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Chair: Mr. Heath MacDonald



Standing Committee on Public Safety and National Security

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• (1535)

[English]

The Chair (Mr. Heath MacDonald (Malpeque, Lib.)): I call this meeting to order.

Welcome to meeting number 102 of the House of Commons Standing Committee on Public Safety and National Security.

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking.

To prevent disruptive audio feedback incidents during our meeting, we kindly ask that all participants keep their earpieces away from their microphone. Audio feedback incidents can seriously injure interpreters and disrupt our proceedings.

I remind you that all comments should be addressed through the chair.

Pursuant to the motion adopted on October 23, 2023, the committee resumes its study on the growing problem of car thefts in Canada.

We have today two panels of witnesses. I would like now to welcome our witnesses for the first panel.

From the Ontario Provincial Police, we have Scott Wade, detective inspector.

From the Royal Canadian Mounted Police, we have Matt Peggs, assistant commissioner and commanding officer of federal policing, central region, division O; and Martin Roach, assistant commissioner and commanding officer of federal policing, eastern region, C division.

From the Canada Border Services Agency, we have Aaron McCrorie, vice-president, intelligence and enforcement.

Up to five minutes will be given for opening remarks after which we will proceed with rounds of questions.

Welcome to all of you.

I now invite Mr. Wade to make an opening statement, please.

Detective Inspector Scott Wade (Ontario Provincial Police): Thank you.

Good afternoon.

My name is Scott Wade. I am a detective inspector with the Ontario Provincial Police. I am assigned to the organized crime enforcement bureau, where I coordinate the provincial auto theft strategy, which includes the provincial auto theft and towing team.

The vehicles that we drive in Ontario have become a sought-after commodity. We have seen a dramatic increase in the value of used vehicles in this post-COVID-19 economy.

Organized crime networks have taken the opportunity to exploit the global supply and demand for vehicles and vehicle parts using profits from these thefts to finance other criminal activities such as drug trafficking, firearms trafficking, human smuggling, trafficking and international terrorism.

Organized crime groups travel interprovincially to major metropolitan regions using spotters to identify vehicles, thieves to steal them and runners to transport the vehicles to points of export. Many offenders have previous convictions for serious offences and use violent carjackings and home invasions to acquire the targeted vehicles.

We know that these vehicles are often placed in sea containers and find their way to the Port of Montreal for furtherance to Europe, Africa and the Middle East.

Once on our Ontario roadways, these vehicles are recklessly driven, threatening public and officer safety. When arrests are effected, the accused is often in possession of drugs, weapons, including firearms, and technological devices such as reprogrammed key fobs used to facilitate the theft of vehicles. The problem is very complicated and far from a victimless property crime.

In the OPP, we continue to work with our municipal, provincial and federal policing partners to ensure that these offenders do not go undetected. This includes intelligence sharing and active enforcement measures.

The Ministry of the Attorney General has dedicated Crown attorneys and support staff for the major auto theft prosecution response team, and we continue to work closely with them to ensure investigative excellence.

Collectively and collaboratively, we are responding to the national crisis of public and officer safety by disrupting the transnational criminal market being controlled by organized criminal networks. By working in tandem with the insurance industry, auto manufacturers and all levels of government to develop long-term solutions aimed at drastically reducing the number of vehicles being stolen, we are seeing incredible results.

As an example, the OPP has been working with the Canada Border Services Agency, our Ontario policing partners, the Criminal Intelligence Service Ontario, the Service de Police de la Ville de Montréal, SPVM, and the Sûreté du Québec at the Port of Montreal as part of Project Vector, recovering over 600 stolen vehicles prior to illegal exportation.

We have successfully worked with the SPVM, the Montreal police, to arrest 34 accused in Montreal as part of Project Volcano. These accused were all wanted on outstanding arrest warrants from eastern Ontario.

Additionally, the OPP continues to facilitate Project Emissions. This intelligence probe was created as an intelligence strategy to counter the auto theft crisis by collecting and sharing information with our policing partners provincially, nationally and internationally.

We prioritize the need for safety within our communities and for our officers. We must recognize the level of violence associated with these organized crime-directed vehicle thefts. We stand with our policing partners in calling to continue strengthening our port security and monitoring mechanisms to disrupt the illegal exportation of stolen vehicles; focus on our intelligence and enforcement strategies, continuing to work collaboratively with this information; seek stronger minimum sentences for repeat offenders and the creation of offences related to possession for the purpose of trafficking and/or exporting a stolen motor vehicle; and for consideration to be given to the availability of the maximum Criminal Code penalties currently available.

Thank you.

The Chair: Thank you, Mr. Wade.

I now invite Mr. Peggs and Mr. Roach to make opening statements, please.

[*Translation*]

Assistant Commissioner Matt Peggs (Commanding Officer of Federal Policing, Central Region, Division O (Ontario), Royal Canadian Mounted Police): Mr. Chair, I'd like to thank you for the opportunity to speak to the committee today to share some of the important work under way to combat auto theft.

During the national summit on combatting auto theft, it was clear that many Canadians are feeling the impact of this serious crime. There's a concerning volume of vehicle theft in Canada, including an increased occurrence of violent thefts. Auto theft is directly affecting the safety of our communities.

[*English*]

The national summit also made clear that solutions require strong partnerships. Combatting vehicle theft requires co-operation among

law enforcement organizations, governments, industry and international partners.

While the investigation of each auto theft incident falls under the police of jurisdiction, the RCMP federally supports the important work being done at the provincial and municipal levels to make progress on this issue.

For example, in Quebec the RCMP is participating in Project Rechercher led by the Sûreté du Québec. This project targets criminal groups responsible for the export of stolen vehicles. The RCMP is also involved in Project Vector led by the Ontario Provincial Police, which aims to disrupt organized crime activities on stolen vehicles at all stages of the outbound criminal supply chain.

• (1540)

[*Translation*]

These joint efforts are producing results. On April 3, the Ontario Provincial Police announced that project vector led to the recovery of 598 vehicles at the Port of Montreal.

Auto theft is also an issue that goes beyond Canada's borders. The RCMP has a network of liaison officers and analysts deployed around the world to work with our international partners, including on the seizure of stolen vehicles originating from Canada.

I am particularly pleased to inform the committee that, in February, the RCMP integrated the Canadian Police Information Centre's stolen vehicle information with INTERPOL's stolen motor vehicle database. The Canadian database contains details of more than 104,000 vehicles stolen in Canada. This information is now accessible to the international law enforcement community, which can query vehicles matching Canadian records in the INTERPOL database.

In the first six weeks of the integration with INTERPOL's database, there were over 1,000 query alerts related to Canadian records, and the RCMP has received over 150 new direct requests for international collaboration.

[*English*]

The RCMP's intelligence resources continue to collect and analyze intelligence to inform our direction. Nationally, the RCMP hosts the central bureau for Criminal Intelligence Service Canada, which delivers criminal intelligence products and services to the entire Canadian law enforcement community and other key stakeholders responsible for public safety.

In closing, I'd reiterate that the RCMP is fully engaged with partners to combat auto theft and to ensure that the criminals are held to account.

We look forward to answering any questions the committee members may have today.

The Chair: Thank you, Mr. Peggs.

Mr. McCrorie, please.

Mr. Aaron McCrorie (Vice-President, Intelligence and Enforcement, Canada Border Services Agency): Good afternoon, Mr. Chair and honourable members of the committee.

Thank you for having us here today to respond to your questions.

The Canada Border Services Agency has a dual mandate, to facilitate legitimate trade in support of a strong Canadian economy and to ensure border security and integrity to protect Canadians from a variety of threats including illegal drugs, firearms and the export of stolen vehicles.

This dual mandate is reflected in our results. In 2023, we facilitated the arrival of over 85 million travellers, and in the marine mode alone we facilitated the movement of over 3.5 million containers through Canadian ports. At the same time we were protecting our communities by preventing over 900 prohibited firearms and over 27,000 weapons from entering our country. We intercepted over 72,000 kilograms of prohibited drugs, cannabis, narcotics and precursor chemicals. We prevented 1,806 stolen cars from being exported.

Reflecting the priority we are putting on auto theft, so far in 2024 we have intercepted 949 stolen vehicles. Auto theft in Canada is clearly a threat that we will continue to address in close collaboration with our partners.

As we heard from all the participants at the National Summit on Combatting Auto Theft earlier this year, this is a complex problem with no single silver bullet or solution. This means two things.

First, everyone has a role to play: manufacturers, insurance companies, law enforcement, shippers and at the end of the line, the CBSA.

Second, from the CBSA point of view, supported by the \$28 million in funding announced by the Minister of Public Safety prior to the summit, the CBSA is deploying an array of tools and approaches to combat auto theft. Using intelligence and data, we risk-assess shipments to find the needles in the haystack. About 2,300 containers come and go from the Port of Montreal each day. The vast majority are legitimate shipments that are key to Canadian prosperity. We are working to identify, assess and deploy technology that can help with searches.

Every day, we are deploying our highly trained and experienced border services officers who leverage intelligence and technology to search containers and seize stolen vehicles in ports and rail yards. From these seizures, we're sharing information and intelligence with police so they can pursue criminal investigations and lay charges. We are reviewing our legislation and regulations to see if we need changes to gather more data and share more information.

This has to be, and is, a collaborative effort. The CBSA continues to work very closely with the Royal Canadian Mounted Police, the Ontario Provincial Police, the Sûreté du Québec, the Service de Police de la Ville de Montréal and other police of jurisdiction to strengthen information sharing and support their criminal investigations. Last year, we participated in 14 different police operations and we are continuing to do so this year.

For example, we talked already about Project Vector, a joint operation between the CBSA, the OPP, the Sûreté du Québec, the

SPVM and Équité Association, which resulted in 390 shipping containers being targeted and the recovery of 598 stolen vehicles.

We're also working with industry groups like Équité Association and the Canadian Vehicle Exporter's Association to further improve our targeting efforts.

As I noted earlier, auto theft is a complex problem that requires all players, including manufacturers, insurance companies, shippers, law enforcement and the CBSA, to play a role. Collectively, we need to make it harder to steal cars, we need to make it harder to move stolen cars to a port, we need to target the criminals stealing cars and we need to recover stolen vehicles in ports and rail yards.

