Transport Canada Transports Canada

Marine Oil Spill Preparedness and Response Regime

Report to Parliament
2004 – 2006

Canada

Transport Canada
Marine Safety, Operations & Environmental Programs (AMSE)
330 Sparks Street
Tower C, Place de Ville
Ottawa, ON K1A 0N8
E-mail: Marinesafety@tc.gc.ca

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Note: ***Canada Shipping Act, 2001*** **came into force on July 1, 2007. This report period falls under the previous** ***Canada Shipping Act,*** **R.S., 1985, C.S-9.**

Introduction

This Report covers the operations of the Marine Oil Spill Preparedness and Response Regime (the Regime) for the period August 15, 2004 to August 15, 2006. The *Canada Shipping Act* (CSA) requires that the Minister of Transport [1] review the operations of sections 660.1 to 660.10 of the CSA (which establish the Regime) and report the results of this review to Parliament every two years. August 15, 1995, marks the proclamation of these sections of the CSA, hence August 15 also defines the reporting period.

This is the final biennial Report to Parliament for the Regime. The *Canada Shipping Act, 2001* (CSA 2001) came into force following the period of this Report, on July 1, 2007. CSA 2001 directs the Minister of Transport to report to Parliament every five years.

The following points summarize the main focus of each Report submitted to Parliament since the inception of the Regime. As required by the legislation, every Report includes a clause-by-clause review of sections 660.1 to 660.10 of the CSA.

- The first Report to Parliament, submitted in 1996, provided a review of the Regime's first year of operations.
- The second Report covered the period 1996 to 1998, focussing on the initial certification and fee-setting process, which had resulted in several objections and a lengthy resolution process.
- The 1998 to 2000 Report included a review of Regime governance issues. A thorough consultation process resulted in a high level of industry approval for the proposed improvements to Regime governance as embodied in Bill C-14 of the 37th Parliament, 1st Session, which received Royal assent on November 1, 2001.
- The 2000 to 2002 Report highlighted the work to improve the legislation through the *CSA, 2001* and Bill C-35 (Bill C-35 was left on the order paper at the end of the 36th session of Parliament and reintroduced as Bill C-14).
- The 2002 to 2004 Report reviewed ongoing regulatory reform, as well as activities related to the transfer of certain responsibilities from Fisheries and Oceans Canada to Transport Canada.

This Report to Parliament is submitted pursuant to Section 660.11 of the *Canada Shipping Act* and provides an overview of activities that occurred within the reporting period.

[1] On December 12, 2003 this responsibility was transferred to the Minister of Transportation. Beginning with the 2002-2004 Report, reporting on the Marine Oil Spill Preparedness and Response Regime has been carried out by Transport Canada.

The current context

During the period of the current report, the most significant marine oil pollution incident in Canada was the spill from the Terra Nova offshore oil production vessel. The spill occurred off the coast of Newfoundland on November 21, 2004, becoming a lead news story capturing national attention for several weeks. Two mechanical failures led to the loss of about 1,000 barrels (170,000 litres) of oil, creating an oil slick approximately nine kilometres long and one kilometre wide.

The Terra Nova incident generated concerns about the reporting of off-shore spills, effectiveness of clean-up activities, and monitoring of impacts on marine life. Spill incidents from the Atlantic off-shore oil and gas industry garner special scrutiny in British Columbia, where there is a federal moratorium on oil and gas drilling.

Internationally, occasional news stories continued to follow the aftermath of the wreck of the oil tanker *Prestige* off Spain's Galacian coast in 2003. Coverage of the ongoing and emerging impacts on the fishing and tourism industries provide reminders of the long-term consequences of marine oil spills.

In Canada, Arctic sovereignty has become a significant emerging issue with many implications for the federal government. The potential for opening up shipping routes through Canada's northern waters, and the possibility of new port facilities in the North, may have implications for the development of the Regime in future years.

With respect to legislation and regulation, the CSA 2001 reform project continued to dominate the agenda, as it did for 2002-2004 reporting period. *Bill C-14 – An Act respecting shipping and navigation* was passed by the House of Commons on May 10, 2001 and was granted Royal Assent on November 1, 2001. The entire regulatory regime of the old Act needed modernization to fit under the new Act and as such, CSA 2001 did not come into force until July 1, 2007, as time was needed to review existing regulations, develop new regulations, and consult with a wide range of marine stakeholders. These activities have been a major focus of federal government activity related to the Regime over the reporting period.

Canada's Marine Oil Spill Preparedness and Response Regime — Historical perspective

There are approximately 14,000 reported oil spills a year around the world. Many are small, easily contained and cleaned up. These do not receive a great deal of attention and are usually not noted by the media outside the local area. Other, larger spills may not become the subject of media scrutiny and worldwide public attention if they occur in remote areas and do not threaten affluent populations or valuable corporate resources.

Large oil spills will always capture the public's attention. The spills from the oil tankers Nestucca and Exxon Valdez, in 1988 and 1989 respectively, first highlighted the critical need for appropriate preparedness and response programs to deal with such significant environmental disasters. News of these spills, the accompanying images of oil-soaked beaches, and the dawning understanding of the long-term environmental and economic consequences, created a public outcry. Canadians were demanding to know how this could have happened, and what would be done to insure against similar disasters occurring in the future.

In 2002, an ocean storm cracked the hull of the 26-year-old, single-hulled tanker *Prestige*. Documented by the global media over the course of the following weeks, efforts to rescue the tanker failed and the broken ship sank, still carrying at least 60,000 tonnes of cargo. The attention paid to this event led to renewed questions about the likelihood of a major spill occurring in Canadian waters, and what the federal government was doing to prevent and to prepare for this possibility.

Between 1988 and 2006, there has been a great deal of work done by the Government of Canada to improve the protection of Canadians and the environment from the potential damage of oil spills. This section of the Report summarizes the main steps that have been taken in developing Canada's Marine Oil Spill Preparedness and Response Regime.

As of 2005, many jurisdictions, including Canada, the United States and the European Union, restricted access of single-hulled oil tankers in their waters.

After the sinking of the* Prestige*, the* United Nations' International Convention for the Prevention of Pollution from Ships *was amended to accelerate the phase-out of these ships. Single-hulled ships will be banned internationally in 2010.

