

**REPORT OF THE
STANDING COMMITTEE ON THE ENVIRONMENT**

Agenda

1. Introduction and Approval of Agenda.
2. Report of the Working Group on Air Emissions (David Yard, TC).
3. Report of the Working Group on Ballast Water (Paul Topping, TC).
4. International Maritime Organization initiatives:
 - Implementation of the revised Annex VI to MARPOL (Air).
 - Special Areas under Annex IV to MARPOL (Sewage) to control nutrients.
 - IMO framework for reducing GHGs from ships.
 - OPRC Convention and the OPRC-HNS Protocol.
 - Recycling of Ships.
 - Review of Annex V of MARPOL.
5. Update on the proposed *Vessel Pollution and Dangerous Chemicals Regulations* and implementation of North American Emission Control Area.
6. Vessel waste and reception facilities:
 - Update on the study of available technologies for managing vessel wastes.
 - Update on International Waste Policy.
7. Green shipping.
8. Current status of marine protected areas – Draft National Framework for Canada’s Network of Marine Protected Areas (DFO).
9. Emerging work on vessel noise.
10. International pollution liability and compensation.
11. Environmental response update.
12. Update on the National Aerial Surveillance Program.
13. EC and TC – Update on enforcement activities.
14. Regional issues.
15. Information presentation – exactAIS™ – a satellite tracking product from COM DEV Ltd.
16. Other business.
17. Tentative agenda items for the next CMAC meeting.

The meeting of the Standing Committee chaired by Paul Topping, Transport Canada was held on Wednesday, November 3, 2010.

1. INTRODUCTION AND APPROVAL OF THE AGENDA

The agenda was approved.

2. REPORT OF THE WORKING GROUP ON AIR EMISSIONS

The Working Group on Air Emissions met on November 2nd, 2010, and was co-chaired by David Yard, Transport Canada, and Naomi Katsumi, Environment Canada.

On GHGs, IMO will be considering in July 2011, amendments to MARPOL Annex VI applying the Energy Efficiency Design Index or EEDI to new vessels over 400 GT and for all vessels to have a Shipboard Energy Efficiency Management Plan (SEEMP) and International Energy Efficiency Certificate. The proposed amendments set targets by vessel type over 3 phases from 2013 to 2025. IMO will be developing supporting guidelines for the EEDI and SEEMP. As Canada is a Party to Annex VI, Transport Canada will need to develop regulations under the *Canada Shipping Act, 2001*; a Discussion Paper was provided to the participants. Copies are available in both languages and comments are welcome up to December 31st, 2010.

Regarding air pollutant regulations for vessels in the Great Lakes and the St. Lawrence Seaway, a Discussion Paper presenting an assessment of the options was provided. Transport Canada is considering 3 options for dealing with air emissions: ECA option – regulating sulphur emission to ECA standards by 2015, fleet averaging option regulating declining sulphur limits averaged over a fleet to 2020, and a Phase-In Option regulating declining sulphur limits by age of the vessel. All options are subject to the MARPOL NOx standards. Sulphur limits are performance standards – comply by fuel or emission control technology. Recent decision to remit 25% import duty on vessels brings fleet renewal closer to reality and Transport Canada is pursuing options with the view to encouraging fleet renewal. With a modernized fleet offering efficiencies to reduce emissions, the assessment indicates fleet averaging provides a stronger environmental benefit than the other options.

Azin Moradhassel, Canadian Shipowners Association, presented a study completed by Environ on behalf of the Canadian Shipowners Association of an analysis of the Fleet Averaging scenario compared with the US EPA ECA rule. The results of this study demonstrated that fleet averaging yields an environmental benefit over the EPA rule. The report shows overall lower SOx levels by 2020 using fleet averaging over the EPA ECA rule.

Next steps include a confirmation of the preferred options, comments on the Discussion Paper will be accepted up to December 19, 2010. Consultations continue, as the paper was only just released to the participants and some stakeholders indicated a preference to review it before voicing comments, a conference call will be held in December.

It was noted that the United States successfully proposed an amendment to MARPOL Annex VI to exempt the steamships in the NA ECA, until January 1st, 2020.

