodromes and aeronavigation section either in headquarters or in region, have a role to play as a regulator in that particular area, but aerodromes and airports is probably something we might talk about today. Maintenance and -

MS. FAGAN:

Q. Can you -

MR. STEPHENSON:

Q. Sorry, go ahead.

MS. FAGAN:

Q. Sorry. What is Nav Canada? I mean, what do they do?

MR. STEPHENSON:

Q. Yeah, Nav Canada basically employs all of the air traffic controllers. They employ all of the flight service specialists that actually

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provide services to pilots from a non air traffic control perspective. They design the air space. They control the design and the manipulation of how the airways, for example, across this country are designed and utilized. They have a direct link to Environment Canada who have responsibilities for actual--the creation of weather, so there's a natural link there because they're the source of the information to our people who actually fly in the sky, and I'm really going in general terms here. I'm sure Nav Canada could do a better presentation on what they do, but it's, as you can imagine, a fairly complex system.

MS. FAGAN:

Q. And so your division, aerodromes and aeronavigation, that's your oversight or regulation of this entity.

MR. STEPHENSON:

Q. Nav Canada, that's right. The primary source of oversight for Nav Canada is actually centered in headquarters. Nav Canada is centered in headquarters in our oversight. The administrative is there, but we have field inspectors across the country as well.

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MS. FAGAN:
Q. Maintenance and manufacturing.
MR. STEPHENSON:
Q. Maintenance and manufacturing is, I will say, the counterpart to commercial and business aviation. They look after, obviously, the maintenance specifically of not just commercial, but private aircraft. Anybody engaged in the maintenance of an aircraft or an aeronautical product of any sort, they're the group--they employ primarily maintenance engineers, and the manufacturing piece also is a group that oversees certified manufacturers. It would be somebody who manufactures either an aircraft or an aeronautical product so -
MS. FAGAN:
Q. So when you talk manufacturing, it's not--in the region there is the approval or certification of the design, and the approval of that particular product.
MR. STEPHENSON:
Q. Uh-hm.
MS. FAGAN:
Q. But then at some point it has to be manufactured.

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MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. So this would be the oversight of the manufacturer complying with the design.
MR. STEPHENSON:
Q. That's correct, and we certify manufacturers, so if you're in the manufacturing business then you would need a certificate in order to do that.
MS. FAGAN:
Q. Okay, the last two.
MR. STEPHENSON:
Q. The aviation enforcement. Forgive me, aviation enforcement is again a service to the other groups. Aviation enforcement, I mentioned I was the manager of aviation enforcement in Ontario for a number of years. It's a group that house some specialists. Specifically, they've traditionally hired pilots and engineers in their ranks, trained them to become investigators, and so they will be the individuals who will receive perhaps packages from the other operational groups. The operational groups will have to determine

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that an enforcement process is more suitable for their client if they're having difficulty with compliance. In other words, somebody is breaking the rules and not complying. We have many vehicles in order to gain compliance. One of them is simply convincing them that their certificate is important to them, and that if they want to maintain their certificate, compliance is important. Sometimes we actually issue fines and whatnot. The private pilot out flying his aircraft doesn't hold an operating certificate. They hold a private pilot's license and so, really, our only vehicle for enforcement for them is actually the enforcement branch, other than simply being assured that they're going to comply, so we rely on them to actually have that interaction with our department. The aircraft certification branch, or division rather, is the section--and I mentioned to you in regions they're relatively small. In Atlantic they're probably two or three. I haven't got the latest count here in Atlantic, but they're the ones that would receive--again in regions, my region, Ontario, or here, our

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primary business is modifications to aircraft where somebody has relative to a large aircraft, relatively small projects, and they'll bring projects to us and they'll want to go through a process of certification, and so our people generally can deal with the volume of work that a region might deal with from a simple project perspective.
MS. FAGAN:
Q. Okay, thank you, so it's fairly clear, I think, from this slide that in the regions this work is done from an operational perspective, and the implementation of the policies and the regulations that are set in Ottawa, so Ottawa will set up the framework.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. And then it's up to the region to ensure that it's implemented.
MR. STEPHENSON:
Q. That's correct. I should say though the regional director--I should add, actually sits around a national table on a regular basis, so we're not completely separated from

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headquarters. We're directly engaged all the time. Our staff underneath the Civ. Av. director in Atlantic, for example, they'll be engaged in many discussions when it comes to actually the development of a policy or the development of a regulation, so there is a direct link on a regular basis, so they don't do it isolation. Just thought I'd share that.

MS. FAGAN:

Q. That would lead into Transport Canada generally. Transport Canada, as an entity and as being charged with civil aviation and safety, does Transport Canada look beyond the borders of Canada itself? Do we, you know, as a Canadian entity act in a vacuum, or do we look elsewhere?

MR. STEPHENSON:

Q. As probably everybody knows, aviation is a worldwide mode of transportation. You know, over time we've seen an evolution of the manner in which we conduct ourselves. We've obviously over probably years gone by focused on our country and focused on our country with respect to aviation, I suppose, which is not completely true. We've obviously been flying

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internationally for some time. Canada happens to be a member of an international organization. It's the International Civil Aviation Organization, an acronym, forgive me, ICAO. It flows a little better again. ICAO happens to be centered in Montreal, Quebec, where we are a member state. It has a link to the United Nations, so you can imagine the members of ICAO and who they might be. There's probably about 170, 180, 190 states who are linked to ICAO. Canada happens to be a fairly significant leader in that unit, not just because it's centered here, but we have an interest, obviously, in aviation. Canada has, I believe, about the third-largest fleet of aircraft in the world, so obviously we have a vested interest in the manner in which we do business. Aviation from a manufacturing--or design and manufacturing industry, obviously, is worldwide as well. Canada does sell its products abroad, and so we have an interest in that particular--ICAO looks at, and they develop recommended standards, I guess is the expression. Standards, or recommended practices, I believe, is the proper term.

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Again another acronym, SARPS, I don't use that very often because I don't talk about ICAO often, but ICAO has influenced, or they developed those standards of recommended practices in pretty much all aspects of aviation, whether it be the design and manufacturing and maintenance of aircraft, whether it's the operation of aircraft, whether it's the operation of an airport or aerodrome. I guess I could go on. It's very influential, although it doesn't have regulatory power over the top of any state particularly, but the states--"the states" meaning Canada as an example being a member state, do everything they can to comply with those recommended practices, and essentially I think we're very--as I said, we're quite influential in that process.

MS. FAGAN:

Q. For an example, would it be problematic if a country wanted to set up an airport and accept international carriers or international airlines if it didn't comply or wasn't a member of this international organization? I mean, how much influence does it really have?

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MR. STEPHENSON:

Q. I would suggest it's significant. I mentioned our international operation in Ottawa, international group that looks after air carriers, for example, coming into Canada. If they're member states, that's significant. They have an oversight program of their own, and so it's important that they know that they're in compliance with ICAO regulations. We look to them to comply with the Canadian regulations (a) because they're not--they don't have to. They have to comply with their own regulations. Their structure is based on ICAO, and I'm going to just leave it there, okay.

MS. FAGAN:

Q. Now that we have the regulatory regime and how you're organized at Transport Canada, I'd like to now move into the various components as to what Transport Canada regulates, and I understand in your opening or one of your earlier statements that Transport Canada regulates products. It regulates organizations, and it regulates people.

MR. STEPHENSON:

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Q. Yes.
MS. FAGAN:
Q. So we're going to go down--eventually we'll get through them all.
MR. STEPHENSON:
Q. Sure.
MS. FAGAN:
Q. And we're going to start with products, and eventually work our way to the people, and I'd like you to start with an explanation of what is included in the definition of an aeronautical product, and I understand that definition would be found in the CARS.
MR. STEPHENSON:
Q. Yes.
MS. FAGAN:
Q. The Civil Aviation Regulations and, pretty well, if you want to know anything about aviation in Canada you would go to the CARS, so the first thing we'll start with is what is a product?
MR. STEPHENSON:
Q. Yeah, a product, and again inside the industry it's fairly well known, outside maybe not so much. I'll start with the simple product, an

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aircraft. Name any aircraft type, it doesn't make any difference. You have an aircraft and whether it be an aeroplane or whether it be a helicopter, we differentiate aircraft obviously with the different types, but I'm a fixed-wing guy so forgive me. I've got a fixed wing in my hand right now, but associated with the aircraft it's obviously--it's a composition of parts is what it is, so any one of those parts could be determined to be a product, or an aeronautical product, whether it be an engine or propeller, whether it be a wing or a piece of landing gear, a tire which is generated or created by, you know, a tire manufacturer, finds its way onto an aircraft, and so they would have to go through a process to make sure it can go onto an aircraft. Unlike an automobile, the standards are probably not the same. We certainly have our clear standards for what a product might be.
MS. FAGAN:
Q. So if it's a part of an aircraft -
MR. STEPHENSON:
A. Right.

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MS. FAGAN:
Q. - or attached to the aircraft, would it be a product?
MR. STEPHENSON:
A. It would be a product.
MS. FAGAN:
Q. It would be a product.
MR. STEPHENSON:
A. Now, I should say, there are other things that could be considered product. I know a discussion we may have here today or in the future might be immersion suits. Is an immersion suit an product? The answer is yes, because the regulations point to it and say it's required on board because of whatever. We'll have that discussion. So it could become a product as well. So other things could become a product, an aeronautical product.
MS. FAGAN:
Q. Since Transport Canada regulates the product, we would start with the design.
MR. STEPHENSON:
A. Right.
MS. FAGAN:

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Q. And I'm going to ask you to take us through the process, if I was a Canadian manufacturer, and first I'm a design, because the designer, as I understand, could be different from the manufacturer.
MR. STEPHENSON:
A. Correct.
MS. FAGAN:
Q. So if I'm in Ontario, do we have any designers or manufacturers in Canada?
MR. STEPHENSON:
A. We do. I mean, our largest ones maybe Bombardier centred in Montreal with manufacturing happening in Toronto actually. Bell Helicopter Textron, I think, based in Montreal, I think. There are a couple of large ones that quickly come to my mind.
MS. FAGAN:
Q. What about engines?
MR. STEPHENSON:
A. Same thing, Pratt and Whitney based in Montreal again manufacture engines. They design and manufacture engines.
MS. FAGAN:
Q. So if any of those organizations wished to

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have an engine or an aircraft fixed wing or a helicopter, they want to get this product into the market. They want to sell their machine, their product. How would they go about it?

MR. STEPHENSON:

A. Okay. So first my description will be from a layman's perspective. I'll try not to be too technical, mostly because I might make an error. It's not my intent to be exactly correct, but you can imagine you want to design an aircraft and market it around the world. There's a fairly robust process. It takes many, many years. I'm talking about an entire aircraft now for my discussion. It takes many, many years to do that. It starts with the drawing board, starts with an idea, starts with the drawing board. Hopefully earlier on, the--use the manufacturer, I mean the design organization--begins as early as they can, we like this, they start to interact with the regulator. Here, in Canada, we'll interact with them relatively soon to have preliminary discussions about what's on their mind or what they're planning to do. We try to familiarize ourselves with what it is

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they're trying to accomplish, what aircraft type it might be, what environment they might be interested in operating it in. Transport Canada will, earlier on, and it's a progressive process, but we'll determine where we want to become involved, directly involved. For example, if they're going to use a Pratt and Whitney engine for it, well, we have already done work, so maybe won't necessarily get directly involved in that particular piece, but they'll be choosing engines. They'll be choosing propellers. We'll be familiar with those sorts of things.

The things that we're interested in are things that we may not be familiar with. They'll come with a testing regime to test their product or elements of their product. You can imagine the testing that goes on with an entire aircraft, the structures and the electrical systems, the hydraulics, the avionics, all the sorts of things that are going to go into this machine and how they're going to interact. So we'll want to know what type of testing is going on. We'll have some involvement in some of those areas. We'll

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determine that when we work with the designer and as I said, it takes many, many years to get to a process where they actually might have built a prototype and actually would get to testing the prototype. Literally flying it, there'd be a flight test regime around that. That's very complex. Transport Canada has a flight test section in Ottawa under the Aircraft Certification branch. So again, it's really, really complex.

MS. FAGAN:

Q. So if the designer decided "I'd like to start a helicopter from scratch" or a fixed wing jet from scratch, what would be the average or a range? I mean, when you say years, they come in with the design, the sketch, and they say "this is what we're going to do, and this is the components we think we're going to use." They're long before they've actually even built the prototype.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. So you're talking they come in with the paper, almost like an architect with the drawings.

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How many years would it be to take a helicopter or a jet from that piece of paper to a certification where it can actually be sold?

MR. STEPHENSON:

A. From Transport Canada's perspective, it's--well, I'll tell you, I think I may have mentioned it to you before. We actually have in our regulations, I refer to it as a stale period. It says in the regs, if it's been on our books for about five years, it becomes stale. In other words, we won't deal with it after that. There may be circumstances around that. So there's a method of extending that five-year period. I really can't answer your question because the person who has the idea and actually starts to interact with us, I wouldn't know how long that period was.

MS. FAGAN:

Q. Okay. From your interaction, from Transport Canada's perspective, how much time is involved?

MR. STEPHENSON:

A. Well, I would suggest it's ideally within that five-year period. So somebody set a five-year

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period based on their wisdom and the time we would actually like to have a file open on our--I'll say literally on our desk.

MS. FAGAN:

Q. So it's not months? It's years?

MR. STEPHENSON:

A. It's years, yes, yeah, and that's for an aircraft entirely, right.

MS. FAGAN:

Q. That's the entire aircraft. An engine, I take it, would be less time?

MR. STEPHENSON:

A. Actually, an engine is fairly complex. It could be years too, I suspect.

MS. FAGAN:

Q. What happens once it's passed all of the tests and Transport Canada is writing to certify the aircraft? What is that certification called?

MR. STEPHENSON:

A. It's a type certificate. It's a document that literally certifies the standard that was--it certifies that the aircraft design has met the standard as set out in the airworthiness manual that we have. Our airworthiness regulations point to the airworthiness manual

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and that's a document that lays out the standards of design and maintenance of aircraft as well. So it certifies that that particular aircraft meets the design standard.

MS. FAGAN:

Q. So it's a type certificate?

MR. STEPHENSON:

A. That's right, and I'll use the expression, it gets locked in. In other words, that's the design that's been approved. So if they start to modify, then we're into a different discussion.

MS. FAGAN:

Q. So then it's manufactured?

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. Now when it's being manufactured, the region--you had led us through one of the slides that there was a maintenance and manufacturing section.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. So once it's being manufactured, whatever

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region in which it's being manufactured, that region would oversee the manufacturing?

MR. STEPHENSON:

A. Yeah, the manufacturing. So in the case of Bombardier, they hold a manufacturing certificate for their equipment. They probably also receive some of their parts from third parties, I suspect. As I said, an aircraft is a complex piece of equipment, so whoever produces their tires, for example, would come from somebody else. That tire manufacturer will have a manufacturing certificate to manufacture tires for aircraft, but Bombardier as a whole would have a manufacturing certificate and that will allow them to actually build the aircraft, and again, it's a fairly complex certification process because we want to make sure they're building the aircraft that was certified, in other words under the certificate or the type certificate, we want to make sure that actually that's what they're building, not something else.

MS. FAGAN:

Q. And so if it requires a certain part or a

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certain component, this oversight in the region would be ensuring that the manufacturer was building according to the specs?

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. The specifications in that.

MR. STEPHENSON:

A. In simple terms, yes, that's correct.

MS. FAGAN:

Q. Okay. Now the aircraft has been manufactured by a certified manufacturer and it's ready to leave the--I guess, it's either a hangar or it's coming off the line.

MR. STEPHENSON:

A. Comes off the line, yeah.

MS. FAGAN:

Q. Now it's ready to be sold. What is Transport Canada's involvement once it's about to leave the control of the manufacturer?

MR. STEPHENSON:

A. So what we have is a type certificate that allows a manufacturer to think about manufacturing. We have a manufacturing certificate that allows somebody to actually

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build an aircraft. It's about to go off the line. Before it can actually leave the ground, each individual aircraft must have a flight authority of some sort. A flight authority comes in many, many forms. The primary one we would be talking about is the certificate of airworthiness. In Canada, that's the expression we use. Most countries that I'm aware of use a similar expression. That's a certificate that demonstrates or certifies that the aircraft, at that time, or that moment, meets the airworthiness--sorry, meets the standards at which the aircraft is originally intended for. In other words, it has a type certificate and it meets that type certificate standard. So it's, if I can use the expression, it's airworthy, in simple terms.

MS. FAGAN:

Q. So a certificate of airworthiness is individual to each particular aircraft?

MR. STEPHENSON:

A. Correct.

MS. FAGAN:

Q. And a type certificate is the certification of

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the model, the design, that would then apply to a number of aircraft that are built according to that design?

MR. STEPHENSON:

A. That's essentially correct, yeah.

MS. FAGAN:

Q. Okay. You've mentioned that this is an international type industry. It's a global industry.

MR. STEPHENSON:

A. Um-hm.

MS. FAGAN:

Q. In North America, our largest partner is the United States.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. And anybody who's in Canada is more than aware that we generally market and sell to the American companies and public. It's a large market. So let's say--I'm going to ask you to take the example of your jet that was built in Quebec and manufactured and all of this work is done. Now there is a United Airlines or another American airline company wants to use

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that Canadian-made jet in Florida. They want to take the jet that's made in Canada and they want to use it in the United States. Now an American operator, not a Canadian operator, because I understand a Canadian operator, that's a whole different thing, and we'll get to that in the organization. Just let's take the airplane and sell it to an American. What's the process?

MR. STEPHENSON:

A. Okay. So just to talk about where we are today. The product that now has a certificate of airworthiness, just to be clear, can be operated in Canada. It's ready to go. I'll just say that at once. You have to imagine, and you said it rightly so, when you design an aircraft for a market, market is not going to be Canada. Market certainly will be in Canada, as part of their plan, but it's probably not sufficient to sustain that particular investment. So they're going to be looking for markets probably earlier on. We probably won't get to the certificate of airworthiness and then look for another market. You can imagine they're going to be

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doing that earlier on. The US is a good example, Europeans, perhaps Asia as well. But we'll speak about the US, just because it's a simpler link, I think, and we have a relationship with the FAA, the Federal Aviation Administration in the US.

MS. FAGAN:

Q. Federal Aviation Administration in the US?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. Who are they?

MR. STEPHENSON:

A. They're Transport Canada's counterpart.

MS. FAGAN:

Q. So they are the US Transport Canada.

MR. STEPHENSON:

A. When I go to the US, they actually refer to us as the Canadian FAA, because otherwise, the American won't know who you are. They don't know who Transport Canada is. So yeah, they're our counterpart. So you can imagine the design and manufacturing company, particularly if they're the same, and they usually are, will begin a process early on of

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engaging a client and with that client, they'll also begin through us an engagement with the--through the authority in the particular country, in this case, the FAA, to begin a process to allow them to become familiar with our, meaning the Canadian design and the Canadian product that's being proposed. So they do the familiarization, I would suggest, almost in parallel to us in this example. They won't wait, because it's imperative that when they start to roll off the line, they can actually go to their clients, and quite typically you'll see no Canadian market at all initially, maybe in time, but the products will initially go outside of our borders. So you can imagine that that relationship starts early. So they begin to familiarize themselves and in the case of the US, we actually have bilateral agreements. So a lot of the work we do in our engineering group is accepted, not without some US scrutiny. They certainly will be looking at the product and they'll be asking questions and scrutinize themselves, but there is a familiarity with our process because we

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have that relationship. We've done those bilateral--had those bilateral discussions, so that they understand what our rigor is and how well we do and the areas that we focus on.

MS. FAGAN:

Q. Why is the client involved? Who would be the client? You had mentioned that the client in the US is engaged.

MR. STEPHENSON:

A. Can I ask you to ask that question when we flip this around?

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

A. Because that might be more appropriate, because it's a good question.

MS. FAGAN:

Q. Okay. We're now going to move to the flip around.

MR. STEPHENSON:

A. Okay.

MS. FAGAN:

Q. All right. The US designs and manufactures aircraft. Would that be fair?

MR. STEPHENSON:

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A. That's fair.

MS. FAGAN:

Q. Okay. So they're also designing and manufacturing aircraft and because this is international, would it be also accurate to say that American designed and manufactured aircraft are purchased by Canadian operators and flown in Canada?

MR. STEPHENSON:

A. That's true.

MS. FAGAN:

Q. So can you describe the process if--flip it around. Let's say we're building the aircraft in the US.

MR. STEPHENSON:

A. Well, and again, it's essentially the same. There would be a Canadian purchaser or a Canadian market here. Somebody in Canada will have shown interest in that particular aircraft type. They will--and it may not be on our radar. If I use an example, an obscure aircraft or a product being designed in the country that might not ever have a connection to Canada, we're not going to chase it down. We're not going to be aware of and pursue each

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one. Even if we have a bilateral with that country, we may not be chasing each product that's being designed in their country because there's no market here and we only have so many resources. So we really do rely on a purchaser to say "we're interested in an aircraft type" and then that engagement begins. They become the sponsor, as it were.

MS. FAGAN:

Q. The sponsor. So when you had mentioned the client in the US, a Canadian product going to the US, would it be accurate to say that if there's a client or a customer in Canada, it would be the client or customer that generally would initiate Transport Canada's involvement? If there's no client or customer in Canada, Transport Canada is not going to take an interest in the certification?

MR. STEPHENSON:

A. That's correct. I mean, we know there are large transport jets being generated by large manufacturers today. I don't know this for a fact, but I suspect we haven't certified in this country every one of those, because there isn't a market here and someone's not likely

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to buy one of these monster jets, at least today in the Canadian market. It's possible, and once they do, we'll be there and we'll engage in this process. Keeping in mind again, we have bilaterals between us and the US, so it's important that everybody understands that we have this relationship, we know what their rigor is. We know what process they go through and so we start to do a familiarization with that product and then we will ask our questions and we'll engage possibly in some technical discussion about something that we have interest in.

MS. FAGAN:

Q. So your description appears to me to be more than just you just accept their word for it. When you talk scrutiny or a discussion, could you give us an example, if there was a product coming into Canada or going to be sold to a Canadian operator, what do you mean by scrutiny? What do the Canadian -

MR. STEPHENSON:

A. Well, I mean, we'll see the drawings. We'll see the testing. We can ask ourselves specifically about, you know, how a product is

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being tested, the part--we're talking about the whole aircraft, of course. You know, we might even send a representative down during flight testing. We have all of those options to do all of those things to satisfy ourselves that in the areas of our interest that things are being looked after. Now again, if it's an aircraft with Pratt and Whitney engine on, we're very familiar with that. We probably wouldn't be too concerned about it. But the interaction of the engine with the aircraft, we may have an interest in. So we'll probably maybe ask questions or be involved with some of that activity there.

MS. FAGAN:

Q. Okay. We are going to drill down eventually into some other--the particular operations offshore Newfoundland, but for the purpose of this topic, which is the certification, I understand that currently the helicopter that's being used to transport the workers offshore is the Sikorsky S-92A.

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

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Q. That's correct?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. And do you know what country certified the design and the manufacture of that helicopter?

MR. STEPHENSON:

A. Sikorsky is in the US.

MS. FAGAN:

Q. That's a US.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. So this description, this flip side description and process, would that have been the process used for the Sikorsky S-92?

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. Now we have another bullet on your slide and that is continued airworthiness.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. So it's certified. Whether it's certified in

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the US and then certified again in Canada or it's the other way around, if we--what happens after the aircraft leaves the control of the manufacturer?

MR. STEPHENSON:

A. Okay, and I'll preface my statement with, and Commissioner Wells, if I can just repeat this again, this isn't the business that I carry out on a daily basis personally, so I'll try to describe to you from a layman's perspective. I know how the process works more than in general, as you can probably sense. It'll be the same thing with this particular description. It's not something that I do personally every day. So I'm going to describe it from a layman's perspective and I'm hoping that everybody--it'll give everybody a better chance, particularly those who are not in the aviation industry, to understand what I'm talking about.