That's why auto theft is a priority for the CBSA and we are committed to continuing to play our role.

Thank you.

I welcome any questions that you may have.

• (1545)

The Chair: Thank you, Mr. McCrorie.

I will now open the floor for questions.

We're going to move right to Mr. Shipley, please, for six minutes.

Mr. Doug Shipley (Barrie—Springwater—Oro—Medonte, CPC): Thank you, Chair. Thank you to all the witnesses for being here today.

I would like to start with Inspector Wade, with the OPP. I am very close to the OPP with my riding of Barrie—Springwater—Oro—Medonte. Your headquarters are just up the street in Orillia.

Recently, sir, your commissioner was here. He had previously said that auto theft is highly profitable with little risk and, in Ontario, "68% of those convicted serve a sentence of six months or less." He had said, "We need to see stiffer penalties. We absolutely need to have a deterrence for these crimes."

What impacts would you think stiffer, tougher penalties would have on combatting auto theft?

Det-Insp Scott Wade: Stiffer penalties have several effects. They provide a deterrent to the people who are committing the crimes. They also remove them from the public where they can commit more crimes. They are out of the public and not committing crimes.

Not only are there 68% of people with fewer than six months in sentencing, there are fewer than 1% who ever get a sentence over two years, even when it involves organized crime auto theft.

Mr. Doug Shipley: Thank you.

My next question will be for both members of the RCMP and for Inspector Wade.

York Regional Police recommended to our committee that we should:

...consider legislative tools to combat auto thefts, including the review of existing legislation and the creation of new laws related to auto thefts and organized crime activities, similar to the Controlled Drugs and Substances Act. This could include offences related to possession, trafficking, and exportation of stolen vehicles, with stiffer penalties related to these crimes.

Could you expand on that twofold? One, explain to the committee what the difference is and how that could help. Two, do you feel that if it were put in place, it could help both the RCMP and the OPP deter auto theft?

Det-Insp Scott Wade: I can speak to that specifically.

The Controlled Drugs and Substance Act, CDSA, has specific offences related to possession for the purpose of trafficking, exporting and importing. Those are specific offences related to drugs.

With the specialized nature of auto theft and the proliferation of organized crime involved in auto theft, we need to recognize that, and recognize that these organized crime groups are using these vehicles for profit and exporting. If we can prove possession for the purpose of trafficking, it should be recognized as such and is a more serious offence.

Superintendent Martin Roach (Assistant Commissioner and Commanding Officer of Federal Policing, Eastern Region, Division C, Royal Canadian Mounted Police): Mr. Chair, most of this dynamic on legislation falls under our police of jurisdiction, but for us, the RCMP, some of the statements we made were more to put the emphasis on the coordination aspect, as was alluded to in the opening remarks of my colleague.

It is the coordination that we need to do at the international level, and that's what we've been working on in terms of building the capacity and putting our liaison officers at work, with the analysts, and deploying and maximizing our efforts on that.

● (1550)

Mr. Doug Shipley: Thank you for that.

I'd like to talk about the ages of some of the people who are committing some of these crimes. I was listening to something the other day about an unbelievable event that happened in the GTA area, where one as young as 11 years old was caught. There was a group of four. I think they were 11 and 13, and there two 15- or 16-year-olds in that area, but one was definitely 11. They were charged—or caught, pardon me, because an 11-year-old can't be charged—with taking a vehicle.

We have heard here and in other meetings that this really is attracting a younger group to go after these vehicles. Can you touch on how organized crime is recruiting some of these kids—young kids—and how it's affecting them too? We're seeing this as a crime that's affecting a lot of people, but we're bringing kids into this now. It was horrific to hear that story.

Could you please expand on that a bit, on organized crime and how and where they're getting these kids from? Do you agree that the ages are getting unbelievably young in terms of committing some of these crimes?

Det-Insp Scott Wade: Sure. Thank you for the question. It's a very good one and is important.

The age of the offenders involved in vehicle theft, including carjacking and home invasions, is alarming. What we're seeing is an average age of 15- to 22-year-olds engaging in these crimes, as well as, as you mentioned, even younger children. I think there needs to be a recognition that organized crime is employing and recruiting youth to commit their crimes. I think there needs to be a discussion in regard to sentencing and investigations on exploiting vulnerable youth.

Mr. Doug Shipley: Is there anything to add to that from the RCMP at all? No? Okay.

Mr. McCrorie, we've heard many times about the inspections of containers. I can't remember the number, but it was a very low number. At one point, rail was in here telling us that only one-millionth of all rail was inspected.

What is being inspected right now in terms of sea containers—percentage-wise—that are leaving this country?

Mr. Aaron McCrorie: I'd prefer not to talk about the percentage, because that gives our adversaries, if you will, a bit of an advantage. What I can say is that if you look at international reporting, around the world internationally about 2% of containers are physically inspected at any given time.

Mr. Doug Shipley: Quickly, because I'm almost out of time—I'm sorry—I heard that in the U.S. 50% are inspected, so they're not afraid to put their number out. They've made it vocal that they inspect 50%. Why are we afraid to put ours out? How does that affect who's stealing a car? What percentage?

Mr. Aaron McCrorie: What we're focused on is using intelligence and information referrals from the RCMP, for example, but also our own intelligence, to target containers and separate the needles from the haystack, if you will. I think we're having success.

If you look at the results of our targeting in the Port of Montreal, for example, we've now seized 561 vehicles in the Port of Montreal. We started to do the same work in the Port of Vancouver, where we are seeing cars that are being stolen in Toronto and being shipped west through the Port of Vancouver. About 90% to 100% of the targeting is based on our intelligence. We have recovered 27 vehicles.

We will never have the logistical capability to screen every container going through. It would shut down our supply chains, given the volume of containers, but by being—

Mr. Doug Shipley: I think you'd admit we could screen a lot more.

Mr. Aaron McCrorie: I think we are screening a lot more when it comes to stolen vehicles—certainly more than we did in the past—and we're seeing the results.

The Chair: Thank you both.

We'll move on to Mr. Bittle.

Mr. Chris Bittle (St. Catharines, Lib.): Thank you so much, Mr. Chair.

Inspector Wade, you mentioned, in your evidence, new offences related to this. I understand your point, especially with respect to organized crime.

Are existing continuing criminal enterprise laws being used to target organized crime with respect to auto theft, or are they insufficient and need to be updated? Where does the OPP stand on this?

Det-Insp Scott Wade: Again, that's a good point with regard to criminal organization legislation.

In the organized crime enforcement bureau of the OPP, it's our focus in every investigation. Can we apply that law? If we can apply that legislation, we will.

Mr. Chris Bittle: Most Canadians probably watch as much *Law & Order* as I do. What is on the books in Canada would be similar to RICO-style laws that exist in the United States. Is that fair to say?

Det-Insp Scott Wade: I would say that would be a simplified version of explaining what they are. They are very different, and there are probably benefits to exploring both of them.

• (1555)

Mr. Chris Bittle: Many in this room would probably agree with you that I often oversimplify things.

Are there items in the United States' RICO legislation that you would see as beneficial if they were enacted in Canada? I guess it would also be constitutional, since those provisions are different.

Det-Insp Scott Wade: I think it's a good place to start the discussion and a good place to explore.

I don't have the specifics of RICO legislation in the States. It's more about Canadian legislation. However, I think it's good to explore what other jurisdictions are doing and how we can improve, and constantly examine the tools we have and how to utilize them best.

Mr. Chris Bittle: I'll ask you this, and perhaps I can ask the RCMP as well.

We talk about sentences not being high enough, and we know this is outside of the control of the police. This is what judges decide. It's independent.

If the maximum penalties were high—much higher than what the average sentence is, even in cases that are very serious—what's the barrier between arrest, Crown and getting a sentence? I know some are talking about how we need stricter sentences, but if we're not using the existing maximum penalties as they are, what's happening in the criminal justice system?

A/Comm Matt Peggs: I honestly don't know how to answer that question, because I don't think we put criminal cases forward with the idea of getting a particular sentence. We gather the evidence we can and present it to the court.

To be honest with you, I know I raised my hand to answer this question, but I don't think I... I don't have one, other than to say that we bring the evidence forth and the court makes those decisions.

Mr. Chris Bittle: I appreciate that.

At the same time, police are telling Crown attorneys and your partners on that side of things that this is serious. I think Crown attorneys understand this is serious. It involves organized crime. There are gangs involved, and violence. Judges live in our communities and see it with their own eyes. I guess I'm at a loss as to...

There's been some talk of new legislation or increasing penalties, but there are already penalties on the books to deal with the serious nature of this. I'm trying to understand what the roadblock is. If we increase the maximum penalty another two or five years and still get sentences in the range they are now, we haven't done anything. We've just checked a box, which hasn't done anything.

First, I'll go to the OPP, then the RCMP.

What is your relationship like with the CBSA in terms of partnerships? Are there any changes that need to be made?

Det-Insp Scott Wade: I can say that our relationships and partnerships with the CBSA are excellent.

We're working on many fronts in Ontario and Quebec. Traditionally, the OPP hasn't come to Quebec to conduct enforcement and investigations, so it's a... I mean, we have traditionally, but this is a different way, and I think it's great. We're sharing intelligence and finding new ways, I think, to share information. We're considering an evaluation of the Customs Act and broader application of sharing that intelligence and information, which is ongoing. We've had excellent success as a result of those partnerships.

Supt Martin Roach: Mr. Chair, if I can speak for the RCMP, our relationship with the CBSA is excellent on many fronts, not only on auto theft, but also when we look at the border and firearms. These are dynamics that bring our organizations together. We sit on multiple committees within the provinces of Quebec and Ontario and at the national level, where we look at those dynamics holistically.

When it comes to auto theft, there are various committees when it comes to intelligence. Also in the private sector, there are liaison committees involving Équité Association and many other organizations where the CBSA is at the table as well. There's a great relationship.

As we said in our opening remarks on the international perspective that we brought in terms of linking our CPIC database with the stolen motor vehicle database of Interpol, the CBSA plays a big part in that role as well.