Public Review Panel on Tanker Safety and Marine Spills Response Capability

The federal government established the Public Review Panel on Tanker Safety and Marine Spills Response Capability following the Exxon Valdez spill in 1989. The Panel's 1990 report recommended across-the-board improvement of preparedness and response measures, outlining a total of 107 recommendations. While the Panel was created primarily to investigate spills from tankers, the report noted that the smaller, more-frequent spills at land-based oil handing facilities (OHFs) were compounding the damage to the marine environment. From its inception, the Regime has required that both ships and designated OHFs be prepared to handle spills and contribute their share towards response readiness.

Building a partnership between industry and government

Following the release of the Panel's report, the federal government carried out extensive discussions with stakeholders on the potential methods for creating and funding improved response capability. Throughout the process of developing the Regime it has been recognized that spill preparedness should be undertaken as a partnership between government and the private sector. The principle of polluter responsibility asserts that industry must be accountable for taking adequate preventative actions and for ensuring that effective response plans are in place. It is the obligation of the federal government to assure that the public interest is satisfied.

A private-sector task force developed a regime model that proposed industry would operate and fund the operational elements of the preparedness regime, while the government would have responsibility for the legislative and regulatory framework, including standards, overseeing and monitoring response activities, and enforcement. The task force recommendations submitted to the Minister of Transport in 1993 received the Minister's support and form the basis of the preparedness regime that is in place today.

Creating the legislative framework

To create the legislative framework for this industry-government approach to marine oil spill preparedness and response it was necessary to amend the *Canadian Shipping Act* (CSA). By 1993 these amendments had been completed and introduced in the House of Commons. The amendments received Parliamentary approval in June 1993, but were left unproclaimed until the necessary regulatory guidelines could be developed and approved over the next two years.

In August 1995 the regulations were approved by the Minister of Fisheries and Oceans[2] allowing the CSA amendments to be proclaimed. In brief, potential polluters have a legal responsibility, entrenched in the CSA, to undertake preparedness measures and to pay for repairing or mitigating damage to the marine environment.[3] Ships and designated oil handling facilities (OHFs) are required to have an arrangement in place with a government-certified response organization (RO). ROs are Canadian-based, private-sector organizations that must earn their certification from the federal government by demonstrating their ability to effectively prepare for and respond to marine oil pollution incidents.

Early challenges for the Regime

A system of fees was established to fund the preparedness activities of the ROs. Initially, the fees were regional and were set based on the volume of oil shipped in a particular region. The power to collect these fees was delegated to the ROs. Under the regulations, the fees charged by the ROs are private contracts; they are a matter of government interest only if there is a dispute. In September 1995 the RO fees were published in the *Canada Gazette* for the first time, and were immediately disputed by 31 objectors. Failure to find a resolution led to the appointment of an Investigation Panel, to examine the fairness and equity of the proposed fees.

The Investigation Panel reported in August 1996, leading to the 1998 announcement by the Minister of Fisheries and Oceans of an amended fee structure and a comprehensive review of the financing and governance of the Regime. By this time it was acknowledged that Canada was much better prepared to respond to a major oil spill than it had been a decade earlier; however, it was also recognized that significant improvements were necessary to strengthen the Regime.

Consultations aimed at addressing the financial issues associated with the Regime were carried out in 1998. The primary objectives were in achieving consensus on a fee formula and standards for transparency, and recommending a speedier process for resolving fee-related

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[2] The transfer of the Canadian Coast Guard (CCG) from Transport Canada to the Department of Fisheries and Oceans was complete by this time; therefore the Minister of Fisheries and Oceans completed the process.

[3] The specific legislated requirements pertaining to ships and oil handling facilities are reviewed in the "Overview of the current Regime" section of this Report.

issues. This open process helped stabilize the Regime and improve relations among the stakeholders.

The new governance proposals emerging from the consultations built on the structures and principles of the existing Regime, with the aim of addressing the recognized deficiencies through some regulatory change, a stronger accountability structure and clear management guidelines. The governance proposals included in CSA 2001 were broadly supported by most stakeholders.

The Canada Shipping Act, 2001

The consultations and review process led to the revised CSA that was first introduced in the House of Commons in the form of *Bill C-35, An Act respecting shipping and navigation* and received first reading on June 8, 2000. This Bill was left on the order paper at the end of the 36th session of Parliament. It was then reintroduced as Bill C-14. Royal Assent was given to CSA 2001 on November 1, 2001, marking the first of two steps in the modernization process.

The second stage was the development of the regulations needed to support the new Act. CSA 2001 did not come into force until several years after it was proclaimed as time was needed to review existing regulations, develop new regulations, and consult with a wide range of marine stakeholders.[4] These new regulations will be more concise and more easily understood than those currently in effect and will be fully responsive to the present and future needs of Canadians. The regulatory project has been a major focus during the period of this Report. Details are included in the section “Improving the Regime”.

The CSA 2001 came into effect on July 1, 2007. It replaces the *Canada Shipping Act* (CSA) as the principal legislation governing safety in marine transportation and recreational boating, as well as protection of the marine environment. Note that the “Review of the current Regime” section of this Report is pursuant to sections 660.1 to 660.10 of the former CSA, as CSA 2001 was not yet in effect for the 2004 to 2006 reporting period.

Historical milestones

1988/9	Major oil spills from the *Nestucca* (1988) and the *Exxon Valdez* (1989).
1989	Prime Minister appoints Public Review Panel on Tanker Safety and Marine Spills Response Capacity.
1993	Amendments to the *Canada Shipping Act* (CSA) are introduced in the House of Commons.
1995	The regulations and guidelines required to allow the CSA amendments to be proclaimed are approved by the Minister of Fisheries and Oceans. The first response organizations are certified.
1998	Regime governance review consultation process is initiated.
2000	The New *Canada Shipping Act* is first introduced in the House of Commons in June 2000.
2001	CSA 2001 receives Royal Assent in November 2001, but will not come into force until the necessary regulatory guidelines are in place.
2003	Transfer of responsibilities relating to pollution prevention and response, from the Department of Fisheries and Oceans to Transport Canada.
2003	Canadian Coast Guard becomes a Special Operating Agency.
2007	CSA 2001 comes into force on July 1, 2007.

[4] The regulatory review process was initiated by the Department of Fisheries and Oceans, and completed by Transport Canada after the transfer of all Canadian Coast Guard (CCG) policy responsibilities and certain operational responsibilities related to relating to pollution prevention and response on December 12, 2003.