So in essence, once the aircraft is designed, the aircraft is manufactured, it receives a certificate of airworthiness and it basically leaves the control of--it goes to the operator, whether it be a private

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individual, whether it be a certified air operator. The authorizing entity or the authorizing authority, that's Transport Canada in the case of Canada, or in the case of the US with the S-92 as you mentioned, or any other product they might design, they're the authorizing authority and the manufacturer that exists in the case of Canada, our examples that we've used here today. So let me talk about Canada. I think it'll probably make it simple.

So Canada, Transport Canada and the manufacturers here in Canada have an obligation to maintain contact with the aircraft, no matter where they're operated, and there is a flow of information that has to happen between, I'll say, all parties as the aircraft begins its life. If it has service difficulties, for example, we have a flow of information that happens back to the manufacturer, back to the entity, back to--the authorizing entity, in this case Transport Canada. We receive all of that information and just it's data. That's what we receive is data. Sometimes the issues are minor.

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Sometimes they're not minor, and that's our--in simple terms, our process to analyze the health of the fleet as it is out around the world.

The reverse is the case. If it's an aircraft, in our example, manufactured in the US, the authority of the FAA and the organization who designed and manufactured the aircraft have a responsibility to have the information flow to them, and then they do their analysis and then certain things may or may not come out of them to the operators and to the entity, such as Transport Canada. No matter what the aircraft type is, if it's designed and manufactured in the US, we would expect that information to come to us as well. So they go out to the operating--to the controlling entities or the Transport Canada's of the world as well.

MS. FAGAN:

Q. So your Bombardier jet which is being operated by United Airlines in the Keys in Florida, if Canada was certifying the type certificate, certifying authority, it would be up to Transport Canada to get the information on

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that particular product and make sure it flows out to the FAA and to the operator, to the operators who are using that aircraft?

MR. STEPHENSON:

A. Essentially that's true. I'm not sure that it doesn't come from the manufacturer to the operators.

MS. FAGAN:

Q. But it might go to the manufacturer.

MR. STEPHENSON:

A. But that flow of information has to happen.

MS. FAGAN:

Q. The flow?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. And then it's the flip side, you've just explained.

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. If it's a US manufactured item, it would be up to that US FAA to flow the information, and those manufacturers to flow the information out.

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MR. STEPHENSON:

A. So it's a very integrated flow of information. As I said, I don't do that on a regular basis, so I couldn't tell you how the nuts and bolts of it work, but that's essentially the accountabilities and that's the way it's structured and it works quite well.

MS. FAGAN:

Q. Okay. In addition to the continued airworthiness, you have a--we're going to eventually move to modifications, but before we move to modifications, I understand there's another valuation beyond just the certification of the product itself and that would be the operational evaluation. Can you explain what an operational evaluation is?

MR. STEPHENSON:

A. Sure, and again, an operational evaluation isn't something we'd do for an aircraft unless--from Canada's perspective, unless there was a Canadian purchaser. In other words, somebody was going to actually purchase the aircraft. And again, normally earlier on in its design and the manufacturing process, but not necessarily, it might be later on,

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might be a decade later when somebody decides they're going to purchase an aircraft, but what we do is put together an operational team. There would be a sponsoring company again, usually the purchaser, the initial purchaser, and we put together a team. We actually go to where the aircraft is designed and manufactured, usually is the way it would work, and again, I'm simplifying, but we go and we evaluate the aircraft from an operational perspective.

Depending on what the aircraft is, what type of environment it might fly in, it might have some characteristics that are not conventional. It may have some flight characteristics that are not conventional. So we just evaluate the aircraft as a whole. It helps us to understand what type of training might be required for a flight crew, for example. It might help us understand what type of training might be required for a cabin crew in the back end, if there is a back end crew requirement for the aircraft type. It just gives us a general overview of the aircraft before it actually comes across into

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our country, so we don't have to then make those decisions. We do them ahead of time.

As you can imagine, once you've purchased the aircraft, you bring it into the country, you really do want to fly it, and so we just think it's a proactive way of getting ahead of that information so there's no surprises.

MS. FAGAN:

Q. We're now going to move into modifications and I think before we start the topic of modifications and equipment, this might be a good time to break.

COMMISSIONER:

Q. All right then, we'll break for 15 minutes.

MS. FAGAN:

Q. Thank you.

(BREAK)

COMMISSIONER:

Q. Okay, Ms. Fagan.

MS. FAGAN:

Q. Mr. Stephenson, before the break, I had mentioned modifications to products and from your earlier statement, I understand that if an aircraft leaves the manufacturer, all communications must be relayed with respect

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to, say, the operation or the maintenance of the aircraft. What if an operator who has an aircraft now, a certified aircraft in their possession, they're using it and they want to make a modification. For example, they want to add a fuel tank, they want to go extended distances and they decide they need an auxiliary fuel tank, what would that be and what would the process be if an operator came forward and said they wanted such a change made?

MR. STEPHENSON:

A. Okay, so, and again this will be from a layman's perspective. There's two parties that probably would be interested in modifying an aircraft. First of all, the organization that originally designed it, they may make a choice to modify the aircraft. That seems reasonable. And they would go through almost an identical process that they went through to certify the aircraft as I described earlier in its simplest terms. As you can imagine, I said it would take years to design and manufacture an aircraft in its entirety. As you can imagine, a modification would be a

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simpler process, again depending on what modification we're talking about, a simple modification versus a major modification.

For example, if we decided to put a different type of wing onto an aircraft, obviously we're back into flight testing and all sorts of complexities. If we're simply putting a different type of door on an non-pressurized cabin like a helicopter or fixed wing, and most fixed wing aircraft are not pressurized, the ones that we normally fly in are pressurized, but as you can imagine, that would be, you know, a less onerous process to certify.

It is possible also for a third party, you mentioned the operator, could be the operator, it could be some other organization who has decided to--who have come up with an idea to modify an aircraft specifically in order to market a product, whatever that might be. It could be a different type of window, it could be a different type of--they might want to apply a winch to an aircraft type that wasn't originally designed. There could be any type of modification. It could be the

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addition of a piece of avionics, some sort of technical piece of equipment to navigate with. So they also can apply and create a modification to an aircraft, and again, the process is essentially similar to what I've described. They would receive a certificate, a modification certificate. Again, there's a number of technical terms we could use to apply to it. In Canada, we call them an STC or a--I'm trying to remember what the acronym is, I use it so often, yeah, supplemental type certificate or a limited type supplemental type certificate, and again to get into those intricacies I wouldn't be qualified to give a good definition of what those are, but it's an authorization to put a modification on an aircraft.

MS. FAGAN:

Q. And would that design and would there be the oversight of the manufacturer of the modification? Say it was the design for a window or a new door, would the manufacturer have to also be -

MR. STEPHENSON:

A. Certified, that's correct. So again, in it's

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simplest terms, to a lesser degree, we have a certificate that authorizes them to then go forward with manufacturing. A manufacturing certificate would be in place to manufacture, and there'd be oversight of the design and the approval of that certificate. There'd be also oversight of the manufacturing of that particular product.

MS. FAGAN:

Q. And could that be to an aircraft that was originally built in Canada or an aircraft that was designed in another country?

MR. STEPHENSON:

A. It will start to get complex and I'll probably have to back away from maybe part of this discussion, but let's talk about a Canadian aircraft. Obviously we would have responsibilities for that particular process. If it's an American certified aircraft to be designed and manufactured in the US, there is the process that if a Canadian wanted to create a modification to an American built aircraft, they can do that, and again, I'll get lost in the actual process. I'd have to make a--consult somebody if you want a very

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specific answer on how that process works, but it is essentially the same, and obviously an American product can be modified by an American as I've described for Canadians as well.

MS. FAGAN:

Q. But a modification must be--there's oversight?

MR. STEPHENSON:

A. There's oversight, yes.

MS. FAGAN:

Q. In that you can't just have a certified aircraft and then make all kinds of changes?

MR. STEPHENSON:

A. No.

MS. FAGAN:

Q. Without Transport Canada's involvement?

MR. STEPHENSON:

A. No, if you do that, the certificate of airworthiness technically collapses. Remember that certificate is a testament that the aircraft meets the airworthiness standards or the design standards of the aircraft. So as soon as you attach something to it or remove something from it, then the certificate of airworthiness technically collapses. It

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doesn't exist or doesn't stay in force.

MS. FAGAN:

Q. And this process of certifying a modification, is this also done for the most part in Ottawa at the headquarters, the same place where the aircraft would be?

MR. STEPHENSON:

A. It depends on how major a modification it is. So to answer your question, modifications or product--sorry, projects that a third party might want to engage in could quite typically be done in region. The oversight process is the same, but a major modification, if we got into significant changes to an existing aircraft type, and I'm changing the wings, as an example, that's an extreme condition obviously. It would probably find itself in headquarters. That would be a significant modification.

MS. FAGAN:

Q. I'd like you to go through equipment. So we've taken the aircraft and we've taken any changes to the aircraft. In addition to the aircraft itself, there's all kinds of equipment on an aircraft, such as there may be

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life rafts, survival suits, floatation devices, radios.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. I mean, there's all kinds of stuff on the aircraft that's not actually--some is attached, some is not attached. What is the regulation? I mean, who regulates the equipment, how does that work? What's Transport Canada's involvement in the equipment that's used on an aircraft?

MR. STEPHENSON:

A. Okay. So in simple terms, I'll look to the CARS, the Canadian Aviation Regulations. They specify the type of equipment that would be on board an aircraft, depending what type of operation it would be in or undergoing. For example, an aircraft operating at night would require certain equipment like lights and it would require--the pilot would be required to have a flashlight in his aircraft. There's a whole list of items for night time operations. If you're operating an aircraft over water, there's a requirement to have additional

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equipment and it's specified based on distance from dry land. There's also a regulation, which may be of interest to this group and you're probably aware of that, we talk about the temperature of the water. Not only are you over water, but also if the temperature of the water becomes to a certain point, the regulation is very specific -- I think it's ten degrees Celsius, that's just off the top of my head. I think it's probably accurate--where they have additional requirements for survival equipment, specifically the immersion suit, and so--and I could go on. There's other forms.

MS. FAGAN:

Q. So let's just take the example of flying over water, the cold water, because that's what the helicopters that transport workers do.

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. It flies over water. It's a fairly significant distance, and the water is cold. So you may not--you know, and I wouldn't expect you to know all of the things, but

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could you give us an example? You've mentioned the suits. So what would the CARS, the regulations that Transport Canada have in place, say about the suits that must be worn?

MR. STEPHENSON:

A. Okay, so in anticipation of being here, I logically looked it up. So I am familiar. The CAR does specifically point to the requirement for a suit and it specifically points to a standard. You'll find in our regulations, our airworthiness manual specifically, you will not see a standard description, a description of the standard requirement for suits. It actually points to another standard. The standard, if I may have a quick peak at it, just so you're aware and again, I suspect you are, but I'll just share, the standard is developed by the Canadian General Standards Board. I have a copy of the standard with me. I've read it. I don't design suits, so a lot of it wasn't meaningful to me, but the regulations points to the standard. That's what we expect to see on board a helicopter is a suit meeting that standard.

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MS. FAGAN:

Q. So if we look at the CARS, it's not going to say in the CARS a suit with a certain type of fabric?

MR. STEPHENSON:

A. No.

MS. FAGAN:

Q. And a suit with, you know, the ability -

MR. STEPHENSON:

A. No.

MS. FAGAN:

Q. - to float so many pounds?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. It will say the suit must meet a standard that's developed by somebody else?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. And then that standard, how would somebody find that standard? I mean, it's the--could you go through it again? It's the Canadian General -

MR. STEPHENSON:

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A. It's in the Canadian Aviation Regulations.
MS. FAGAN:
Q. And then the standard?
MR. STEPHENSON:
A. Yeah, and it says basically it has to meet the standards of airworthiness and I believe it's referred right in the airworthiness manual you'll find the detail. It actually references--it references the standard that exists here. There's actually two of them, both developed by the Board, and I could recite them or I could share them with you afterwards, if you wish. I don't know if that's in evidence now.
MS. FAGAN:
Q. But the Board, that's readily available to find out what the standard is?
MR. STEPHENSON:
A. Correct. As I mentioned to you earlier in the week, I actually went and sought out the standard. I actually had to purchase it for $70 or whatever it cost me and it was a worthwhile purchase. It wasn't that expensive.
MS. FAGAN:

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Q. And I understand the reason you have to purchase the description is it's copyrighted?
MR. STEPHENSON:
A. It's copyrighted, which is fair.
MS. FAGAN:
Q. So beyond the suit which has to meet a certain standard, which is set by a board, what about floatation devices?
MR. STEPHENSON:
A. Floatation devices will basically be essentially the same thing. The regulations point to them under the same section of the regulations and again, they point to a standard. Transport Canada doesn't have a standard for floatation devices. They point to--I believe they point to another standard which then would be the basis for which somebody would design and manufacture and we would certify a particular piece of equipment.
MS. FAGAN:
Q. So as developments or improvements are made to floatation devices and then those developments or improvements are accepted by the board, by reference -
MR. STEPHENSON:

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A. We would upgrade our -
MS. FAGAN:
Q. - an air operator would then have to step up and meet that particular standard? So as those standards are improving, the regulations don't have to be changed?
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. You just have to make sure you're in step with whatever the current standard is?
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. We've heard from the C-NLOPB that they have--they've not set standards. They have at least, in the authorizations, looked for certain items to be in place with respect to the transportation of workers, such as four-point seatbelts or harnesses.
MR. STEPHENSON:
A. Harnesses, yeah.
MS. FAGAN:
Q. They may look for versus a lap belt or they may look for high back seats or certain types

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of seats. They may also look for certain equipment to be on board. Would it be accurate to say that if the C-NLOPB had asked or required a certain item to be on an aircraft that that item would have to comply with the Transport Canada regulations?
MR. STEPHENSON:
A. That would be a fair statement, yes.
MS. FAGAN:
Q. Okay. So if a recommendation came forward to the C-NLOPB to have a certain item on board or certain modification made that before that could be carried out, it would have to meet a Transport Canada regulation?
MR. STEPHENSON:
A. I guess it depends on what we're talking about. Your example of the high back seat or your example of the four-point harness, if that's what's required in their requirements. It could very well be that the aircraft is already certified to have those. It could very well be that the manufacturer anticipated that when it was looking at the product and the manner which it was marketing it and perhaps they preempted that by having those

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options available for their aircraft. As you can imagine, an executive interior versus a transport of multiple people in an aircraft, and so it enters into all sorts of different markets. So very quickly, those items would have to be certified, either during the certification process of the aircraft originally or after the fact, and so that would have happened.

So a modification to an aircraft would in fact require the certification process, us to go through that certification process. If it's simply putting on board a piece of equipment that could simply be placed and stowed, provided it was stowed in a manner that didn't disrupt or change the certification standard of the aircraft, then we wouldn't have to certify the equipment. For example, whatever that might be, more--extra water on board for survival, for example. As long as it didn't interfere with that, we wouldn't have to engage in that discussion. But if it was, as you had gave me, seats that were attached to the aircraft, then we do enter into the discussion about how

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it's certified and that would be fulsome process.

MS. FAGAN:

Q. What about changing the location of seats? Say a recommendation was a seat should be in the middle.

MR. STEPHENSON:

A. Yes, again we would examine--the seat itself might be certified as it is. It might be a simpler process, but we would have to--they would have to apply. We do have to examine that modification to ensure that it didn't, again, disrupt the original basis for which the aircraft was certified. An example would be is it blocking an emergency exit or would it alter the structure of the aircraft in some manner? You know, you take a seat and strap it to a wall, if I could say that, you know, connect it somehow. All of a sudden you're changing the structure and so they would examine that piece. I'm being overly simplistic, but -

MS. FAGAN:

Q. There's other communications that are involved beyond the modifications and equipments and

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what I'd like you to go into now is the communications that deal with service, and in particular, service bulletins and airworthiness directives. We now have an air operator who is using an aircraft. What are the requirements once that aircraft is in service? What types of communications and who will communicate with the operator, from a Transport Canada perspective?

MR. STEPHENSON:

A. And again, we talked about--well, we talked about service, but actually we originally talked about the flow of information, the flow of information while an aircraft is out operating. What we'll often see is, from a positive perspective, we'll actually see best practices happening or we'll see service difficulty reports where an operator may say "it's difficult to maintain the aircraft in the manner you've described it. We find it better to approach it this way as opposed to that way." That would be information that would come through as data. At some point in time, the manufacturer might say "we're going to put a service bulletin out because we

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believe there's a better way to do this" and so they'll put that kind of information out, and again, I'm being simplistic. It can be something from simple to more complex. At some point in time, the data might point to a significant difficulty with the aircraft or it could be a minor difficulty or a significant difficulty where the authorizing authority, that's Transport Canada in this example, might determine that a directive has to come out. In other words, we're not going to give a choice. We believe something needs to happen, whether it be an inspection or whether we believe a modification has to happen and so we will formally put that out.

A directive obviously, as it sounds, it's a directive. It has to be followed. Sometimes there is time periods put on directives. In other words, we would like it done within a period of time. Next inspection or you know, depending on what the issue is. There's a team in Ottawa that would go through that process of determining what's reasonable, what makes sense. They'll work with the manufacturer specifically and/or the person

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who holds the type certificate. There'll be that interaction. Transport Canada has the authority to issue that, those directives.

The service bulletins, again they're service bulletins. It's just information for an operator to determine how they'll go about conducting themselves.

MS. FAGAN:

Q. The service bulletins, they are generated by the manufacturer?

MR. STEPHENSON:

A. I can't answer the question. I don't actually know.

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

A. I believe -

MS. FAGAN:

Q. I was just trying to get at where do the service bulletins come? Do they come from the manufacturer to the operator or do they go to Transport Canada?

MR. STEPHENSON:

A. Actually, do I have it in our notes here? I'd like to answer your question directly without

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having to seek it out. Again, this is not-- yes, so by the manufacturer, specifically in my notes.

MS. FAGAN:

Q. Okay, and they -

MR. STEPHENSON:

A. And they're declared mandatory by the civil authority, in this case Transport Canada.

MS. FAGAN:

Q. So the manufacturer would issue the service bulletin and the service bulletin would go to who?

MR. STEPHENSON:

A. Whoever has an aircraft.

MS. FAGAN:

Q. Whoever has an aircraft.

MR. STEPHENSON:

A. And also the authority. We'll receive it as well.

MS. FAGAN:

Q. And the authority would be whoever certified that type?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

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Q. So if this was a Canadian designed and manufactured equipment, the service bulletin would go to the Canadian authority.

MR. STEPHENSON:

A. And they'll also find--it'll find its way to, in the case of the FAA, the FAA with find that they'll be in possession of the service bulletins as well, so they'll be able to see those as well.

MS. FAGAN:

Q. Okay. So if the aircraft has been certified in both--type certified in both jurisdictions, this flow of information from the manufacturer would end up -

MR. STEPHENSON:

A. It reaches everybody.

MS. FAGAN:

Q. It would reach both jurisdictions that type certified?

MR. STEPHENSON:

A. Correct, and each group, in the case of Transport Canada, will have a process around determining, you know, how to deal with the service bulletin. They'll read it. They'll analyze it. A team may look at it and then

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determine whether or not a directive is required or it's just information.

MS. FAGAN:

Q. And just to make sure we're clear, if it was an American designed and manufactured piece of equipment, an aircraft, say certified by the FAA and it's type certified in Canada, it's certified in both jurisdictions -

MR. STEPHENSON:

A. Yeah, we issue an authority here, yeah.

MS. FAGAN:

Q. The manufacturer would issue the service bulletin and it would eventually--that information would flow to those two authorities?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. Because they both type certified, and to the users?

MR. STEPHENSON:

A. To the users, correct.

MS. FAGAN:

Q. And if it was a Canadian manufactured, designed and both authorities had certified,

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the information would flow to both the Canadian and the FAA and to the users?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. Whether the users--the users could be anywhere?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. They could be -

MR. STEPHENSON:

A. Well, again, in the case of helicopter operations, they're worldwide, so eventually it'll find its way to where the helicopter is, but we would be obviously delivering our messages to the bases of those organizations and then their accountability is to make sure their system works too.

MS. FAGAN:

Q. So this is data when you receive it as a service bulletin?

MR. STEPHENSON:

A. Correct.

MS. FAGAN:

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Q. But there is an analysis done?

MR. STEPHENSON:

A. An analysis process.

MS. FAGAN:

Q. And if it's significant through that analysis process, then a service bulletin can become-- or an airworthiness directive is issued?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. By the type certifying authority?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. Okay. How does Transport Canada know if the directives are being followed?

MR. STEPHENSON:

A. Good question. We'll probably get to that maybe in a more fulsome way, but essentially the maintenance organizations, I'll talk about commercial operations, the maintenance organizations that are certified out there, they themselves have a process to receive and to do their analysis, in the case of service bulletins, and with respect to directives,

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your question, they have an obligation to carry them out. Our inspection program actually allows us to oversee that happening. In the case of a directive, we may even go as far as to have direct communication, particularly if we have a very small market. Where we might have a unique company in our midst and we know a directive's come out, our maintenance inspectors in our ranks probably would even reach out to the operator, because they're now aware of it. Airworthiness directives, particularly ones that are specific to an aircraft, they're not issued every day. So we take note of them and our field inspectors take note of them, and it wouldn't surprise me that they'd actually reach directly out immediately. Either way, they'll do it through the inspection process and it also is a process that allows us to gain confidence that the operators is actually doing their part in their systems operating.

MS. FAGAN:

Q. I'm going to eventually move to the organizations that use this equipment, these products, but before we do, the last area I'd

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like you to go through is airports, aerodromes and heliports, because that's something else that Transport Canada regulates and we don't need to spend a lot of time on it, but it is one of the areas and we are dealing with helicopter transportation, in particular helicopter transportation that leaves St. John's, where there is an airport, and transports workers to vessels which are FPSOs and to the gravity base structure and to some mobile drilling units. So can you define what's an airport, what's an aerodrome and what's a heliport, and how does Transport Canada regulate those things?

MR. STEPHENSON:

A. Sure. To your last question, they're regulated under the, again, the Aeronautics Act, Canadian Aviation Regulations. There's a section specifically set aside for that purpose. So that's your last question.

A lot of people get confused about this issue. It's not that confusing. It's just it's fairly simple. I'll talk about airports first, if I may. As you can imagine, there are literally thousands of places where

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aircraft land in this country. I'm talking about Canada now, but it's consistent around the world to some degree, maybe not by definition. There are very few airports in this country actually, based on the number of actual places to land a fixed wing aircraft. I say that because an airport is a certified place to land an aircraft, an airplane specifically, I'm speaking of, and an airport certificate is issued to an airport operator when they meet a certain standard.

In this country, since the CARS have come into place in 1996 or thereabouts, we required an airport certificate whenever an airport was located inside of a built-up area, in other words, in the middle of a town, city, village or whatever or metropolitan area. We also require an airport certificate if there's scheduled service. Scheduled service by this definition meaning the general public can purchase a ticket and get on an airplane, so your typical airlines that we'll see around in our country and others. So that's an airport. If it doesn't meet those--there's actually a public interest standard that we also apply.

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It's a little bit controversial for some who had airport certificates--because when the rules were passed, we essentially said you don't need an airport certificate to many, many airports in this country. We just--they didn't require one.

So if you're flying fixed wing aircraft and you meet--you don't meet those two points or the third point, I guess, and if you don't hold a airport certificate, then the proper expression we use is aerodrome, okay, and an aerodrome is just simply a place set aside to take off and land aircraft and that could be a farmer's field set aside for aircraft or it could be anything else for that matter. It's a very general statement and there are literally thousands in this country, in Canada. We're a fairly big country and there's a lot of aerodromes. Some of them are very sophisticated where people come and go. So if I can set airports and aerodromes aside, we really want to talk about heliports.

Heliports have a very similar definition. If it's a heliport, it has a heliport certificate. A heliport certificate is

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required for essentially the same thing as an airport certificate. It has to have--if it's inside of a built-up area, we require an airport certificate, if it's receiving or has, within its midst, scheduled service where it's publicly available, somebody can buy a ticket.

There's a third criteria for heliports and that is if the heliport has a precision instrument approach to it. In my research before coming here, I've learned that there is no standard in Canada for a precision approach to a heliport, interestingly enough. So that third piece is kind of a red herring, if I can use that expression. It doesn't really enter into the discussion.