A number of international shipping stakeholders, including the cruise sector and Canadian ports promoting cruising expressed their need for flexibility in implementing the North American ECA. While Canada is pursuing options to bring the domestic fleet towards ECA performance standards, Regulation 4 of Annex VI, which allows for flag States to use equivalent measures for compliance. Norway is working guidelines for flag States to assess equivalent measures and Canada will seek to engage the United States and European countries on developing these guidelines.

There were a number of questions raised regarding technologies available to reduce sulphur levels. It was noted that although there have been more recent failures with scrubbers, there is optimism with prospects of reductions promised by EcoSpec's CSNOx systems that promise reductions in NOx, SOx and CO₂.

3. REPORT OF THE WORKING GROUP ON BALLAST WATER

The Working Group on Ballast Water met on November 2nd, 2010, and was co-chaired by Chris Wiley and Paul Topping.

Chris Wiley updated on the developments at IMO, noting the Marine Environment Protection Committee approved 3 systems for basic and 6 for final approval. Two technologies have received type approval in fresh water - Unitor and RWO. However, it was noted that Ballast Exchange would be the reality for some time. Two Guidelines – one on type approval and one on the use of Basic Approval were approved. The proposed Port State Control process was outlined and the process at Flag State Implementation Sub-Committee.

The current number of ratifications suggest that the Ballast Water Convention will likely meet the required numbers of countries and tonnage by 2011, meaning the Convention may possibly come into force some time in 2012. Canada has signed the Ballast Water Convention as of April 2010.

Canada is continuing diplomatic rather than legal avenues to engage New York and the United States agencies regarding challenges on clear, uniform, and practical ballast water standards, with a minimum position to attain an exemption for transiting vessels in New York waters. The Canadian Shipowners Association expressed appreciation for the efforts that the government had undertaken.

At the latest meeting of the Great Lakes Water Quality Agreement (GLWQA) renegotiations, the current strategy in the negotiations is to focus on the maritime conventions that Canada and the United States have signed and to ensure each country upholds to requirements of the Conventions in compatible domestic regulations. It was noted that Canada views the GLWQA as a treaty, but in the United States it is a bilateral agreement and thus engenders different expectations between the two countries.

Transport Canada will seek to update the *Ballast Water Control and Management Regulation* in three phases. The first phase would rollover the existing Regulations in line with the *Canada Shipping Act, 2001*, and this is anticipated for pre-publication in Part I of the *Canada Gazette* this fall. The second phase would reflect Canada's requirements under the Ballast Water Convention and the results of the Department of Fisheries and Oceans advice to Transport Canada on ballast water issues. The third phase would regulate ballast water for domestic voyages.

Sarah Bailey gave a presentation on the current Ballast Water and Hull Fouling research; dealing with:

- Efficacy of Existing Regulations.
- Role of Coastal Trade.
- Role of Domestic Trade.
- Great Lakes Risk Assessment (along with a Risk Assessment for rest of Country).
- Emergency Treatment – Brine.
- Appropriateness of the IMO Standards.
- Research on Exchange plus Ballast Water Treatment.
- Hull Fouling.
- Extension of the Canadian Aquatic Invasive Species Network.

4. INTERNATIONAL MARITIME ORGANIZATION INITIATIVES

The participants were briefed on other activities at IMO relating to:

- Supporting guidelines for ship recycling under the 2009 Hong Kong Convention; where Canada favours practical performance based approaches over detailed prescriptive provisions.
- Special Areas for controlling nutrients from sewage in Annex IV, which Canada supports in principle, but has concerns on the details.
- A new revised Annex V on controlling ships' garbage.

5. UPDATE ON THE PROPOSED VESSEL POLLUTION AND DANGEROUS CHEMICALS REGULATIONS AND IMPLEMENTATION OF NORTH AMERICAN EMISSION CONTROL AREA

Transport Canada reported the progress on the proposed *Vessel Pollution and Dangerous Chemical Regulations*, which bring the pollution regime in line with the *Canada Shipping Act, 2001*. They are anticipated for pre-publication in Part I of the *Canada Gazette* this fall.

A second series of amendments (Phase 2) would bring in the air emission rules for pollutants and GHGs as discussed previously, as well as rules on greywater and for tug and barge standards.