Review of the current Regime

Overview of the current Regime

The industry-funded and managed Marine Oil Spill Preparedness and Response Regime is a unique entity that was designed to ensure that the industry has the capability, under the leadership of Transport Canada (TC), to clean up its own spills. Under the Regime, industry is required to maintain a 10,000 tonne response capability, covering marine regions south of 60° N latitude in Canada.

The Canada Shipping Act (CSA) requires that ships and designated oil-handling facilities (OHFs) have arrangements in place with a TC certified response organization (RO) to insure this 10,000 tonne response capability. In addition, ships must have oil pollution emergency plans on board; and designated OHFs must have emergency plans as well as equipment and resources on-site to immediately contain and control a spill incident at the facility.

As a complement to the industry Regime capability, Canadian Coast Guard (CCG) also maintains considerable preparedness capacity. CCG's capacity serves as a safety net that can provide immediate response capability where required, as well as a response capability for offshore spills and the responsibility for responding to marine spills north of 60° N latitude.

With respect to the Regime itself, TC is responsible for ensuring that ROs meet the standards set out in the regulations, and for monitoring the thoroughness of RO operations and the effectiveness of the regime. As part of its regulatory capacity, TC ensures the adequacy of the planning standards and regulations.

Legislative and regulatory structure

It is important to note that for the period of this report, the CSA as amended in 1993 remains in force as the binding legislation. The development of new regulations, which are required for CSA 2001, is an ongoing project discussed in the next section of this report.

Amendments to the *Canada Shipping Act* (1993)

Canada's Marine Oil Spill Preparedness and Response Regime is established in law by section 660.1 through 660.11 of the *Canada Shipping Act* (CSA). It was the intention of the legislators to create a legislative framework to allow for the incorporation of evolving standards within regulations. This approach allows for regulatory changes to be effected in a timely manner without recourse to legislative amendments.

While the amendments to the CSA were passed in 1993, they were left unproclaimed until the regulations could be developed and approved. These regulations were published in the *Canada Gazette*, Part II, on August 15, 1995.

Standards – Section 660.6, 660.7 & 660.8

Since the publication of the *RO Standards* and the *OHF Standards* in 1995, only the RO Standards have been modified. This change, which was approved and published in 1998, reflects the de-designation of Nanticoke, Ontario as a designated port and the creation of a new Enhanced Area of Response (ERA) Niagara/Welland for that region of the country.

Regulations – Section 660.9

Since the establishment of the regime in 1995, no new regulations have been introduced.

Requirements for ships and Oil Handling Facilities

Ships – Section 660.2(2)

Under the legislation, ships are defined as oil tankers of 150 or more tonnes gross tonnage and any ship of 400 or more tonnes gross tonnage that carries oil as cargo or as fuel. Ships conducting business in Canadian waters south of 60° N latitude are required to have an arrangement, for which they pay fees, with a certified RO. They are also required to have on board a shipboard oil pollution emergency plan and a declaration that identifies the ship's insurer, confirms the existence of an arrangement with a certified response organization, and identifies every individual authorized to invoke both the arrangement and the shipboard oil pollution emergency plan.

Approximately 4,000 arrangements are currently in place between ships and one or more of the four certified ROs, depending on their area of operation. As a matter of course, CCG's Marine Communication and Traffic Service operators question a ship with respect to an arrangement as it enters Canadian waters south of 60° N latitude. Transport Canada's Port State surveyors inspect ships on a sample basis for compliance with a range of safety requirements, including the requirement to have an arrangement. No charges have been laid under this provision to date.

In the Juan de Fuca Strait, there is a reciprocity agreement in place between Burrard Clean (WCMRC) and Washington State Marine Cooperative (WSMC) to provide oil spill clean-up services in the shared waterway for non-tank vessels of 400 gross tonnage and more. Because of the nature of the inbound and outbound traffic lanes, all inbound vessels bound for either U.S. or Canadian ports enter on the U.S. side of Juan de Fuca Strait and all outbound vessels from either country use the Canadian side of the Strait.

As a result of the *Oil Pollution Act* of 1990 the United States Coast Guard (USCG) introduced Regulations requiring all tank vessels over 150 gross tonnage to have vessel Response Plans when operating in U.S. waters; however, to date these Regulations have not been enforced in the Straits of Juan de Fuca. Both Canada and the State of Washington have legislation requiring all vessels over 400 gross tonnage and all tank vessels over 150 gross tonnage to have an arrangement with an oil spill response contractor but because of the position of the international border, there is the potential to pay two sets of fees.

Canada and the U.S. Federal Government through the USCG did not recognize the right of the State of Washington to impose fees on Canadian bound vessels. The reciprocity arrangement agreement between WCMRC and WSMC signed November 1998 allowed for inbound or outbound ships to pay only one set of fees. This agreement was a purely commercial one between two commercial businesses. Neither the U.S. Federal Government through the USCG, nor the Canadian Government through the Canadian Coast Guard and latterly through TC Marine Safety, generated any requirements for such an arrangement. Any fees required as a result of this arrangement were paid to the company in which country was the destination of the ship.

The USCG, Office of Response and Transport Canada have initiated legal reviews of Section 701 of the *Coast Guard and Marine Transportation Act of 2004* and will continue to work together in resolving any cross border issues.

Oil Handling Facilities (OHF) – Section 660.2(4)

Under the existing standards, any facility that loads or unloads oil (as fuel or as cargo) to or from a ship, at a transfer rate of 150 cubic metres per hour or more, can be designated as an OHF.

Pursuant to subsection 660.2(8) of the CSA, the names of designated facilities are published in the *Canada Gazette*.

Section 660.2(4) requires that designated OHFs have an arrangement, for which they pay fees, with a certified RO. In addition, OHFs must have an oil pollution emergency plan in place to respond immediately to an incident. Also required is an on-site declaration that describes the manner in which the operator will comply with the regulations, confirms that an arrangement with an RO is in place and identifies every individual authorized to invoke both the arrangement and the oil pollution emergency plan. Transport Canada employees inspect designated facilities to ensure that the required arrangements and emergency plans are in place. Since the creation of the Regime in 1995, no OHF has been charged with failing to comply with the regulations, although warnings have been issued.