So it's really those two criteria. We do have heliports. We have many heliports in this country. A lot of heliports, as you can imagine are convenient to be inside built-up areas, so that's a logical place that will end up with airport certificates. There are, to my knowledge, very few with scheduled service. I think there's a few on the west coast, for example, in the Vancouver area. There may be some here that I'm not aware of.

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So if it doesn't meet any of that criteria, then it doesn't hold a heliport certificate. Natural question is does it become a helidrome. No, we don't use that expression. We use the expression aerodrome. We use the exact same expression. So every other heliport that does not have a certificate is an aerodrome. That's the expression we use.

Your question about heliport, at any airport where--I'll say a heliport, a place where helicopters might land at a certified airport, it's very common. Probably most major airports have helicopters coming and going. Helicopters that come and go at airports, particularly--and we'll talk about the less conventional ones, the ones that are flying in instrument conditions, the higher--the larger helicopters, the helicopters we're obviously interested in here, they would come and go at St. John's, for example. St. John's has an airport certificate. To my knowledge, it doesn't have a heliport certificate. It's just an airport. Just an airport, I don't mean that to suggest it's just an airport.

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But the helicopters that come and go probably use the instrument approaches that are there and designed typically for fixed wing, but helicopters are quite capable of using the same instrument approach procedures that a fixed wing aircraft would use. So they'll come and go and probably arrive and might even go as far as to land on the runways and the larger transport aircraft are obviously equipped with wheels and they can actually taxi around as a conventional aircraft can or a conventional fixed wing aircraft can. So they'll actually arrive and probably land on the runway, particularly when the weather's poor. If the weather's not poor, I don't know what their operational process is here. They may actually arrive and then go in flight directly to their landing pad. I don't know exactly how they operate. An aircraft that taxis in the air is actually in flight and therefore it's bound by the rules of flight. That might compel them to land on the runway if the weather's poor. They'll arrive on the runway and then taxi like a conventional fixed wing aircraft.

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It's fairly simple. Maybe I've simplified it not simple enough for--it's simple in my mind because I'm not a layman, but I hope I've described that for you.

MS. FAGAN:

Q. The St. John's component, the helicopters leave and land at the St. John's Airport.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. Who regulates or where would you find the regulations that deal with where they're going? Because we have a vessel, the FPSO are ships. We have mobile drilling rigs such as the Sir Henry Goodridge, and then we have--that's what's out there, and we have the Hibernia gravity base structure.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. So is there a difference as to who would regulate the helicopter landing sites? They're not heliports, is that fair? They're not heliports? They're not certified -

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A. That's correct. They're not heliports.

MS. FAGAN:

Q. They're not heliports, so -

MR. STEPHENSON:

A. I would express, use the expression aerodrome. They're aerodromes.

MS. FAGAN:

Q. Aerodromes. Where would you find the regulations that would cover those, and are they the same? Is it the same place? Same regulator?

MR. STEPHENSON:

A. Let me start by saying this. First of all, any helicopter operator in Canada is, in their certification, allows them to go anywhere in Canada and they may have the authority to go anywhere in the world, and helicopters, as they're designed to do, they're designed to land away from airports. They're designed to work in the field, to do different types of work. So any heliport or helicopter operator, that's their purpose. That's their purpose is to go out and conduct all sorts of different operations, whether it's transporting people and goods or whether it's actually working in

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the field lifting and whatever a helicopter might want to do. So they're all able to do that without a specific certification to operate out of any aerodrome. We don't say you can then operate at that aerodrome or that aerodrome or that aerodrome.

That said, an operator generally has an obligation to tell us what they're going to be doing. If it's conventional, we really don't get into great detail about what they're going to do, but if they're going to operate internationally, they're going to operate in the Arctic or if they're going to operate offshore, we want to know about that. They're obliged to inform us as to what they're going to do. The regulations start by talking about how they're going to operate safely. In fact, the regs are very specific. They need to operate safely. So we ask, very simple, demonstrate to us how you're going to operate safely in this environment, whether it be Arctic or whether it be internationally or offshore. So we'll ask those questions specifically.

In the case of the offshore, we're

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obviously interested in where they're going to land, and so they'll demonstrate to us, to the aviation section of Transport, the process which they're going to go through, and in this case, you mentioned Hibernia. Hibernia, again in my research, I've determined or have learned that it's a fixed platform that is stuck to the seabed. It's not floating and therefore it doesn't come under the purview another department of Transport, our marine safety branch, which I think is what you're getting at. I've come to it in a roundabout way, so forgive me. So the platform actually comes under our purview. Under our purview meaning we're the only department who has an interest in it and so we would look to the operator to demonstrate how they're going to operate safely and we would probably look at that heliport or sorry, heliport, wrong expression, that aerodrome, and we would look at ourselves and we would ask them how they're--demonstrate to us how they're going to operate safely.

I'll finish the story and then we'll--maybe you might redirect a couple of

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questions.

The floating platforms are a different creature. They are vessels and so they themselves, out of my site, are regulated by our marine safety branch. Marine safety does have a standard that they point to, my understanding, and it's a Transport Canada publication. We refer--you'll hear the expression TP, which is a Transport publication, 4414, and it refers to a standard and their concern, of course, is the safety of the vessel and obviously having a helicopter land on the vessel, it's not normal operations for most of the vessels out there. So they obviously have an interest in how that's going to be conducted safely from a marine safety perspective, and how the helicopter is going to be serviced while it's on the deck, on the helideck as they call that. So there is a standard. They have an interest and they look at it from that perspective.

Our interest actually is very similar in that we would look to the same standard or a similar standard in order to show us how they're going to do it safely. I don't know

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if that helps or if that answered your question specifically.

MS. FAGAN:

Q. Well, you could tell me, if I understand you right, the gravity base structure, because it's attached to the ocean floor, would be purely under the aviation branch?

MR. STEPHENSON:

A. Correct.

MS. FAGAN:

Q. Because the floating platforms are actually vessels, then because that vessel is a structure that is regulated by the marine division, the marine division would deal with the helideck because it's attached to the vessel, from a vessel safety perspective?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. But the aviation branch would also take an interest because they want to make sure, from an operational perspective, the operator has laid out a plan that deals with landing safely?

MR. STEPHENSON:

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A. That's correct, but let me be clear, we don't certify those aerodromes, but the part of the regulation I spoke of, the commuter regulations specifically allows us to ask very basic or complex questions about how they're going to operate safely. So in that respect, we can certainly delve into the operations offshore in respect to all of those platforms you talked about, and we have interest in all of them, because obviously that's what we're interested in and that it is, in simplistic terms, a safe operation.

MS. FAGAN:

Q. So your control mechanism is not that you've certified the landing site, but that you have received a satisfactory explanation and plan and process from the operator?

MR. STEPHENSON:

A. Yeah. They've demonstrated to us, in fact, I can tell you that--because I asked the question. I know the Atlantic region staff have physically gone to these platforms. They're aware of their existence, more than aware of their existence. They've had more than just drawings. They've actually gone to

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them. They've--I won't use the word "inspected" but they've observed the operation. They know what's being done in that particular case.

MS. FAGAN:

Q. It was pointed out to me that because we have the term "operators" being used quite a bit here, we have air operators, which in our particular situation would be Cougar Helicopters, and then we have the oil operators which the Board refers to as the operators. So I know it's a little awkward.

MR. STEPHENSON:

A. Am I using air operator? I think I am most of the time.

MS. FAGAN:

Q. I think most of the time you are.

MR. STEPHENSON:

A. Okay.

MS. FAGAN:

Q. But just we may be reminded every once in a while if we slip into the generic operator.

MR. STEPHENSON:

A. You can be assured when I say operator, I'm only talking about air operators because I

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don't know much about oil operators.

MS. FAGAN:

Q. Fair enough. Well, that leads us right into commercial air operators. So now that we've dealt with the landing site and you've talked a little bit about the plans, I'm going to-- the plan is part of the process. I'm going to ask you to step right back to the beginning and I'd like you to take us from the time a Canadian would-be or hopeful operator wants to start up, and I'm talking about an air operator.

MR. STEPHENSON:

A. So again, you'll have to forgive me and I'd appreciate if you actually stop me. Commissioner, you're in my wheelhouse now, and I'll be able to give you specifics and it might be more specifics than you want. So I'll make an effort to try and stay high level and we'll see if we can accomplish that.

So an air operator, and I'll talk about the commuter air operator in that class, and if I can go back to the beginning. We have different levels of air operations. We all know airline operations and that would be the

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large transport category aircraft that are moving 95 percent of the passengers in this country around. When we drop below that, we're into the commuter regulations, which talks about a middle class of operation. In this case, related to this accident, that is the commuter regulations we're talking about. The next level down is the air taxi and it sounds kind of taxi-ish, but that's exactly what it is. It's smaller aircraft and moving--transporting people around and then the next level down is our aerial work. It's one that creates confusion in the minds of some. Any aircraft can actually operate in the aerial work category. Helicopters are in fact specifically designed to do that. When I say aerial work, it can be from crop spraying to banner towing to fire surveillance, flying around just looking for fires, anything where a helicopter is lifting things, and fixed wing can do this too. They do a lot of this type of work as well. So it's--we call it aerial work and it's because they work in the air. That's our aerial work section. I'm going to talk about the commuter regulations.

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MS. FAGAN:

Q. So that we're clear, the commuter regulations would be the regulations that would apply to the transportation of the workers by helicopter offshore?

MR. STEPHENSON:

A. That's correct. So it's the transport of persons or cargo, right, so it's transporting is the proper term we use from A to B. Not A to A. Sorry, it's A to B.

MS. FAGAN:

Q. What do you mean by A to A?

MR. STEPHENSON:

A. A to A is sightseeing or some other form.

MS. FAGAN:

Q. They have to get off?

MR. STEPHENSON:

A. They have to get off some place other than where they took off from. It's very technical and maybe it's of no relevance here, but I feel obliged to say it.

So somebody decides--and I'm going to go from scratch. Somebody decides they want to get into the business of and be an air operator. They have to make application. The

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regulation is very clear on what the form of an application is. It goes through very detailed items. I'll just give you some samples, I won't give you the whole thing, otherwise I'll have to read it. They pay a fee to us that initiates the process, but it's not a complete application. They have to give us a number of things. They have to give us parts of themselves to demonstrate to us that they have the components that they require in the regulation to conduct an air service. They need to tell us who their principals are, who the accountable executive is, who's the person at the top. They need to tell us who the chief pilot is going to be, who the director of flight operations is, who the director of maintenance is, as examples. They need to give us a series of manuals, operating manuals that tells us how they're going to conduct their business. In a very simplistic term, it's an operational manual, how the pilots are going to be trained so there'll be a series of training manuals and how they're going to operate, how the pilots are going to operate in the system. They need to give us a

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series of manuals related to maintenance. How are they going to maintain their aircraft, how they're going to control the maintenance of their aircraft, how they're going to interact if they happen to have multiple bases. The manuals that talk about the complexities of having multiple bases.

If there's a special type, thing to the operation, offshore as an example, we're going to want to see specifics about how they're going to conduct offshore safely. If they're going to operate in the Arctic, if they're going to operate off ships. Our Canadian Coast Guard vessels have helicopters operating off them all the time. They actually are operated by Transport Canada. Most people don't know that. They think they're Coast Guard helicopters. They're actually under our authority. They hold a certificate. So anything that's complex or unusual, then there'll be something outside the normal operation of aircraft. We'll want to see that in the operating manuals, and this is just in their application.

We're going to interview the individuals

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who are the principals. We want to know if they're actually qualified. They say on paper they're qualified. We're going to want to see a resume. We're going to interview them to see if they're knowledgeable. We're going to want to know where they're going to operate. If they say St. John's, I want a letter from St. John's that says they can actually be there. We've had operators say "we're going to operate out of so-and-so airport" and we have an operator of the airport says "they're not coming here." Well, I can't issue an authority to somebody who has no home. So we need to know where they're operating.

We need to know what they're going to operate, what aircraft type or types. It could be more than one aircraft type. We want to know what type of operation they're going to conduct. Are they going to do aerial work? Are they going to just transport? Are they just going to do cargo only? Are they going to operate at night? Are they going to operate in instrument conditions? So there's a whole series of questions that have to come to us in the application, and it could be a

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basic application initially and then companies over time add additional aircraft, they make choices to operate at night later on and so on and so forth. That process is very similar to what I'm talking about, but more simplistic.

Once we've received that application, and we actually meet with the principals, they may not have even hired, in a full-time basis, these individuals yet as they go through that process. We'll begin to interact with them. We'll interview them. We'll go to their site and start to conduct a series of inspections to see if they actually are on the site, if they actually have a hangar. From the maintenance perspective, we get very, very specific. You're going to operate a fleet of five aircraft and you got on AME, maintenance engineer, how is that going to work? Oh, we're contracting out. Okay. So you're going to contract your maintenance out, which you can do, so we'll look for that contract and that arrangement. It's very, very complex and I'm just giving you just a thumbnail of how that goes, and we go through a process to get to a point where we're satisfied that they now

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can conduct a safe operation. We'll then issue an air operator certificate.

I mentioned maintenance and you're going to probably ask me about maintenance, which I won't go into in great detail, but directly linked to the air operator certificate, we need to know that they can actually conduct maintenance. They either have to be certified themselves or they have to have a contract or a connection to an approved maintenance organization in order to keep their fleet serviceable, keep it airworthy, keep the certificates of airworthiness valid.

Once they're issued the certificate, and there are other processes outside that. I don't know if you're going to ask me about the Canadian Transportation Agency or not, but that's separate from us. Once they receive their certificate, and again, it depends on the complexity of the organization. If it's a one-aircraft, one-person operation, and they exist, somebody might run a very small sightseeing service or a very small float plane operation, our interaction with them at that time will be probably limited because we

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might even know the individual. We know they can fly an aircraft. We know they can conduct themselves. A complex operation is probably going to have us there as soon as they begin operation. We'll be there during that process. We'll have targeted the places we want to see, the places we want to go with them. The systems they have in place, we'll want to see them operate. So we'll actually set up ourselves a very simple or complex oversight program as they initially begin to operate, and then as we gain confidence, we'll back away from sections and put them into a normal oversight program.

MS. FAGAN:

Q. The maintenance, you'd mentioned an approved maintenance organization. Can you just elaborate a little bit on what goes into the maintenance of an aircraft?

MR. STEPHENSON:

A. Sure. It's not completely the same, but it's essentially the same in the application process. Somebody wants to start up a maintenance organization, and we'll see large air operators do the--they'll do it in

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parallel. They'll begin the application process for an AMO, an approved maintenance organization. So they'll start that process at the same time because they're going to be seeking that same certificate in parallel because when they begin operation, they're going to want to have both in place in order to operate. Smaller operators, it's not untypical, as I suggested, that they don't engage in the production of an AMO. They don't apply for an AMO. They'll find an organization that does maintenance and they'll contract with them. There is a maintenance piece to the air operator certificate in that case, because when you contract maintenance, you don't contract the accountability to the maintenance organization. The accountability rests with the air operator and so inside that air operator, if they're contracting, we expect to see a person responsible for maintenance in the organization. They're the ones who are responsible for tracking the maintenance of their own aircraft within their fleet. They can seek, particularly in a smaller organization, they'll actually seek

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some of the assistance in developing that process from the AMO they work with. That's not unusual. But the accountability still rests with the person responsible for maintenance and the AMO. In the case of a complex organization, usually they produce their own or generate their own AMO application and get certified to do both operations and maintenance.

MS. FAGAN:

Q. So the maintenance program itself must be certified or approved?

MR. STEPHENSON:

A. Correct.

MS. FAGAN:

Q. It's not --it's connected, but it's an entire process in its own right besides the operator's certificate?

MR. STEPHENSON:

A. Right. The certificates are separate. There is an inter-dependency. In other words, an air operator cannot continue to function unless they have maintenance from some place, either their own certificate or somebody else.

MS. FAGAN:

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Q. So an air operator's certificate, they require an approved maintenance organization to do the maintenance, whether it's their own certified group.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. You also mentioned manuals. Can you describe the manuals? Just go through them again with what types of manuals must be in place for the air operator's certificate.

MR. STEPHENSON:

A. Sure, and again, Commissioner, I'm a little bit out of my wheelhouse, but they do need a maintenance manual. They need a policy manual, and these manuals describe the manner in which they're going to conduct themselves as is the case with the maintenance, the air operator certificate, and the manuals organized there.

In the case of maintenance, as you can imagine, particularly in helicopter operations, which are designed not to operate out of one place, that may be the case in this particular example that we're talking about

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here today, but a lot of helicopter operators operate elsewhere, other than their main base. So the complexity of the AMO's manuals is very descriptive in how they're going to operate in the middle of, you know, an African country or some place on the west coast of Canada when their main base is here. So it'll be very descriptive. They may actually contract some of their maintenance to another organization because they only want to put one or two people there and yet from time to time, they might have five or six people's worth of work. They may transport people there or they may have a connection to another approved maintenance organization and they could contract some of that work as well. So they decide how they're going to do it. They demonstrate to us through the manuals. They describe it in their manuals and then we inspect them based on their description of how they're going to operate.

MS. FAGAN:

Q. Can an individual, just the general public, can they find out what an air operator is certified to do?

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MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. I mean if I want to find out what can the current operator do, where would I find that?

MR. STEPHENSON:

A. You can find it on the web. In fact, Lucille, if you don't mind--she'll bring it up for us, if that's okay?

MS. FAGAN:

Q. Yeah. So if--because some of the people at home may not be able to see this, if somebody wanted to--they're going to take a flight tomorrow on an airline or they wanted to find out what Cougar Helicopters is authorized to do, what website would they go to?

MR. STEPHENSON:

A. Well, the website www.tc.gc.ca, so tc as in Transport Canada, gc as in Government of Canada, ca as in Canada.

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

A. And they can navigate using, from the main page, modes of transportation, aviation

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safety, Lucille's helping with, application portal and air operator list search.

MS. FAGAN:

Q. So this would be all the air operators?

MR. STEPHENSON:

A. Yeah, select English or French, if you wish, and you can do a search on a company and you can see what they're authorized to do, and it's--I won't say it's just tombstone data, but there's some basic data there that'll tell you what type of aircraft. I've mentioned to you the types of operation, commuter, aerial work. You'll see the numbers there. I'm not sure if we actually have the words there besides the numbers.

MS. FAGAN:

Q. Can we -

MR. STEPHENSON:

A. Commuter is 704. Did you want to bring one up specifically?

MS. FAGAN:

Q. Yeah, can we just bring up the Cougar Helicopters?

MR. STEPHENSON:

A. Yeah, it'll be--it's fairly conventional

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information. It's publicly available.
MS. FAGAN:
Q. So just under the name, you'd put in Cougar?
MR. STEPHENSON:
A. Yeah. It'll bring up--if she puts in Cougar, it'll bring all sorts of cougars, if there's more than one. It turns out there's only one.
MS. FAGAN:
Q. But if there was more than one?
MR. STEPHENSON:
A. You'll see five Cougars, something, something, something. She just put the search word in. It's fairly intuitive. She'll select details and then you can see the file number. It's also--that's for our reference. I don't know why we put the file number there. It's just there. It's data out of a database. Tells you the region that the operator is--oversees it. In this case, it's the Atlantic region. It tells you the legal name of the company, which is important to us. Specifically, we want to know who we're certifying. So in this case Cougar Helicopters Inc. If it has any trade names. So most people aren't familiar with that, but a lot of companies operate

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under trade names. You know, if you--I don't know if--Cougar has no trade names indicated here, but I don't want to single out any airline, but you know, there's trade names. They come up with a fancy name for what they might be. But we want to know what that is, because if they're talking to the public, they're something, and they're really somebody else. Address and obviously phone numbers and contact information. If you look at the detail, you see if they're a float operator. Cougar's not a float operator. Most helicopters don't operate off floats. That's not--that's more for conventional fixed wing. Can they transport dangerous goods? The answer is yes. Air operator certificate, approved, and preferred language, obviously that's their preference. We like to know that so we can communicate to them clearly and they've preferred English, so that's what they get. And if you can just slide down a little bit.
MS. FAGAN:
Q. And then you can see -
MR. STEPHENSON:

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A. You can see the different types of aircraft they're authorized to operate. You get a little sense of how heavy they are. A layman may not know if that's heavy or light for a helicopter. I can assure you they're heavy helicopters. You'll see the reference to the number and the number unfortunately in this particular case doesn't give you much. 702 is aerial work. 704 is commuter operations. You can see that they're authorized to operate in both realms with the Puma, for example. VFR over the top, we'll see that in all of them. That means that they can fly over top of cloud. VFR, it's not really of any significance.
MS. FAGAN:
Q. And I'll get you just to slow down, because this would be the--over the webcast, I don't know if they're going to be able to see this.
MR. STEPHENSON:
A. Fair ball, yeah.
MS. FAGAN:
Q. So right now, we're looking at a table and that table is headed aircraft type and then the weight and the regulations and then VFR

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and I'll get you to describe that, but before we go to that, we have a number of aircraft types. So just for the record, and really it's for people who can't see this table.
MR. STEPHENSON:
A. Sure.
MS. FAGAN:
Q. Could you just name, I believe there's four types there, what those types--and are they all helicopters?
MR. STEPHENSON:
A. They're all helicopters and again, I'm not a helicopter pilot, but I'm qualified to say that they're all helicopters. The S332 Puma is a helicopter. The Sikorsky 61 is a helicopter. The Sikorsky 76 is a smaller helicopter. It's not a very big helicopter. It's quite typically used for air ambulance or executive type operations, but it's used for transport as well. I don't know how many it sits actually. I've seen them in executive seating four or six in the back. So it's that small. And then Sikorsky 92, which is a fairly heavy helicopter. It's the heavier of the bunch there.

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MS. FAGAN:
Q. And then you've mentioned weight?
MR. STEPHENSON:
A. Yes.
MS. FAGAN:
Q. We see numbers of 19,000, 22, 11, being that lighter smaller one and then the largest 26,150. Now I don't know if they're large or small in size. What does weight, what do these weights, what would that tell the viewer?
MR. STEPHENSON:
A. Yeah, that's the maximum weight that the aircraft is able to be loaded in--what the aircraft and what's inside it would weigh and when we type certify an aircraft, we type certify it for a certain weight limit. In other words, once you start getting heavier than that, you're outside the certification standard of the aircraft. So that's done through flight testing and all of that process.
MS. FAGAN:
Q. You mentioned the term "heavy"
MR. STEPHENSON:

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A. Yes.
MS. FAGAN:
Q. Heavy lift.
MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. Would these be heavy lift or at least are some of them heavy lift?
MR. STEPHENSON:
A. We're starting to go into areas I'm not necessarily qualified. I suspect that they're heavy ones. I know the 76 is not a heavy helicopter. It may be a medium--maybe folks from Cougar eventually can probably answer that specific question.
MS. FAGAN:
Q. Okay. The 702 and the 704, you'd said that the 704 is commuter?
MR. STEPHENSON:
A. Correct.
MS. FAGAN:
Q. So that would be transporting A to B people or cargo?
MR. STEPHENSON:
A. Correct.

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MS. FAGAN:
Q. And then the 702 is the aerial work? Is that -
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. So that's the section under the regulations that would govern or authorize them to do what they're doing?
MR. STEPHENSON:
A. That's right, and I'll say it's common practice for even a fixed wing operator when they apply for 704 for an aircraft that falls in that category, they'll normally always put a 702 connection to it as well. That gives them the ability to do work outside of the normal transport work. So they could do fire--not firefighting. They could do fire surveillance. They could do sightseeing. They could do all of those extra things that they might do, that they might find a market for.
MS. FAGAN:
Q. So they could aerial work as in they could go out and report back on ice conditions or

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weather conditions?
MR. STEPHENSON:
A. Right.
MS. FAGAN:
Q. That type of thing, and not actually be transporting people or cargo?
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. Okay. Now VFROTT, what does that mean?
MR. STEPHENSON:
A. That's an acronym. VFR is visual flight rules. That means the aircraft and the pilot would be flying with visual reference to the ground or the water and there are--there's a specific standard once you surpass that, you're now into the IFR regime or IFR environment.
MS. FAGAN:
Q. And what -
MR. STEPHENSON:
A. And we'll normally authorize--an operator that's authorized to operate IFR almost gets--it's just automatic thing, you get VFR. It doesn't go the other way automatically.

