

## **REPORT OF THE WORKING GROUP ON DOMESTIC VESSEL REGULATORY OVERSIGHT**

### **Agenda**

1. Introduction and Approval of Agenda.
2. Industry representative presentations on various topics related to the scope of this WG.
3. Statistics and data regarding the Canadian fleet.
4. Moving Forward with Delegation and Authorization:
  - Update on the Delegated Statutory Inspection Program including proposed update to the Agreement and TP 14612.
  - Update on the Canadian Alternate Compliance Program.
  - Update on the Small Vessel Compliance Program (Blue Decal Initiative).
5. Discussion regarding the Safety Management Systems (SMS) discussion paper and proposed implementation framework.
6. Update on the Code for Recognized Organizations
7. Other Business.
8. Tentative agenda items for the next CMAC meeting.

The meeting of the Working Group, held on Thursday, November 4, 2010, was co-chaired by Julie Gascon, Transport Canada; Cliff Harvey, Transport Canada; Phillip Nelson, Council of Marine Carriers; and David Kattler, BC Ferry and Marine Workers Union.

### **1. INTRODUCTION AND APPROVAL OF THE AGENDA**

Julie Gascon introduced herself, Cliff Harvey, Dave Kattler, and Phil Nelson, as co-chairs of the Working Group on Domestic Vessel Regulatory Oversight. Julie Gascon asked that if anyone has questions related to the issues discussed in this Working Group between meetings, that if they are from a union group, they be directed through Dave Kattler and if they are from an industry group, they be directed through Phil Nelson.

Julie Gascon asked for approval to amend the agenda by removing item number 2, since the industry representative who was scheduled to speak could not attend the meeting. The agenda was adopted with the proposed amendment.

### **2. INDUSTRY REPRESENTATIVES PRESENTATIONS ABOUT VARIOUS TOPICS RELATING TO THE SCOPE OF THIS WORKING GROUP**

This item was removed from the agenda.

### **3. STATISTICS AND DATA REGARDING THE CANADIAN FLEET**

Julie Gascon reviewed statistics of the size and composition of the Canadian domestic fleet. Marine Safety considers these statistics when developing new programs to ensure that they meet the needs of the Canadian fleet. Documents highlighting the statistics were made available to all participants.

Gina Johansen, Fish Safe B.C., requested some clarification on the fishing vessel statistics and how fishing vessels fit into the categories that were presented. Another request was made to better describe which types of vessels were included in each category. These changes will be made to the documents and the documents will be made available to the Working Group participants.

#### **4. MOVING FORWARD WITH DELEGATION AND AUTHORIZATION**

##### **Update on the Delegated Statutory Inspection Program (DSIP)**

Cliff Harvey provided the Working Group an update on DSIP. The main update was that Marine Safety will continue to phase out partial delegation. All vessels in DSIP will be fully delegated. The DSIP Liaison Officers and their colleagues at Headquarters are also working to develop clear and simple work instructions for the Program. Changes to the Ship Inspection Reporting System (SIRS) are under development to improve Transport Canada's ability to systematically collect data, which will allow us to focus our resources on the Recognized Organizations and Authorized Representatives that need the most support.

##### **Update on proposed amendments to the Agreement and TP 14612**

Julie Gascon provided an update on the amendments that are being made to the Authorizations and Agreements that Transport Canada has with the five recognized Classification Societies. The amendments will allow Classification Societies to provide certain services, such as tonnage measurement, load line certificates, and type approval of certain products, to vessels that are not in class or enrolled in DSIP.

A request was made as to whether the agreements can be reviewed by industry. Julie Gascon replied that she will find out if she can release the documents to the general public and clarified that the agreements are bound by international laws so there is nothing in them that would be a surprise.

TP 14612, the procedure for having life-saving equipment and structural fire protection products approved, is still being updated to reflect the changes that are being made to the Agreements. Once the Agreements are approved and signed, TP 14612 will be finalized. The updated version of TP 14612 will be available at the next CMAC meeting.

##### **Update on the Canadian Alternate Compliance Program (CACP)**

Julie Gascon provided a brief update on the CACP. As has been previously discussed at earlier CMAC meetings, the CACP is an authorization program that was developed to capitalize on new flexibilities introduced by the CSA 2001 to extend authorization beyond Classification Societies. Transport Canada is currently conducting a pilot project in the Pacific Region to test the authorization of Authorized Representatives under the CACP. The pilot project is set to end in March 2011, at which time Marine Safety will conduct a full review to analyze lessons learned and to finalize policies, procedures and guidance documentation prior to the launch of the National Program. The second annual status report is currently being drafted and will be made available at the next CMAC meeting.

## **Update on the Small Vessel Compliance Program**

Jeannie Stewart-Smith, Transport Canada, provided a brief update on the Small Vessel Compliance Program currently being developed. With the new *Small Vessel Regulations* coming into force this past spring and the regional Blue Decal initiatives gaining momentum, Transport Canada now intends to formalize these initiatives into one consistent National Program. Transport Canada intends to roll out this National Program on April 1, 2011 for commercial vessels of no more than 15 gross tonnage, carrying no more than 12 passengers and not engaged in commercial fishing.

### **5. DISCUSSION REGARDING THE SAFETY MANAGEMENT SYSTEMS (SMS) DISCUSSION PAPER AND PROPOSED IMPLEMENTATION FRAMEWORK**

Ryan Coates, Transport Canada, presented the proposed implementation framework for safety management regulatory requirements. The framework was presented in a discussion paper that was made available at this Fall's Regional and National CMAC meetings.