Mr. Chris Bittle: Thank you so much.

The Chair: Ms. Michaud, you have six minutes, please.

[Translation]

Ms. Kristina Michaud (Avignon—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

I participated in the government's national summit on combatting auto theft. Not surprisingly, most of the criticism was directed at the Canada Border Services Agency. The Port of Montreal has become a hub for auto theft and the export of stolen vehicles abroad. People are being more and more vocal about blaming organized crime for auto theft in Canada. There have always been rumours, but people are more willing to talk about it now, it seems.

In fact, I read in a Radio-Canada article that it's no secret the Irish mafia in Montreal is involved, along with the Italian mafia, and that there are corrupt customs officers and port workers at the Port of Montreal. This raises questions about how Canadian port employees are selected and vetted. The Association des directeurs de police du Québec has even suggested that police services should handle the vetting process.

Mr. McCrorie, can you tell us how many customs officers there are at the Port of Montreal and how the selection process works? Should changes be made to make it more rigorous?

• (1600)

Mr. Aaron McCrorie: Thank you for the question.

[English]

It felt like there were two parts to it, so I hope I get this right.

Generally speaking, when it comes to port security and the background checks that are required for all people working at the port, that is the responsibility of Transport Canada. Transport Canada has a marine security program that requires not all, but probably most, port staff—it's for them to say—to have some kind of background check that's similar to what they do at airports.

I apologize, but I don't have readily at hand how many people we have working at the port on any given day.

Our border services officers go through a very rigorous selection process, much like our law enforcement partners do, in terms of assessing character and doing background checks. Then they go to our college at Rigaud, where they spend time getting trained professionally on the Customs Act, the Criminal Code and techniques for searching, based on what they'll do coming out of the college. They may end up at port of entry—a land port of entry for example—where they'll be dealing primarily with travellers or they'll come to a place like the Port of Montreal, where they'll be working primarily on searching imports. The same techniques apply in terms of searching export containers.

Again, it's always intelligence-driven. We have professional intelligence analysts who work very closely with other intelligence agencies, including police of jurisdiction, to generate intelligence that can tell us which containers to target.

We also have a professional standards division that looks at instances of corruption or inappropriate behaviour by our staff. There are mechanisms to report that and for investigations to take place.

My personal view is that our officials who are conducting the searches and targeting the containers are the last line of defence and they are doing their very best. I think they're doing a very good job.

I'm not concerned. There may be some bad eggs there, but by and large I think the vast majority of BSOs working are doing a great job with a lot of integrity.

[Translation]

Ms. Kristina Michaud: Thank you.

We hear a lot about whether it would make sense to add more imaging devices. As members said earlier, apparently a very small percentage of containers passing through Canada's ports, less than 1% according to some sources, are inspected. I do wonder if that's a good solution, though, because there are also cars being exported legally. Just because a car is in a container doesn't mean it has been stolen.

Sometimes fraudulent documents are used, though. For a recent investigation, the Journal de Montréal analyzed more than 74,000 vehicle export declarations from the Port of Montreal between January and mid-September 2023. The newspaper found that 4,125 of those declarations used vehicle identification numbers, or VINs, that had been previously declared as exports a number of times. By carrying out a simple analysis using an Excel document, the newspaper was able to see that these VINs had been used on a number of occasions.

What's preventing the Canada Border Services Agency from quickly identify VINs or fraudulent documents? What's being done about companies that export containers through the Port of Montreal? Isn't there a better way to do background checks on them?

I understand that the police want to do their job well, but they need a warrant and grounds to believe that there is something fraudulent going on before opening a container. What is the process for that? Could that be strengthened as well?

• (1605)

[English]

Mr. Aaron McCrorie: As we become more engaged in auto theft—again, I'll point out that last year, we seized about 1,800 vehicles—we are getting better in how we do our targeting and how we manage things like the vehicle identification numbers, VINs, for example. What we're trying to do is take the information that we get as part of export declarations, which includes the VINs, and use that to improve our targeting.

We have a very sophisticated targeting capacity in our national targeting centre, which is primarily focused on inbound containers. We're now turning our attention to exports and trying to do the very same thing.

If we were to try to search every single container... At the Port of Montreal, I think there are 2,300 containers a day. The technology we have to do a search can do about 10 per hour. If we had 10 screening devices, we could do all 2,300 in a day, but that doesn't account for the backlog that would occur with vehicles lining up and trains lining up. It's just physically impossible to search every container. That's why it's so important to leverage information and intelligence and do our targeting.

Have there been gaps in our targeting? Yes. Are we getting better at it? I'd like to think so. We're seeing it in our results.

Historically, at the Port of Montreal, we prided ourselves on responding to 100% of referrals from the police of jurisdiction. It meant that most of the vehicles we were finding for a while were from police referrals. Now, about 70% of the vehicles we're finding are based on our own targeting, and the other 30% are from police referrals.

This is not just at the Port of Montreal; we're now seeing vehicles being exported through the Port of Vancouver. If you look at the Port of Vancouver, where we've launched a project, about 90%, if not 95%, of the targeting is based on CBSA analysis. We're starting to see the results, with 27 vehicles in the last two or three weeks at the Port of Vancouver.

One of the challenges we have is that every effort we put in at the Port of Montreal will displace the threat to something like the Port of St. John's, the Port of Halifax or the Port of Vancouver.

While our focus is very much on the Port of Montreal, we are also looking at other ports in the country.

The Chair: Thank you.

Mr. MacGregor, please go ahead.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you very much, Chair. It's really good to be back in my old stomping grounds in the public safety committee.

I'd really like to thank our witnesses for helping guide us through this really important subject. I think your expertise is going to be very valuable to us in issuing a report with recommendations.

Detective Inspector Wade, I'd like to turn to you first. It's along the lines of the question you received from Mr. Bittle.

I think you're getting a peek at the conundrum that we, as policy-makers, find ourselves in. I've had experience on the standing committee on justice and I've taken some deep dives into the Criminal Code. There are many provisions in the Criminal Code that allow for sentences to be harsher or lighter, depending on the circumstances, such as whether there are aggravating factors. There's a fair amount of freedom.

Similarly, when it comes to Crown prosecutors, the executive branch—in this case, the Ontario provincial government—has to be very careful to not get involved in the operational details. There has to be that prosecutorial independence that's so very necessary.

Of course, we value that our courts are independent.

I'm looking at the Criminal Code as a legislator. Do you want to take an opportunity to delve into it a bit more deeply?

What is more of a deterrent? Is someone who is thinking of stealing a car thinking about the sentence they will receive, or are they thinking more that the risk outweighs the chance of them actually getting caught doing it?

Do you think more resources are needed in our police operations' intelligence-gathering? Do we have to rely simply on the Criminal Code, or is it probably a mix of both?

Det-Insp Scott Wade: It's a combination of both. Police have to investigate the crimes and present their cases before the courts, but there has to be a deterrent, like a sentence, otherwise the great investigations won't result in the results we want.

Again, what's important, with the establishment of the major auto theft prosecution response team in Ontario, is that we have to maintain a distance and be bipartisan, but we're also going to be working very closely with them to present the right case. We're going to educate each other—from Crowns to police and police to Crowns—and present those cases, and expert witness cases if possible, to assist with sentencing and providing the most information to the court so they can make an informed decision and an informed sentence.

• (1610)

Mr. Alistair MacGregor: It was mentioned that, when people are arrested with a stolen vehicle, in many cases they can be found with illegal firearms, and in some cases drugs—which I would think are aggravating factors in the arrest and eventual charges—but many have previous criminal records as well. When you're handing the case over to Crown prosecutors, are you seeing that follow-through, that this person is obviously not learning their lesson from the first time around and they do warrant a harsher sentence, as is provided for in the Criminal Code?

Det-Insp Scott Wade: To answer that question, as an example, with the provincial carjacking task force we're seeing that a large percentage of the offenders arrested are out on bail at the time for either other offences or similar offences, and then the majority of the offenders are being released on bail when they're brought before the courts.

Mr. Alistair MacGregor: Thank you for that.

I was looking through the 2023 list of the most stolen vehicles in Canada—and I'll let anyone else jump in, maybe the RCMP this time. The top three are the Honda CR-V, the Dodge Ram 1500 series and, of course, the Ford F-150. Are we finding that those particular models are being stolen because they are so numerous or is it a particular design flaw? What's your intelligence showing as to why these particular vehicles seem to be topping the list? Does anyone want to jump in?

Supt Martin Roach: There are multiple reasons that they're jumping up to the top of the list. It could be, sometimes, what the demand is at the other end, overseas. It could be accessibility. There are all kinds of issues that are beyond just our intervention, in terms of the RCMP, but in the list of vehicles we found all sorts of vehicles that will go overseas, and not just the top three or anything: There are probably 25 different types of vehicles that are being recovered. It varies a lot, depending on where they're found in the world.

Mr. Alistair MacGregor: When a stolen vehicle is recovered—and I think one of you mentioned the fact that you found programmed key fobs, which allowed the thief to gain easy access to the vehicle—and when it comes to police reports on recovered stolen vehicles and the method that was used to steal said car, does that usually go through the Insurance Bureau and then to the car manufacturer? I'm just wondering how we can improve the lines of communication between what you're finding in your investigations and how car manufacturers are then taking that information to make a better product that is less likely to be stolen.

Det-Insp Scott Wade: I can speak to that. It's a combination of all of those approaches. We're gathering information from the cars that are seized at the port. We're sharing that information directly with Équité and other insurance industry partners. We have regular ongoing collaborative meetings with global automakers. Basically, it's constantly revolving. They're sharing information with us. They're giving us ideas and opportunities we can use to track vehicles more efficiently, and then we're doing the same and sharing our information with, a lot of the time, Équité and our insurance partners, and then they share the information with the automakers. It's ongoing at all levels.

The Chair: Thank you.

We're now moving into round two. We'll start with Mr. Lloyd, please, for five minutes.

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

Thank you to the witnesses for being here.

I'll start with Detective Inspector Wade. You said, in response to the previous questions, that a lot of the offenders you're catching are out on bail. Is that the case? You said that a significant number or a majority of the offenders you are catching with auto theft are out on bail.