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MS. FAGAN:
Q. And what's IFR?
MR. STEPHENSON:
A. Well, let me just finish. You asked me what OTT was and it's -
MS. FAGAN:
Q. Oh yes, sorry.
MR. STEPHENSON:
A. - that's over the top. That authorizes the company to fly above the clouds, but they maintain a VFR environment. It's a complex thing which I'm not sure it's relevant to this discussion, but the IFR one is the one you're really interested in or the VFR at night. VFR at night is a complex one for a layman. It's really you're flying with visual reference to the ground or water and sometimes at night, that's difficult, and in fact, even if the visibility is 15 and 20 miles, if you can't see anything, there's the belief you're not VFR any more. But by definition, you could be considered to be VFR. That's a discussion we can have.

Most operators who operate in that environment also have IFR on their certificate

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and that's the case here with all of these aircraft. That means they can fly without reference to the ground or water. They can actually take off from the St. John's Airport. They can enter into the cloud. They do it at daytime, night time, it doesn't make any difference. They can navigate to a destination. They can arrive at the destination and navigate to the runway without seeing it until it comes time to actually land and they'll approach to a certain position off the ground where they should then have visual reference and then they'll navigate or manoeuvre their aircraft for landing, and there are certain requirements for an IFR operation, not just with the aircraft, but also the pilots themselves and also the company needs certain things in place.
MS. FAGAN:
Q. The passenger category, just to complete the table, especially since it may not be visual over the web, for the 702 category, it says no passengers and for the 704, the indicator is yes for passengers.
MR. STEPHENSON:

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A. And again 702 is aerial work. We don't allow passengers on board when an aircraft is conducting aerial work. That doesn't mean somebody other than the pilots cannot be on board. For example, if you're doing search and rescue, if you're doing fire surveillance or any type of surveillance, you will have an observer on board. He's not considered a passenger. He's considered to be a worker on board. He has a duty to be on board and a duty while he's on board, even if it's as simple as looking outside. So a passenger out for a joy ride would be unacceptable, but a worker, somebody who's there to do something. Quite typically you mentioned ice -
MS. FAGAN:
Q. Ice observation.
MR. STEPHENSON:
A. - observation. You may have technicians on board who are actually working equipment in the back of the aircraft, radar and so on and so forth. So they would be considered workers and not passengers.
MS. FAGAN:
Q. And the same for cargo?

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MR. STEPHENSON:
A. And the cargo, yeah, exactly. We don't transport cargo in aerial work operations.
MS. FAGAN:
Q. Because you're not -
MR. STEPHENSON:
A. Transporting.
MS. FAGAN:
Q. - you're not going from A to B.
MR. STEPHENSON:
A. That's right. That's correct.
MS. FAGAN:
Q. Okay, and I don't know if there's anything else on this screen, but I think that probably covers what's available there.
MR. STEPHENSON:
A. Yeah, your point was you can access this on the web today and search on any certified air operator in Canada.
MS. FAGAN:
Q. So if somebody was going to take a flight tomorrow on a commercial airline, fixed wing -
MR. STEPHENSON:
A. If they're operating an Airbus, they could go and see that they actually operate Airbuses

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and they can carry passengers, as an example.

MS. FAGAN:

Q. And you had mentioned earlier, since the website is now up, that the Canadian Aviation--the Civil Aviation Regulations, the CARS, are available. Would Mrs. Kamal--just take us back, Ms. Kamal, to the beginning, just so that you could highlight where those regulations would be found? She'd go back to the home page, would that be fair?

MR. STEPHENSON:

A. Yeah, it would go right back to www.tc.gc.ca, select English or French, and navigate modes of transportation, aviation safety and you'll see under reference material, there's a very good graphic which you can see actually talks about the regulatory documents. There are--we refer to this as external and our internal documents, you can see on the right-hand side of the pyramid. At the top are the regulatory documents. You can see the Acts. If she selected those, you'd see the various acts that regulate us or we pay attention to, the Aeronautics Act being the top of the list, and you can see further down, the Canadian

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Aviation Regulations on that list, and you--hopefully on that page, you'll actually see the standards some place. Once you go into a reg, I guess. Yeah, there you go, and then it'll mention the standards on that page, as an example. So it's fairly intuitive once you've kind of navigated around. It's like any other website, you need to kind of navigate it.

MS. FAGAN:

Q. So if you were looking for a 704 operator, you'd go to part seven?

MR. STEPHENSON:

A. Part seven, yeah.

MS. FAGAN:

Q. And that's where you'd find -

MR. STEPHENSON:

A. Sub part four, commuter operations, and you'll have the standards that would be associated with this particular group. Now I should point out, and it's--if it's not obvious now, if you can see it in your screen, in the standard, it's divisioned. First of all, in the regulations, they'll often refer to aircraft and then they'll sometimes refer to

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aeroplanes or helicopters and they'll be very specific. The standard, we have two standards for commuter. We have an aeroplane standard and a helicopter standard. So that way they're separated and it's a little easier for the user to use. You're not sifting through is that aircraft or is that aeroplane, you know, it's specific to helicopters. It was a cleaner thing to do.

MS. FAGAN:

Q. I would like you now to turn to personnel and the qualifications and licensing of pilots, aircraft maintenance engineers, and I believe you also deal with dispatchers?

MR. STEPHENSON:

A. Yes, dispatcher.

MS. FAGAN:

Q. So we'll start with pilots and you had mentioned when you're going through the certificate that applied to Cougar Helicopters, the flight instrument type landing and as we go through pilots, when we get a little further down, we can then move into how that all fits into what the pilots must have. So the first thing I'd like you to

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do is what is necessary to become a pilot, and the different types of pilots, and then eventually lead us to the type of pilot or the license that a pilot would need to transport workers offshore by helicopter.

MR. STEPHENSON:

A. Okay. So just to be clear, I'm talking about a person who makes a choice to become a pilot, and this is before they become employed by anybody. In other words, this is on their own accord. An individual, a man or woman, decides they want to be a pilot. Typically what an individual would do will be to present themselves at an authorized or certified flight training unit, and there is, in this country, another path and that's through some academic colleges that actually do some of that. There's a few and I won't name them. I only know a couple of them. I think Mount Royal in Calgary, Seneca College in Toronto, and there may be others. So forgive me. But we have authorized or certified flight training units. So they present themselves there. Even the colleges have certified flight training units, so not to mislead you,

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and usually whether it be fixed wing or whether it be helicopter, what I'm going to talk about is essentially the same.

They present themselves. It's obviously a commercial aspect of business that these flight training units are in, so there's an exchange of pleasantries and money and then we begin the process. The first goal of anybody is obviously to acquire the first level of license, which is a private pilot's license, whether it be fixed wing or whether it be helicopter, and so there's a number of elements to that. First of all, there's the medical piece of the application. The person needs to be physically fit to do that. Obviously we want our pilots fit. So there's a certification process around that. Around this country, we have a number of designated doctors who are--we do that for, as part of their practice, they're directly linked to the Minister, to the regional offices, and they are certified to do the proper examinations that we would require for aviation medicine. They would receive that certification and that's--not to go into the administration

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process, but they see the individual, they fill out the proper documentation. It finds it's way to our office where we have medical doctors that look at the evaluation, agree or disagree and eventually certify the individual.

MS. FAGAN:

Q. So just so that we're clear, the school itself is certified or has to have a certificate from Transport Canada?

MR. STEPHENSON:

A. Yeah, correct.

MS. FAGAN:

Q. So not anybody can just open up a shop and say "I'm going to start training pilots."

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. So they have to be certified and then the medical process is they are doctors that must meet certain qualifications or end up on a roster and Transport Canada gives them direction as to what's required in order to provide the medical for the potential pilot?

MR. STEPHENSON:

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A. Right. The doctors receive specialized training, seminars, whatever. There's a collaboration to completely understand what it is we're looking for in the aviation world. In other words, once we go into air, into the air, high level, there's things that apply to your body that might not apply to you on the ground. So we familiarize them with that and we have specialists who do that and work with the doctors. So that's--and we issue a medical certificate to the individual and so the individual is certified. It has a time life. I'm an airline transport rated pilot and I'm old, so I need it every six months. Whereas somebody who's young might get it every year or two, depending on their age and the type of license they might hold. The Commissioner's laughing at me.

MS. FAGAN:

Q. So as you get older you have to be tested more often?

MR. STEPHENSON:

A. That's right. That's correct. I'm not quite sure what part of my body that they want to see every year, but they seem to examine the

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whole thing. So that's that certificate. Go back to the flight training unit, you're right, the flight training unit themselves are certified. They go through the exact same process and I won't go through that, but they go through the same process as an air operator would. They have to employ the right people. They need flight instructors who are certified. They need a curriculum and so on and so forth. So you enter the doors of the flight training unit and they start you through their process. There's the academic piece. You need obviously to learn about things. You need to know about the machines, the mechanics of the machine. You need to learn about weather. Weather is a significant part of being a pilot, as you can imagine. You need to learn about all the regulations and you need to learn about all the stacks and stacks of books that are presented in front of you. That's typically done in ground school, but a lot of the onus rests with the pilot to study and come back and eventually the organization will lead you to the place where you actually have to enter my doors or the

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doors of the delegate where you actually have to write an exam or a series of exams, depending on what we're talking about. And so the exams will be written, that's the academic piece. The flight training piece is, as you can imagine, you need to actually physically learn how to fly the aircraft, so you'll be set up with a flight training instructor or a number of them, if possible, and you will learn to fly in the simply small conventional aircraft. You will learn the basics of manoeuvring and navigating and dealing with the weather and talking on the radio and dealing with air traffic control, there's a lot of inputs into a pilot that I'm sure you can appreciate happen and it's possible to learn it at a grass field and it's possible to learn at a complex airport, so there's all of those aspects. And if you're at a grass field, you're going to introduce your students to that, that other extreme and vice versa, if you're at an airport like St. John's, you'll take them to a grass field so they can learn all aspects. So all of that curriculum goes forward. There are minimum standards set for

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the number of hours we want to see them flying, a minimum hours we want to see in the academic, so there are minimums, and we have minimum standards. Typically you'll see more than that in the student if they want to become a more fulsome student. And not everybody is as sharp as an eighteen year old graduate out of high school and they are really sharp or, you know, some people take to flying quicker than others, so we'll see a broad number of hours spent flying. So that will take you to the point where you actually do a, physically do a flight test and you'll be flight tested by a designated flight testing examiner, so combine that with your academic piece where you've successfully passed your exams, put those things together with a proper certificate, a medical certificate and you make application for your pilot's license and then you'll get a private pilot's license. I won't go into extremes on the commercial pilot's license, but the next level up is the commercial pilot's license for both fixed wing and helicopter, it's exactly the same licensing standard, except it's a

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different mode of transportation, of course, and I'm sure I don't need to tell you when you're teaching a helicopter pilot to fly, you're actually putting him in a helicopter and vice versa, in a fixed wing. But essentially the principles are the same. The commercial license, there's just simply more to the academic, there's more to the flight training. We expect a higher standard, we expert more experience and when we write the exam, it's that much more harder and we ask questions that are a little bit more about being on your own and not being connected to, you know, your home base and you've obviously operating in different environments as a commercial pilot, so we get into more difficult aspects. The standard in the evaluation is higher in the case of a written exam and in the case of a physical evaluation of your flying skills, the standard is higher, as we would like to think that be the case. Now the medical examination, there is also a change to that as well, there's more--not necessarily more rigor to it, but the time period is less, again depending on age and so

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on and so forth. And the third category we have in both cases is the airline transport license. The airline transport license is, again, more rigor to the flight training, more rigor to the academic. In fixed wing, I'm not going to say for helicopter and I'll get a wink from my colleagues from Cougar, I believe both require an instrument rating valid, so you need to fly in instrument conditions, I'm getting a nod, so that's correct, and so flying in instrument conditions is an aspect of the airline transport license. And when you get into flying IFR, you're just going into a whole different realm of how you operate an aircraft and it's fairly complex and I can tell you most pilots in this country do not have instrument ratings, that's a fact, by a number--I forget what the number, 16,000 pilots or something like that in this country, most of them are private pilots, as you can imagine, and when we get into the professionals, we'll get into people who actually fly in the IFR realm. So, and if I can go back, forgive me, unless you want to stop me because I'm on a roll.

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MS. FAGAN:
Q. No, carry on.
MR. STEPHENSON:
A. Let me just talk about what the private pilot can do. The private pilot obviously the description is very clear, it's a private pilot, he can fly for himself and he can't take any type of reward for his services. He can acquire and there are private pilots who can fly at night, who fly in instrument conditions and there are ratings that are attached to their pilot license and that's a lot of work for a private pilot who might have bare bones minimum, but a lot of private pilots have a lot of experience in this country. 75,000 licensed pilots--I said 16,000, boy, did I miss that mark. So that's the private pilot. When you want to actually fly for a living; in other words, be paid and there are a lot of private pilots who fly privately who actually hold commercial licenses, you can do that. A commercial pilot or an airline transport pilot can fly privately, we're not limited to just commercial operations, but if you want to be

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paid for flying an aircraft for a living, you need to acquire at least a commercial license in both fixed wing or helicopter. You do have limitations in what you can do. In the case of a fixed wing aircraft, you're limited to being a captain up to a maximum weight category and once you enter the next weight category, you need to have an airline transport license. In the case of a fixed wing, I believe it's 12,500 pounds, I don't think they've changed that rule on me. I was interested to know what the helicopter was, so I looked it up and again, somebody can throw something at me if I get that wrong, but basically a helicopter is marked based on the number of crew that the aircraft is typed certified for. A helicopter that's certified for one pilot will have, you need a commercial pilot license to captain it. If you want a captain an aircraft that requires by typed certificate two pilots, and they exist, as do fixed wing, some fixed wing require two pilots, but in a helicopter we draw the line at whether or not you need one pilot or two pilots. If you need two pilots, then the

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commercial pilot can be a co-pilot, but he cannot be the captain. I believe that's the way it works, based on my quick research on helicopters and I'm not sure if that's really relevant here, but that gives you a description of what the pilots can and cannot do.
MS. FAGAN:
Q. If the--and we will hear more later from Cougar, if the S92 requires two pilots, I know there are spots, I mean I know there's a pilot and a co-pilot, I know there's two spots, I don't know if they require two pilots, but if that required two pilots, the captain would have to have the airline designation and the co-pilot could either be airlined, but at least -
MR. STEPHENSON:
A. Correct.
MS. FAGAN:
Q. Have to have the commercial.
MR. STEPHENSON:
A. Correct, it's not unusual to see, in fact, most pilots eventually find their way, their desire is to have the ATR, the Airline

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Transport Rating, ATPL or Airline Transport Pilot License, and so they'll find their way there. Some companies won't accept a pilot unless they have it. That may be the case here, you certainly get asked the question, but from Transport Canada's perspective, our licensing standard is as I've described it.
MS. FAGAN:
Q. So they are the three categories -
MR. STEPHENSON:
A. Yes.
MS. FAGAN:
Q. And then the aircraft or whether your money, you know, whether it's commercial and that there's a paid, that would then dictate what level--what designation, I mean, the three standards are there and then it depends on what you're doing as to what standard is required?
MR. STEPHENSON:
A. The requirement to have a commercial air operator's certificate, we use the expression hire or reward, it probably applies to a pilot as well. If they're being hired or rewarded in any way, they require the commercial

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license or the airline transport license.

MS. FAGAN:

Q. So the airline transport, that would be the highest -

MR. STEPHENSON:

A. That's the highest, correct.

MS. FAGAN:

Q. Now, you've--with training, I'd just like to ask you a couple of questions on simulators because I've heard the term "simulator", can you just describe what a simulator is and how does simulator training, how does that impact or affect what a pilot can do?

MR. STEPHENSON:

A. Sure. Simulators is, as you can imagine, we know technology has improved over the last--significantly over the last decade or two now, simulators have been around for a long, long time, as far back as the pre-war they were using simulators. People like myself and others laugh at them because they were quite silly looking, but they were simulators nonetheless. But with technology we have been able to simulate conditions that you would otherwise simply really simulate in an

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aircraft. In other words, we can create real conditions in an aircraft, not just with the mechanical parts of the aircraft, if you get into a typical simulator today and if you don't look beyond the limits of, like if you don't look behind you, you will think that you're in a real aircraft because they use the real aircraft parts, they don't use fake parts, they don't use something like this. They use the real parts so the pilot has and touches and uses the switches. And behind those switches and dials and levers is a lot of technology. There was old technology, now we're into new technology. The visual capabilities now allows us to see--in the old days, we'd simply do nighttime simulation because it was very realistic or quite realistic for nighttime, but we couldn't simulate daytime or dusk very well. The simulations have gotten better and better and better. Now we can actually simulate daytime and nighttime, but the real issue is you can put a crew into an aircraft simulator and you can simulate a real condition. You could simulate an emergency where in the aircraft

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you would say it, pretend that or you'd say "simulated engine failure" or "simulated engine fire" or "simulated electrical fire". You can actually do that in a simulator, you push a button and an engine quits like, and then you sit back and as an examiner, I'm an examiner, I would sit back and then watch the crew perform. I mean, it's the perfect way--it's the perfect training aid, it's the perfect evaluation process to allow us to see a real crew really do their thing and you don't interact. When you're in the aircraft, we either simulate the condition by doing it verbally or if we do it, in the case we would simulate the failure of an engine, we would bring an engine lever to idle, but it would still be running because we want to stay safe, we don't want to put ourselves in that condition, and so we would simulate that and it doesn't quite create the same environment because everybody knows the engine is running, and so they don't really--in the simulator, they'll go through the process of actually shutting the engine down so you'll end up flying single engine. We see that for real,

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it's a great way to do it. We don't do that in the aircraft, we'll continue and we'll pretend we've shut it down, pretend you turned the switch off, pretend, pretend, pretend. It's actually interesting to see the crew perform and it allows them in a training environment to do all of those things. And hydraulic failures, I mean, you can shut the hydraulics off in a helicopter, but you know, I've done it, I've spent some time in a helicopter and it's not something you want to be doing on a regular basis, but in a simulator, you can do whatever you want and watch the crew train, be trained. They can experience it and then you can watch the crew be evaluated that way too.

MS. FAGAN:

Q. Does a simulator training allow a pilot to do more or to fly in conditions that they wouldn't otherwise be able to do without simulator training, and you may or may not know -

MR. STEPHENSON:

A. Yeah, I do know and I would suggest that statement is not quite true, but it does allow

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us to evaluate them in low visibility, the IFR conditions, for example. You know, today we're going to fly IFR, well the sun is shining, so how do we do that, right. In the old days we would wear a hood and pretend we couldn't see outside, but we don't do that, in a simulator you program the weather, the weather is bad, even if it's sunny out. You can program wind, so you can do all of those things. If we want to do, in the case of instrument flying specifically and this is where it really shows itself, we can actually bring the visibility conditions down to the lowest that the air operator might be certified to do or the airport might be certified to do, and so they can do the real approach and arrive at the airport, or in this case, we can talk about, you know, an offshore rig. I mean, they can go to a platform and they can simulate that and I would be surprised if those things aren't already programmed into the simulations that offshore operators are using today. It's very simple to do that. And so they can actually simulate that exercise. And once they become visual,

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they can even simulate the visual manoeuvring around and the simulators are as good as you can actually simulate the landing on a platform.

MS. FAGAN:

Q. So would it be fair to say you are, you would endorse simulator training?

MR. STEPHENSON:

A. It's required by regulation in certain sectors, I can't say that it's required in this particular example, but we've moved it into aircraft that, I would say, I think about 15 years ago we made it an option and we've taken it out of being an option for certain types of operations. I'll ask that question to Cougar if you'd like to know that, because I don't intuitively know that because I don't know helicopters. In fixed wing, we require them for sure.

MS. FAGAN:

Q. That would be where I would like to break because we're moving to another topic, but prior to the break, I understand that the Commissioner would like to have a couple of minutes with those who are present after we

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have shut down the -

COMMISSIONER:

Q. Yes, if we just shut down the equipment for a moment and then we can talk to you about the couple of housekeeping matters, as it were.

MS. FAGAN:

Q. Thank you.

(OFF RECORD)

COMMISSIONER:

Q. Okay, Ms. Fagan.

MS. FAGAN:

Q. Before the break, we were talking about pilots, and I have a couple of more questions on the pilot topic before we move to Aircraft Maintenance Engineers, and your description before lunch dealt with the pilot in his or her own right obtaining their licenses, and the types of licences, and as I understand this, that this may very well take place before the pilot obtains a job, or when the pilot is trying to obtain a job, so the pilot has their licenses to do various activities, but is that the end of it? I mean, once the pilot now walks into an employer's offices and is hired, especially by an airline, and we're

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dealing with the commuter type service, is there any additional training or any other requirements?

MR. STEPHENSON:

Q. Sure, and if I may, I'll just stay strictly with helicopters because, anyhow, it's the discussion for today and for as we move forward. I'll just qualify one point on helicopter flight training as it's defined and required under the regulations here in Canada. It's essentially a training protocol program, a curriculum that deals with conventional operation of the aircraft, take off and land, transporting people around, basically the operation of the aircraft. The regulations, in simple terms, don't require that the flight training unit train the pilot to do things like slinging and--that means picking something up underneath the helicopter and moving it around. Helicopters do all sorts of aerial work as we've discussed earlier, so that's not part of the licensing protocol. Some flight training units actually put that into their program. They'll actually teach a student. It's a logical thing to do to teach

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a student to lift something and move it and set it down, and very simple conventional things that a helicopter pilot might need to know. When they take their first job, it's a good thing for a pilot to have, so to your point, to your question. Once the pilot has his license and he presents himself at the door of an air operator to seek employment, he's going to either learn these things before he gets in the door, and he's going to have to seek that out, or what a lot of air operators will do, will start a person at a junior level and then will move them into their--bring them into their organization. They're licensed pilots, so they can actually fly the aircraft, or not. They may not have a rating on a specific aircraft type that the air operator is operating, but they'll take possession of that pilot as a licensed pilot and then they'll train them. They'll have their own approved curriculum that the air operator has that's approved by Transport Canada on the aircraft specific, and then also on the type of operation they carry out. I mentioned lifting things. Well, yeah, they might not

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lift things on a short line, but there's a whole different process when you're lifting something on a long line, which is having a helicopter hover at a high altitude and lift, and you can imagine working with a crew on the ground, and all the safety issues that go around those aspects, and there's other things that helicopters do, and so the air operator would be responsible to make sure that that newly hired pilot has the skills and training that they require in order to carry out their operation, meaning the air operator's operation. It's also possible somebody comes into their organization with lots of experience in contrast to the brand new pilot who has lots of experience on long-line work or whatever the air operator might be doing. The air operator still has that responsibility to ensure the individual in fact demonstrates that skill, so they'll put them through perhaps a curriculum that might be slightly modified, but they're still required to assure that the individual has the training, so I don't know if that's clear.

MS. FAGAN:

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Q. Well, that's what I'm interested in learning.

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. And in particular, take the situation that this inquiry is dealing with, which is the transportation of workers offshore. This is an "A" to "B," and the workers are going to be in helicopters flying over water, and you've said that if it's cold temperatures and water there's going to be, you know, certain other things that are required such as survival suits, but what I'm looking at is the pilots. You know, is that beyond a normal "A" to "B"? Do you know if there would have to be anything required in the way of training for those pilots, and if there is a requirement where would that be? Where would the requirement be? Would you find it in the regulations or in their processes?

MR. STEPHENSON:

Q. Sure, and again, and we've talked about this earlier in general terms, and I won't be that specific, but the air operator would be obliged to demonstrate to Transport Canada a

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couple of things with relationship to the aircraft proper. They're now going out to a platform, something that a helicopter pilot may not have ever done. They certainly may have landed in a confined space. That's what helicopters do, but it is a confined space, probably or, as you can imagine, in an environment that might be somewhat different, usually higher winds, low visibility conditions and so on and so forth, so there would be a training program around how they would go about doing that. The other aspect, and you touched on that a little bit, is the emergency equipment on board the aircraft. You simply wouldn't put the pilots in the aircraft and send them on their way. They're actually an integral part of the crew. They are the crew in the aircraft. They have a responsibility to the back-end passengers, and so the training program will describe the use of all the emergency equipment, all the protocols around how one might go about doing certain things while getting on board. Perhaps the pilots might be involved with the briefings that might be done prior to.

