

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

**Agenda**

1. Introduction and Approval of Agenda.
2. Discussion of Terms of Reference and Scope of Working Group.
3. Moving Forward with Delegation and Authorization:
  - Update on the Delegated Statutory Inspection Program.
  - Update on the Canadian Alternate Compliance Program.
  - Overview of Types of Authorizations under the CSA 2001.
4. Implementation of Safety Management Systems (SMS):
  - Update on Domestic Safety Management Tools and Guidelines.
  - Pilot Project Update.
5. The creation of Marine Network of Service Suppliers.
6. Other Business.
7. Tentative agenda items for the next CMAC meeting.

The meeting of the Working Group 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, was held on Thursday, April 29, 2010.

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

Julie Gascon introduced herself and the co-chairs and welcomed all participants to the second meeting of the Working Group on Domestic Vessel Regulatory Oversight.

Julie Gascon then moved to the approval of the Agenda. She proposed two changes: first, under Item 3, she proposed moving the Overview of Types of Authorization to before DSIP. Second, she proposed adding in a discussion of Inspection Standards under Item 5.

The Agenda was adopted with the proposed changes.

Julie Gascon then proposed the adoption of the Minutes from the November 2009 Working Group meeting. The minutes were adopted with no changes.

Before proceeding with Item 2, Julie Gascon provided a clarification on the meaning of the term “domestic vessel”. For the purposes of this Working Group and all documents discussed herein, “domestic vessel” refers to all vessels that are required to be registered in Canada pursuant to Part 2 of the *Canada Shipping Act, 2001*. In other words, a “domestic vessel” is any vessel that is flagged in Canada, regardless of whether it is a convention vessel or a non-convention vessel.

Julie Gascon then proceeded with the formal election of the industry and union co-chairs. At the November 2009 meeting of the Working Group, two interim co-chairs were elected to hold the positions until the Terms of Reference were adopted. Julie Gascon opened the floor to other industry and union representative nominations but none were offered. David Kattler and Phillip Nelson were formally appointed as co-chairs of the Working Group.

## **2. DISCUSSION OF TERMS OF REFERENCE AND SCOPE OF WORKING GROUP**

Julie Gascon then reviewed each of the changes that were proposed to the Terms of Reference at the previous meeting. She then proposed the adoption of the Terms of Reference with the changes. The Terms of Reference were adopted with the proposed changes.

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

### **Overview of Types of Authorizations under the CSA 2001**

Julie Gascon then proceeded with an overview of the types of authorization that are possible under the *Canada Shipping Act, 2001*.

### **Update on the Delegated Statutory Inspection Program**

Cliff Harvey proceeded with an update on the Delegated Statutory Inspection Program. He focused on the updated policy and procedures, streamlined enrolment process, and the dynamic list of delegated vessels.

Bruce Paterson, BC Ferries, asked whether there is going to be a set of policies and procedures for vessels that are partially delegated while in the grey zone before they transfer to full delegation? Cliff Harvey responded that instructions are being developed on how to make this shift. Once the company has a Safety Management System equivalent to the ISM Code, the transition should be seamless.

Bruce Paterson continued by explaining that BC Ferries has sold the idea of delegation with the idea that class becomes your subcontractor and the subcontractor's performance is monitored but that the Authorized Representative is not monitored. Cliff Harvey responded that the Recognized Organization must be monitored, but TC must also monitor the inspections that are performed on vessels, which means that the Authorized Representative is also held accountable for vessel performance.

Mark Boucher stated that Transport Canada should not lose sight of the goal of delegation, which was to free up inspectors to focus on higher-risk operators. Cliff Harvey responded that, indeed, TC duplicates certain class inspections, which TC is cutting back on through delegation, but TC must continue to monitor class and the fleet. Marine safety inspectors are still very important and their role may be increased, but in a different capacity. Julie Gascon added an explanation of how the current inspection regime works, specifically focusing on how detailed the inspections are.

Bill Lind, American Bureau of Shipping, explained that the United States Coast Guard is a little further ahead than Canada in terms of monitoring. They break down their reports into major and minor non-conformities. Cliff Harvey responded that Marine Safety is headed in that direction.

#### **Update on the Canadian Alternate Compliance Program**

Julie Gascon proceeded with an update on the Canadian Alternate Compliance Program. There were no questions pertaining directly to the Program.

#### **4. IMPLEMENTATION OF SAFETY MANAGEMENT SYSTEMS (SMS)**

Julie Gascon proceeded with an update on SMS implementation. Two more pilot project participants received full-term domestic documents of compliance for the duration of the pilot project. Marine Safety will continue to work with each company to strengthen their SMS as they must be continuously maintained and regularly updated.

Marine Safety's next main objective regarding SMS is to introduce regulations that in future will apply to the Canadian domestic fleet. Julie Gascon explained that Donald Roussel, Director General, recently completed a cross-country tour of all the regions and headquarters to consult with marine safety inspectors and their union representatives to enhance their understanding of, among other things, the implications of SMS.