6. VESSEL WASTE AND RECEPTION FACILITIES

A presentation was given by Alion Ltd, the contractor examining available waste management technology for the Canadian market, both for onboard applications on vessels and shore-side application in ports. Two information sessions hosted by Transport Canada will be held to discuss this study in detail - one in Vancouver on December 14th and the other in Halifax on December 16th.

7. GREEN SHIPPING

Transport Canada is working with Green Marine as it is seeking to expand nationally.

8. CURRENT STATUS OF MARINE PROTECTED AREAS – DRAFT NATIONAL FRAMEWORK FOR CANADA’S NETWORK OF MARINE PROTECTED AREAS (DFO)

The Department of Fisheries and Oceans briefed the participants on its progress in developing a Marine Protected Area network and the strategies behind this initiative. This approach is striving to consider decisions on ocean space in an integrated fashion and provide opportunities to resolve conflict in sharing ocean spaces and resources.

9. EMERGING WORK ON VESSEL NOISE

An IMO correspondence group is working on voluntary guidelines for reducing vessel underwater noise (not noise in ports). This will be further considered by IMO’s Design and Equipment Sub-Committee. A key concern relates to propulsion engine noise and reducing key harmonics that interfere with marine wildlife calls and tracking. It was noted much of the practices to reduce vessel noise also enhance energy efficiency. The Department of Fisheries and Oceans is continuing its work to assess the extent and scope of the problem that vessel noise poses in Canadian waters. Of note, Transport Canada and Environment Canada (species at risk fund) are supporting research on the west coast examining the interaction of killer whales and vessels.

10. INTERNATIONAL POLLUTION LIABILITY AND COMPENSATION

A Discussion Paper was provided outlining plans for developing an HNS liability regime and a regime to deal with liabilities arising from wrecks, comments on which may be submitted by February 2011.

11. ENVIRONMENTAL RESPONSE UPDATE

Presentations were given on plans to develop a HNS response regime in Canada, with an Information Paper provided to the participants.

With the expected report on Canada's oil spill regime by the Commissioner for the Environment and Sustainable Development in December, the participants agreed that an *ad hoc* working group on Environmental Response should be convened to discuss the outcomes of that report and other related issues, with the view to developing a Terms of Reference for a formal Working Group on Environmental Response for the approval of the Standing Committee on the Environment.

12. UPDATE ON THE NATIONAL AERIAL SURVEILLANCE PROGRAM

A technical presentation was provided on the National Aerial Surveillance Program, highlighting its key role in the United States response to the Gulf of Mexico oil spill.

13. EC AND TC – UPDATE ON ENFORCEMENT ACTIVITIES

Transport Canada continues to work with Environment Canada on enforcement issues under the Memorandum of Understanding.

14. REGIONAL ISSUES

No issues were raised.

15. INFORMATION PRESENTATION – EXACTAIS™ – A SATELLITE TRACKING PRODUCT FROM COM DEV LTD.

A technical presentation was provided on the use of satellite data from Automated Identification Systems (AIS).

16. OTHER BUSINESS

A representative of the International Transport Federation expressed concern about Bill C-469, a private members bill in the House of Commons that would establish an Environmental Bill of Rights. ITF noted this Bill went further than Bills C-15 and C-16 of previous Parliaments and if passed would create significant personal liability risks for seafarers. We noted that this was a Bill before Parliament, and as such was outside of our purview to discuss, but that Transport Canada would brief the appropriate officials at its political level of these concerns.

It was noted that the passing of two key people who have shaped maritime regulations around the world. A leader in Canada's environmental response regime and respected by peers around the world, Terry Melhuish passed away in September. A strong advocate of marine environmental protection, Lindy Johnson of the United States National Oceanographic and Atmospheric Administration, recently passed away from colon cancer in October. They will be missed.

17. TENTATIVE AGENDA ITEMS FOR THE NEXT CMAC MEETING

For the next national CMAC meeting, it was agreed to convene the Working Group on Air Emissions, the Working Group on Ballast Water, as well as starting the Ad Hoc Working Group on Environmental Response that would report to the Standing Committee on the Environment. These Working Groups and the Standing Committee would be convened within the two days of time currently allocated on the CMAC Schedule.

Other items for inclusion on the Standing Committee include marine protected areas, vessel noise, and progress on regulations.

Approved by:

Paul Topping, Marine Safety, TC, Standing Committee Chair