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Passengers will be trained in this case. I know they're highly trained before they get on board the aircraft, so a lot of that work is done ahead of time. Some companies might not work that way. You might show up, and you might be trained by the pilots. That's not untypical of other operators where you're shown how to put on the life-preserver and so on and so forth. We all are familiar with those types of briefings in an airliner, but in an organization or an operation like this it's a lot more robust, but the crew still are a part of that emergency process of whatever takes place in the aircraft, and they'll have protocols for certain scenarios, whatever that might be.

MS. FAGAN:

Q. Well, for the C-N-L-O-P-B the key document is the authorization, and as I understand it for an air operator the key document is this certificate

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. The COA.

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MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. And the COA has a number of components, this certificate to operate, so would this training process be a manual or a process that's described and be a requirement for that operating certificate? Is that how it works?

MR. STEPHENSON:

Q. Yeah, and again you're asking me to get into Cougar's operation, which I don't know how it's structured. By the regulation and the staff that we would put on a file like that, we would be looking to be assured that training programs are in place. Our documentation, our training manuals that we would approve would be more robust in certain areas but based on our regulations, so we would want to training around the use of the emergency suits and so on and so forth, and how that's going to be trained. Would that appear in our document, or would we accept it in another document? I think we probably would. We're reasonably flexible in that regard, but quite typically the regulations

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refer to a training manual, and you might find multiple manuals, in our minds, linked directly to the training manual. So if there's a requirement over and above what we would require, it might find its way into our approved manuals or it might be elsewhere, and I think we would be okay with that.

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. If the operator has a training program that has been approved or it meets Transport Canada's satisfaction, do you view the training, observe the training? I mean, do you do any inspections or checks to see how they're implementing that training, or do you just take the process. It's in a manual. This is what they say they're going to do, and that's the end of it. I mean, what type of oversight is there?

MR. STEPHENSON:

Q. Sure, yeah, I'll say helicopters broadly right across the country, we wouldn't normally

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oversee all training aspects of a training organization of what a company might give to their pilots or they might give to their ground crew or whatever. We wouldn't do that. Simply, that's the accountability of the operator. That said, based on assessment of risk, we probably would in fact engage in an operation such as this one. We probably would go and actually participate maybe even as a student in that environment. We would actually take training. Maybe we might take the training elsewhere, or we might actually participate as a full participant in the training. That wouldn't surprise me. We do that with a lot of our training programs. It puts you right into it, and you then get a good flavour of how well the training is done. Most of our people have a training or instructing background. They know what teachers should be doing. They know what a curriculum should look like, so they'll actually delve right into it so it wouldn't surprise me that that's what happened in this case, but I don't know that it did.

MS. FAGAN:

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Q. Okay. You mentioned--I think you used the word, "type," or "rating."
MR. STEPHENSON:
Q. Yes.
MS. FAGAN:
Q. When an airline pilot or a pilot that's going to operate a significant aircraft, is there any training that is related directly to the type of aircraft or the machine? I mean, he can commute. He can deal with the transportation of passengers, but is there any training that's specific to the machine, not just the activity, which is over water?
MR. STEPHENSON:
Q. Sure, so I'll back our pilot out of the air operator, and a fixed wing pilot when he receives his first license, he is normally authorized to fly single engine aircraft up to a certain weight, 12,500 pounds actually. It's a grouping and that's what he's allowed to do. It's probably not true, the 12. A private pilot, I think, is only authorized-- I'm going to pull a number out of my head, 6,000 pounds. It's a lot lighter so, forgive me, I don't remember that number, but they're

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allowed to operate a lighter aircraft, but are grouped, so any single engine aircraft in that grouping. A commercial pilot can go up to 12,500 pounds, any grouping. Any aircraft over the top of that number, 12,500 pounds, a fixed wing pilot needs a type rating on each individual aircraft so he needs to go through some sort of program to be certified. Normally, people don't do that on their own accord. They'll do that when they walk into the organization that they're operating with. That company will take them, train them specifically on the aircraft, and two things happen. They'll have a--some academic, and they'll have an actual flight test, and they'll be certified on that aircraft specifically, so I'll say a Boeing 747 or a a Gates Learjet, or something in that category which both of those fall into, and they'll be certified. That airplane will be endorsed on their license. It'll stay there for the rest of their lives. I have eight aircraft on my own license, which will never be removed, so that's a type rating, and the type rating is actually of no real value. It's kind of a

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resume for a pilot for future, and so it says I was trained on the aircraft and endorsed. The training is generally only valid for a year or a specific period of time, and the pilot needs to retrain regularly and needs to be re-certified on a regular basis. That fixed wing aside for a second, in the case of the helicopters, and I don't believe they've changed these rules since I've delved into them, any helicopter, it doesn't matter what it is, requires a type rating on the helicopter pilot's license, so it would be Bell 206, which is a very light helicopter, or the Puma or the Sikorski. They are all separate type ratings where a pilot needs to be trained, and he receives a proficiency check on the aircraft, and that gets type-rated on his license, and if I understand it it's exactly the same thing. Once it's on your license, it's never removed, but it's only valid for a period of time. The training and the proficiency check is only valid for a period of time, and then you need to be retrained and rechecked, and that's normally done inside an air operator, not always but

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normally. It's an expensive thing for an individual to do on their own.
MS. FAGAN:
Q. And you have mentioned three different types of helicopters. They would be the brand names.
MR. STEPHENSON:
Q. Yes.
MS. FAGAN:
Q. The Bell or the Puma or the Sikorski, but within those brand names or those designers, manufacturers, they have different models or types.
MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. And so when you talk about a type endorsement, it wouldn't just apply to the brand name. It would apply, as I understand it, to the particular aircraft itself.
MR. STEPHENSON:
Q. Right. In the case of Bell, I was specific, Bell 206, indicates a Sikorski. I did say Sikorski, so you're correct. Some helicopters are so similar that we group them. It's a

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reasonable thing to do. Bell 206, Bell 206 LongRanger, I don't think there's a separate type rating, as an example, because one is a little bit longer. I don't think there's a significant difference but, yes, they're specified. They're actually, I believe, in our regulations where we actually talk about the specific type ratings--and you'll see a long list of fixed wing aircraft. You'll see a long list of helicopters, and so you'll see those endorsements. I'm type-rated on the Boeing 737, which, oddly enough, gives me the whole gamut, and that sounds like that's not a good thing, but the reality is I still need to be trained in the aircraft specifically, and even if there's a difference between, let's say, the helicopter, one helicopter type and another--sorry, the type--and they're grouped, if there's differences the company is required--even though you're type-rated, they're required to give the differences training between the two types. So if it was a Bell 206 and a Bell 206 LongRanger--if there's a difference, then they're required to train the difference, and that might be

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something as simple as being aware of the weight differences, and they're required to make--it's the company's obligation to make sure the pilot flying the aircraft knows there's a weight difference. It may be as simple as that, or there might be small flight characteristic differences. Obviously, when we go into the heavier machines, it gets more complex.

MS. FAGAN:

Q. I'd now like to move to the maintenance of the aircraft.

MR. STEPHENSON:

Q. Sure.

MS. FAGAN:

Q. Because I understand there's a fairly rigorous--I wouldn't say complicated, but a sophisticated system for licensing Aircraft Maintenance Engineers. This is a very specialized field.

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

Q. And I'd like you to explain the importance and the process. You gave a very good description

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of pilots and what they have to do. Now I understand the maintenance engineers have to do something similar. It might not be exactly the same, but can you go through that process?

MR. STEPHENSON:

Q. Sure, and again a little bit out of my wheelhouse because I'm not a licensed AME, but I am certainly familiar with the process, and not to go into it in great detail because it would be redundant, but the AME, or the Aircraft Maintenance Engineer, goes through the same process. An individual decides they want to become an AME. In this case, they usually present themselves at one of the many colleges we have across this country is a common practice where they receive the academic training that they would get to be an AME. During that program, they actually do lots of hands on. The college may have a Co-op Program, so they'll actually be assigned to a company where they actually might work in a shop and start to get some actual hands-on experience, but they go through the academic and receive that academic piece. They write exams similar to a pilot, and then an AME, the

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licensing portion of the AME is really about not flying an aircraft, obviously. It's about apprenticing, and I'm sure most of us who have worked in any kind of industrial area understands apprenticing in that you can't learn everything in a week or a month or a year. It comes to you in time. You'll be supervised by a licensed AME, so there's a process there. At some point in time during that process the exams will be written. The academic will be written. You'll present yourself to Transport Canada with your academic, your written exams, and your experience in the way you were apprenticed or you were monitored and supervised. You make your application, and then you will receive your license.

MS. FAGAN:

Q. So a certified Aircraft Maintenance Engineer could then take a student or a junior, an apprentice under their wing.

MR. STEPHENSON:

Q. Yes.

MS. FAGAN:

Q. And supervise them and teach them, on the job

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training.
MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. And when that, you know, potential Aircraft Maintenance Engineer presents themselves at Transport Canada, they would have some type of history or certification or proof--
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. --that not only have they written the exams, but that they have spent this time under the guidance of a certified engineer.
MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. And who can perform maintenance on an aircraft?
MR. STEPHENSON:
Q. Sorry, it's a complicated question in the sense that anybody can perform maintenance of an aircraft. The question is really who can perform maintenance on an aircraft unsupervised, and that would be a maintenance

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engineer, a licensed maintenance engineer? There's two aspects of this, and again it's not my direct area of expertise, but I know I have this correct. There's the work, and there's the person who certifies that the work is done appropriately, and in both cases the person who can work unsupervised is a licensed AME. The person who can sign out is a licensed AME. Sign the work off, certify that the work has been carried out in accordance with the proper procedures, and they'll link that directly to the proper references in the air worthiness manual.
MS. FAGAN:
Q. So the signing of an aircraft, and I know this may not be your area.
MR. STEPHENSON:
Q. Okay.
MS. FAGAN:
Q. And we're only trying to explain the systems and what's in place.
MR. STEPHENSON:
Q. Yeah.
MS. FAGAN:
Q. Can you just explain? A helicopter lands,

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finished for the day or it needs some type of servicing. Can you just describe the process, and what do you mean by "signing out?"
MR. STEPHENSON:
Q. Sure. Well, first of all, any aircraft, particularly when it gets more complex, has a very rigorous and Transport Canada approved schedule of maintenance, right? So, you know, all the parts of the aircraft need to be inspected at a certain point in time during its life, and so that structure is there so an aircraft, as you said, arrives. It's scheduled for maintenance, and so the maintenance process would begin. Maintenance engineers would perform their duties. Apprentices would be involved, and the work is performed. It's critical that the work that's performed is properly documented. In other words, we have a record of what took place, what was inspected, how it was inspected, what parts might have been replaced, or removed and replaced, and so that documentation is important, and then once that's complete then the document is released to service. It's done in a proper manner. They actually have

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specific statements that they'll use, or similar statements that they'll use to properly release the aircraft, and all of that documentation is done by an authorized or an approved maintenance engineer.
MS. FAGAN:
Q. So that would be the certified -
MR. STEPHENSON:
Q. An Aircraft Maintenance Engineer, that's right.
MS. FAGAN:
Q. That would be the certified Aircraft Maintenance Engineer.
MR. STEPHENSON:
Q. Yeah.
MS. FAGAN:
Q. They're the only ones that can sign out or release.
MR. STEPHENSON:
Q. Yeah. You see--yeah.
MS. FAGAN:
Q. In the commercial commuter context.
MR. STEPHENSON:
Q. Yeah, the maintenance I'm talking about, that's the person who would release the

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aircraft to service. There's some other technical issues about releasing an aircraft based on other flight authorities, and that's--we're going to back to manufacturers and so and so forth which -

MS. FAGAN:

Q. Well, from the maintenance -

MR. STEPHENSON:

Q. That's complicated things so -

MS. FAGAN:

Q. Right.

MR. STEPHENSON:

Q. But from an air operator's concern, that's the way it would work, yeah.

MS. FAGAN:

Q. The two areas I want to cover, I don't know which one you want to deal with first. One is particular aircraft. I mean, if you're a certified Aircraft Maintenance Engineer, can you release and perform maintenance on all the helicopters that exist, or is there any connection--you've said that a pilot, once you get into a certain category, must have type endorsements.

MR. STEPHENSON:

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Q. Right.

MS. FAGAN:

Q. What about the engineers?

MR. STEPHENSON:

Q. Right, so in the case of the engineers, and again I'll reserve my response with just a bit of a catch because I suggest you ask that question again of somebody else who could confirm it for you, but an AME as a pilot would have a blanket authority to fly aircraft. In the case of the pilot, well, the maintenance engineer can obviously work on all sorts of light aircraft. That's not untypical. They wouldn't be endorsed on every small aircraft that exists, but in the case of larger aircraft the licenses are typically endorsed for the aircraft specifically. There may be a training program. There may be a written exam. There's a certification process, and the license of the AME would be endorsed for that specific aircraft.

MS. FAGAN:

Q. So the engineer may need, depending on the complexity of the aircraft -

MR. STEPHENSON:

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Q. Yeah.

MS. FAGAN:

Q. May need an endorsement.

MR. STEPHENSON:

Q. Yeah, and I don't know where that line is and -

MS. FAGAN:

Q. Where the line is.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. But once you get into the--

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. --more complicated, heavier, larger machinery, there is a process where endorsements are required.

MR. STEPHENSON:

Q. Right, and in the fixed wing world, that's the one I know better, I know there are type ratings for--or type endorsements for specific heavy aircraft.

MS. FAGAN:

Q. Okay. The Approved Maintenance Organization,

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we had heard about that earlier.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. In order for an operator to have its certificate, one of the things it needs to have besides its manuals and its processes and its plans is it must have an Approved Maintenance Organization. We've heard that term and we've heard about the licensed Aircraft Maintenance Engineer, so we have the engineers and we have this thing called the maintenance organization. Can you please explain how the engineers fit with the organization?

MR. STEPHENSON:

Q. Sure. Sure, and again I'll describe it similar to the pilot. The pilot went through his--or, sorry, the--yeah, the pilot went through his own personal licensing process before he was employed. The engineer typically does the same thing. "Typically," meaning some people actually grow up inside an AMO as a floor sweeper, and they're sponsored and they do it in that way, but essentially

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you're licensed. You enter the doors of the AMO, the Approved Maintenance Organization, and they take hold of you as their employee, as their maintenance engineer, and they're obliged to train you equally as they do pilots to train you to their systems of doing maintenance. If they have an aircraft, specific type that they operate that you don't have, over time they'll probably bring you to a point where you can actually be endorsed on that license, so they may sponsor you and give you training and/or sponsor you at a training organization to receive that academic piece. They'll give you the experience that you need. You'll write your exams. You'll become endorsed, but they'll do that inside of their organization. Just that little piece aside, I think it's really important to focus on their system. Not every AMO operates the same way. I put my tools over here. You put your tools over there. "No, no, I want you to put your tools where I tell you to put your tools. I want you to manage the tools the way I tell you to manage the tools." As you can imagine, like surgery it's important to manage the

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tools of a maintenance engineer. You want to make sure they're in the box when the aircraft flies away and obviously not in the aircraft, so companies are very strict on how they manage tools, just as an example, but there are other aspects of an organization. How we move our paper around, how we document, and how we certify, "I want you to do it the way we do it," so there'll be a training protocol around that. How we supervise, "You're a licensed AME." "I want you to supervise those two apprentices, so this is the curriculum we use for our apprentices," so you might go through that process. That's training that a AMO would be obliged to give to a new employee who might have worked elsewhere, or maybe not worked anywhere.

MS. FAGAN:

Q. So the certificate for an air operator to operate, its authority to operate is dependent on having an Approved Maintenance Organization.

MR. STEPHENSON:

Q. Right.

MS. FAGAN:

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Q. And the Approved Maintenance Organization is an approved system, an approved program for maintaining that air operator's equipment, and therefore when an engineer comes in the engineer must comply and follow that Approved Maintenance Organization.

MR. STEPHENSON:

Q. Their process.

MS. FAGAN:

Q. That process.

MR. STEPHENSON:

Q. Yeah.

MS. FAGAN:

Q. Because if that process is not followed, that puts that approval--the entire approval process is now -

MR. STEPHENSON:

Q. Well, again bring in the regulator. One of the things the regulator does is we pick up their documents, and we see the way the manner in which they're going to operate. Something that's very to the heart of the maintenance organization is quality control through quality assurance. They specify how they're

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going to do that, so we actually do a fair amount of research and we review their procedures, and then we step out into the floor. We're going to start administratively. We're going to talk to senior directors, managers, and we might step out on the floor and talk to an AME and say, "How do you do this," and if they give you a completely different answer, if it's like--"Well, no, that's not what it says here," and so it's important that the people who work inside understand the AMO or the maintenance organizations procedures of--if it's quality and quality assurance, or any other procedure, it's documented and that's what we inspect too.

MS. FAGAN:

Q. Okay.

MR. STEPHENSON:

Q. And expect to see.

MS. FAGAN:

Q. The approval is based upon that process.

MR. STEPHENSON:

Q. That's correct.

MS. FAGAN:

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Q. So everybody working under that process must comply.
MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. Okay. The last group that I've asked you to go through are the flight dispatchers, because I understand that there's a whole area called the dispatch of the aircraft.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. I mean, we've flown it. We've dealt with the flying, and we've dealt with the maintenance.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. But there's a dispatch system, so I'm going to ask you to go through how Transport Canada certifies flight dispatchers.
MR. STEPHENSON:
Q. Okay.
MS. FAGAN:
Q. And before that perhaps you could explain what is a flight dispatcher?

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MR. STEPHENSON:
Q. Yeah, I think that's probably a good order to go in. We'll talk about the people who work in it later. You know, when you're operating a commercial air service, just so everybody understands what we're talking about, the manner in which you allow an aircraft to prepare itself and take off and go someplace, land and do its work, and hopefully come home at some point in time is--it's a complex process. In the case of helicopter operations, and I'll stay to that, but it could be fixed wing operations as well. Particularly in the smaller aircraft world, pilots generally operate with some autonomy. In other words, they're expected to check the weather themselves. They're expected to do their flight planning themselves. They're expected to decide how much fuel they need. They're expected to do all sorts of things around the flight. That's what they learned as a basic, licensed pilot, and when they enter into a commercial air service there's some expectation that they can be self-sustainable. That is pilot self-dispatch, and

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it's as simple as that, and commercial air operators are authorized to do that. I won't get into the description of what that is. They actually have letters for it, but it's not really that important. The point is there is are certain things that the pilot is expected to do. An air operator will describe in their manuals the manner in which they dispatch themselves, and we review that document, make sure it's compliant with the regulations, and then we'll actually go and look at it and see if they are actually doing that. We'll look for documentation. We'll also again interview pilots and see how they dispatch. We might talk to somebody. Usually, smaller companies also have a flight follower, somebody who's aware of an aircraft that just left. I'm simplifying, but I'd like to keep it that way if I can. They follow the aircraft where it's going, and I don't mean they can see it. Modern technology has actually allowed us to actually see it now with GPS, and you can actually watch your aircraft on a screen and see--and it updates on a regular basis, a very, very good process

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to flight follow. We don't require that in the law, but they have a sense the aircraft is--they know the aircraft is going someplace. The individual pilot lands. If the company says he'll call back when he's there, they call back, so that's a very simple process for a company to comply with. They're basically the rules we have in place up to and including commuter operations, so with commuter, air taxi and on down.
MS. FAGAN:
Q. So just so that we're clear -
MR. STEPHENSON:
Q. Yeah.
MS. FAGAN:
Q. The regulations for the current situation that this inquiry is looking at, which is the transportation of workers offshore by helicopter -
MR. STEPHENSON:
Q. Uh-hm.
MS. FAGAN:
Q. That's a commuter process, so what you're--just correct me if I'm wrong, but what I'm hearing is that the regulations would allow

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the pilot to self-dispatch.
MR. STEPHENSON:
Q. That's correct.
MS. FAGAN:
Q. And the pilot on his or her own can--
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. --can make those decisions on fuel, look at the weather, do the flight plan.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. All those things you described.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. Is there a process that is beyond or involves more than just the pilot, because we've heard about these people called dispatchers.
MR. STEPHENSON:
Q. Right.
MS. FAGAN:
Q. So is there a process? What is a dispatcher, and what's that process?

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MR. STEPHENSON:
Q. Sure, so if I enter the airline world under the airline regulations, they make reference to something we call a co-dispatch system, and I'll describe it and it'll probably come clear to you very quickly. Now I described pilot self-dispatch where he's accountable for making the decisions to whether he can go or not. That's not to say the company can't say, "No, you're not going," but the pilot relies on the--or, sorry, the company relies on the pilot to make those decisions. In a co-dispatch system, the company is now relying on more than one individual to compile the information, evaluate the situation and then make a decision to dispatch, and I'm really simplifying, but basically it requires two people to sign off and say, "We're able to go." "We're good to go," and what that does for a company, I think, is it puts a little bit of--takes a little of the accountability off--or onus on the pilot only--it relieves him of some of that burden. It gives the company some confidence that the load is being reduced off the pilot. He's not having to do

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everything, which is important in, you know, an organization that's busy and the load is high. The weather might be an issue, and the decisions are a little more critical. You can imagine in an organization where the aircraft--or the company is huge or big, and typically--and we're talking about airlines now--it gets a lot more complex, so the pilot might typically arrive in a airline where the dispatcher has done all the work. I say "all the work," meaning he's compiled the weather. He's already done the fuel estimates. He has told him exactly what he needs to know. He hands him documentation. The pilot goes, "Yeah, we're going to there." "Yeah, I know what the weather is. Yeah, yeah, okay, that's fine. There is the fuel. Yeah, I agree with that." The pilot actually has an opportunity to disagree. He can't disagree and say, "No, I want less fuel," but he can say, "I think I'm going to take on more fuel," and in fact it would be the opposite. The pilot could actually come up with a fuel load, and the dispatcher could say, "No, I think you need more fuel." And there's a discussion that

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could take place between the two, but it creates a little bit more of a collaborative decision-making process. Nobody can really overrule the other, except on the side of safety, at least that's the way it should be designed, and so, it requires both people to sign off, right. So I agree, you agree, away we go. And it might be one of us says, you know, the weather is not good enough, we're not going to go in and the person wouldn't override, he'd say, oh, okay. He might disagree, but the process should control it so that either one can make that decision or at least impose their will in that case. And again, I'm oversimplifying.
MS. FAGAN:
Q. Would a co-dispatch system improve safety, would it be an improvement on safety or how would it impact safety?
MR. STEPHENSON:
A. Well I think just this whole issue of offloading the pilot certainly would have, would contribute to the pilot being available to focus on other things. You could argue that that would enhance the safety of the

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operation for sure. And I don't mean to imply power itself dispatch is unsafe, because it's not. Pilots have been and will continue to do that for a long, long time, but if the opportunity is there to share the load, particularly in an organization that has a fairly heavy burden, it's a good thing.

MS. FAGAN:

Q. In our situation, just so that I'm clear, the airlines say, you know, Air Canada, WestJet, the big airlines, they would have a co-dispatch system, they'd be required because of the type of organization -

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. - and the requirement for the flying of offshore helicopter, a seven, part seven or 704 helicopter operator would not have to have a co-dispatch in the regulation?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. Do you know if there is a co-dispatch system in place now for the current situation for

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flying offshore?

MR. STEPHENSON:

A. For Cougar specifically?

MS. FAGAN:

Q. Yes.

MR. STEPHENSON:

A. I am aware that there is a co-dispatch system there.

MS. FAGAN:

Q. So that would be -

MR. STEPHENSON:

A. I haven't looked at it, but I am aware of that.

MS. FAGAN:

Q. So that would be beyond what's required in the regulations?

MR. STEPHENSON:

A. That's correct. And there would have been a discussion that took place, I'm sure somebody asked could we do that and I'm sure Atlantic was probably pleased that they were to do that and how they went about certifying it, I don't know.