Det-Insp Scott Wade: That is correct, and I was specifically referring to the carjacking task force, and it was around 40% of the offenders we were arresting who were out of bail at the time.

Mr. Dane Lloyd: Is that a number you think has increased over the past few years, or is that an average number that you would expect is a normal number?

Det-Insp Scott Wade: We don't have the data to back it up, but I do believe it's increasing.

Mr. Dane Lloyd: It's an increasing number.

We do know that with the recent bail changes in 2019, in Bill C-75—which the Liberals brought in—a number of bail provisions were changed, which puts the onus on judges and police officers to release suspects.

Have you seen an impact from that change in 2019 with an increase in people being let out on bail?

• (1615)

Det-Insp Scott Wade: Again, I wish I had the data and the specific information to be able to answer that question confidently, but I do believe that we've seen an increase.

Mr. Dane Lloyd: What are some of the sentences that you're seeing being handed out to the people you are catching?

Det-Insp Scott Wade: I think we referred to some stats. Sixty-eight percent are sentenced to under six months, and fewer than 1% are sentenced to more than two years.

Mr. Dane Lloyd: I've read that in many of these cases, people are caught with firearms or they're caught in possession of drugs. Is that what you're finding in some of these cases when you're catching people?

Det-Insp Scott Wade: Every case is different. Obviously when there are aggravating factors and additional charges, windfall evidence, firearms or other associated offences, I would like to think that the sentences reflect that, and I'm sure they do.

Mr. Dane Lloyd: Are you seeing cases where people are getting six months or under two years when they're also caught with firearms or with drugs?

Det-Insp Scott Wade: I don't have the data for that. I would imagine we're getting stronger sentences if there are firearms involved. I would certainly hope so.

Mr. Dane Lloyd: How much money does the average auto thief make per stolen vehicle?

Det-Insp Scott Wade: It's hard to quantify it exactly. There are multiple stages and layers in the auto theft process. There are spotters; they sometimes make a couple hundred dollars just to identify a vehicle in a driveway, which will later be stolen by a thief. That thief may make somewhere between several hundred dollars to a couple thousand dollars to steal it. Then there are runners—

Mr. Dane Lloyd: Is that one per night for the thief, or are they doing multiples per night usually?

Det-Insp Scott Wade: Again, I don't really have the data to support that, but we'll see crews—these are auto theft crews—working together, and they'll steal multiple vehicles in one night.

Mr. Dane Lloyd: Okay.

When we're seeing these sentences, do you think that these six-month sentences or these under two-year sentences are a deterrent for these criminals, or do you think they feel that there is such a low likelihood of getting caught, and the payday is so high—as you said, it could be several thousand dollars a night—that it's not really a huge risk for them or something that they really consider when they're stealing these vehicles?

Det-Insp Scott Wade: I'd like to think that there is a deterrent with the sentences, and there should be a deterrent. That should be one part of it.

It's also providing justice and a sense of safety for the public, so it's a combination of all of those factors.

Mr. Dane Lloyd: You're aware of Jordan's principle in sentencing, which came out from the Supreme Court in 2016.

Do you think Crown prosecutors view these car thefts as just property crimes, and place less importance on them than they do on more violent crimes?

Det-Insp Scott Wade: I wouldn't say that. Again, I can only speak for Ontario, but I think the establishment of the major auto theft prosecution response team is going to counter a lot of those issues, if that is the case.

However, we work very well with all of our partners at the Ministry of the Attorney General in putting cases before the court and prosecuting them.

Mr. Dane Lloyd: I think you'll agree that there are some horrendous cases—sexual assault, sexual harassment of children, murders. With so many violent cases, there are people who are being let out because of Jordan's principle, because their cases are taking too long. I think Crown prosecutors are being put in a very difficult position where they have to choose between getting time for an assault case, a murder case or a sexual assault case, and booking time for vehicle cases.

Do you think they're having to make a compromise and give plea deals or lesser sentences in order to speed up convictions on vehicle thefts and in order to get these more violent cases brought up so that they don't get taken out by Jordan's principle? Is that something you're seeing on the front lines?

Det-Insp Scott Wade: I can't say that's something I am seeing.

What I can say is that Jordan's principle is something we're working with. Our police officers are adapting and changing the way we investigate crimes and conduct disclosure. We are working with the Crown prosecutors in that manner.

The Chair: Thank you.

Now we're moving on to Mr. Gaheer, please, for five minutes.

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): Thank you, Chair.

Thank you to the witnesses for appearing before the committee.

First, Mr. Wade, could you please provide data about more crimes being committed by those on parole, and whether it's on the rise or not? We would like to see the data; otherwise, it's just anecdotal.

Det-Insp Scott Wade: I can obtain specific data, if that's what you're looking for. What I can speak to is the provincial carjacking task force. Those are the data and the stats that I have. Out of 124 arrests, 55 of those subjects were out on bail when arrested.

Mr. Iqwinder Gaheer: In the grand scheme of this country, I think that's a pretty small sample size, isn't it?

• (1620)

Det-Insp Scott Wade: That's a small sample size, yes. It's just what I can refer to on the carjacking issue.

Mr. Iqwinder Gaheer: Thank you.

Before I get into my questioning with Mr. McCrorie, I do want to mention a point that Mr. Lloyd brought up.

Study after study shows that the deterrence of the sentence on the likelihood of a crime being committed is actually pretty low. Study after study has shown that. I studied that throughout law school: When a criminal commits a crime, they're not really thinking about, "Oh, this is going to be a three-year crime" versus "This is going to be a five-year crime". The more likely question is, "What will I do"? What's actually more likely to sway their intention to commit that criminal activity is the likelihood of being caught.

If the rate at which crimes are being solved is falling, that's actually going to spur more criminal activity, because the criminal knows they can get away with it.

Mr. Wade, wouldn't you agree that the likelihood of a crime being solved is more likely to deter criminal activity than the sentence?

Det-Insp Scott Wade: It is a good question.

I believe they're of equal importance. The ability to solve crimes and investigate crimes is equally as important as the ultimate sentencing in the court process.

Mr. Iqwinder Gaheer: It's just that the studies I've looked at have shown that the former is more likely to have an impact on the psychology of the criminal, or the potential criminal, than the latter.

I'll get into my questioning with Mr. McCrorie.

The example I want to bring up is one we've seen the Leader of the Opposition constantly bring up. That is the example of an individual who had their car stolen, and had an AirTag that traced the car to the Port of Montreal. They informed local law enforcement, and according to this story, the local law enforcement then indicated that, "Hey, we can't actually do anything now. It's the CBSA that takes over", and this individual watched their car sail off into the sunset.

Could you comment on that? Is that a very likely scenario? If I'm the individual who has had my car stolen, and I used an AirTag to trace it to the port, what are my options?

Mr. Aaron McCrorie: I think it is a plausible scenario, and we've seen press reports that refer to it. I can only imagine how frustrating it is for somebody to experience that. I think it speaks to the collaboration that's taking place between law enforcement partners and the CBSA. We're developing what we call our "request to locate" protocol. The very idea behind it is to provide Canadians with guidance: If you do have a tracking device, such as an AirTag, on your vehicle, what do you need to do to engage law enforcement to retrieve your vehicle? It will always be focused, first and foremost, on engaging your police of local jurisdiction, but there will be an element in there for the CBSA to play a role when and if we can.

If I'm watching my car go from Toronto, via the Toronto rail yards, to Winnipeg, and then to Vancouver, there are many points of intervention along the way. I think it speaks to the opportunities for police and the CBSA to collaborate along that journey to stop the vehicle from leaving the country. If it does get to a port, then we'll use our authority and our tools to try and recover that vehicle.

There are challenges. For example, that won't be the only AirTag in a container at a port, and we're looking at how we can leverage technology to zero in on where that might be. We're very concerned about that, and we are taking steps to address it, again, in collaboration with our policing partners.

Mr. Iqwinder Gaheer: What does that collaboration look like currently? For example, I've lost my car, but I have an AirTag and I've traced it. I've informed local law enforcement, and it's going to be loaded onto a ship tomorrow morning. What's going to happen? What's the process?

Mr. Aaron McCrorie: Hopefully, you're not engaging us by the time it has gotten to the port. What we would ask people to do is to contact their local law enforcement, who can intervene more rapidly in the locale where it is. This is a hypothetical scenario, but if it is then bound for a rail yard in the Toronto area, and it's brought to our attention that it's in a container we think is bound for export, we can use our authority to go into the rail yard, open the container and retrieve the vehicle, same if it gets to the port.

There are logistical challenges. I don't want to over-promise in terms of what can be done and how it can be done. If you go to the Port of Montreal, you'll see stacks of hundreds and hundreds of containers. Finding the specific container with the AirTag in that stack is going to be daunting. That's why we think the sooner we can intervene in that process, the better.

Mr. Iqwinder Gaheer: Thank you.

The Chair: Thank you.

We'll move on to Madame Michaud, please, for two and a half minutes.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

Mr. McCrorie, the Montreal Port Authority says it's not allowed to open containers unless it's to save someone's life or prevent an environmental disaster. More than 800 police officers have access cards allowing them to enter the Port of Montreal, but if they want to open containers, they need a warrant, as I said. Only border services officers can search containers without a warrant. Is that correct?

• (1625)

[*English*]

Mr. Aaron McCrorie: In the context of enforcing the Customs Act, we have an ability to open containers without a warrant.

[*Translation*]

Ms. Kristina Michaud: Following up on that, the national president of the Customs and Immigration Union, Mark Weber, appeared before this committee. He told us there were only eight customs officers at the Port of Montreal, where there's a dire labour shortage. The agency seems to be under-resourced in general. Is

that the case? What is the Canada Border Services Agency doing to solve the problem?

[*English*]

Mr. Aaron McCrorie: I apologize. I don't have the exact number of border services officers that we have at the Port of Montreal, but it's more than eight.

Our mandate, both in terms of looking at traffic coming in, whether it's people or goods, or traffic leaving in terms of exports, is to always take a risk-based approach. We can't check every person. We can't check every container. We can't check every ship or every truck. However, by taking a risk-based approach, we're making effective use of the resources that have been allocated to us by the people of Canada.

