Canada's Ship-Source Oil Spill Preparedness and Response

Metchosin Emergency Program August 18, 2015

Canada's safe shipping system is comprehensive

 Objective: To protect communities and the marine environment.

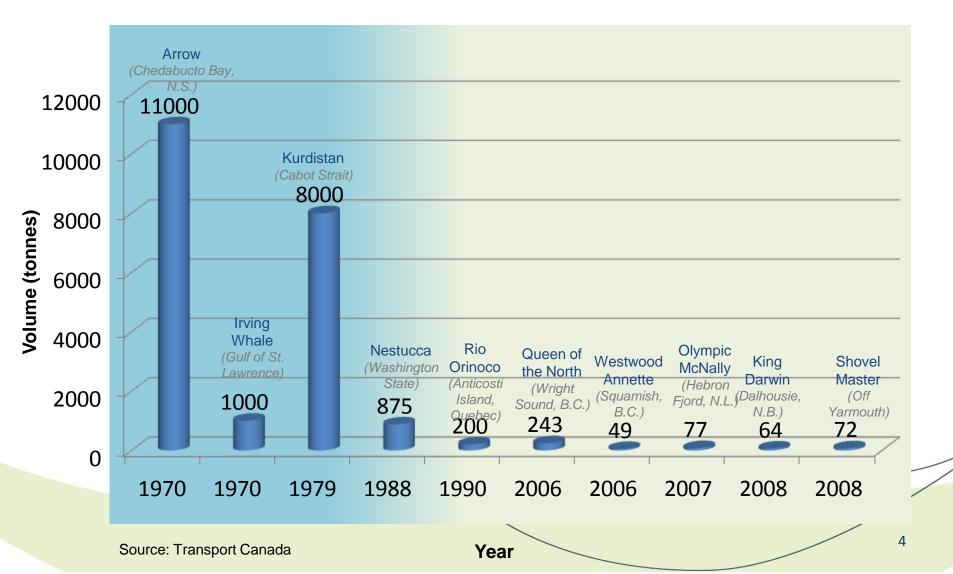
Based on international conventions, the domestic marine safety framework is broad:

- Vessel construction
- People: crew and passengers
- Operations including reporting
- Safe navigation: vessel routing and vessel traffic control, pilotage
- Environmental protection
- Oversight and enforcement

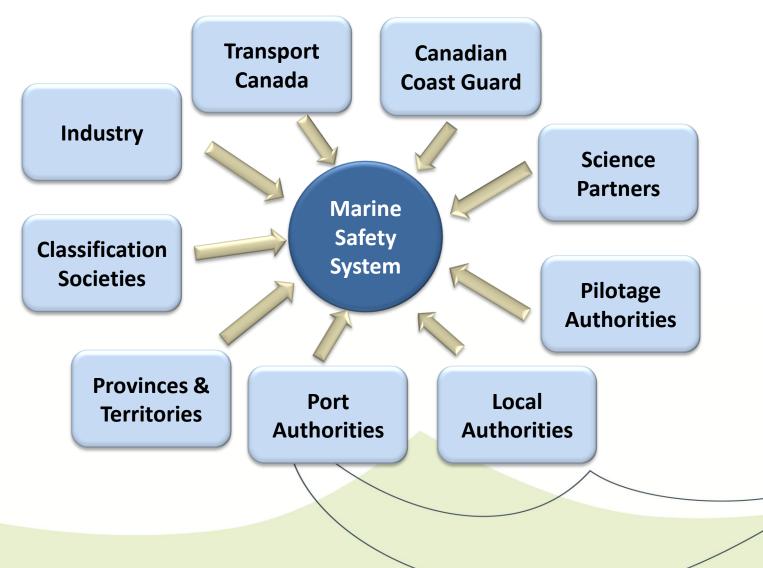
Recent focus on safe shipping is not new

 Nestucca oil spill, Washington State 1988 • Exxon Valdez oil spill, Alaska 1989 • Brander-Smith Panel appointed in Canada 1990 Establishment of Canada's oil spill preparedness and response regime 1995

Canada has not had a major spill in decades, despite increasing traffic volumes



A system built on partnerships



Federal Partners in the Regime

Canada's oil spill preparedness and response regime has been in place since mid-1990s.