MS. FAGAN:

Q. But it would have been a certified--it would

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have been certified?

MR. STEPHENSON:

A. They would have accepted--yeah, they would have approved the dispatch program that they suggested. If, for example, if I went to a self-dispatch program and I looked at the law that's required and somebody gave me something that was more robust, I would not not approve it, I would approve it and that's what's happened, they've approved it, right.

MS. FAGAN:

Q. So if someone wants to go beyond what's in the regulation, as long as it's approved -

MR. STEPHENSON:

A. And it meets the requirement, minimum requirement of 704, there would be no issue, yeah.

MS. FAGAN:

Q. The dispatchers themselves, are the dispatchers certified, is there any training, education process for the dispatchers?

MR. STEPHENSON:

A. Yeah, the dispatchers are not licensed, they're certified, they receive certificates, I believe. And a dispatcher and again, it's--

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the curriculum for dispatcher is described in the regulation, what somebody actually provides to a dispatcher probably would be more robust than what's in the regulation, which is the case with most of our minimum requirements, but they would go through a program, an air operator may actually provide that training program to a dispatcher. I believe there's some commercial entities out there that will actually do it for an individual who is interested in being certified and then they could walk around with their certificate and seek employment. But, just like the pilot and the engineer, once they find themselves inside the company, they'll have to be trained, right. They will have to be out or be retrained to suit the company. So how each company does it really, is up to them, but there's an academic, there's a series of written exams and then there's an evaluation of the individual's performance and that's done usually through some process and they become certified.

MS. FAGAN:

Q. Certified. So the co-dispatch system or

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whatever the system is, if that's been approved, then the dispatcher that comes into the organization and starts working for the organization must learn that system and then comply with that system.

MR. STEPHENSON:

A. Yes, that's correct.

MS. FAGAN:

Q. Just like the pilot -

MR. STEPHENSON:

A. You wouldn't do your own thing.

MS. FAGAN:

Q. You don't do your own thing.

MR. STEPHENSON:

A. That's right.

MS. FAGAN:

Q. And the aircraft maintenance engineer must comply with the approved organization and the pilots must, you know, learn that helicopter or that aircraft and be approved for that specific activity?

MR. STEPHENSON:

A. That's right.

MS. FAGAN:

Q. Safety oversight, we can call it audit, call

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it surveillance, I don't know what Transport Canada calls it, but you've mentioned a number of times we review, we inspect, we oversee, what is the different types of oversights? How does Transport Canada go about making sure that all of this--all these processes are complied with?

MR. STEPHENSON:

A. Okay, so I'll speak to the air operator certificate and the AMO certificate, the approved maintenance organization certificate because the processes are essentially the same. And again, I will oversimplify or I'll simplify, I won't give you all the different names or the different things we have because I'm not sure that that's important, but if there's something you'd like to know, please, please ask me. I'll start in headquarters. Essentially in headquarters and I'm just bringing you there because that's the national table where the civil aviation directors from the region sit as well, and you'll just have to imagine virtually it has occurred in years gone by, certain decisions have been taken on where we want to focus our resources in

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aviation. I mentioned to you earlier today 95 percent of all passengers in this country fly on the major airlines, so you can imagine we have dedicated resources to that aspect of aviation, both from a flight operation's perspective and a maintenance perspective. I showed you the org. chart earlier. We actually have a dedicated group. We don't tap, we don't siphon off resources for there to work in the other areas of the organization, so they're there, that's been decided. The question is now what do we do with the rest of aviation in the country? And we've had a similar evaluation of that, it's been done over the years, where are the areas that we want to focus our resources to mitigate or reduce the risks in aviation and just bring them down, down, down to as low as we can. So, for example, we would be focusing on our class 1 airports, which are our biggest airports, we'd spend a lot of time there. We have dedicated people who spend a lot of time there. But as you go to a region, Atlantic region, for example, that's where we get into another discussion at the regional level, they

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know what is going on in aviation in Atlantic, so they will have looked at all of the organizations and said what's important, what's--where are the risks, where are--where is it worthwhile us putting our resources? And of course, they would spend time at an airline, if they have one, which they actually do, there's an airline--there's a number of airlines in that category that they look after, so they'd be focusing there and they'd have dedicated resources to those. And they would look at all the other aspects of the organization. If I could talk about helicopters, if I broadly look at helicopters in any region, you know, on a grand scale, I mean they're an organization that require resources dedicated to them. The question they'd be asking is where specifically should I put my resources. Offshore would be clearly one of them, I can tell you clearly offshore was one of them and remains one of them, and so they'll have resources, not specific, a group of individuals dedicated only to offshore, but that will certainly be a file that they'll be reviewing constantly, and

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they'll develop an oversight plan from year to year to year, where they'll actually spend their time. And again, they'll analyze the offshore operation and they'll determine where they want to spend their time within that as well and where they think they could gain some confidence and perhaps spend some time with the operator. That's essentially what we do with all of our operations and, as I said, some of them we might see once a year where we would actually go and do an inspection or a more robust audit and again, in a very small one aircraft operator, we might not spend a whole lot of time there where if we have a robust--sorry, a larger organization, we might spend, well I might spend a day with the one airplane, one aircraft operator, I might spend four or five days focusing on certain things in a year and to a lesser frequency, I might do a full blown audit or focused inspection on the organization broadly, which would mean I'd bring more people and I would spend a lot more time there. The people that would come to that, I already suggested that would be the operational people, the maintenance people.

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We have people who are dedicated to the transportation of dangerous goods inside our organization, they would probably spend some time there. We have cabin safety people who have expertise even for companies that do not carry flight attendants, they help our operational people deal with the cabin safety aspects of an aircraft that's completely managed and supervised by the flight crew, which is the case with most smaller aircraft that are not airlines, like a Boeing or whatever. We also have in our ranks and responsibility for labour on board the aircraft when it's in operation, so we have people who actually spend a little bit time talking about what's going on board the aircraft and what's happening there. That's a whole patch we could talk about later, but that, you can imagine that there is some interaction there. So it's, it just depends on the organization that we're going to see and then we basically develop an annual plan and then we'll obviously try to carry out that plan and as the year goes on, the plan obviously changes, that's based on what's

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going on in the industry, where it's drawing our attention elsewhere perhaps.

MS. FAGAN:

Q. So if you go in and do an audit, a full audit would, as you've just said, would bring a number of different people from Transport Canada with those specialized skills or knowledge base -

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. What would they do, because I don't want there to be an assumption that the people know what an audit is or what a Transport Canada audit is?

MR. STEPHENSON:

A. That's fair, that's fair.

MS. FAGAN:

Q. Physically can you take us through -

MR. STEPHENSON:

A. Sure, before I go there I'll just also say that, you know, I've talked about a structure or a program plan at the beginning of the year. Notwithstanding that, depending on the size of the operator, opportunities present

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themselves all the time so that it will draw us to the company. It might be just something that's going on in the industry, we'll go and have a discussion with them and then we'll inject ourselves into their organization in a particular area. We may happen to be there and from a transportation convenience perspective, if we happen to be in St. John's, for example, we may actually spend a few extra days and visit a couple of operators because it's just economic and makes sense. To your question, though, and I'll talk something a little bit more robust; in other words, an audit or a focused inspection with something we call program validations, which is a focused area. We've picked areas of the organization that we'd like to spend some time on. We usually begin with a team, the team actually has a fulsome discussion about the organization, what's been going on. Some people may come to the table who don't have direct knowledge about the company, so there'll be some briefings about what the company is about and they'll spend a lot of time in the documentation that we have from

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the company. We'll study their systems, we'll look the systems they have in place. We'll actually develop check sheets or a plan, so you know, we've decided where we want to focus. We'll look at the systems they have in place around those particular systems and then we'll develop an inspection plan specifically tailored for that, and then the team will--there's a communication, obviously, between us and the operator, we're going to be there next week, we've got a team of five, six, four, three, one, depending on how big they are, it depends on what we're doing. And so the team will be educated before they leave, they'll transport themselves, again if a company has got multiple bases, we might actually spread out and go to multiple bases at the same time or maybe not, maybe over a period of time. That time could be over days, weeks or--and sometimes we'll even do pre-work beforehand. I'm going to Africa, why not take the time to look at their maintenance base. We'll connect it directly to, and it will give us some data as we go and do the audit the next month or something. So those types of things can and

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do happen and so once they arrive on site, there's really literally a formal greeting. We talk to the operator about what we're there for, we talk to them about what we're going to do and the operators are usually quite cooperative and they provide us space in the organization where we can actually hang our hats and spread our books out and they know we're going to interact with their staff, so there's a little bit of communication, I would suspect on their side, and then the audit would begin. We will access their documentation, we'll access their people in particular, we'll evaluate their systems verses what they're actually doing. We'll evaluate, you know, all sorts of areas from a maintenance side or the flight operations side or all the other areas that I spoke of when I said we bring people to the team, they'll go into their areas of expertise.

MS. FAGAN:

Q. What are your options when the audit process is completed? If there's a problem, you mentioned enforcement, what is the gamut when the audit is done, you have the results, how

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do you go about communicating with the results, how do you go about ensuring anything that needs to be corrected is corrected? And I know you may just have to deal with a range or some examples.

MR. STEPHENSON:

A. Yeah, so the--and you're right, in a complex operation, the audit team didn't do a very good job if they come out with nothing, I mean, even if I didn't go in there, an organization that's large has their own quality controls, quality assurance in place, that process alone should be finding things within their organization. That's what quality control, quality assurance is all about. One of the places we'll actually look at, specifically in maintenance to show--we'd go directly to quality control, quality assurance. We look for their own internal audits, we look to see what their findings were, we look to see what their results were, we look to see what their corrective action plans were. That tells me they have a robust system that's functioning. If you go into a complex organization with a quality control,

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quality assurance program in place and they have nothing, it's not working. You can't run a complex program and not have--if you're doing quality control properly, quality assurance properly, you will have things that you find, that's just what it's about. So because it's about continuous improvement, so we look for those things. But to answer your question, I'll take us right to the end of the audit, same thing, with a large audit, our people will always come out with something that--we'll come up with observations or findings, we don't make observations, we only have findings. So we'll work for and I'll focus on quality control, quality assurance specifically because it's, from the maintenance perspective, it's one of the biggest things that gives us confidence that an organization is doing its business properly. So if we have findings in that area, we'll, again, it depends on what that is. My first example, if we found there was no quality assurance happening, that's a major element of an AMO, it has to be there. It's like not having wings on your airplane, it

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can't fly. And same thing with maintenance, you must have quality assurance. But it's possible to have some findings in their quality assurance and again, we're interested in what they're going to do about it and if the atmosphere is co-operative and we present our findings, they accept the findings, we-- our major focus is on what they're going to do about it, so they'll--and this is air operators broadly, they will look for a corrective action plan, an immediate corrective action plan if it requires that. Some of our findings don't require immediate corrective action plan, but more importantly we want a root cause analysis of what went on, we want to see that and we want to see what their long-term plan is, so that it won't reoccur. So from an audit perspective, that's the idea, the findings are presented, the company takes them as they are, they examine themselves, they find out the root cause, they present us with their corrective action plan and generally that's the end of it, other than we will do follow up on the findings to make sure their corrective action plan actually

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worked, that it's continuing now and it's not reoccurring. And again, that's another aspect that gives us confidence that their own systems are working, right. You talked about enforcement, I don't know if you want to talk about that, but -

MS. FAGAN:

Q. Well, I take it that enforcement is another way of dealing with compliance, I mean, you've done your inspections, you've done your audit, you've looked for corrective action, if necessary and you follow up.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. When and what is the enforcement aspect? I mean, what does that division do?

MR. STEPHENSON:

A. Right. Well let's leave the division aside for a second because they do have a specific function, but enforcement comes in various ways. One of them is simply what I've just described to you, some people would tell you that's enforcement. We give them an audit report and they comply. We have a number of

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tools in our tool box in order to have an air operator comply who is not--who is resistant to comply. One other course is we have control over their operating certificate and that's probably the most severe of any of the tools I have in the box. I can simply suspend their certificate. I can also simply lay a charge and fine them and that can work, I find with commercial air operators or approved maintenance organizations, that's not an effective way of doing it, simply giving somebody a hundred dollar fine or a thousand dollar fine or whatever, that's just paying your way. But it is used, but it's not the most effective. Usually a discussion and a discussion about compliance is usually all it ever takes, but occasionally we'll simply go to these operating certificate and we will-- and the tool we use often are suspension notices. We'll actually give them a suspension notice, it will be a document that will be written, it will be very clear. It will say if in the next 30 days you don't satisfy me that you are in compliance, and we give them very specific requirements, then the

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suspension notice comes into force, and the certificate that they're holding then becomes invalid. And that's the most effective tool we use for commercial air operators or maintenance organizations. Not to say we don't lay charges and issue fines, we do that, but not very often. We find the other is much more powerful and much more effective.

MS. FAGAN:

Q. You have mentioned systems and you look at their systems. There's a term that's being used, especially in the airline industry and internationally and that's a safety management system.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. And we've also heard about the terms of a safety culture.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. So I'd like you to first explain what a safety management system is in the aviation industry.

MR. STEPHENSON:

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A. Sure. So in Canada and some of you may or may not be aware, so I'll just talk a little bit about that and some people get a little concerned about, it's a fancy word for something that might be said a little more simply and I don't disagree, actually, so I will make reference to management systems or systems and I'll contrast it to something that I might call compliance. If I were to do a compliance audit, I would go into an air operator and I'm talking purely a compliance audit and I'll be very simplistic for this. I would see that they actually still employ the chief pilot. That might sound silly, but I've been to air operators and found out they resigned two years ago, right, and so it's like, you know, what are you going to do with that? Well, we usually suspend immediately because it's not like they didn't know he resigned two years ago. So when you talk about a compliance audit, we'll look for the components that an air operators is supposed to have or an AMO is supposed to have, and you can back away from that and say they're in compliance or you can go a little bit further,

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and you've heard me talk about things like quality assurance, quality controls, that's when you get into something a little bit more systemic or system, a system of quality control, a system of quality assurance. And that happens to be one of the integral parts of a safety management system. It exists today in regulation already for our maintenance organizations; it does not exist today in the case by law for the operational parts of an air operator certificate. Now, that is not to say quality assurance doesn't exist in operations, we know quality control things exist, we have control, like we train the pilots and we check them, that's quality control in is simplest form. The question is are they doing anything about the results of their check rides? No pilot gets checked without a comment. If we have comments on the check ride in a particular area, quality assurance, it would require me to analyze that and figure out why are the pilots having issues in that particular area and I would apply training in that area and I would try and remove that from the check rides, that's

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quality assurance in its simplest form as well. But we don't regulate that in an air operator. So I'll bring me back to my points, that's the compliance audit verses the system piece. So what we have done here in Canada and there have been countries already talking about safety management systems long before Canada did and again, Mr. Commissioner, I noticed you mentioned somebody from Australia coming to see us at some point in time here in the future and Australia is a country that has been delving in safety management systems for many, many years. They didn't put it in regulation and we're the first country in the world to put it in regulation. We've only done that in the airline operations and it's been in place for almost four years now, I'm not sure of the exact date. When the regulations came into place, we actually overlaid all of the companies with an exemption to the regulation. That might sound a little bit counterproductive, but once the law came into place, everybody was out of compliance because they didn't have a safety management system. And if you know anything

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about a management system, you can't put it in place in a day, a week, a month or even a year, it takes a number of years. We gave the airlines three years and ninety days, actually that might sound a little odd, the ninety days was the initial part of the exemption, so it was actually ninety days and three years, but it doesn't flow out of me that way. So the first ninety days they were required to do certain elements to get them started and so they communicated with us and we monitored them throughout that exemption period. That three years and ninety days has gone by and we've been evaluating the airlines as they've been putting them in place. And again, even after three years and ninety days, if you know anything about a management system, particularly in a large company, it's not a simple thing to do. So you begin the process and over time, although it's not referenced in the regulation, the Commissioner made mention of the culture has to begin to change and there's elements in the safety management system which can be difficult for some people to simply get onto, and that is the reporting

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culture, the culture of actually reporting what's going on in your organization, being dedicated to that process and actually reporting. I was at an air operator--albeit it wasn't an airline operator, it was a small air operator who declared themselves compliant with our SMS regulations, and I said, oh, that was nice and he was telling me about it and he said to me, "Yes, just last month we got a report." And I went, "Oh, that's good, that's good for you. Let me know when you've got 50 reports"--because this is a big company--"let me know when you got 50 reports and that will tell me it's really starting to take hold, the culture is starting to take hold." But most companies would in fact start with one or two reports, the risk, of course, is getting an onslaught of reports and then having to analyze it and deal with that kind of data. But most importantly it's the trust that has to be built up between the employees who are now being asked to report and having confidence that a system will be in place, that's another integral part of a safety management system and so in the case of an

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evaluation of a safety management system, once of the things you will look for are reports. We'll look to see that they're actually getting them in all areas of their company, not just maintenance, it's got to be the entire operation, the operational part as well. And we'll look to the manner at which they're dealing with those reports, keeping in mind when reports start coming, you're going to get reports that simply are data, they're called data, but some of it is important data, some of them are more significant, right, and the company is going to have to do triage and what's important, what's not important, that's their obligation. We're going to look at them and how they do that and then, of course, for the significant events or even a pile of data that says the same thing repetitively, we're going to want to know what they're doing with that. Are you analysing it, does it--is it relevant, is it important, how are you dealing with that, what process, root cause analysis, are they sophisticated or do they have a very simple system, simple and sophisticated isn't necessarily a contradiction, but is it working

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and are they applying what they found out as root cause analysis and are they putting it to their own organization to resolve what it is they found. A lot of that is reactive and then, of course, some of the systems we'll look for are something a little bit more proactive. A company might reach out to, if you're operating an aircraft type, you might reach out to the manufacturer and say what's ever happening with everybody else, I've only got one, they've got 12, so there's more data of the operator with 12. That would be more proactive. They're the things we'll look for as a safety management system becomes more mature in an organization.

MS. FAGAN:

Q. So why does a, I mean, why does a safety management system assist or improve or promote a culture of safety? Can you just--you had said the reporting -

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. - part of the system requires reporting and you mentioned a trust that something is going

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to be done with the reporting. Could you just, if you could, I mean, you may have already covered this.

MR. STEPHENSON:

A. Sure.

MS. FAGAN:

Q. How does that promote that sort of attitude of safety within the organization?

MR. STEPHENSON:

A. Well let's talk about it from the regulator's perspective, which is me. When I go into an air operator that's large, what you must understand is I can't be everywhere in the organization all day long. One of the things that gives me confidence is not that I've just done a compliance check and everything is there and I've tested some of it and it seems to be working; in fact, I've gone further with a--and I'll do that, they have to have those processes, the inspection program will always look at those elements to make sure they're there and we'll also bore down to make sure they're actually physically working. But when I'm not there, which is most of the time and/or if it's a large organization with, you

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know, 10,000 employees, I put five, six, eight people in, I can't be everywhere, so I need the confidence now and it gives me confidence that their systems are in place. I'll literally, "I" meaning our staff, will literally when they evaluate a safety management system, they'll go right down to a shop floor and ask questions, you know, have you ever put in a report? Yes, I have. Did you ever get any feedback from the report? No, I haven't. Yes, I have. You might actually get the person's name and go find that report and track it through the system, particularly if it's something that would be of some significance to track. As I said, reports come and the more people get comfortable with the organization and confidence that they're going to do something, they're going to report almost everything. And the risk is, of course, you get inundated with data, and so--and that's a communication piece with your employees, they need to understand you can't deal with everything, but we want the reports anyway. You know, a simple example at an airport would be, you

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know, a bird strike. Well you get a bird strike, okay, we have bird strikes. If I have fourteen today, that might tell me something, or I have a whole bunch during a short period of time, well maybe it's migration season or something, it's just data that you can say, okay, I can explain that, there's mitigations we can do, an airport can do with that or even an air operator, they might, as a proactive they might reach out to an airport and say what are the reports out of that airport. So that's the proactive things that I would look for and say, okay, that's good and again, it gives you confidence that while you're not present, which is most of the time, the company is actually operating and operating with some integrity, if I can use that expression.

MS. FAGAN:

Q. The airline industry is now required by law to have a safety management system.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. And it takes, as you said a long time, the

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industry that we are looking at right now is the helicopter commuter service.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. And would it be accurate to say that the law in Canada right now is that they do not have to have a safety management system in place?

MR. STEPHENSON:

A. By the definitions I know, that's correct.

MS. FAGAN:

Q. But, is there anything that would prevent the--an operator, an air operator from having a system in place, choosing to put such a system in place if they wanted to, without having a regulation there, they just say this is a good idea -

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. And we want to put a system in place.

MR. STEPHENSON:

A. Right, that can happen, it has happened. We haven't evaluated those individuals who've put in place from a regulatory perspective, but

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we've become aware of it, we actually are intrigued because we like to know about that sort of thing, so when you're actually in the operation, usually they're quite proud of it, so they will share that information with you, I shared an example and I was kind to the individual who told me they had one report, but they're speaking about it and they're making an effort and they did a proper evaluation of the one report. And I knew the individual well, so I commented that, you know, that's good and you should be getting more and encourage them to continue down that path. But from a regulator's perspective, we wouldn't evaluate it, but we certainly would not discourage it.

MS. FAGAN:

Q. So an air operator could choose of their own volition to put one in place, or it could end up being a requirement of another, either through contract or through the regulator, for example, the C-NLOPB could entertain looking at making that a requirement of, you know, the process that's in place and there would be nothing to prevent, from a Transport Canada

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perspective, they wouldn't be prevented from taking such a step?

MR. STEPHENSON:

A. No, and we've seen through contract, other requirements made by contract companies, for example, I talked to you about single pilot operations. We've seen corporations require two pilots, for example. While we don't require it under regulation, that maybe a little simplistic, but they require two pilots, so they require two engines, where the law doesn't require two engines. They may require IFR rated pilots, they're not required to have by law IFR rates pilots in the environment they're flying, and certainly safety managements systems I know have been required by some organizations worldwide and I'm not sure what reg. they would point to in this country other than the airline regulation or they might point to a draft of what we probably have on the drafting board initially or they might give them something specific, I don't know. They might say quality assurance and quality controls on operations, as an example, where it's not required today.

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MS. FAGAN:

Q. Do you, it's required in the airline industry, in the helicopter industry generally, do you have any knowledge or sense as to the uptake or the acceptance or the sort of the initiation because the helicopter industry right now is not regulated in Canada.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. They're not required to have it.

MR. STEPHENSON:

A. That's right.

MS. FAGAN:

Q. But are you aware if they're at least exploring it or implementing it?

MR. STEPHENSON:

A. Yes, and again, I paid attention to the Commissioner's opening remarks, he made a comment about a seminar or a conference that he went to. I have been to similar conferences involved with the International Helicopter Association, I think they're properly called, they, in connection with HAC, the Helicopter Association of Canada, those

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two associations and other ones worldwide have recognized that a safety management system would in fact be a good thing for their industry. They've made some very, very broad commitments to reducing their helicopter accident rate worldwide, and I'm talking broadly all helicopter operations. So, and I think that's a good commitment that they've made. They are completely supportive of it. As I said, if you make your way down through-- I didn't say it, so I'll say it now, if you make your way down through the helicopter operators, not just in this country but worldwide, you'll find some helicopter operators are unaware of what an SMS is, they won't be able to articulate it to you, that's okay. They won't even know they have elements of it in place already and that's okay too, but with that kind of leadership, I think it's probably a good sign that that industry will be supportive if we move it into the regulations at some point in time ourselves, whether we get it right down to the smallest air taxi operators or perhaps will delay that, I don't know, see how that rule making process

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goes, but if it's driven by major associations like that, at least we'll see the philosophies and the culture begin to change, which I think is powerful and positive.

MS. FAGAN:

Q. Are there plans to implement the requirement for a safety management system in the Canadian, the civil aviation regulations?