[*Translation*]

Ms. Kristina Michaud: No offence, but why don't you have that information? Can you send it to the committee after your testimony? I think that's quite important. Eight is the number we've been seeing a lot in the media. That's the number the union president gave us. If you have another number, though, I'd be happy to hear it.

I'm also wondering about the enforcement of the act. We know that imports get a lot more attention than exports because we think things aren't our problem any more once they leave the country. Shouldn't we be paying special attention to exports given that auto theft is such a big problem? I would imagine the same goes for drugs and firearms.

As lawmakers, can we give customs officers better tools to do their job, and do you think we should take a closer look at exports?

[*English*]

Mr. Aaron McCrorie: First of all, I'd like to apologize for not having the number, and I commit to providing you that number.

Yes. Historically, our primary focus has been on threats coming into the country, such as drugs and illegal firearms, but we do not ignore exports. We've had results in terms of seizing stolen vehicles over the last 10 years, for example. We seized almost 950 in the first three months of this year, and we're making a lot of progress.

It's not just about stolen vehicles. We also have a mandate to enforce sanctions and controlled goods, so the support of economic measures against Russia, for example, in the context of the war.

We also look at exports, but it's a question of balancing our priorities, and where the risks are. Stopping fentanyl from coming into the country is equally important.

The Chair: Thank you.

We'll now go to Mr. MacGregor, please, for two and a half minutes.

Mr. Alistair MacGregor: Thank you, Chair.

I want to use my two and a half minutes to quickly move a motion. It reads:

That the forest/wildland firefighters should be included under the firefighter category in the national occupational classification and that this be reported to the House.

I'm not sure whether proper notice was given of this motion by Mr. Julian, but I believe all committee members received a letter from the president of the National Union of Public and General Employees, outlining the expectation that we support this motion.

Given the growing devastation of wildfires in Canada, and the fact that the exclusion from the NOC of wildfire fighters has pretty negative consequences for those people, I'm hoping that, even though proper notice may not have been given, enough committee members around this table understand what we're trying to do as a committee, and that we can find our way to supporting this motion, and reporting it back to the House.

Thank you, Chair.

The Chair: Ms. O'Connell, please go ahead.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thanks. We support the intention of this motion, but we have a couple of minor technical amendments.

It would read, "That, in the opinion of the committee," striking out "the", "forest/wildland firefighters should be included under the firefighter category in the national occupational classification and that"—this is the new part—"pursuant to Standing Order 109, the government table a comprehensive response to the report." Just delete the part after that to make it consistent with committee motions.

We're supportive if these amendments are accepted.

• (1630)

The Chair: Ms. Michaud, go ahead, please.

[*Translation*]

Ms. Kristina Michaud: Thank you, Mr. Chair.

I was going to speak to the motion, but I can take this opportunity to comment on the amendment, since I am in favour of both the amendment and the motion. The Bloc Québécois believes it's extremely important to recognize forest firefighters as equal to regular firefighters with respect to their working conditions, particularly at a time when forest fires are happening so often across the country.

[*English*]

The Chair: Thank you.

Mr. MacGregor, go ahead, please.

Mr. Alistair MacGregor: I just want a quick clarification.

I think those amendments are definitely in order, but I just want to make sure that the amendment will make sure that it is reported to the House. We're expecting you, Chair, to rise in the House and we are then going to get a government response.

Is that how it reads, Ms. O'Connell?

Ms. Jennifer O'Connell: The way I have it is just, "Pursuant to Standing Order 109, the government table a comprehensive response to the report."

Maybe the clerk can provide clarity. I don't think there's an issue for us in terms of it being reported to the House. We just wanted to make sure that the government is given a chance to respond.

The Chair: Mr. Lloyd.

Mr. Dane Lloyd: I want to say at the outset that Conservatives are fully in support of this motion.

However, I do have some concerns because under the amendments, under Standing Order 109, the government's only required to provide a comprehensive response once 120 days are hit. Fire season, which is coming upon us very quickly, is likely to be over by then. I think it would undermine the positive momentum of bringing this motion forward and discussing this very important issue if we were to accept an amendment that allowed the government to basically not present anything to the House for 120 days.

I think we would like to see something come much quicker out of this, so that changes can be implemented as quickly as possible, if they're found to be warranted, for the support of our hard-working forest and wildland firefighters.

The Chair: Ms. O'Connell.

Ms. Jennifer O'Connell: It would still be reported to the House that this is the opinion of the committee. If Conservatives don't want a response, they don't have to read it, but I think it's important, if the committee sends an opinion to the House, that the government respond. Why would you not want that?

In terms of how many days, that's a maximum. I think to not support having a response doesn't do anything to undermine it and it would still present to the House and to the government this committee's support for this motion.

I think Conservatives are just playing games with that and that's unfortunate. I think it's clear that we support this. It's this committee's opinion to the House and we ask for a comprehensive response.

The Chair: Thank you.

Mr. MacGregor, just to be clear, we have an amendment to the motion over here. You're good with that.

Do you want to just follow through on what you discussed the last time, just to be clear so everybody understands it, including myself?

Mr. Alistair MacGregor: Certainly. I think that—

Mr. Chris Bittle: I have a point of order.

I think someone's taking a photo in the back.

A voice: I thought you were going to say someone was taking a cookie.

Mr. Chris Bittle: That would be upsetting as well, but I think someone's taking a photo. If that could be deleted from their phone....

The Chair: That's good.

Witnesses, you likely aren't very interested in what we're discussing at the moment, so you can depart.

Thank you so much for your testimony.

Go ahead, Mr. MacGregor.

• (1635)

Mr. Alistair MacGregor: Thank you, Chair.

It's technical amendments to the wording. The first part—"that in the opinion of the committee"—I think is valid.

Honestly, I didn't want us to take that long, but I think, to Mr. Lloyd's point, that's a regular standing order, so I think it is up to 45 days. I'm not sure we can do anything about that. That's kind of a standard standing order.

I'm prepared to accept it with the amendments, just as long as we get you to formally report it to the House, Mr. Chair.

Thank you.

The Chair: The would be a subamendment to the amendment. Is that your understanding?

Mr. Alistair MacGregor: Yes. With Ms. O'Connell's interjection referencing that standing order, my subamendment to the amendment would be—and perhaps the clerk can find a way to say this—"That the chair report this to this House, and that, pursuant to Standing Order 109". That would be my subamendment.

The Chair: Mr. Lloyd, go ahead, please.

Mr. Dane Lloyd: Thank you.

I'm very glad Mr. MacGregor brought up that very important point, because that is a subamendment that we could strongly support. We do want to see the chair report this important issue to the House. We do want to see a comprehensive report from the government. Hopefully it won't take 120 days, because I know there are stakeholder groups that have been calling on the government to implement this change since at least 2019. It's been five years and there have been some of the worst forest fires in Canadian history—if not the worst in Canadian history—and we still haven't had action from this government on this issue.

I am strongly in support of this motion and this subamendment. Hopefully we can get this dealt with quickly.

The Chair: We're going to move on. I'm going to call for a vote on the subamendment.

(Subamendment agreed to)

(Amendment agreed to)

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: We're going to suspend until we get our next witnesses in place.

• (1635)

(Pause)

• (1645)

The Chair: I will reconvene the meeting.

I would like to welcome our second panel of witnesses. In person, from the Canadian Vehicle Manufacturers' Association, we have Brian Kingston, president and chief executive officer; and by video conference, we have the Automotive Parts Manufacturers' Association, Flavio Volpe, president.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

Welcome to all.

I now invite Mr. Kingston, please, to make an opening statement.

Mr. Brian Kingston (President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association): Thank you, Chair and committee members.

Thank you for the opportunity to be here this evening and to participate in your study on car theft in Canada.

Auto manufacturers are deeply concerned about the rise of car theft in Canada. The industry is actively working with stakeholders, including the federal government, provincial and municipal governments, insurance and law enforcement to understand the challenges and find solutions to deter vehicle theft.

Manufacturers are continually innovating and improving anti-theft measures to strengthen vehicle security for their customers. Vehicle theft deterrence and security system enhancements that are under development or deployed include passive ignition immobilization, active warnings in the event of an unauthorized vehicle entry, dashcams with surveillance modes, parts marking, hidden VIN markings, stolen vehicle location services, software updates, supplemental unlock code entry in the radio and software lockdowns to prevent programming of extra key fobs, just to name a few.

Manufacturers alone cannot reduce auto thefts rates in Canada. Effective solutions to this crisis depend on correctly diagnosing the source of the problem.

Vehicle theft rates have grown much faster in Canada than in the United States since 2021. This is despite stronger regulatory requirements for Canadian vehicles in the form of the mandatory engine immobilizers and fitting of the same technologies in new vehicles in both countries.

The question is: What explains this divergence in theft rates if we have more secure vehicles in Canada by default? The answer is concerning. Sophisticated, transnational, organized crime groups have targeted Canada, where the risk of prosecution is low and the financial reward is high. To successfully combat vehicle theft, we need a comprehensive plan to target organized crime groups and close the export market for stolen vehicles. Such a plan should include the following action items.

Number one is funding for law enforcement. Law enforcement agencies require more resources to tackle vehicle theft like the auto task force that we just heard about. A dedicated auto theft reporting mechanism for the public would facilitate coordinated and expedited enforcement action. Expanded authorities for local law enforcement to access intermodal facilities based on stolen vehicle intelligence would also help stem the movement of stolen vehicles domestically.

Number two is Criminal Code changes. The profits generated through auto theft grossly outweigh the risk of capture, prosecution and sentencing for organized criminals. The Criminal Code needs to be strengthened so that there are real consequences for vehicle thieves.

Number three is resources for the Canada Border Services Agency. Investments into personnel, container imaging machines and remote VIN verification technologies would help stem the flow of stolen vehicle exports. The recent recovery of 598 stolen vehicles at the Port of Montreal underscores the vulnerabilities at our ports.

Number four is policy coordination. Auto manufacturers are being asked to increase vehicle security while simultaneously being regulated by right to repair legislation, including at the federal level, to provide full access to the data stored and transmitted by vehicles beyond what is needed for repair. This works directly against the efforts of auto manufacturers to keep vehicle systems secure.