Transport Canada

- Leads legislative and regulatory oversight
- Certifies Response
 Organizations (ROs)
- Sets planning standards for response time and capacity
- Monitors and enforces compliance
- Plans places of refuge
- Ensures it's the polluter who pays

Canadian Coast Guard

- Coordinates marine communications
- Acts as Incident Commander
- Ensures an appropriate response
- Determines when the response is complete
- Develops cross-border contingency plans

Environment Canada

- Provides scientific advice on:
 - Oil and its trajectory
 - o Weather
 - Wildlife
 - Shoreline cleanup

Other Partners in the Regime

Shipowners

- Develops Shipboard Oil Pollution Emergency Plans
- Enters into contractual arrangements with Response Organizations
- Responsible for reporting pollution

Response Organizations

- Has arrangements with shipowners and oil handling facilities
- Plans for capacity and equipment in strategic locations
- Funded by industry through a Bulk Oil Cargo Fee and membership fees

Other levels of government

- Integrates their emergency management plans
- Considers waste and wildlife management
- Helps with public communications

Role of CCG in Oil Spill Response

When the polluter accepts responsibility

The polluter (shipowner) leads the response

can step in to ensure the response is appropriate

When the polluter is unknown, unwilling or unable

CCG commands the response

Chronology of an Oil Spill

(When the shipowner accepts responsibility)

Shipowner notifies CCG and contracts Response Organization

CCG notifies federal family and EMBC. EMBC fans out to municipalities and First Nations.

CCG stands up ICS

RO mounts a response according to times and capacity of planning standards



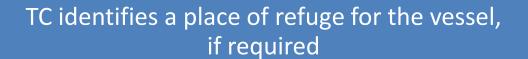
Municipalities manage the public

RO booms, skims, contains, protects sensitive areas, cleans up shoreline

Affected parties advise on sensitive areas

TC deploys aircraft to survey extent of spill

EC models and predicts behaviour of spill

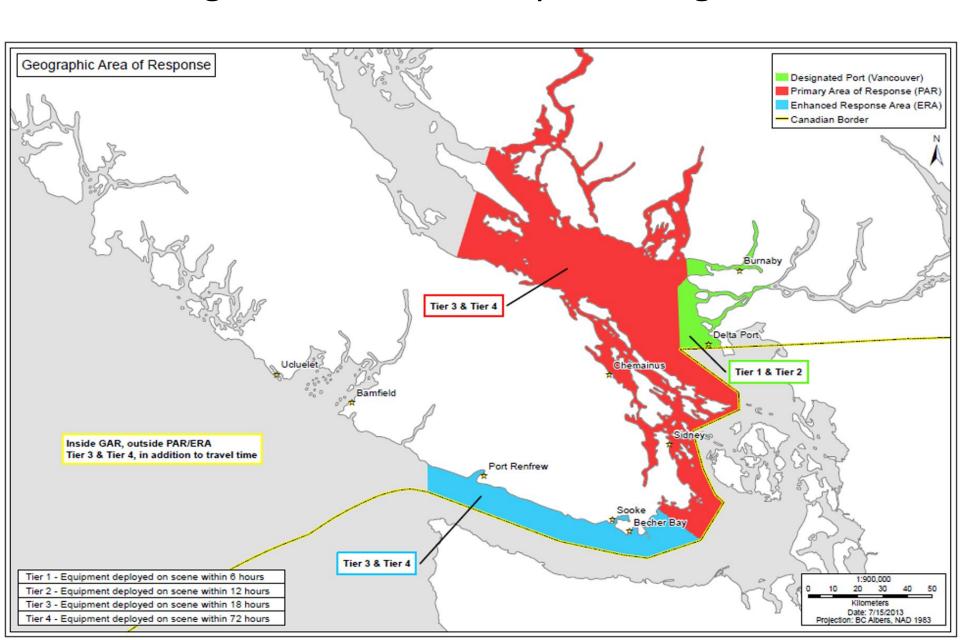


CCG determines when the response is complete

TC investigates and prosecutes under the Canada Shipping Act 2001

Agencies review lessons learned

Planning Standards for Response Organizations



Polluter Pays: Spills of Bunker Oil

Spills of bunker fuel from ships other than oil tankers are covered by the Bunkers Convention