Under Section 660.3 of the CSA, both ships and designated OHFs are required to take reasonable measures to implement their oil pollution emergency plans in the event of an oil spill.

Requirements for Responsibility Organizations (RO)

RO certification (Section 660.4 & 660.5)

Section 660.4 describes the process for issuing a certificate of designation to an RO. In order to obtain certification, ROs must submit a response plan to CCG demonstrating that they meet the requirements as set out in the regulations and standards (i.e. a 10,000 tonne oil spill response capability and providing coverage in all Canadian waters, south of 60° N latitude). ROs are certified for a three-year period.

The following four organizations met the requirements and were certified by Transport Canada for the three-year period October/November 2004 to October/November 2007.

Western Canada Marine Response Corporation (WCMRC), covering primarily the Pacific coast, was first certified on October 3, 1995.

Eastern Canada Response Corporation (ECRC), covering three regions (Great Lakes, Quebec and Atlantic regions), was first certified on November 9, 1995.[5] The Geographic Area of Response (GAR) for ECRC covers the waters south of 60° latitude for all the provinces of Canada with the exception of British Columbia, the port of Saint John, New Brunswick, and Point Tupper, Nova Scotia and their associated Primary Area of Response (PAR). ECRC's GAR includes (but is not limited to) the St. Lawrence River; Gulf of St. Lawrence and coastal waters of Atlantic Canada; James Bay; Hudson Bay; Ungava Bay; Canadian Great Lakes system and connecting channels; Lake Winnipeg; Athabasca River from Fort McMurray to Lake Athabasca; and the waters of Lake Athabasca.

Atlantic Emergency Response Team (Alert) Inc., covering primarily the area surrounding the Port of Saint John, New Brunswick, was first certified on November 9, 1995 (Alert's 10,000 tonne capability is achieved through a mutual aid agreement with ECRC).

Point Tupper Marine Services (PTMS), covering primarily the area of Port Hawkesbury, Nova Scotia, was first certified on November 9, 1995 (PTMS' 10,000 tonne capability is achieved through a mutual aid agreement with ECRC).

[5] Eastern Canada Response Corporation initially covered primarily the St. Lawrence and the Atlantic coast. Effective January 1, 1999, ECRC and Great Lakes Response Corporation (GLRC) amalgamated into one company called the Eastern Canada Response Corporation Limited (ECRC).

During this reporting period, no certificate has been revoked pursuant to Section 660.5 of the CSA.

RO capability is to meet the arrangements required by ships and OHFs.

Under Sections 660.2(b) and 660.4(b), ships and OHFs are required to have an arrangement with a certified RO. ROs receive certification from Transport Canada following a review of the response plan submitted as part of their application. The response plan provides detailed information on the RO's procedures, equipment and resources to meet the tiered response capabilities set out in Section 2 of the Response Organization Standards which specify the time within which an RO must respond to a spill of a specified quantity, as set out below:

TIERS	**QUANTITY OF OIL**	**RESPONSE TIME REQUIREMENTS**
Tier 1	150 tonnes	6 hours (for equipment to be deployed on-site)
Tier 2	1,000 tonnes	12 hours (for equipment to be deployed on-site)
Tier 3	2,500 tonnes	18 hours (for equipment to be on-site)
Tier 4	10,000 tonnes	72 hours (for equipment to be on-site)

The standards also set out the number of metres of shoreline to be treated each day during a response operation and the number of days required to complete on-water recovery operations.

Among other things, the ROs' response plans must describe:

- the training provided to employees and volunteers who may be involved in responding to a spill;
- the oil spill exercise program which they are required to hold within their three-year certification period to demonstrate their effectiveness;
- a listing of the response equipment, including bird-scaring equipment; and,
- the measures they will take to protect and treat environmentally sensitive areas and to support the wildlife rehabilitation efforts of third parties.

Summary of RO activities

Western Canada Marine Response Corporation

Burrard Clean Operations (BCO) is a division of Western Canada Marine Response Corporation (WCMRC). BCO is the response organization covering Canada's Pacific Coast.

Spill-response activity: During the period 2004–2006, BCO responded to a total of 51 incidents. Of these, 35 were Tier 1 responses, and the remaining 16 events required only a preventative response and therefore are not ranked under the tier system.

BCO participates in training exercises as well as offering training courses to its personnel, contractors, members of the Fishermen's Oil Spill Emergency Team (FOSET) mutual aid partners and government agencies. Training is provided to contractor personnel and FOSET members on an annual basis. BCO trainers continue to provide oil spill response training to both members and non-members.

Training: Over the period 2004–2006, BCO provided a total of 247 training sessions involving 1,630 participants (note that some individuals may have participated in more than one session). The following tables summarize BCO's training activities for 2004-2006.

Certification Training:

Type of training provided	No. of training sessions provided	No. of employees trained	No. of contractors trained	No. of FOSET trained	Total no. of people trained
Basic Oil Spill Course	4	0	28	27	55
Equipment Training	37	70	40	46	156
Equipment Training - Skimmers	36	70	37	34	141
Equipment Training - Vessels	92	152	109	61	322
Hazwoper	5	24	40	3	67
WHMIS	1	1	0	0	1
Respirator Fit Test	2	7	0	0	7
Transportation of dangerous goods	1	10	0	1	11
Fire Extinguisher	1	6	0	0	6
OFA Level 1	1	10	0	2	12
ICS - Level 400	1	2	0	0	2
ICS - Level 200/300	2	11	0	0	11
Health & Safety (Supervisors)	1	2	0	0	2
FOSET	22	19	12	231	262
Contractor	23	14	135	0	149
Safe Boating	0	0	0	0	0
Contractor Supervisory	2	3	31	16	50

Other Training:

Description	No. of sessions	Employees	Contractors	FOSET	Members	Non-members	Total
Shoreline Cleanup Assessment Techniques (SCAT)	1	1	0	0	0	25	26
Privacy Legislation	1	1	0	0	0	0	1
Management Course	1	1	0	0	0	0	1
Accounts Receivable Collections	1	1	0	0	0	0	1
ICS	2	11	15	4	90	35	155
Student Outreach	9	0	0	0	0	190	190
Adagio (Accounting Software)	1	2	0	0	0	0	2

Spill-response exercises: BCO participated in a total of 63 training exercises during 2004-2006. Of these, 22 were notification exercises (as per certification plan), 23 were tabletop exercises (as per plan), and 19 were equipment deployment exercises (as per plan, plus CANUSPAC, CANUSDIX, mutual aid, and member exercises).