Finally, no solution is complete without ongoing collaboration between manufacturers, government and law enforcement agencies. We are committed to continued engagement.

We thank you for the opportunity to be here today and present our recommendations, and we look forward to any questions.

Thank you.

• (1650)

The Chair: Thank you, Mr. Kingston.

Mr. Volpe, please go ahead.

Mr. Flavio Volpe (President, Automotive Parts Manufacturers' Association): Thank you to the committee members and chair for having us today to speak to this crisis and give our perspective as technology suppliers.

The APMA represents hundreds of suppliers to original equipment manufacturers of vehicles in Canada and around the world. That's hardware and software, some of which is used in vehicle security.

Some of those advanced technologies Mr. Kingston articulated are in high demand among automakers sourcing them in Canada. The industry in Canada ships \$35 billion worth of parts and sys-

tems a year, and we're a major international player. The industry suppliers, whether hard or soft, bid every car with the best technology available in the year of supply—meaning that, when Mr. Kingston's members are looking for the best cybersecurity, immobilizers and hardware to help with the security of vehicles, Canadian companies are well placed to do this and vend into that process every single year. The process is usually this: An automaker looks for specific engineering specs, and companies bid on them.

Advanced companies in this country came together to build Project Arrow—an all-Canadian vehicle prototype sourced and built entirely in Canada. On that vehicle, we demonstrated a series of technologies. A company called Myant out of Toronto did textile computing in the steering wheel and seats, which helps track the vitals and biometrics of drivers and passengers. Companies like Cybeats are on the leading edge of cybersecurity in software and building materials on the vehicle. When a vehicle is stolen, those types of technologies come into play for the owner, the company that assembled that vehicle and law enforcement.

We bid, from Canada, the best tech to assembly around the world, but we're mostly focused on North America. As you might expect, the competitive advantage when you own unique IP is that none of it is ever open source. You're not out advertising how that security technology works, because, for it to work, you also need to be discreet about it.

I'll close with a personal story that helps articulate where we are here.

I've had two vehicles stolen from me. One was in 1998 in a purely analogue world. The car was presumably hot-wired and taken off a lot, and that was the end of that. The insurance paid me out. I worked with the local police service to get the reporting to the insurance.

Very recently, in 2024, I had another vehicle stolen and the process was a bit different. This vehicle was plated in Ontario but stolen from a storage facility in the U.S. The thieves broke into the facility to get the keys. When law enforcement responded, their priority was the break-in. The vehicle was secondary, although we got to the vehicle in the reports within a day. I reported to the insurance company. Then I reported to the Ministry of Transportation in Ontario that a vehicle with Ontario plates was stolen. Then I worked with the automaker, which has its own GPS tracking, in order to give permission to the police to track the vehicle. It's two to three days for that process. By that point...

This is the only product that can get itself away from the scene of the crime in a unique fashion. It's very difficult to figure out where the vehicle is, especially if thieves are just as technically inclined as the companies that assembled it and immobilized those pieces.

It is a crisis, and we all own a part of it. I've spoken many times on this. Canadian technology suppliers and automotive suppliers are ready, willing and very actively demonstrating this technology and selling it to automakers around the world.

• (1655)

For us, the key is to create the environment and the funding for law enforcement to tackle this global issue. Ours is a small window of what's happening around the world in organized criminal activity in a very lucrative market. The product is gone rather quickly, and even the most earnest law enforcement and coordination amongst the industry takes a day or two or three.

Thank you.

The Chair: Thank you, Mr. Volpe. You're right on time.

Mr. Kurek, you have six minutes please.

Mr. Damien Kurek (Battle River—Crowfoot, CPC): Thank you very much to our witnesses.

I think it's a valuable conversation to have here. We had law enforcement in the first hour, and now we have some of those involved in the manufacturing process.

What I've heard from the government side is that auto manufacturers—and I would suggest that probably applies to auto parts manufacturers and those who are working to develop the technology—are not doing enough, that it mostly falls on the responsibility of the manufacturers.

In your testimony and introduction, you both stated how seriously you take this issue.

I'll start with Mr. Kingston and then go to Mr. Volpe. Could quantify for us what the members of your organizations are investing to help address this issue and then maybe tell us some of the targets you're looking at in terms of forecasting to see this very serious issue addressed?

Mr. Brian Kingston: Thank you.

I can't give you an actual figure as to what company investments look like. It's on an individual company basis in terms of what they spend and that would not be made public or available to me. What I can tell you is that I just listed off a handful of measures that manu-

facturers have put into vehicles. That's just an example of the investments and initiatives that are undertaken by manufacturers to try and stay one step ahead of organized crime groups.

We provided information to Transport Canada earlier this year that outlined in a very comprehensive fashion all of the measures and security features that are in vehicles. It's a constant evolution to try to stem the flow of vehicle theft. I think what we're seeing here is this divergence between theft rates in Canada compared to the U.S. It shows that we have a Canada-specific problem with respect to crime and the ability to move these vehicles out—we have more secure vehicles in this country, yet they are being stolen more frequently.

Mr. Damien Kurek: Mr. Kingston, it was alleged at an earlier meeting that manufacturers aren't hurt by the fact that when a vehicle is stolen, the person has to buy another vehicle. I'm wondering what you would say to that sort of suggestion.

Then, Mr. Volpe, I'm hoping you can answer the larger question here.

Mr. Brian Kingston: That's frankly preposterous. Manufacturers have a relationship with their customer through the dealership. They build that relationship over years. The last thing they want to have happen is to have a customer have their vehicle stolen and then they question the vehicle and the technology in it. That is absolutely not the case. A manufacturer wants their customer to feel safe and secure and to continue to come back to that manufacturer year after year when they need a new vehicle. They're investing heavily in this and need this crisis to end.

Mr. Damien Kurek: Thanks.

Mr. Volpe, I hope you can keep it to about 60 seconds, because I have a couple of questions I hope to get in.

Mr. Flavio Volpe: You don't know me very well, but I'll give it a shot.

The members of the APMA, the suppliers in this country, are trying to demonstrate that they are specifically capable of supplying cybersecurity, AI and machine learning, new tools to the auto sector. We did a demonstration project called Project Arrow. Project Arrow 2.0 is going to do a fleet demonstrating this technology.

Some of the capability of that technology is going to be restricted by things like privacy laws in this country. What the tech can do versus what a consumer might want to allow it to do or what a government might want a fleet of vehicles to do is where the rubber hits the road.

• (1700)

Mr. Damien Kurek: That's a great segue into my next question. I'll ask you both to respond, hopefully in about 30 seconds each, because I have one request that I want to leave with you.

In the weeks after Ukraine invaded Russia as.... I'm still involved in my family farm and I had to chuckle when the Russians stole a whole bunch of farm equipment from a Ukrainian farm dealership, but when they got it to Russia, it was all immobilized. The reason I chuckled was that it served them right, and they didn't end up being able to use, in that case, the John Deere farm equipment.

I'm wondering if you could both quickly comment on immobilizers and things like that. How can we get more of that tech so that, whether it's a circumstance like a war or whether it's a vehicle stolen out of someone's driveway, we can make sure that the vehicle is not worth stealing?

Mr. Kingston and then Mr. Volpe, please comment as quickly as you can, because I do have that one last request.

Mr. Brian Kingston: Very quickly I will say that every vehicle sold in Canada has an immobilizer. That's part of the Transport Canada regulation that is in place. That's a technology that is currently in place, but again, because this is sophisticated organized crime, they invest in ways to get past it.

Mr. Damien Kurek: Mr. Volpe, do you have anything to add?

Mr. Flavio Volpe: I wouldn't add anything more to that. I think Brian hit the nail on the head.

Mr. Damien Kurek: How do we make sure those immobilizers actually stop the vehicles?

Mr. Flavio Volpe: Speaking from the point of view of a parts supplier, I will say that you can make the most sophisticated immobilizer. You sell it to a human being. That human being owns that vehicle and maintains and services that vehicle, but it might be three, four, six or eight years out from when you made the immobilizer. Vehicles are different from some of the updates people run on their own phones.

Mr. Damien Kurek: Perhaps I could make this final request. If there are any best practices—and I know you have members who have operations in different countries as well—I would invite you to submit best practices from other like-minded jurisdictions, from Canada's allies, if there are things this committee should take into consideration when we develop a report.

Thank you all.

The Chair: Thank you, Mr. Kurek

We're moving on now to Mr. McKinnon.

Go ahead, please.

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Mr. Chair.

I want to carry on with the discussion of what manufacturers can do to prevent thefts. During the national summit to combat auto theft, we heard about consumer hacking devices.

I'm wondering if each of you could describe those kinds of devices and how they're used.

Mr. Brian Kingston: Chair, I can start. Thank you.

As was explored and discussed at this summit, there are numerous devices available from very well-known websites that can help

replicate key fobs. There's even something as simple as a slim jim to help you break into a vehicle. There are many devices out there.

The government has taken the right step by starting to ban some of them, but I want to be clear that the day after something is banned, a similar device that accomplishes the very same outcome is released and sold in Canada, so it's a very difficult task to stay ahead of all of these third party, aftermarket and, in many instances, illegal devices that are available to thieves.

Mr. Ron McKinnon: Mr. Volpe, go ahead.

Mr. Flavio Volpe: I think our only comment on that is that the industry doesn't have a monopoly on capable people who are designing and redesigning tech. We're certainly able to regulate what comes out of our factories and out of our labs, but some of the motivation in the criminal sphere in this space might be that it is more lucrative to work on devices that hack the original coding.

These are sophisticated and, as we said at the national summit, it's important that government and law enforcement be able to take some of these devices off the market or at least make them unavailable through things like Amazon, if you can regulate that. Certainly you can't regulate what people are willing to trade in person in dark corners, but let's try to make it a little harder.

● (1705)

Mr. Ron McKinnon: I've heard stories of people surreptitiously recording the output of a key fob when somebody uses it and then replaying that back to the vehicle and hacking into it in that way.

Is that a real scenario?