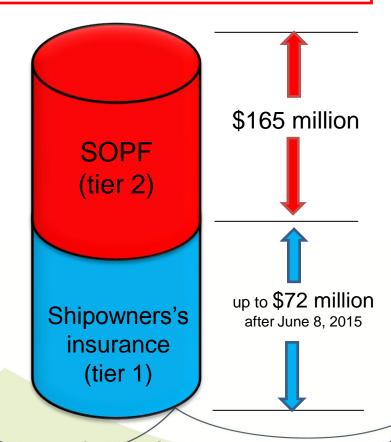
Tier 1 – Shipowners' Insurance

 Shipowner is first strictly liable, backed by compulsory insurance.

Tier 2 – Ship-Source Oil Pollution Fund

• Pays compensation once shipowner's liability is exhausted.

Up to \$237 million or more for clean-up and compensation for a spill of bunker



Based on a typical large vessel on Canada's north coast of 100,000 GT. Actual amounts would be based on a vessel's tonnage. Amounts shown are based on an exchange rate in May 2015 of 1 SDR = CDN\$1.6. On June 8, 2015 the shipowner's liability will increase by 51%.

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Polluter Pays: Spills of Persistent Oil

Polluters are liable to pay claims for oil pollution damages in Canadian waters

Tier 1 – Shipowners' Insurance

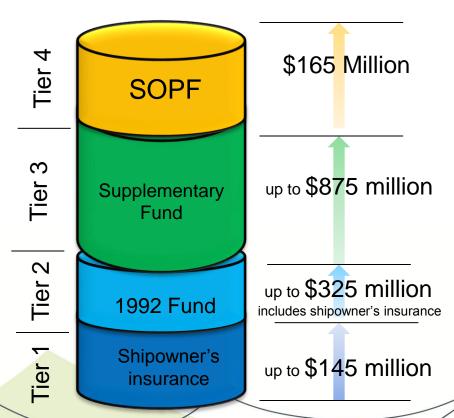
• Shipowner is first strictly liable, backed by compulsory insurance.

Tiers 2 & 3 – International Funds

- Pays compensation for oil pollution from oil tankers once ship owner's liability is exhausted
- Contributions by oil industry

Tier 4 – Ship-Source Oil Pollution Fund

 Pays compensation in the event that claims exceed the compensation available under Tiers 1, 2 and 3, depending on the particulars of the incident Up to about \$1.37 billion available for clean-up and compensation from spills of persistent oil



Actual amounts would be based on a vessel's tonnage. Amounts shown are based on an exchange rate in May 2015 of 1 SDR = CDN\$1.6.

Further Reading

Tanker Safety Expert Panel reports:

http://www.tc.gc.ca/eng/tankersafetyexpertpanel/menu.htm

- Phase I: 45 recommendations to enhance Canada's oil spill preparedness and response regime
- Phase II: 17 recommendations to create a regime for hazardous and noxious substances; 1 recommendation on marine casualty management

IOPC Funds claims manuals:

http://www.iopcfunds.org/publications/

The Canadian compensation regime SOPF:

http://sopf.gc.ca/

Canada's Safe Shipping System

Environmental Protection

PREVENTION

- Vessel traffic services
- Vessel routing measures
- Aids to navigation
- Nautical charts
- · Weather and sea state
- Icebreaking services
- Crew certification
- Vessel construction standards
- Pilotage
- Vessel inspections
- Port State Control
- Marine security

PREPAREDNESS AND RESPONSE

- Incident command
- Response organizations
- Places of refuge
- Science table
- Aerial surveillance
- Regional advisory councils
- · Search and rescue
- Cross-border contingency plans

LIABILITY AND COMPENSATION

- Polluter pays principle
- Compulsory insurance
- International and domestic funds
- International consistency
- Adequate compensation

Safe and Efficient Shipping