Support for wildlife activities: BCO is the sponsoring organization for the British Columbia Society for Oiled Wildlife (OWSBC), formed in 2000 to provide a focal point for wildlife organizations involved in responding to oil spills. The society provides a single source of equipment as well as training co-ordination and support for volunteer wildlife groups along the coast. BCO maintains the Society's equipment, including two fully stocked response trailers. BCO also rents to OWSBC one 53-foot wildlife response trailer that is the heart of the Society's equipment delivery capability. BCO provided wildlife response training for OWSBC (2 days in 2004 and 1 day in 2005). In addition, wildlife groups participated in the some of the spill-response exercises reported.

Eastern Canada Response Corporation Ltd.

Eastern Canada Response Corporation (ECRC) ECRC manages three regions which contain six staffed and equipped Response Centres: Great Lakes Region (Sarnia), Québec Region (Verchères, Québec City, Sept-Iles), and Maritime Region (Dartmouth & St. John's, Newfoundland).

Spill-response activity: During calendar year 2005, ECRC responded to a total of 25 spills. All events were Tier 1 responses. In 2006, ECRC responded to 30 spills, all of which were again Tier 1 responses.

Training: In calendar year 2005, ECRC provided 254 training days to a total of 540 participants (note that some individuals may have participated in more than one session). Participants included 27 employees, 443 contractors and 70 others. In 2006, ECRC provided 248 training days to a total of 600 participants, including 28 employees, 424 contractors and 73 others. ECRC offers 15 different training courses, outlined in the following tables:

Responder Courses / Modules:

Course No. 1 – Responder Orientation		**Course No. 2 – Responder Spill Management Systems (SMS)**	
1.1	ECRC Overview	2.1	SMS - Responders
1.2	Responder Health & Safety		
1.3	Responder Decontamination		
1.4	Media - Responders		

Course No. 3 – Radio Communications		**Course No. 4 – Non Winch Crane Operations**	
3.1	Basic Communications Overview	4.1	Non Winch Crane Operation - Vessels

Course No. 5 - Vessel Operations		**Course No. 6 - Work Boats <15 Tons**	
5.1	Vessel Operations Overview	6.1	Workboats <15t Overview
5.2	Seamanship (Crew)	6.2	Seatrucks
5.3	Navigation (Operators)	6.3	Ribs / Inflatables
5.4	SVOP [training to begin in 9007]	6.4	Work Boats <15 tonnes
5.5	MEDA3		

Course No. 7 – Work Boats >15 Tons		**Course No. 8 – Floating Storage Units**	
7.1	Workboats >15t - 49' Patrol Boat	8.1	Floating Storage Overview
		8.2	Unitor Bag
		8.3	Ro-Tank
		8.4	Lancer
		8.5	Pollutank
		8.6	Pol-e-Tank
		8.7	50 Tonne Al Barge

Course No. 9 – Steel Barges		**Course No. 10 – Skimmers/Skimming Techniques**	
9.1	Steel Barges Overview	10.1	Skimmer Overview
9.2	SMTB 7	10.2	GT-185 Skimmer
9.3	Dover Light	10.3	GT 260 Skimmer
9.4	Orleans	10.4	T-Disc 12/18 Skimmer
9.5	Basques	10.5	MI-3O Skimmer
9.6	ECRC 200	10.6	Pedco Skimmer
9.7	John P. Oxley	10.7	Axiom Beft Skimmer
		10.8	Elastec Drum Skimmer
		10.9	LSC 2 Lori Skimmer
		10.10	LBC 3 Lori Skimmer
		10.11	LSC 4 Lori Skimmer
		10.12	LFS 6 Lori Skimmer
		10.13	Marco
		10.14	Rope Mop 4" / 9" Skimmer
		10.15	Libra Belt Skimmer
		10.16	Skim Pac Skimmer
		10.17	Slurp Skimmer
		10.18	Spill Vac

Course No. 11 - Pumps		**Course No. 12 - Boom/Booming Techniques**	
11.1	Pumps Overview	12.1	Boom Overview
11.2	1' to 4' Water Pumps	12.2	Oil Stop Deep Sea
11.3	1" to 4" Air Diaphragm Pumps	12.3	Vikoma Hi - Sprint
11.4	3" Motorized Diaphragm Pumps	12.4	Kepner (Open Harbour)
11.5	2" to 3" Peristaltic Pumps	12.5	Ro- Boom 1500
11.6	4" Bowie Gear Pump	12.6	Zoom Boom 30"
11.7	6" Godwin Dry Prime Pump	12.7	Shore Seal / Ro-Beach
11.8	TK-5 / TK-6 Framo Pumps	12.8	General Purpose - Solid Flotation
11.9	Desmi 250 Pump		

Course No. 13 - Sweep Systems		**Course No. 14 - Shoreline Treatment Techniques**	
13.1	Sweep Systems - Overview	14.1	Shoreline Treatment Overview
13.2	Nofi V-Sweep 600	14.2	Manual Removal
13.3	Nofi V-Sweep 1000	14.3	Mechanical Removal
13.4	Current Buster 600	14.4	Flushing/Deluge
13.5	Other Sweep Systems	14.5	Vacuum
		14.6	Passive Collection
		14.7	Vegetation Cutting/Removal
		14.8	Sediment Removal
		14.9	Low Pressure Washing
		14.10	High Pressure Washing

Course No. 15 - Bird Scaring Equipment	
15.1	Bird Scaring Equipment Overview
15.2	Propane Cannon
15.3	Pistol / Shotgun (blanks)
15.4	BRECO Buoy
15.5	Phoenix Wailer

Spill-response exercises: ECRC participated in a total of 84 training exercises in 2005. Of these, 34 were internal exercises conducted by ECRC and 50 were external exercises undertaken with members and other organizations. In 2006, ECRC participated in 63 training exercises, 34 of which were internal and 29 external.

Support for wildlife activities: ECRC continues to provide training to Oiseleurs de Québec and other organizations (including Pollutech, HD Industrial, Harold Marcus, Willy's Contracting, Norlake, Marine Clean, Ocean Harbours, and Tri-State). ECRC maintains an inventory of equipment available to support wildlife response activities, including 8 BRECO buoys, 3 starter pistols, 5 propane cannons, 1 phoenix wailer, and 2 on-demand water heaters.