MR. STEPHENSON:

A. Yes, there is and we talked about the airline already and it's, we've past that point where it needs to be in place. They're moving into the--so the regulatory rule making process, as you can imagine, is not fast. So, but we are moving down the road with the commuter rules specifically. It will probably come next, I should have mentioned it's already in place for our class 1 airports, class 1 being, you know Vancouver, Toronto, Montreal, maybe even St. John's, I don't know if it's class 1 or not, I say class 1, but the larger airports. That's in place now and they're in the process of moving down that road. Halifax, I believe, is class 1 for sure. And it will eventually find its way to the smaller airports over

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time, but in doing what we're doing, we're building some expertise, actually, at the airport level and at the airline level which is helping gain support for the concept, because as I said, most people who have trouble with it, still haven't figured out what it is and that's okay. It just takes a matter of time.

MS. FAGAN:

Q. So the plan is to eventually regulate, require a safety management system for the helicopter commuter industry?

MR. STEPHENSON:

A. That's currently our plan, yes, that's correct, it is in the rule-making process.

MS. FAGAN:

Q. This would be a good time to break and I'm almost through the questions for Mr. Stephenson.

COMMISSIONER:

Q. All right, we'll take 15 minutes.

(RECESS)

MS. FAGAN:

Q. Mr. Stephenson, there's one area that I'd like to go back to just a little bit because I

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don't know if I led enough questions to make the process clear, and that has to deal with the certification, the type certification of the aircraft, which you went to really this morning, early this morning.

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. And the reporting when it comes to service bulletins and the airworthiness directives. So you gave an example of the Canadian Bombardier Jet that is designed and manufactured in Canada and then being used in Canada and used potentially in other areas. One question, if it's type certified in Canada because that's what was designed and manufactured, is it -- and then it's going to be used by an American operator, is it type certified by the Federal Aviation Authority?

MR. STEPHENSON:

A. So first of all to your point, it was probably me who didn't give enough information, so I apologize for that. In your example, a Bombardier, RJ, for example, going to the US, the FAA would issue a type certificate and

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give that to Bombardier. So it would be an FAA type certificate, as would any other country that certified the aircraft in their country. So Bombardier, and their office in Montreal, would have a stack of type certificates based on all the countries that had certified it.

MS. FAGAN:

Q. So, for example, if this jet is being used by an American operator, it would have a type certificate from the FAA?

MR. STEPHENSON:

A. Correct.

MS. FAGAN:

Q. And then if this jet, an operator in the UK decided they would like to use the jet, they want to buy five or six Bombardier, that would be certified somewhere in the UK?

MR. STEPHENSON:

A. The CAA, the British CAA would certify it as well.

MS. FAGAN:

Q. So that would be another type certificate?

MR. STEPHENSON:

A. That's correct.

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MS. FAGAN:

Q. And if it was then used in France, and then used in Portugal?

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. So let's say this jet is purchased and used by eight different operators in eight different countries, there would be eight type certificates?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. And one for each country?

MR. STEPHENSON:

A. That's right, and not to go back to it in great detail, but just to remind ourselves that every country, if we have a bilateral agreement with them, will accept a certain amount of the work that we've done on their behalf. They will have their own process to familiarize themselves with the aircraft, and they may, in fact, insist on or ask for more detail, or whatever, or in the case of Bombardier aircraft and the FAA, which is our

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example, the market is there. FAA would be directly involved, they would be on site when the aircraft is being initially certified. In that example, I'm sure that was the case. Just because that's the market, Bombardier would like to see the aircraft certified in the US almost immediately. So the FAA wouldn't certify first, and it might sound like semantics, but Transport Canada would certify first and the FAA would certify second. That's the way that would work because Bombardier is here.

MS. FAGAN:

Q. Another example, and I may be a little awkward clumsy in these examples, but you had said that a Canadian operator, once that Canadian operator receives, is using a aircraft that's been certified by Canada, then that operator can use that aircraft -- they don't have to just use that aircraft in Canada?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. So if I was a Canadian operator and I had four helicopters on my operating certificate, I

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could then take those four helicopters, they're certified in Canada, type certificate, and I don't have to fly them just in Canada?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. I could fly them somewhere else?

MR. STEPHENSON:

A. That's almost --

MS. FAGAN:

Q. Like, into the United States?

MR. STEPHENSON:

A. That's almost correct. Relative to the aircraft, you're correct. To go into the US, there's another certificate that the operator would have to secure and that would be an air operator's certificate from the country, not necessarily directly related to the type certificate we're talking about, it's about them imposing themselves in a foreign country and we have a process to do that, as we do for foreign operators coming to Canada.

MS. FAGAN:

Q. So the operator has to get a certificate, a foreign operator's certificate?

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MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. But that operator doesn't have to get all of their aircraft type certified?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. Okay, and I know this may --

MR. STEPHENSON:

A. So in other words, the aircraft in Canada can fly domestically and around the world by a Canadian air operator, right.

MS. FAGAN:

Q. And another example, an even larger example, okay, and this is where, you know, it may have been a little bit of confusion between certifying the operator and certifying -- type certifying the aircraft. Let's take a really, really large, a big, big operator, United Airlines, or one of the big US carriers. Now they might have hundreds of aircraft, and they might fly -- make hundreds of flights into Canada, and they might fly into all kinds of different airports all over the world. Does

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the aircraft itself have to be type certified or is it the operator that gets the permission to go into the country?

MR. STEPHENSON:

A. It would be the operator, and so your example, United Airlines, although they have hundreds of aircraft, they may only have, I'll say, ten types of aircraft. Out of the ten, seven may be already certified coincidentally in Canada, three may not be, and that's okay. They could continue to come and go with all ten, and that would not be an issue. We see a lot of aircraft types that are type certified going back years, but from the eastern block countries who would not have engaged in the western world, and yet we allowed them to fly their aircraft here, and that was okay. We certified the carrier, or authorized the carrier, but we didn't necessarily certify the aircraft under a type certificate, a Canadian type certificate, because we didn't have to.

MS. FAGAN:

Q. And the reason the seven aircraft, types of aircraft, that a foreign operator may use is certified in Canada, is not because the

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foreign operator is using that type, it may be just a coincidence because a Canadian operator has sought to have that type certified because it's the Canadian operator that seeks the aircraft certification?

MR. STEPHENSON:

A. That is correct.

MS. FAGAN:

Q. Now the communications, we have our Bombardier type certificates and that's the design manufacturer, and they have, I don't know if you said eight or twelve, let's say there are eight countries, they have eight type -- eight different countries for the one type of aircraft and that's in their headquarters and they decide to issue a service bulletin --

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. What's the process?

MR. STEPHENSON:

A. The service bulletin is generated by the manufacturer, or the design and manufacturer, which are typically the same, and they have the obligation to communicate it out to

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specifically the air operators, the operators who are operating the machine. They will also provide that same information to the authorizing authority who have granted type certificates, for example, the FAA in the US. Are we talking about Canadian?

MS. FAGAN:

Q. Let's say we have eight type certificates. So we --

MR. STEPHENSON:

A. We're talking about Bombardier as our example.

MS. FAGAN:

Q. So Bombardier has -- they've been certified, type certified by Canadian.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. Transport Canada.

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. By the FAA, by the certifying authority in the UK, by the certifying authority in France, by the certifying authority in Portugal and -- come up with eight countries. So they are

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type certified, that one model type has been certified by eight different countries.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. And that manufacturer decides to issue a service bulletin.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. It has to tell the operators that are using that aircraft?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. But do they also have to notify the eight countries?

MR. STEPHENSON:

A. That's correct. They'll notify those authorities, including Transport Canada.

MS. FAGAN:

Q. Because we're one of the eight?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

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Q. And we would have been --

MR. STEPHENSON:

A. Number one.

MS. FAGAN:

Q. Number one.

MR. STEPHENSON:

A. I'm not sure if the stamp will get it to us first, but --

MS. FAGAN:

Q. But we're number one because it was a Canadian designed and manufactured certified aircraft?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. So if we take the situation of a US designed and manufactured aircraft, in that situation the FAA would have been the first, the number one with the type certificate, and that American aircraft could be in eight countries, which would all have issued a type certificate by their authority in those eight countries, is that fair?

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

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Q. And that American design manufacturer has eight type certificates in their headquarters, and Canada might be the second, or might be one of the eight.
MR. STEPHENSON:
A. Yeah, one of the eight.
MS. FAGAN:
Q. So what would the US design manufacturing company have to do if it wanted to issue a service bulletin?
MR. STEPHENSON:
A. Exactly the same thing. They're going to communicate to the operators around the world and they're going to communicate to the authorizing authorities, including the FAA, including Transport Canada, and the entire eight in that example.
MS. FAGAN:
Q. Now you also mentioned a airworthiness certificate. So as I understand it, the airworthiness certificate is for the particular aircraft?
MR. STEPHENSON:
A. Correct.
MS. FAGAN:

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Q. Correct. So you might have a type like an S92, you could have 50 S92s. That would be 50 helicopters.
MR. STEPHENSON:
A. Certificates of airworthiness, yeah.
MS. FAGAN:
Q. That were all built, manufactured to that type certificate?
MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. Each one of that 50, in order to fly, would have to have its own certificate of airworthiness, is that correct?
MR. STEPHENSON:
A. That's correct, yeah. It's the aircraft's fitness to fly, is what it is. It's like a pilots medical. It's their fitness to fly. It's the airworthiness of the aircraft. Each individual one has that document.
MS. FAGAN:
Q. And I don't know if you know this question, if the aircraft -- is it the manufacturing country that issues the certificate of airworthiness for that individual aircraft?

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MR. STEPHENSON:
A. No.
MS. FAGAN:
Q. Or where -- we know we've got eight type certificates out there.
MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. But what about the certificate of airworthiness that goes for that aircraft, that model, that one?
MR. STEPHENSON:
A. You opened that up, so I feel compelled to respond. A flight authority could be issued to the aircraft coming off the line to move them, right, but without an airworthiness certificate specifically for the country that its going to be based -- so in order words, if I'm the manufacturer, how am I going to get it to you, your country doesn't want to cooperate; well, I'll put a flight authority to it and I'll move it. So that can happen, but that's not what you're asking really.
MS. FAGAN:
Q. No.

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MR. STEPHENSON:
A. I think you're asking about where is the normal everyday certificate of airworthiness issued from. For Canadian aircraft, they're issued in Canada. So a Canadian based aircraft operated in Canada, not manufactured in Canada, the ones that the air operator will own and operate, they're responsible for the certificate of airworthiness. So in the case of an aircraft coming from the US to Canada, being sold to Canada, the carrier, air operator, takes possession of it, and they will put a Canadian airworthiness certificate onto it, and that's its health card or its certificate that talks about its airworthiness.
MS. FAGAN:
Q. So generally speaking, the type maybe have a type certificate in eight different countries?
MR. STEPHENSON:
A. Right.
MS. FAGAN:
Q. But the individual helicopter itself, its airworthiness certificate would most likely be issued where it's being used by the operator?

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MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. The country where the operator is using it. If it's a Canadian operator, it would be a Canadian authority. So would there only generally be one?
MR. STEPHENSON:
A. I feel compelled to correct you.
MS. FAGAN:
Q. Go ahead.
MR. STEPHENSON:
A. So let me change the words. So if we have a Canadian based air operator, and they own the aircraft and they're operating it in Canada, it'll have a Canadian certificate of airworthiness. If they're operating it aboard, it'll probably still have a Canadian air operator certificate. It is possible for a Canadian air operator to be in a foreign country and be operating aircraft that are registered in that country. That's possible. It's administratively messy, but it can happen. It probably does happen. I've seen it happen with helicopter operators, I've seen

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it happen with six wing operators, but that's not your question. You want to know where is the C of A, or the certificate of airworthiness, where is it rooted in. It's rooted in the country that the operator is certified to operate from, right. So --
MS. FAGAN:
Q. That's good.
MR. STEPHENSON:
A. Is that okay?
MS. FAGAN:
Q. That's good. I just wanted to be clear. We have a lot of certificates going around.
MR. STEPHENSON:
A. Yeah, I could draw a picture. I drew myself a picture so I didn't get off track.
MS. FAGAN:
Q. Just one last sort of issue.
MR. STEPHENSON:
A. Okay.
MS. FAGAN:
Q. And that is you described the service bulletin, and you described a process where a service bulletin may become a directive?
MR. STEPHENSON:

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A. Correct.
MS. FAGAN:
Q. Now let's take our Canadian aircraft, and it's designed and manufactured in Canada, and there is eight type certificates. Canada is one, the US is one, France, Portugal, wherever, and that manufacturer issues a service bulletin.
MR. STEPHENSON:
A. Right.
MS. FAGAN:
Q. It goes out to the operators, but it also goes to the eight certifying authorities?
MR. STEPHENSON:
A. Agreed.
MS. FAGAN:
Q. All right. Now Canada could look at that service bulletin, do an analysis and decide to issue an airworthiness directive. To whom does the airworthiness directive apply? We have eight countries where this machine could be working, but where does Canada's airworthiness directive -- who does that apply to?
MR. STEPHENSON:
A. Okay, first of all, the directive is given to

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all -- similar to the bulletin, service bulletin, expect we're the source, Transport Canada is the source of the directive. It goes to all of the operators of the aircraft type. It also goes to the authorizing authority, so anybody holding or have a type certificate, those eight you spoke of earlier, they're going to receive that directive, and also so will the design manufacturer of the aircraft. They'll be aware of that particular document or that direction, or directive, rather.
MS. FAGAN:
Q. So that directive, it's a Canadian designed and manufactured aircraft, the service bulletin comes out --
MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. Canada -- Transport Canada issues a directive?
MR. STEPHENSON:
A. Yeah.
MS. FAGAN:
Q. It will go to the operators in Canada that are using that aircraft?

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MR. STEPHENSON:
A. Right.
MS. FAGAN:
Q. And those other eight certifying authorities, and back to the manufacturer?
MR. STEPHENSON:
A. That's right.
MS. FAGAN:
Q. Who happens to be in Quebec. Now --
MR. STEPHENSON:
A. Can I stop you there for a second?
MS. FAGAN:
Q. Yes, stop me.
MR. STEPHENSON:
A. Because I want to be really clear. I want to be clear about one point. An operator -- sorry, a manufacturer of a large aircraft type, fairly complex, a large Boeing, a large Airbus, a large -- even a helicopter, they put out service bulletins all the time, and you can imagine with all the aircraft types that are certified and operating in any country, the documents are coming on a regular basis. We have a process to basically triage them, and we don't look at each other and go,

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directive one, it's just one source of all sorts of data that comes to us to evaluate whether directives are needed. We usually rely on a direct contact with individuals as well. There's always direct contact between our -- mostly our folks in headquarters, who are the controlling entity who actually do that work around type certificates on aircraft. So there's an interaction with the manufacturer, specifically here in Canada, but also the FAA as well. They're our primary contacts. Yes, as well, the European agency. So we rely on all sorts of things to give us data when we make determinations on directives. It's not just what comes in a service bulletin. Service bulletins are typically benign. They're best practices, I think I explained that to you before, and they don't really tell us much other than they found a better way to do something, or somebody has found a better way to do something, so they share that information. So the bulk of them are simply that. I'm oversimplifying service bulletins because I don't sit and read them every day, but -- so

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it's when you have something more significant. It'll be more than just a service bulletin that will bring our attention to this. It'll be all sorts of other activity that will generate a directive.
MS. FAGAN:
Q. The last example -- we'll see, maybe it's not the last example, but try the example of we have an American manufactured designed aircraft.
MR. STEPHENSON:
A. Right.
MS. FAGAN:
Q. And a service bulletin, or information comes from that manufacturer, and that would go to the certifying authority, which would be the FAA, and it would go to the other eight type certifying -- type certificates certifying authorities, if that helicopter is being used in eight different countries, and those eight countries certified. So this information would come out from the American design manufacturer, and it would also go to the users or the owners of this helicopter. Would that type of information, even though it's

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being generated from an American manufacturer, would Transport Canada ever issue an airworthiness directive or would the airworthiness directive basically only come from the one original certifying authority, or could an airworthiness directive come from any of the eight?
MR. STEPHENSON:
A. So any of the eight are able to issue an airworthiness directive. It's clearly within the scope of any of the authorities we're talking about. They issue the type certificate, meaning in this case Canada issues the type certificate, or the US issues this type certificate on the Bombardier J. We issue type certificate in Canada on the American aircraft being imported into Canada, and so we do have that ability to do that. That's not a normal procedure, it's not something we normally see. It's usually --
MS. FAGAN:
Q. Okay, normally it would probably be the -- I would think if it was American, the FAA might issue the directive and it funnels through?
MR. STEPHENSON:

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A. That's normally the way that works, yeah.
MS. FAGAN:
Q. But it's not impossible --
MR. STEPHENSON:
A. No.
MS. FAGAN:
Q. To see any one of the other eight --
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. Issue an airworthiness directive?
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. Okay. The last topic that I'd like to cover is another reporting type feature of Transport Canada, and it came up during the C-NLOPB's evidence, and that has to do with CADORS.
MR. STEPHENSON:
A. CADORS.
MS. FAGAN:
Q. And I understand that CADORS stands for the Civil Aviation Daily Occurrence Reporting System.
MR. STEPHENSON:

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A. Worthy of an acronym.
MS. FAGAN:
Q. Yes, I agree this one needs the acronym. The OMA and the OIC, and all of those, fine, that's a debate, but this one, the CADORS, Civil Aviation Daily Occurrence Reporting System, can you please explain what that is, its history, its function?
MR. STEPHENSON:
A. Sure, and maybe I'll make a comment because I just -- sorry, it popped into my mind, so I feel compelled to say it. When I talked about building a reporting culture, Commissioner, I just feel incumbent to talk to you or mention to you directly that CADORS, like any reporting system, the culture is there's a reluctance to report in anything. One of our biggest issues about the CADORS specifically is it's a momentary mention of a -- sorry, preliminary information about an event that may or may not even have occurred. There is rarely good information in there initially. It's just the beginning of information that we may choose to or choose not to pursue. We see this picked up by, forgive me, our media folks

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who are listening, media pick up on CADORS all the time, and interestingly enough, somebody asked me yesterday or the day before yesterday, I hear an airliner had to fly from some point to some point in the air and they didn't have radio communication; what do you think of that, and I'm going, well, you'll be happy to know that it occurs from time to time, this isn't new, media just picked up on it, and as do many occurrences in aviation. The media often will dig into CADORS, they'll see an event and they'll report it. Well, we call it a daily reporting system because there's actually reports daily. Pilots are flying airplanes, and if you use your imagination, the aircraft flying over North America alone today are literally probably 1,000/2,000 aircraft right now, large airliners, not just little airplanes. I'm not talking about that. So you can imagine the activity, you can imagine the possibility of reports. We get them all the time. They come on my Blackberry every day. I see them in Ontario, I see them -- actually, I see them for the country, but not everybody in Ontario

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sees them for the country, and they're just -- it's just information. It's a place where preliminary information to be put. I don't know the statistic, but the majority of the reports that go into our CADORS, the source of the information is Nav Canada. They're the ones who are out there every day seeing what's taking place. Certainly from the airspace, they're monitoring airspace, they're talking to the aircraft, the events occur at airports where air traffic control units are or flight service specialists are located, and they're all Nav Canada employees, they're obliged to report any occurrence no matter how minor it might be. They simply report it. We've actually seen an increase in CADORS over the last little while. Some people have said that's not a good thing. Actually, to your point about a culture, it's a good thing, it's really, really important that we continue to build that culture where we can get all the data so we can analyze it. As I suggested, you know, it could be something as benign as a bird strike to -- an air traffic control one, as an example, they have certain standards for

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separation of aircraft, and when they go inside that distance by even a 10th of a mile, they're reported. To me, as a pilot, it's a benign issue, but it gets reported and it should be reported. Nav Canada is interested in that sort of thing. So I don't want to go much further than that, other than to say it's just a place where we begin to look at things. Transport Canada gets all the reports. We analyze the data ourselves, we pick up on -- I'll just pull numbers out of my head. Out of ten, we might look at one, because the other nine are simply -- is simply data. Just, oh, I see that occurrence; yeah, well, make a call, but I think that's a benign issue. If I have fifteen benign issues, then I might dig further. I'll use my example of bird strikes at a particular airport, as an example. The interesting thing about the CADOR System, it's on our web.

MS. FAGAN:

Q. And I was going to ask, perhaps you could bring up the --

MR. STEPHENSON:

A. Bring it up, sure.

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MS. FAGAN:

Q. Because it's a fairly simple --

MR. STEPHENSON:

A. It's simple to use, and it's on our web. We actually hope that, you know, organizations actually use it. They can look to their own companies. An airport can look to their own airport. They can look for their own data. If they're going to an airport, they might actually wonder if there's any CADORS at that airport that might be of interest. The risk, of course, is it's preliminary data and it might not tell them anything, or they might think it's something and it's really not anything.

MS. FAGAN:

Q. So it's on the website. So who can report? You've mentioned that the vast majority of the reports come through Nav Canada?

MR. STEPHENSON:

A. That's correct.

MS. FAGAN:

Q. But are they the only ones, can the public just --

MR. STEPHENSON:

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A. Yeah, anybody can make a CADORS report. We don't discourage it, but the risk, of course, by saying everybody make CADORS reports, we'll end up with data that will be of no consequence. We sort of have certain criteria that we're interested in. So, you know, if your sandwich wasn't very good on the airline, or, you know, they were late arriving or departing, as airlines can be, you know, we don't want to see those reports because it'll be just clouding up my purpose, right, but we do want to see reports when there's something of consequence that relates to my interest, aviation safety.

MS. FAGAN:

Q. So if it bears on aviation safety, is there a follow up? Like, if somebody applies, do they have to put in their name?

MR. STEPHENSON:

A. If they want to be contacted, yes. In other words, it's preliminary information, so we may want to seek out the information. I don't want to say it's anonymous, but if you go to the web, you won't see your name on a CADOR report, for example. Lucille, bring up the

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item here and find your way into it. It's very simple. I don't know if it's up so our viewers from home can see it, but we're switch -- if you want to just do a query, and just show us the -- I don't want to bring up anybody specifically, but --

MS. FAGAN:

Q. No, just the blank application.

MR. STEPHENSON:

A. I just want to show you the pick list of -- is there a pick list of categories? No, it's aircraft categories, but the occurrence type, there you go, the occurrence type here. This isn't cooperating. Here it comes. So it's an accident/incident, and I see accidents and incidents in my Blackberry, and we get a lot of incidents over the years that meet that -- over the time that meets the criteria, but the events, I mean, we see the big ticket items, of course, but we'll see other minor issues, sorry, areas that somebody might report on, that somebody outside might be inclined to report on. Pilots, for example -- just stop on the ILS irregularity. If they see an ILS irregularity, they'll probably hear that

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through Transport Canada -- sorry, through Nav Canada. That's the Instrument Landing System. It's a nav aid that a pilot might see and he might report that, and/or -- it's actually easier for a pilot to see than Nav Canada. It's not working and they'll do the work for them, but --

MS. FAGAN:

Q. And that brings me to the reporting.

MR. STEPHENSON:

A. Yes.

MS. FAGAN:

Q. You've said that the majority of the reports that end up on the CADORS, which is public and people can view, comes from Nav Canada. The public, you wouldn't appreciate too many people, you know, applying to complain about the sandwich.

MR. STEPHENSON:

A. Right.

MS. FAGAN:

Q. But if the public observed something that they genuinely believed was a safety concern --

MR. STEPHENSON:

A. Yeah.

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MS. FAGAN:

Q. They could complete, their name would be there for you to follow up, but they wouldn't necessarily -- they wouldn't be published, you would just use that to get some information as to this should be investigated.

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. What about pilots or air operators, do the pilots and air operators go to the CADORS, or do they have to report somewhere else and that ends up on CADORS?

MR. STEPHENSON:

A. Yeah, again this gets to maturity. I'll shift back to safety management systems. If there's something occurring inside the organization, they're going to have their own internal reporting system. I hope that if it relates to something outside of their control, that it becomes the purview of Transport Canada, that they would report it in two ways. The would report it internally and they might actually report it inside CADORS as well. I should tell you, though, you know, for members of the

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public or people who don't necessarily know our business that well, they probably shouldn't be drawn towards CADORS. We have other capabilities of receiving their comments or concerns right on our website. There's a very simple link, boom, send us an e-mail, people receive it, actually, in Lucille's shop, and they receive the information in Ottawa and they decide if it's an Ontario issue, or if it should be dealt with in Ottawa. There's all sorts of ways that those things can be reported. CADORS just happens to be one of them.