Julie Gascon further explained that in preparation for the regulatory process, Marine Safety will prepare a discussion paper on the reasons for and implications of implementing SMS in the domestic fleet and will also develop a proposed high-level framework that will highlight how SMS might be introduced to the domestic fleet. The discussion paper and framework will be made available at the November 2010 National CMAC meeting. National consultations on the implementation of a SMS regulation, the discussion paper, and the framework will take place in the future to gather comments and suggestions for improvements.

Patrick Olsen, Work Safe B.C., asked whether there has been a move to develop a standard of safety across various groups and organizations that require SMS, to help industry standardize their methods. Julie Gascon responded that this could be looked at but that the way a SMS is assessed for the marine industry is very much tied into the international approach under the ISM Code. The certification process is standardized and difficult to depart from.

Gina Johansen, Fish Safe BC, asked whether an interim strategy could be prepared that would capture the vision of how SMS implementation will unfold and whether any guidance would be made available to facilitate the transition from a prescriptive-based to a performance-based inspection regime. Julie Gascon explained that tools are being prepared to help the marine industry and marine safety inspectors, such as SMS guidelines, the Blue Decal program initiative and a standard of inspection.

Mark Boucher, Canadian Merchant Service Guild, and Kerry Williams, Union of Canadian Transportation Employees, both raised concerns about pressure on shipboard personnel from their employers to withhold safety issues from marine safety inspectors under the new performance-based inspection regime and during reviews of a company's SMS. Kerry Williams specifically requested that some kind of protection program be developed to encourage industry employees to report issues to the marine safety inspectors.

Julie Gascon and Cliff Harvey responded that this is something that Marine Safety will consider during the further development of the SMS implementation strategy.

### **Update on Domestic Safety Management Tools and Guidelines**

Julie Gascon presented an update on the tools and guidelines that will be made available to the Canadian marine industry to help them implement a SMS. The SMS guidelines were made available to the participants of the Working Group along with comment sheets. Their feedback was encouraged to help Marine Safety improve the guidelines.

There were no further questions.

## **5. DEVELOPMENT OF INSPECTION STANDARDS AND THE CREATION OF A MARINE NETWORK OF SERVICE SUPPLIERS**

Julie Gascon then provided an update on the Inspection Standards. Marine Safety is developing comprehensive inspection standards for non-convention towing vessels of more than 15 gross tonnage to assist marine safety inspectors to achieve consistency in the application of regulatory inspection requirements and to assist owners and operators to comply with regulatory inspection requirements. This initiative was contracted out to Robert Allan Ltd. in the fall of 2009. To date, as per the project plan, Robert Allan Ltd. has prepared a draft of the inspection standards and an updated draft will be available for a trial by the regional offices and pilot project participants over the summer of 2010. They are anticipated to be available in the fall of 2010.

Julie Gascon proceeded with an update on the creation of the Marine Network of Service Suppliers. She focused on the definition of a competent person, which was a question that was raised at the previous meeting. The definition that was proposed at that time was reiterated: "A Competent Person is an individual with specialized knowledge for the task at hand with publicly recognized accreditation in the relevant field." Julie Gascon also explained that Robert Allan Ltd. proposed a number of categories of competent people in the draft Inspection Standards. They are as follows: Transport Canada Licensed Mariners, Trade Qualified Personnel, Professionally Qualified Persons, Qualified Technicians, and Technologists, Equipment Qualified Personnel. The definitions of these categories will be circulated when the Inspection Standards are complete for further review.

## **6. OTHER BUSINESS**

Jeff Penton, Seabase Limited, brought up an issue regarding how offshore oil platform crewmembers are labeled as passengers when they are transported to the platforms. He does not believe they should be classified as passengers but as crew or something else to facilitate their transportation to the platforms. Cliff Harvey explained that this topic was also brought up for discussion at another Working Group and that an answer to this issue might be forthcoming at the November 2010 National CMAC meeting.

Mark Boucher, Canadian Merchant Service Guild, requested to see data on the number of inspections carried out by marine safety inspectors and the number of deficiencies found on board. Julie Gascon and Cliff Harvey replied that this might be possible to do at the next CMAC meeting.

Marcellin Papillon, Transport Canada, explained that at the previous meeting, it was mentioned that some operators received insurance benefits for adopting a SMS. He wants to know whether there are benefits for those operators who choose to pursue authorization. Julie Gascon responded that with the Transport Canada Marine Safety scale of fees review and with the development of authorization programs as per the intent of CSA 2001, operators with demonstrated risk management practices would have more options for the inspection and certification of their fleet in the future. Phillip Nelson recommended asking vessel owners and operators what would make them want to join.

## **7. TENTATIVE AGENDA ITEMS FOR THE NEXT CMAC MEETING**

The following proposals for agenda items were made.

Julie Gascon would like to have industry representatives make presentations about various topics related to the scope of this Working Group.

Phillip Nelson recommended that Robert Allan Ltd. make a presentation on the Inspection Standards.

Cliff Harvey proposed having a discussion on statistics and data regarding inspections.

Also, to be included on the next agenda is a discussion regarding the SMS discussion paper and proposed implementation framework.

### ***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*