Atlantic Emergency Response Team (Alert) Inc.

Atlantic Emergency Response Team ("Alert") Inc. primarily covers the area surrounding the Port of Saint John, New Brunswick (the Bay of Fundy).

Spill-response activity: There were no spills responded to in calendar years 2005 and 2006.

Training: Alert has successfully initiated and trained its employee's Emergency Response Team (ERT) and various contractors. In co-ordination with the Canadian Coast Guard College in Sydney, Nova Scotia, training has been provided for the Marine Spill Response Operations Course (MSROC). Environment Canada provides a refresher SCAT (Shoreline Cleanup and Assessment Techniques) course in Saint John, New Brunswick, for both the ERT and members of local community groups.

In 2005 and 2006, Alert was involved in the provision of a total of 25 training sessions involving 212 participants (note that some individuals may have participated in more than one session). The following tables summarize Alert's training activities for 2005 and 2006.

Training, 2005:

Type of training provided	No. of training sessions provided	No. of employees trained	No. of ERT members trained	No. of contractors trained	Total no. of people trained
Alert Operations Exercise	2	3	7	17	27
Alert Tabletop Exercise	1	4	1	15	20
First Aid / CPR	2	2	0	3	5
ICS-Incident Command System	1	0	1	11	12
Med Level A	1	1	0	0	1
MSROC	1	1	0	0	1
Nofi- V-Sweep	1	1	3	9	13
OHF – Basic Oil Spill Response	3	1	3	32	36
SCAT	1	1	0	2	3
WHMIS	1	0	2	0	2

Training, 2006:

Type of training provided	No. of training sessions provided	No. of employees trained	No. of ERT members trained	No. of contractors trained	Total no. of people trained
Alert Operations Exercise	2	1	4	9	14
Alert Tabletop Exercise	1	3	2	12	17
ICS-Incident Command System	1	1	0	7	8
Nofi- V-Sweep	1	0	1	7	8
OHF – Basic Oil Spill Response	4	1	6	33	40
WHMIS	1	0	4	0	4
Wildlife Oil Spill Response	1	1	0	0	1

Spill-response exercises: Alert continues to stage operational and tabletop exercises each year to enhance its response capabilities. In 2005 Alert participated in 1 table top exercise, 1 operational exercise, 1 CANUSLANT table top exercise, 3 internal notification exercises and 1 external notification exercise. In 2006 Alert participated in 1 table top exercise, 1 operational exercise, 1 operational ALERT/CCG exercise, 3 internal notification exercises and 1 external notification exercise.

Support for wildlife activities: Alert is promoting the development of a dedicated wildlife response organization for Eastern Canada through the Atlantic Wildlife Coalition (AWC). Alert maintains a wildlife box which includes an inventoried list of equipment and supplies, including a response trailer, a diesel generator, a bird scaring cannon, bird scaring pistols and blank cartridges, folding tables, galvanized wash tubs, shower heads, a weigh scale, landing nets, a transport net for sea mammals, and various medical supplies.

Point Tupper Marine Services Ltd.

Point Tupper Marine Services (PTMS) primarily covers the area of Port Hawkesbury, Nova Scotia.

Spill-response activity: During this reporting period, PTMS responded to a total of 5 spill incidents. All events were Tier 1 responses.

Training: Over the period 2004-2006, PTMS provided of a total of 40 training sessions involving 417 participants (note that some individuals may have participated in more than one session). The following table summarizes PTMS's training activities for 2004-2006.

Training, 2004–2006:

Types of training provided	Number of training sessions provided	Number of employees trained	Others who have received training	Total number of people trained
Confined Space Entry Certification	3	6	28	34
Confined Space Rescue	1	3	1	4
Fall Protection	2	5	25	30
Fall Protection and Scaffolding	1	2	8	10
Forklift Operators Course	1	2	15	17
H2S Awareness	5	9	45	54
Hazwoper	1	0	1	1
MED A1, B1, B2	2	3		3
OHF Training	1	6	23	29
Respiratory Protection	3	5	31	36
Safe Lifting Techniques	1	1	10	11
Response and Contingency Plan	1	4	45	49
Site Safety and Security	9	9	69	78
Shoreline Cleanup Assessment	1	2	0	2
St. John Ambulance First Aid	3	5	7	12
Transportation of Dangerous Goods	3	0	18	18
Wildlife Rehabilitation	2	5	24	29

Spill-response exercises: Point Tupper Marine Services has provided the following table which summarizes its spill-response exercises over the reporting period.

Exercises, 2004–2006:

Type of Exercise	Personnel	Date of Exercises
Tier IV Exercise (certification)	84 Participants	02-Sep-04
Tier I Exercise (certification)	45 Participants	28-Jun-05
Tier III Exercise (certification)	61 Participants	07-Jun-06
Un-Sheltered Waters Exercise - Sweep Boom Deployment	14 Participants	01-Jun-04
Un-Sheltered Waters Exercise - Sweep Boom Deployment	19 Participants	03-Jun-04
Un-Sheltered Waters Exercise (Vessel of Opportunity) Sweep Boom System	15 Participants	09-Jun-04
Un-Sheltered Waters Exercise - Sweep Boom Deployment	21 Participants	17-Aug-04
Shoreline and Sheltered Waters Exercise	23 Participants	19-Aug-04
Shoreline and Sheltered Waters Exercise - Boom Reel Deployment	6 Participants	06-May-05
Shoreline and Sheltered Waters Exercise	13 Participants	02-Jun-05
Shoreline and Sheltered Waters Exercise	16 Participants	07-Jun-05
Tabletop Exercise	14 Participants	June 11 - June 13, 2006
Un-Sheltered Waters Exercise - Sweep Boom Deployment	14 Participants	08-Nov-06
Un-Sheltered Waters Exercise - Sweep Boom Deployment	23 Participants	16-Nov-06
Un-Sheltered Waters Exercise - Sweep Boom Deployment	11 Participants	13-Jun-06 and 14-Jun-06
Shoreline and Sheltered Waters Exercise - Boom Reel Deployment	8 Participants	07-Sep-06

<u>Support for wildlife activities</u>: Tri State Wildlife Rehabilitation Training was provided to PTMS and Clean Seas Society[6]. PTMS maintains an inventory of bird rescue equipment that is available from to support wildlife response activities. This includes equipment (collapsible tables, laundry and galvanized tubs, a sump pump, an on-demand propane water heater, knotless netting, hoses and adaptors), cleaning products and supplies, personnel supplies (disposable overalls and gloves, goggles and safety glasses), husbandry supplies (play pen, pet dryer, heat lamp, housing pens, transport carriers), and medical supplies.