Mr. Flavio Volpe: I certainly am not the technical last word, but anything that goes out over the airwaves can be intercepted. In some cases, criminal motivations are just as strong as commercial motivations.

Mr. Ron McKinnon: What I'm thinking of is data encryption and so forth. Secure communication is a byword in electronics these days, in computer technology. I'm wondering if these fobs have one-directional communication with the vehicle or whether there's a bidirectional conversation that can share asymmetrical encryption to lock down the communications in a very robust way.

Mr. Flavio Volpe: Mr. McKinnon, you sound smarter than me, but I'll say this: Electrified vehicles, especially, are becoming 400- and 800-volt platforms that can platform all kinds of applied technology. The vehicles themselves have more code in them than commercial airliners.

It is the latest and the best technology, including encryption technology, that goes out in vehicles these days. It's just that they get sold. Once they're sold, unless the vehicles are connected over the airwaves with permission from the customer, it's not difficult to see how a two-year-old vehicle or an eight-year-old vehicle might be an easier mark for criminals.

Mr. Ron McKinnon: Thank you.

I don't remember who spoke of it, but one of you spoke of vehicle locating services. That is of interest to me in terms of potential breaches of privacy.

How do we enable vehicles to be tracked in that way without impinging on personal privacy?

The Chair: I'm going to have to cut you off there. Hopefully one of your colleagues can pick up on that.

We're going to move now to Ms. Michaud, please.

[Translation]

Ms. Kristina Michaud: Thank you, Mr. Chair.

I thank the witnesses for being here. It's always appreciated.

The president of Équité Association testified before the committee and told us about theft prevention technologies in use by U.K. automakers. I always find it interesting to compare ourselves to other countries. She told us that automakers are installing software security patches that prevent thieves from taking control of a vehicle's controller area network. These are fairly simple technological solutions that help prevent cars from being stolen. Apparently, U.K. automakers were moved to take action after insurers deemed certain frequently stolen vehicles uninsurable or requiring annual premiums of over £10,000.

Mr. Kingston, have automakers considered this type of approach for Canada? I don't want us waiting for insurance companies to tell us that they're no longer willing to insure a particular kind of vehicle. We're starting to get a pretty good idea of the types and models of vehicles that are most frequently stolen. People even joke that it might be better to have an old car because it's less likely to be stolen. This is an area where technological advances have more cons than pros. Have automakers taken any action to address this?

[English]

Mr. Brian Kingston: I can't speak specifically to the technology you mentioned in the United Kingdom, but I'm happy to look at it to see if that's one of the technologies being implemented by manufacturers here.

Again, I just want to underline one key point. There is no single technology that will eliminate vehicle theft if we continue to have a thriving organized crime market in this country. There will always be investments made into technology to get past vehicle security systems, given that, as we heard at the auto theft summit, these organized crime groups are earning between \$40,000 and \$80,000 per vehicle that they get out of this country.

I just want to be clear that multiple technology solutions are being applied, but there's no silver bullet here, given the amount of profit that is being earned in this market.

• (1710)

[Translation]

Ms. Kristina Michaud: Thank you very much. I understand. Obviously, if there were a magic solution, we'd know it and we'd already be using it. It does seem to me that a number of things can be done, though.

The Minister of Innovation, Science and Industry was talking about banning certain technological devices, but people quickly responded that this would not solve the problem.

At one time, everyone was buying wallets or metal thingies to prevent people from reading credit cards for fraudulent purposes. When you buy a car, the automaker always gives you a little key chain as a gift. Couldn't people get some kind of device that protects the car's electronic key from being read so it can't be copied? We've heard about the practice of getting very close to someone's house and being able to read the car key hanging in the foyer right through the front door. A lot of little things like that can be done, but I don't know if they're feasible.

There's another example I've talked about here. I have an app I can use to start my car remotely. Sometimes, when I get somewhere, I get a notification on my cell phone that tells me my car is parked in such and such a spot. I know that; I just parked it there myself. Still, I find this kind of geolocation system interesting. Couldn't that be used to send me a notification when the car has just been started if I'm not the one who started it? Are you looking at solutions like that, too?

[English]

Mr. Brian Kingston: These are all the types of technologies that are either investigated or implemented. For something like a key fob, one tool is putting in a Faraday bag as a way to block the signal.

It's important to remember that the key fob was introduced in part to address the rise in the hot-wiring of keyed vehicles. We have been asked why we don't go back to a key. The key system was overcome because thieves realized that there was a way past it. When key fobs were first introduced, they did deter theft, but now people are finding a way past that.

When manufacturers find ways to reduce the ability for someone to capture the signal, what we're now seeing is that they just come right into your house, so we're seeing this rise in carjacking. I think we also have to be careful. If you make a vehicle totally impenetrable and you don't address the theft issue we have in this country, the crime problem, organized crime groups will then come into your house, which is also a very bad outcome here.

Again, I think we have to be careful around the technology. Solutions are out there and constantly being implemented and updated, but if you don't address the crime, it's not going to stop the theft.

[Translation]

Ms. Kristina Michaud: I do think we need to take a comprehensive view of this problem. All stakeholders have a role to play, including police services, the Canada Border Services Agency and automakers. I appreciate that you seem to be working on this issue.

The government hosted the national summit on combatting auto theft, which was a great opportunity to get everybody together at the same table. Have you continued discussing these issues with the government since the summit? Are the Canada Border Services Agency and police services collaborating? Do you feel that you're part of the conversation, or do you feel a bit left out?

[English]

Mr. Brian Kingston: Yes, we do feel like we're playing a part. We were at the national summit. We continue to engage with Public Safety and the CBSA. The manufacturers themselves deal directly with law enforcement agencies, so when thefts have occurred, we have direct communication with law enforcement to try to both track vehicles as well as address vulnerabilities that they raise so, yes, there's constant engagement.

The Chair: Thank you.

We're moving on to Mr. MacGregor, please.

Mr. Alistair MacGregor: Thank you, Mr. Chair.

I would like to thank both associations for being here today. I think your testimony is going to be very valuable for our final report.

Mr. Kingston, I will turn to you. In the first hour of today's meeting, I was asking the Ontario Provincial Police, Detective Inspector Wade, about the communication link among police, insurers and car manufacturers. When police recover a stolen vehicle, their investigation will almost always show how the vehicle was stolen, etc. They made mention of the fact that they do recover fobs that were programmed to allow for easy access.

I guess now I want to turn it to the opposite end of the spectrum. How does your association view those reports? I totally get your point. This is like an evolutionary arms race. Every time you come up with a new technology, thieves, of course, are going to try to overcome it.

Very broadly speaking for this committee's benefit, how do those police reports and aggregate data make their way back to you, and how is your association trying to learn from them and improve?

• (1715)

Mr. Brian Kingston: That's an excellent question. There's a constant engagement directly between the manufacturers and law enforcement agencies. They have teams that, when they do recover a vehicle, will investigate how it was stolen, what technology was used and what systems were perhaps overcome. That information is shared with manufacturers so that, as they investigate new ways to implement improvements to vehicles, they have that data and can understand and evolve the system.

It's a constant discussion between law enforcement and auto manufacturers, and they all have dedicated teams that focus on this specifically.

Mr. Alistair MacGregor: You made mention of Criminal Code changes. Again, in the first hour, I was explaining to police our conundrum as policy-makers. I have been a member of Parliament for eight and a half years. I have had previous roles on the standing committee on justice. I have taken those deep dives into the Criminal Code. If a judge wants to, there are numerous sections I could

cite that they could make use of right now to make a sentence high enough that we think they would be a deterrent.

With that in mind, do you think that Crown prosecutors need to be pushing ahead with a firmer sentence by asking the judge to be a bit more harsh? This is the conundrum we find ourselves in as policy-makers. We want to be effective, but I don't think that just focusing on the Criminal Code is going to do the job here.

Mr. Brian Kingston: Yes, I'll admit that I'm getting out of my depth when I get into the Criminal Code and the role of the judge and prosecution, but yes, I think it's both. I think that strengthening the Criminal Code sends a signal that there are very clear and punitive penalties to people who choose to engage in frequent car theft.

However, I also take your point and I think it's accurate that there could be longer sentences given, and we're not seeing that. I can't explain the reason for that, but we continue to hear examples of people who have been caught stealing multiple vehicles and are somehow getting very short sentences. I don't understand why that's happening, but it can't continue to happen if this is going to be addressed.

Mr. Alistair MacGregor: Yes, I agree with you that the sentences are on the books. It's just a question as to why they're not being handed down, so thank you for that. I appreciate that.

Mr. Volpe, I'd like to turn to you.

You had made mention of some of the technology that exists in terms of biometrics. I've lost my iPhone before and I have been able to use my computer to track down exactly where it was located. Every time I log on to my iPhone, facial recognition is used. We use facial recognition technology so that we can vote remotely, as members of Parliament.

You were talking about biometrics and how technology can be inserted into the seat cushion to determine the driver's weight. I am pretty sure technology could be used to discern whether a car is going through different driving habits, maybe going in a different route from what it's used to.

If this technology already exists in helping us recover our iPhones or to use them every day, is this the next step, then, that needs to be put into cars more often? I'm just wondering if you could expand a little bit on that.

Mr. Flavio Volpe: Sure, that technology is available and in many cases is deployed by automakers around the world, and it is increasingly demanded by automakers in their relationship with law enforcement where they're sharing data. Those automakers then share that data, and that drives the R and D and procurement with suppliers.

Comparing your phone to a vehicle, where the differences come in is that your phone is usually a personal item tied to you, and every time you do a software update or an app, there are questions. You get a request of whether you'll allow it to track you, etc.

A vehicle is used by multiple people, multiple drivers, passengers who aren't involved in an ownership relationship there. I think the question of whether the technology exists is settled—it's there, it can be deployed. It's a question of whether as a society we are prepared—owners are prepared, passengers are prepared—to give permissions that infringe on a lot of different things in the umbrella of privacy in exchange for a more secure relationship with your car, your friend's car, a car you're in, a ride-share or a car that you're frankly just walking beside. Sensors are not just internal, they're also external.

It's a wider societal conversation that's happening in a different silo from the conversation we're having about theft security on most vehicles.

• (1720)

The Chair: Thank you.