MS. FAGAN:

Q. Okay. Incident and accident, when somebody -- I don't want the public to be misled. When you see an incident or an accident, just the definition of an incident because, I mean, everybody can have a different interpretation of an incident.

MR. STEPHENSON:

A. Right. I don't have the definition right in front of me. I could dig it out. The TSB folks will probably give you that really good description, but the definition of an incident

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or accident varies with the type of aircraft. In the airline world, we're very strict, it has a very strict line where if something occurs in an airline operation, certain things have to be reported, even if they're not determined to be an accident. In other words, incidents, we want to hear as well, and they're required and obliged by law to report them. In the smaller aircraft world, that same incident may occur in a small air operator, and may not get -- be reported to us by law. So if you'd like, I could pull that definition after.

MS. FAGAN:

Q. No, I'm just getting that beyond the CADORS, if it meets -- in the airline world or the aviation world, if it meets those definitions of incident or accident --

MR. STEPHENSON:

A. Yeah.

MS. FAGAN:

Q. Take the CADORS out of it, there's an obligation for the operator or the pilot to report?

MR. STEPHENSON:

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A. That's correct.
MS. FAGAN:
Q. And those reports will end up potentially with Transport Canada and with the Transportation Safety Board?
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. Like, an accident --
MR. STEPHENSON:
A. That's correct.
MS. FAGAN:
Q. Would have to be reported to both?
MR. STEPHENSON:
A. Incidentally, when we receive those, we actually put them in CADORS. So they're going to go in CADORS because that's data we collect and it's a way of -- if I'm at home, you know, in the evening, that's a method of communicating with me. We have a centre in the headquarters that after hours they -- and/or during the day time, for that matter, if they receive -- any accident reports go directly and funnel through there, and they actually put them in CADORS and they go out to

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the system, and the likes of me and my colleagues will be aware of it. So it's -- I don't want to say it's sophisticated, it's not, it's actually quite simple, but it's robust, it sends out to multiple people.
MS. FAGAN:
Q. That's all my questions with respect to reporting, and they're all the questions I have. Before I turn you over to the rest of the parties, because the process here is that when counsel have had their opportunity to lead you through your presentation, then the counsel for Transport Canada, and then the other parties all have the opportunity to ask you questions, and at the end if I or my colleague, Mr. Roil, have any questions, or Transport Canada counsel have questions, we can come back at the end, but for now, that's all I have. I'd just like to give you the opportunity that if you want to say anything else before we start with the group, now is your chance.
MR. STEPHENSON:
A. No, I think -- it's just my pleasure to be here and hope we've been reasonably

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informative and worthwhile for everybody, and as suggested, I know I'm probably going to get some additional questions, but -- even outside this forum once I've left, I am available.
MS. FAGAN:
Q. Thank you very much.
COMMISSIONER:
Q. Thank you, Ms. Fagan. Speaking now, there's a list which has been worked out by counsel who will question. Counsel for the party being examined, and, of course, that's Transport Canada, can ask some questions if there's something which the witness has said that you want to, for the sake of completeness, elaborate on, you can do it now. Otherwise, you would be second last.
MR. FREEMAN:
Q. Yes, thank you, Mr. Commissioner. We'll wait until the end and maybe have some follow up questions at that time.
COMMISSIONER:
Q. All right then, thank you. Next on the list is counsel for C-NLOPB. Now I think you may have to move -- no, of course, that's right, you have to come up there.

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MR. MICHAEL STEPHENSON - EXAMINATION BY MS. AMY CROSBIE:
MS. CROSBIE:
Q. Thank you, Commissioner. I just have one question and it has to do with the standards that are found in your regulations, and I will admit that at lunch time I tried to find an example, but I had some technical difficulties, so I don't have a specific example, but you had indicated this morning that your regulations often refer to a third party standard, and specifically we spoke about the Canadian General Standards Board.
MR. STEPHENSON:
A. Yes.
MS. CROSBIE:
Q. If the Canadian General Standards Board changes the standard at any given time, is that automatically adopted by your regulations?
MR. STEPHENSON:
A. That's a good question. I think you'll find, and I'm loath to use the word "grandfathered" because that's not what I want to do, but when we see a change to a standard, I think it's probably safe to say that what was there can

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remain, and if you'll give me two seconds, I might be able to tell you specifically, and are you talking about immersion suits because that's --

MS. CROSBIE:

Q. That's actually where I was going.

MR. STEPHENSON:

A. And I can tell you, and this is out of the Airworthiness Manual, it makes reference to two standards, and I assume that's because there was a change, and that should give you a sense of what I'm talking about. The current, as contained in Chapter 537, and this is just a bunch of letters which I'll give you the numbers because I'm going to put it on the record, CAN/CGSB, which is the Standards Board, -65.17-99, and I'm sensing the 99 is the year the standard was there, Helicopter Passenger Transportation Suit Systems, published December, '99, that's why I figured the 99 was, and under our criteria for acceptable for installation, the word is "acceptable". There's another criteria called "other", and it's again the same thing, CAN/CG and then it's -65.17-M88, Helicopter Passenger

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Transportation Suit Systems, same word, published January, 1988, and it's "acceptable". So we have two standards referenced and it's probably exactly for that reason, I'm assuming, but I must confess, I don't know that.

MS. CROSBIE:

Q. I think that -- well, my next question was whether the old standard would be grandfathered in, and I think that you've answered that?

MR. STEPHENSON:

A. Right, but at some point in time I think you would likely not see a third or fourth, fifth, or sixth, and it wouldn't run on, and over time I think you'll see the standard drop off.

MS. CROSBIE:

Q. So any new operator looking for certification would have to -- could pick either standard, they're not obligated just to --

MR. STEPHENSON:

A. Under this statement here, yes, that would be correct, and that would be their choice to choose the older standard, and deal with the fact that it may drop off at some point in

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time.

MS. CROSBIE:

Q. Okay, thank you. That's all my questions.

COMMISSIONER:

Q. Thank you, Ms. Crosbie. The next counsel on the list would be counsel for CAPP. Is Mr. Browne here? I don't see him. All right then, we'll move on to the three operators. The note on my list is in order that they can decide, so have you decided, ladies and gentlemen?

MR. WALLACE:

Q. Thank you, Mr. Commissioner. We have no questions at the present, but we do anticipate that there will be evidence led as to the audits conducted by Transport Canada, and reserve the right to examine further at that time.

COMMISSIONER:

Q. So when you say "we", Mr. Wallace, you're speaking of all three operators?

MR. WALLACE:

Q. I'm speaking -- no, I'm sorry. I'm speaking on behalf of HMDC, Hibernia Management and Development Company Limited only.

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COMMISSIONER:

Q. I see, okay, yes, I wanted to be sure of that.

MR. FREEMAN:

Q. Mr. Commissioner, if I may --

COMMISSIONER:

Q. Yes.

MR. FREEMAN:

Q. It's our understanding that that type of evidence is not something that's being brought to this Inquiry within the mandate of this Inquiry, that is audits from Transport Canada. It may be that there are audits from the OPB that are on the table for this Inquiry, but it wasn't our understanding that evidence as to Transport Canada audits was part of this.

COMMISSIONER:

Q. Do you mean "ever" or at this time?

MR. FREEMAN:

Q. At this time certainly, and if it did come up that it was being requested, which hasn't been at this point, then we'd have to talk about whether or not we felt that was inside or outside the mandate of the Inquiry.

COMMISSIONER:

Q. All right, we'll lay that in abeyance then for

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the time being, anyway.
MR. FREEMAN:
Q. Thank you.
COMMISSIONER:
Q. Okay, thank you, Mr. Wallace. Now for Husky.
MR. PRITCHETT:
Q. Mr. Commissioner, Blair Pritchett, on behalf of Suncor. We have no questions, but subject to my friend's comments, if there is evidence of the type he's discussed that is entered, we would receive the right to question on that, again if that does come to pass.
COMMISSIONER:
Q. All right, thank you. Ms. Hickman.
MS. HICKMAN:
Q. Mr. Commissioner, Stephanie Hickman, for Husky Oil. We have the same comments as Mr. Wallace. If there is a chance to examine Transport Canada on the audits, we would like to have the opportunity to do so. Thank you.
COMMISSIONER:
Q. Okay, thank you. Now counsel for Cougar, Mr. Whalen.
WHALEN, Q.C.:
Q. Thank you, Mr. Commissioner. Norman Whalen,

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counsel for Cougar. We have no questions at this time from the evidence given to date. Thank you.
COMMISSIONER:
Q. All right, thank you, Mr. Whalen. Next on the list is counsel for Sikorsky. I do not see him here, so I take it he's not present today, and we'll move on to Helly Hansen. I don't think there's anybody present today for Helly Hansen. Counsel for MUN, for the training --
MS. HOLLETT:
Q. Mr. Commissioner, Karen Hollett, for Memorial University and Offshore Safety and Survival Centre. We have no questions.
COMMISSIONER:
Q. Thank you. Counsel, Mr. Pritchard, for the Government of Newfoundland and Labrador.
MR. PRITCHARD:
Q. Thank you, Mr. Commissioner. No questions on behalf of the Government of Newfoundland and Labrador. Thank you for your evidence.
COMMISSIONER:
Q. Thank you. Mr. Harris is not present, and for the union.
MR. BALAKRISHNAN:

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Q. Good afternoon, Mr. Commissioner. Raman Balakrishnan, appearing on behalf of CEP. I just have a couple of questions. I don't think I'll be very long at all.
MR. MICHAEL STEPHENSON - EXAMINATION BY MR. RAMAN BALAKRISHNAN:
MR. BALAKRISHNAN:
Q. Mr. Stephenson, we spent some time today talking about --
MR. STEPHENSON:
A. Excuse me, I'm a little hearing impaired, just a bit.
MR. BALAKRISHNAN:
Q. I'm sorry, I'll --
MR. STEPHENSON:
A. Just up just a bit. I don't want to miss anything.
MR. BALAKRISHNAN:
Q. No, that's okay. We spent some time today talking about the type certifications, and how that may work between a US company, or manufacturer, I should say, bringing aircraft into Canada, and Canada going into the US, vice versa, and we -- I think you mentioned today that the Sikorsky aircraft, the

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helicopters that this Inquiry is focused on, that is a US based manufacturer, is that correct?
MR. STEPHENSON:
A. That's correct.
MR. BALAKRISHNAN:
Q. Do you know if the Sikorsky helicopters are type certified for Canada?
MR. STEPHENSON:
A. So based on the discussions we had earlier today --
MR. BALAKRISHNAN:
Q. Yes.
MR. STEPHENSON:
A. I can say with confidence that -- I can't say that all Sikorsky aircraft are certified in Canada. I can say that this particular aircraft is certified in Canada.
MR. BALAKRISHNAN:
Q. And would those particular aircraft also have a particular airworthiness for use in Canada from the operator?
MR. FREEMAN:
Q. Mr. Commissioner, I'm sorry to interrupt, but I have to ask again whether or not, and how

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far you'd like to go down the path of airworthiness specifically of the S92. I think Mr. Stephenson is doing his best to answer generally as to airworthiness directives and things like that, but as to specific airworthiness of the S92, I just want to make sure we're staying within the mandate of the Inquiry.

COMMISSIONER:

Q. Yes. Well, obviously the--let's have a look at the mandate. The Commissioner's mandate does not include an examination of any issues related to the airworthiness of aircraft training of flight crew or flight procedures or any other matters which are included in the Transportation Safety Board of Canada investigation. So we can't go into an assessment of airworthiness, as I see it. But this question, as I understand it, is really was the particular aircraft certified for use in Canada. Is that your question?

MR. BALAKRISHNAN:

Q. Yes.

COMMISSIONER:

Q. So I think that's perfectly all right.

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MR. BALAKRISHNAN:

Q. Thank you, Commissioner.

MR. FREEMAN:

Q. I just wanted to put that there because we are getting into that area. I just wanted to alert everyone to your mandate again. Thank you.

COMMISSIONER:

Q. Okay, thank you.

MR. STEPHENSON:

A. So if I understand your question, and it goes back to the discussion we had with Ms. Fagan regarding, in general terms, aircraft certified--sorry, aircraft residing in Canada, operating in Canada, type certified in another country, in this case, the S-92 in the US carries a type certificate here in Canada and being operated by a Canadian air operator, it would have its airworthiness certificate issued here in Canada by, in this case, the Canadian structure that we have in place to do that.

MR. BALAKRISHNAN:

Q. If bulletins on a certain type of aircraft, and let's stick with this example of an

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aircraft that is manufactured in the United States, type certified for use in Canada and has an air worthiness certificate for use in Canada, each individual one. If there are bulletins that are being released, could be from other countries, like you said, or you know, other operators, has there ever been an occasion where Transport Canada would revoke their type certification or revoke the air worthiness certificates when the originating country has not?

MR. STEPHENSON:

A. So you're asking me about whether I know about the history of the airworthiness branch. I would risk to say it's possible. I wouldn't have direct knowledge about whether an occurrence--whether it actually occurred or not. I can tell you airworthiness certificates are suspended from time to time. Airworthiness certificates, keep in mind, are based on the health of the aircraft specifically. What typically occurs though with an airworthiness certificate is not so much we suspend them. An airworthiness certificate like my medical certificate in my

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pocket is no longer valid because I haven't been to the doctor. In the case of the aircraft, if it's not maintained and kept to that standard, simply by virtue of its non-compliance, the airworthiness certificate is not worth anything. It's invalid. We don't normally remove it. It stays with the aircraft.

Every time the inspection program of the aircraft expires, which is often the case, an aircraft will come to an end, pull it in the hangar, guys, it needs work. The CFA or certificate of airworthiness is not valid. It's not an issue. It just isn't valid. If they fly the aircraft in that condition, then that's an issue, so as it would be if I were to fly an aircraft right now, it would be an issue. But I'm not breaking a rule, nor is an air operator breaking a rule to have a certificate of airworthiness that's not valid. It's when they actually operate the aircraft. I don't know if that answers your question.

MR. BALAKRISHNAN:

Q. I just want to be clear on one thing.

MR. STEPHENSON:

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A. It's reference is CFA.
MR. BALAKRISHNAN:
Q. What's that?
MR. STEPHENSON:
A. Reference the certificate of airworthiness.
MR. BALAKRISHNAN:
Q. Yes.
MR. STEPHENSON:
A. You did ask another question about type certificate and whether it would be revoked.
MR. BALAKRISHNAN:
Q. Yes.
MR. STEPHENSON:
A. I wouldn't have any firsthand knowledge, so I couldn't answer your question.
MR. BALAKRISHNAN:
Q. Is it possible to do that though?
MR. STEPHENSON:
A. Yeah, we're the signing authority. We have the--to issue and revoke, I mean, that's--it's rooted in the Aeronautics Act.
MR. BALAKRISHNAN:
Q. And even though the aircraft isn't manufactured here in Canada, even though it may be manufactured in the United States -

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MR. STEPHENSON:
A. Yeah, we wouldn't -- and to be clear, we would not be issuing the FAA's issued type certificate.
MR. BALAKRISHNAN:
Q. No.
MR. STEPHENSON:
A. We would be revoking the Canadian type certificate.
MR. BALAKRISHNAN:
Q. Okay. I apologize to everybody here because this is a similar question that I asked last week. When you talked about the audits and I think this morning you were pretty specific that the audits are actually done--they're actually arranged with the operator ahead of time?
MR. STEPHENSON:
A. A large comprehensive audit is normally arranged ahead of time. The reason we do that is we want somebody to be there. We show up and the doors are locked, it's of no value. We do occasionally drop in to operators, as I alluded to in my testimony earlier today, for our convenience. Is that no notice? Well,

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sometimes it is. Knock, wouldn't knock, you come in, you walk in the door and "hi, how are you?" We don't need a warrant of any sort. We have the authority to inspect at any time. That's rooted in the Act, and we do that occasionally, but we find it's not necessary in most cases. But we do show up at an airport. We got three hours to kill. There's an issue I want to deal with with an air operator, so you'll go and visit them. "Oh, hi. I didn't know you were coming." "Didn't know I was coming either." And we'll have that interaction, right. But it's not--that wouldn't be a comprehensive audit. That may be a specific thing I wanted to look at or whatever.
MR. BALAKRISHNAN:
Q. Okay. Those are all my questions. Thank you very much, and I will echo Mr. Wallace's statements that we may reserve questions for later.
COMMISSIONER:
Q. Okay, thank you. Now come back to my list. Counsel for the families, Mr. Martin.
MR. MARTIN:

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Q. Thank you, Commissioner. It's 25 after 4. I had three or four questions. I have no problems if it pleases the Commissioner that we continue on, but I have no problems, I'd just point out the time of day.
COMMISSIONER:
Q. Okay. Well, if you have--well, we'll go to 4:30.
MR. MARTIN:
Q. I'd prefer, if we could, to keep the -
MR. STEPHENSON:
A. I'm okay.
MR. MARTIN:
Q. - keep the momentum.
COMMISSIONER:
Q. Yes, yes, all right.
MR. MICHAEL STEPHENSON, EXAMINATION BY MR. JAMIE MARTIN
MR. MARTIN:
Q. Thank you, Mr. Commissioner. My first question, you dealt with the dispatch issue. You talked about pilot self-dispatch and you also talked about co-dispatch.
MR. STEPHENSON:
A. Yes.
MR. MARTIN:

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Q. And you indicated that Cougar in particular have gone to a co-dispatch system. Is that correct?

MR. STEPHENSON:

A. I don't have firsthand knowledge. I just have been told that that is the case. I've never inspected it. I don't know how it's actually structured. I know they have an obligation under the 704 commuter regs to have a certain standard, meet a certain standard. My understanding is they've gone beyond that.

MR. MARTIN:

Q. Yes, that was my understanding of your answer to the question from Ms. Fagan. What I'm trying to determine though, what was the impetus for that? Was that Cougar going to you people and saying "we want to go on this type of system, want to use this type of system" or was it Transport Canada saying that that would be a preferable system? What was--because things just--things usually happen for a reason and I'm just wondering what was the impetus for it? Was it in relation to something that may have happened that caused that decision to be taken by Cougar?

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MR. STEPHENSON:

A. Well, first of all -

MR. MARTIN:

Q. Or what knowledge, if any, do you have about that?

MR. FREEMAN:

Q. If I may suggest, Mr. Commissioner, and I think it's obviously very important to allow that sort of question to be asked, but maybe a good question to ask Cougar at some point. I think that may be the more appropriate person to ask that question, but I'll leave it to your -

COMMISSIONER:

Q. I'm sure that Cougar could answer it, but perhaps this witness can answer it.

MR. FREEMAN:

Q. If Mr. Stephenson could, that may be helpful as well.

COMMISSIONER:

Q. And if you can't answer it -

MR. STEPHENSON:

A. Well, I can answer--I know I can answer half of it, and the answer is I have no firsthand knowledge of whether an incident occurred. I can tell you, with confidence, we don't have the regulatory power to make them do that. So perhaps they may have chosen to do it on their own, but I just don't see the Atlantic Region Aviation staff saying "you will do this." I just don't see how they have the vehicle to do that. The standard they operate in is clearly--it's clear they require the lower level authority or the lower level dispatch system, flight following and as I described it earlier. The co-dispatch, as I have said, there is significant value in my mind for anybody who has that type of operation. It gives them a lot of confidence. It will give you additional confidence. Certainly, if I were the Cougar CEO or accountable executive, I would have more confidence knowing I have that more robust system, but they're not required to have it.

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MR. MARTIN:

Q. So to your knowledge, there was no pressure exerted by Transport Canada on Cougar?

MR. STEPHENSON:

A. To my knowledge, no.

MR. MARTIN:

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Q. They voluntarily--you don't know, but it would appear they voluntarily chose to use that system as opposed to a pilot self-dispatch?

MR. STEPHENSON:

A. Yeah, I have no knowledge of that and again, we're into hearsay now, but I think I would recall if that was the case and I would have been told that and I think I would share that with you, but I don't recall that.

MR. MARTIN:

Q. My second line of questioning, you talked about the penalties that could be imposed on companies who are not in compliance with regulations or whatnot. You talked about fines and you didn't think that they were much of a deterrent and they're not used very frequently. Is that correct?

MR. STEPHENSON:

A. I don't think I put it that way, and if I did, I apologize. I find it's much more useful to gain compliance with face-to-face discussion and simply human beings talking. We are the regulator. We certainly have the authority to do certain things. Fines is one of them. I find it far more valuable to get an

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organization to demonstrate to me that they can conduct a safe operation. My experience and the history that I've--or the authority I've exercised, and I can tell you it's exercised across this country and I talk to my colleagues across the country, as I've indicated I've worked here in the Atlantic region, that same philosophy exists. The biggest powerful tool I have in my box is to simply suspend their certificate.

MR. MARTIN:

Q. Yeah, that was the second option you spoke about and you also talked about a suspension notice as well.

MR. STEPHENSON:

A. Yeah. A suspension notice is not a suspension of operation. It's a "I'm going to suspend you if you don't satisfy me that you in fact are going to change the manner which you're operating" and it could be for any number of reasons.

MR. MARTIN:

Q. We're dealing with a helicopter safety inquiry here, helicopter transportation.

MR. STEPHENSON:

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A. Understand, yeah.

MR. MARTIN:

Q. Do you have any knowledge as to how many--did you ever use those suspension operation certificates in the helicopter industry, that you're aware of?

MR. STEPHENSON:

A. I have, yes. Yes, I have.

MR. MARTIN:

Q. Do you recall how many times?

MR. STEPHENSON:

A. I wouldn't be able to pull a number out of my head. I can tell you with confidence though the main reason we do that particular--use that particular tool, oddly enough, is for maintenance, quality assurance, quality control. We typically go into particularly small operators. It's not common with larger operators. But it is common with smaller operators who struggle with the concept of quality assurance, quality control. Just the principles and actually convincing them that there's value in it, and so we've worked, over the last, I'll say four or five years, and I would say we've issued a dozen or more to very

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small operators, but large operators, it's very uncommon.

MR. MARTIN:

Q. Do you recall whether any were issued for companies operating in the Province of Newfoundland and Labrador?

MR. STEPHENSON:

A. I don't remember that, but I think that's--it's probably a safe bet that small operators have seen the same tool used to convince them that quality assurance is an important thing.

MR. MARTIN:

Q. Would it be possible to get some information on that and share it with the Commission at a later date?

MR. STEPHENSON:

A. I don't know if I can provide a statistic or not.

MR. FREEMAN:

Q. One issue I would raise, Mr. Commissioner, is the possibility that some of this information is specifically within the mandate of the TSB inquiry, and so some of this, as my client's informed me would--all the files on these types of issues, audits and things like that

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may actually be specifically with in the purview of the TSB inquiry. So it may be that you'd want to ask the TSB if that's the case. We can say, we believe that it is, but you may want to ask them directly, and so I think the provision of those documents may need to wait. That discussion may need to wait until after that report is released and we can talk about it then.

COMMISSIONER:

Q. Well, I think I'd prefer to think about it anyway and we'll see where it leads. Now not to--I don't want to rush you, Mr. Martin, so it's half past four. Rather than rush you -

MR. MARTIN:

Q. Sure.

COMMISSIONER:

Q. - why not wait until tomorrow morning then and continue?

MR. MARTIN:

Q. That's fine with me, Mr. Commissioner.

COMMISSIONER:

Q. Okay then, we'll adjourn until 9:30 tomorrow morning.

ADJOURNED TO OCTOBER 27, 2009 AT 9:30 A.M.

CERTIFICATE

We, the undersigned, do hereby certify that the foregoing is a true and correct transcript of a hearing heard on the 26th day of October, 2009 at Tara Place, 31 Peet Street, Suite 213, St. John's Newfoundland and Labrador and was transcribed by us to the best of our ability by means of a sound apparatus.

Dated at St. John's, NL this
26th day of October, 2009
Cindy Sooley
Discoveries Unlimited Inc.
Judy Moss
Discoveries Unlimited Inc.

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