[6] PTMS reports that this training occurred over November 25-26, 2006, which is outside this reporting period. However, it is included in the consolidated information for training during 2004-2006.

Regional Advisory Councils

In 1995, pursuant to Section 660.10 of the CSA, the Commissioner of the Canadian Coast Guard established six Regional Advisory Councils (RACs) representing the different marine regions across the country: Pacific, Arctic, Central (covering the Great Lakes), Laurentian (covering the St. Lawrence), Maritimes, and Newfoundland.

The RACs played a primary role in the consultation process that led to the amendments to the CSA now embodied in CSA 2001. The role and membership of the RACs themselves was a significant part of the review of Regime governance. As part of a renewed Regime, the RACs now have a strengthened role as a mechanism for ensuring public accountability.

The primary objective of the RACs on Oil Spill Response is to share and address issues of mutual concern to the membership. The RACs serve as an advisory body to the Minister of Transport and shall advise and may make recommendations related to marine oil spill preparedness. The role and mandate of the RACs are:

- to advise on an adequate level of oil spill preparedness and response in each region; and
- to promote public awareness and understanding of issues and measures with respect to preparedness.

The RACs may make recommendations on the full range of policy issues affecting regional preparedness and response, and may request information from Transport Canada, Canadian Coast Guard or response organizations on equipment placement, plans, resources, costs, training, exercises, or reviews undertaken of response operations, in pursuit of their mandate to advise and report on the adequacy of preparedness in the region.

Each RAC comprises a maximum of seven members who represent the various sectors affected by the legislation. RAC members represent a balance of communities and interests that might be affected by an oil spill in their respective areas. Members are appointed by Transport Canada, for three-year terms. Members elect a president; Transport Canada acts as secretariat to the council. The council forms an integral part of the ongoing partnership approach to preparedness and response in Canada.

RAC members commit to a membership term of three years and may request renewal to continue as a RAC member once their three-year term ends. Some memberships expired December 2006 and others will expire on December 2007. Current RAC members will be invited to reapply for consideration of an extended term and new members will be solicited.

Additional information on the Regional Advisory Councils is now available on the Transport Canada Web site at http://www.tc.gc.ca/marinesafety/oep/ers/racs/menu.htm

Improving the Regime

Regime governance structure

Ongoing efforts to improve Regime governance, combined with transfer of departmental responsibilities and the ongoing regulatory reform project in support of the *Canada Shipping Act, 2001* (CSA 2001), have been the driving forces in the evolution of the Regime's structure over the current reporting period.

The Canadian Coast Guard (CCG) initiated work towards improving Regime governance in the late 1990s. This project brought stakeholders together, fostering a co-operative relationship between government and industry, and acknowledging the importance of full public accountability. The governance proposals included in CSA 2001 emerged from this consultation process and were broadly supported by most stakeholders.

On December 12, 2003, the Government of Canada transferred from the Department of Fisheries and Oceans (DFO) to Transport Canada (TC) all CCG policy responsibilities and certain operational responsibilities including those related to pollution prevention and response. The policy responsibilities transferred include the development and management of legislation, regulations, standards and guidelines. While the governance structure of the Regime was transferred unchanged, work required to complete the transfer of responsibilities and the ongoing process of developing and implementing improvements to the Regime in support of CSA 2001 has continued under the authority of Transport Canada during this reporting period.

Much of the work required to bring the governance structure of the Regime into compliance with CSA 2001 was completed in advance of the Act coming into force on July 1, 2007. Consultations on the new Environmental Response Regulations have taken place.

National Advisory Council (NAC)

With a mandate to ensure Canada is prepared to respond to a major oil spill, it is proposed this Council meet regularly to review national issues of preparedness and response. Co-chaired by Transport Canada and a Regional Advisory Council President, membership will consist of the president of each Regional Advisory Council, regional and headquarters Transport Canada representatives. The NAC will request representation from Environment Canada and the Department of Fisheries and Oceans. As a result of the transfer of responsibilities between departments, Transport Canada is now responsible for developing the National Advisory Council. An implementation framework is being worked on, and the Council will become operational after the governance structure is established under CSA 2001.

Regional Advisory Councils

There are currently six Regional Advisory Councils (RACs), originally established by the Commissioner of the Canadian Coast Guard pursuant to the CSA. These councils are regional committees in which the parties involved in the Regime or potentially impacted by marine oil spills can meet, identify, discuss and realize opportunities. They have a mandate to comment upon, but not direct, regional preparedness. CSA 2001 requires that these councils are representative of communities and interests that could be affected by an oil spill.

More information about the RACs can be found at the end of the previous section of this Report.

Response Organization User Committees

CSA 2001 requires the establishment of Response Organization User Committees, and permits the enactment of regulations. With membership drawn from those who pay response organization (RO) fees, these committees will assess response organization fees, and fee proposals against a fees formula and standards of financial accountability and transparency, as set out in regulations. The committees will review, but not approve, fees. After a User Committee review, any interested party may still object to the proposed fees within 30 days of their publication in the *Canada Gazette*.

The Canada Shipping Act, 2001

Bill C-35, An Act respecting shipping and navigation (CSA 2000) received first reading in the House of Commons on June 8, 2000. However, with the end of the 36th session of Parliament, it was necessary to re-introduce the Bill once the 37th session commenced. Now known as Bill C-14, CSA 2001 received first reading on March 1, 2001. The Bill, as amended by the Standing Committee on Transport and Government Operations, was reported to the House on May 3, 2001, and was passed by the House of Commons on May 10, 2001. Royal Assent was granted on November 1, 2001. The *Canada Shipping Act* is the principal legislation governing the activities of Canadian ships and foreign ships in Canadian waters. The Minister of Fisheries and Oceans shares responsibility for the Act with the Minister of Transport.