Transport Canada will continue to conduct extensive consultation with industry stakeholders and other interested parties, giving them an opportunity to participate in developing and improving our proposed approach to safety management regulatory requirements.

Ray Krick, McKeil Marine Limited, asked why fishing vessels are excluded from the tonnage cut-offs in the proposed implementation framework. Ryan Coates responded that fishing vessels are exempt from SOLAS requirements, including the ISM Code. As such, fishing vessels greater than 500 gross tonnage were removed from Tier 1 to remain consistent with the ISM Code. It was decided to place all fishing vessels in Tier 3, as the focus for the fishing vessel industry should be placed on developing safety procedures for the vessel with less emphasis on the ship-shore interface, which is the key difference between Tier 1, and Tiers 2 and 3. However, that being said, the question is very relevant and further consideration on how Marine Safety should address fishing vessels as we move forward with the regulatory framework is required.

Marcel LaRoche, Lloyd's Register, asked what the differences are between ISM and DSM requirements. Ryan Coates responded that they are minimal. Choosing to develop a DSM system separate from the ISM Code means that Canada will have more control over the guidelines, whereas the ISM Code is dependent on decisions made at the international level.

Marcel LaRoche also asked who will issue the documents under DSM. Ryan Coates responded that Marine Safety is currently discussing who could issue such documents and is open to discussing this with industry. However, at the moment, Marine Safety is focusing on developing the safety management requirements.

Peter Lahay, International Transport Worker's Federation, asked whether the new DSM requirements will mimic the ISM requirement to have a designated person ashore. Ryan Coates responded that the current proposed Tier 2 DSM requirements recreate the position of designated person as the ship to shore interface is key to SMS.

Marcel Laroche, Lloyd's Register, explained that he gets many requests from Canadian vessel operators who are considering delegation through DSIP and are looking at developing a SMS. He asked what system Lloyd's should recommend that operators develop if they want to enroll in DSIP. Ryan Coates explained that vessels that enroll in DSIP must adhere to the ISM Code.

Ray Krick, McKeil Marine Limited, stated that because a lot of small boats do not have consistent crews, it becomes difficult for them to maintain a classic SMS. Ryan Coates responded that this comment will be included in the SMS consultation notes.

Several attendees expressed disappointment at not receiving any updates on the progress of the Pilot Project and at the level of consultations on the Pilot Project to date. Phil Nelson suggested that an early report be drafted for circulation, documenting the issues faced on Transport Canada's side. Phil Nelson stated that, based on personal conversations with crew members and shore employees, many of whom are union members, the Project has proven to be beneficial in terms of safety. Julie Gascon confirmed that the SMS side of the Project has been very successful, however, the current regulatory framework is proving to be a roadblock for the extension of authorizations.

Many questions were raised regarding protection for individuals who fear repercussions when they report accidents or deficiencies. Julie Gascon responded that this is not necessarily something that can be ensured through a SMS. Certainly, SMS relies on open reporting and Marine Safety is open to discussing how to help ensure this. There are other avenues outside of SMS for reporting safety issues such as through Transport Canada Centers, which help ensure anonymity. Although, non-punitive reporting is not an issue that fits into the scope of this Working Group, it is still an important issue so a note will be made in the Minutes that this issue be further addressed.

## **6. UPDATE ON THE CODE FOR RECOGNIZED ORGANIZATIONS**

Ryan Coates, Transport Canada, provided an update on the work Canada has been doing at the international level. Specifically, Marine Safety has been helping to develop the Code for Recognized Organizations (ROs) through the International Maritime Organization's Sub-committee on Flag State Implementation. Canada and the United States have taken the lead in developing the first draft of the RO Code. The objective of the RO Code is to develop one consolidated instrument containing all standards and criteria applicable to ROs that are currently contained in various IMO Conventions and Resolutions.

## **7. OTHER BUSINESS**

The only item under Other Business was a brief presentation made by Ryan Coates, Transport Canada, on the fishing vessel inspection standards that will be developed as a tool to assist with the implementation of the *Canada Shipping Act, 2001*. The objective of the project is to develop a comprehensive set of inspection standards for fishing vessels between 0 and 24 metres in length based on the proposed *Fishing Vessel Safety Regulations*. In the summer of 2010, Marine Safety posted a request for proposal on MERX, to develop these standards and the contract was awarded to BMT Fleet Technology.

**8. TENTATIVE AGENDA ITEMS FOR THE NEXT CMAC MEETING**

The following items will be added to the agenda for the next meeting:

- A preliminary report on the pilot project;
- A preliminary report on the work of BMT Fleet Technology on the fishing vessel inspection standards; and
- A presentation by Robert Allan on the inspection guidelines they drafted. This item was supposed to take place today but was removed from the agenda.

Dave Kattler requested that a report on inspection numbers be a standing item on the agenda.

Julie Gascon also proposed to develop a sub-working group to help develop action items for moving forward with authorization so that a concrete update on the CACP could be presented at the next CMAC meeting.

***Approved by:***

*Julie Gascon, Marine Safety, TC, Working Group Co-Chair*

*Clifford Harvey, Marine Safety, TC, Working Group Co-Chair*

*Phillip Nelson, Council of Marine Carriers, Working Group Co-Chair*

*David Kattler, BC Ferry and Marine Workers Union, Working Group Co-Chair*