Mr. Hoback, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I want to thank both these witnesses for being here today, but I also want to thank them for their work back in 2021 on Build Back Better, fighting that legislation in the U.S. to make sure we still have an auto sector here in Canada worth talking about.

If it weren't for their hard work...and I know you were a key member, Mr. Volpe, in making sure the government was aware of what was actually going on down there.

I know you did a lot of work in Washington, too, Mr. Kingston, so I just want to make sure you get patted on the back and get the credit you deserve.

Mr. Kingston, you talked about new technology. I bought a new truck about a year ago. About six months later I went into Saskatoon and I thought I'd start my new truck in the parking lot so it would be nice and warm when I got into it. On my app it said that it had a couple of flat tires; that sucked, it was a new truck. I went out to the parking lot to see the new truck, and the tires were good, but it had not started. What in the world was going on? I looked on the app and it was my old truck in Redwood Falls, Minnesota, that had just started up and had two flat tires.

That's an example of how technology really can't be trusted necessarily, no matter how good it is, to alleviate that, and you've talked about this many times. Maybe AI will improve that. There are always new technologies.

It comes back to what is happening in regard to Canada being the place where these thefts are happening versus other jurisdictions around the world, and it has to come back to the legal system.

We've heard Alistair talk about that capacity in the legal system, but it seems like the judges don't want to exercise their ability to actually put in harsher sentences, especially with repeat offenders. I don't think anybody wants to go after somebody who just went out for a joyride and they're 16 years old—we don't want to destroy their lives over that—but with somebody who is part of a gang that's been doing this over and over again, you definitely want to make sure they don't do it again.

Do you see that happening here in Canada, in different areas of jurisdiction, where maybe one area is more severe and the judge is actually clamping down on this versus other areas of Canada?

Mr. Brian Kingston: No, we don't see any differentiation in jurisdictions in Canada with regard to sentencing.

What we're seeing right now is that the main hotbed for this activity is really tied to the location of the port where these vehicles can be exported, so that's where most of the crime is occurring. However, in terms of sentencing, I haven't seen any evidence of longer sentences or terms handed out in different parts of the country.

Mr. Randy Hoback: That's a good point because the CBSA just said today that it didn't really matter now, that it could go to Montreal or Vancouver, that it's the same criminals stealing the car, so the car still comes out of Toronto or Ontario.

Have you heard any reasoning on why we're not seeing harsher sentences being delivered to these repeat offenders?

Mr. Brian Kingston: It's not clear to me. I think there are two components. I think the Criminal Code needs to be strengthened so that there are clear mandatory sentences for repeat offenders so that it is known that the sentencing judge will implement that mandatory minimum.

With respect to an actual judge sentencing and whether or not that judge has the ability to provide longer terms, I'm not sure. I don't know why that wouldn't be the case, particularly with repeat offenders. I do think that is part of it, but I think the changes to the Criminal Code are particularly important.

Mr. Randy Hoback: [*Inaudible—Editor*] reward for the little risk they face. Is that fair to say?

Mr. Brian Kingston: That's it. What we're seeing, given that the Canadian theft rate is so much higher than that of the U.S., is that it's clear that the risk-reward equation, if you will, is out of whack in this country. That's why Canada is being targeted.

Mr. Randy Hoback: So, it's not because we have better port infrastructure or better rail infrastructure; it's because we lack a legal system.

Mr. Brian Kingston: That is clearly one of the reasons—and the ability to get the vehicles out of market.

Mr. Randy Hoback: Mr. Volpe, I know you do a lot of parts manufacturing and that you supply to different vehicle manufacturers. Isn't there something we can do on the technology side? Can't we put a geolocator on so that, if that vehicle ends up in Europe or northern Africa or a place like that, basically the engine blows, is just no longer functioning? Can't we be that harsh so that it takes away that incentive for organized crime to take these vehicles and get them offshore?

• (1725)

Mr. Flavio Volpe: First, let me say thank you on the Build Back Better... I know you burned up the lines between Ottawa and Washington, D.C. The industry thanks you for your effort there as well.

Yes, that technology does exist, and it is installed in most, if not all, of the new vehicles. I'll just use the anecdote of the current vehicle that I'm trying to get tracked through law enforcement. Usually when you deal with the company that's tracking the vehicle, it's either the automaker or the automaker's third party partner. They are getting a sight-unseen call or communication from the owner. You do some verification, yes, but you have no way of knowing whether that person's intentions are as noble as they say: "By the way, I'm reporting my stolen car. Please go track it down."

There's always a link between that company and law enforcement. They don't communicate back to the owner.

The Chair: Thank you.

Mr. Schiefke, you'll be our last one.

Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.): Thank you very much, Mr. Chair.

Thanks to our witnesses for being here today.

Mr. Kingston, you're referencing, in many of your remarks, that this is somewhat of a Canadian problem. Can you explain to the committee why it is that the United States, Britain and most of Europe have also seen significant spikes in car thefts if this is something that is solely a Canadian problem?

Mr. Brian Kingston: The divergence that I'm talking about began in 2021 and continued through 2022, when we saw a significant divergence between Canadian theft rates and U.S. theft rates. The theft rate increased in Canada by 27% in 2022. In the U.S., it increased by 11%.

What we have seen recently, though, with regard to your point, is an increase in theft rates in other markets as well. Canada, in many ways, was the canary in the coal mine, and now you're seeing this activity shift to other markets.

Mr. Peter Schiefke: Thanks for confirming that.

This isn't a Canadian problem. This is something happening all around the world. I mentioned this in my previous remarks at a previous committee meeting. We're seeing a hundredfold increase in the United States, in Britain and in many countries in Europe.

I mentioned this also previously in another meeting. The companies you represent—Ford, GM and Stellantis—had profits last year of roughly \$45 billion combined, which is \$45 thousand million. The question that I had for the witnesses that day, which they were unable to answer—and this is a question I have for you—was this: How much of that is being spent to ensure that the second-largest expense that Canadians have is being protected from theft? How much is being spent? Last year, of that \$45 billion, how much was spent in research and development to make cars harder to steal?

Mr. Brian Kingston: That would be a company-specific number that I don't have. I'm happy to look into it. Again, I just want to underline that there is no amount spent on technology—

Mr. Peter Schiefke: Mr. Kingston, that was the question I had. If you can't answer that question, my second question for you is this. Appearing before this committee, it would be reasonable to think that questions would be: What are the auto manufacturers doing? How much are they spending on making their cars harder to steal? The fact that you don't have a number to provide to this committee

so that we can verify whether or not the auto manufacturers are indeed doing their part to counter this massive increase of thefts of the second-largest investment that Canadians make is simply unacceptable.

The average car in Canada has gone up in cost by 30% since 2019. The average cost is now \$45,000. Why are they easier to steal now, when they cost 30% more and when they have more technology in them, than they did previously?

Mr. Brian Kingston: Respectfully, I did provide you a list of all the measures that are being undertaken. We've also provided a comprehensive list to Transport Canada that outlines all the different vehicle security systems that have been put in place. While I can't give you a number, we have provided comprehensive information to the federal government on all the measures that are in place.

I also want to be clear that we can't make all this information public because that would be handing it over to the very groups using this so that they can find ways around these systems, so there is an element of this that needs to be kept secure.

• (1730)

Mr. Peter Schiefke: Mr. Kingston, I completely understand that. The one thing I'm trying to figure out here is how much of the burden of this your three manufacturers, who made \$45 billion in profits last year, are bearing so that less of the cost is passed along to consumers. Putting it in laymen's terms here, even though you submitted all those methods that have been put into place to make cars harder to steal, Mr. Shipley, in his line of questioning, had mentioned, I believe, a child or a young man, younger than the age of 15. The CBSA and the RCMP had referenced the fact that we now have 15- to 20-year-olds who are able to steal these vehicles. How is it that, with a \$45,000 price tag, with record profits being made by your three manufacturers—\$45 billion—with all the technology you're putting in, a 15-year-old can steal your vehicles with something they bought on Amazon?

Mr. Brian Kingston: It's simple, because Canada has been targeted, where the reward to organized crime groups is high, and the risk of being prosecuted is low.

Mr. Peter Schiefke: Mr. Kingston, I just pointed out that the United States, Britain and many European countries have seen significant increases. This is not a Canadian problem. Why is it that 15-year-olds, regardless of where they are around the world, are able to steal your product, which is a \$45,000 product that is supposed to have the highest tech possible to protect the consumer who purchased your product and does not want to wake up one morning and see that their car has disappeared from their parking lot?

Mr. Brian Kingston: Just to be clear, it is a Canadian problem. I did outline the data that shows a significant spike in theft rates in Canada compared to the United States, despite the fact we have more secure vehicles by default, so there is something unique occurring in Canada.

Mr. Peter Schiefke: Mr. Kingston, I would like to point out a quote from Terri O'Brien, from Équité Association, who works to try to curb the theft of autos and to put a cost on auto thefts in Canada. They said that in the United States "Last year, they lost one million vehicles...we lost...100,000 in Canada. They're 10 times our population. Similarly, the state of California lost 100,000... They're 38 million...[which is roughly the same population as us]".

Are you calling them liars?

The Chair: Thank you.

An hon. member: Let him answer it.

The Chair: You were just the one telling me to hurry up, and now you're telling me to let him answer. I think we know the answer.

Thank you, Mr. Kingston.

Thank you, Mr. Volpe.

Before we go, I have a couple of reminders.

I'd like to remind committee members that there will be an informal meeting with the Ukrainian delegation on Thursday from 10:15 a.m. to 11:15 a.m.

Finally, note that the visit to the Port of Montreal will be Monday, May 13. The clerk is currently working on a draft program on logistics.

We also have Bill S-210. We need to create a deadline for witnesses so that the clerk can start working on it. You can bring this back Thursday, but maybe think about it.

Yes, Alistair.

Mr. Alistair MacGregor: I'm sorry, Chair, I have just a quick question.

Because I've recently made the transition, I'm just wondering if the clerk can send some of those recent deadlines to me and to Adam Moore, my assistant, so we're back up to speed on everything.

Thank you.

The Chair: Certainly.

We're adjourned.

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