The sections establishing the Regime are found in Part 8: Pollution Prevention and Response — Transport Canada, sections 167 through 173. The proposed legislation includes the requirements for vessels (167) and oil handling facilities (168). The sections establishing the legal framework for response organizations (169 to 171) have been revised to incorporate a streamlined and clarified response organization fee proposal process. Section 172 addresses the establishment and functioning of advisory councils. The requirement for a Report to Parliament (173) has been revised from every two years to every five years.

The regulatory reform process

Royal assent of CSA, 2001, on November 1, 2001, marked the first of two steps in the modernization of the *Canada Shipping Act*. The second stage is the development of the regulations needed to support the new Act. The CSA 2001 regulatory reform, when completed, will provide Canada with a modern and responsive set of regulations for the marine industry. CSA 2001 did not come into force until July 1, 2007, after the main regulations needed in support of it, were developed and put in place.

Upon the transfer of policy responsibility in 2003, Transport Canada took over the lead for CSA 2001 regulatory reform for pollution prevention and response (Part 8 of the Regulations). Transport Canada Marine Safety is carrying out the regulatory reform work and implementation of the reform will proceed through two phases:

- Phase 1 - regulations that are not compliant with the new Act are being remodelled and reduced in number. In addition, new regulations required by the CSA 2001 are being developed. Phase 1 regulations will come into force in early 2007; and,
- Phase 2 - post- implementation of the CSA 2001, will see the regulations that are in compliance with the new Act updated.

Transport Canada established a project team consisting of a number of headquarters' staff and representation from each region to conduct the development of these regulations. The mandate of the Environmental Response Project Team is to develop a "Smart" set of Environmental

Response Regulations, ensuring currency of publications, and to address all changes under the new legislation. The project team draws from the philosophies referred to in the Federal Regulatory Policy, 1999 to fulfill its mandate.

Public and stakeholder consultations are a critical component in the regulatory development process. All stakeholders and concerned members of the public will be provided with ample opportunity to make their views, concerns and recommendations known. Regulatory consultations with Response Organizations, the oil handling facilities and Regional Advisory Councils took place during this reporting period (2004-2006). This round of stakeholder consultations discussed the changes to the legislation and to develop a framework for the Regulations. The results of these meetings will be reflected in the proposed regulatory structure for the Environmental Response Regulations.

Transport Canada and Canadian Coast Guard activities

A significant portion of federal government activities related to the Regime carried out during this reporting period have involved the *Canada Shipping Act, 2001* (CSA 2001) regulatory reform process, discussed in the previous section. Some final work was required to complete the process of transferring certain preparedness and response activities to Transport Canada. Other major initiatives undertaken during the course of this reporting period included improvements to the National Aerial Surveillance Program, work on the East Coast Risk Assessment, development of the Places of Refuge Contingency Plan, improvements to the Marine Pollution Incident Reporting System, and interdepartmental co-operation to reduce illegal oil pollution.

Federal Responsibility for Pollution Prevention and Response

Transport Canada (TC) is the lead **regulatory / governance agency** for all ship-source spills and the overall response regime while Environment Canada (EC) remains the lead for land based spills. The Department of Fisheries and Oceans (DFO) / Canadian Coast Guard (CCG) has the powers, duties and functions pursuant to section 678 of the *Canada Shipping Act* and therefore is the lead **response agency** in case of ship-source pollution spills.

Transport Canada is responsible for the following activities:

- ships' prevention/response plans
- oil handling facilities prevention/response plans
- response organization certification
- monitoring response organization exercises
- fee administration (bulk oil cargo fee)
- pollutants list
- national aerial surveillance
- enforcement and compliance
- governance
- regime oversight
- national/regional advisory councils
- user committees

The CCG is responsible for responding to spills and will fulfill the federal monitoring and/or on-scene command roles for the Government of Canada. The basic responsibilities are outlined as follows:

- response
- response to mystery spills and ship source spills north of 60
- initial response agency for south of 60

Pollution prevention and response responsibilities:

TC and DFO/CCG

The development of **regional and national capacity plans** for the response to incidents shall be reviewed and approved by TC and DFO national and regional management no less frequently than every two years. In addition, joint exercises shall be held every two years.

DFO-CCG is solely responsible for the development of its **national and regional emergency response plans**.

TC will consult with DFO and DFO will provide its spill response expertise for the review and updating, as required, of the **Response Organization Standards**.

DFO will maintain the national 24-7 **pollution reporting system**, including the alerting of TC to pollution incidents. DFO will also maintain the Marine Pollution Incident Reporting System (MPIRS) and share data and analysis with TC.

CCG will continue to be responsible for all **technical publications** related to pollution response operations, including reporting and notification of pollution events.

DFO personnel appointed as **pollution prevention officers** (PPOs) are responsible to the Minister of Transport through the Coast Guard regional director responsible for the area where the powers are invoked. In CSA 2001 DFO personnel will be appointed as **pollution response officers** (PROs) and are responsible to the Minister of Fisheries and Oceans.

- federal monitoring and on-scene command for the Government of Canada
- response management (National Support Team)
- development of emergency response plans
- CCG claims and compensation
- Ship Source Oil Pollution Fund (SOPF) liaison

DFO will report without delay any occurrences of non-compliance to TC's legislation and regulations in any case where DFO is made aware of such non-compliance. DFO will, by the provision of ships or other equipment and/or facilities and on an opportunity basis, assist TC with the investigation of and with the prosecution of offenders for violations of TC's legislation and regulations. It is however understood that DFO-CCG does not, unless specifically designated by TC, have enforcement powers.

Therefore, the departments share responsibility for the effective and efficient response to ship-source pollution. TC is responsible for ensuring that the appropriate resources are in place. In other words, TC is responsible for the overall review of the national capacity. DFO-CCG is responsible for the co-ordination of the response in case of spills and for the clean-up activities. TC and DFO have committed to working together to ensure that the overall Regime is appropriate and to ensure effective and efficient response to ship-source pollution.

Advisory and Consultative Bodies

A number of fora exist in Canada for marine stakeholders to consult and share information on matters related to safety, navigation and marine pollution. DFO is responsible for the Marine Advisory Boards across the country. TC is responsible for all Regional Advisory Councils and the Marine Oil Pollution Working Group of the Canadian Marine Advisory Council (CMAC).

International Relations/Activities

TC is the lead for international matters concerning marine policy (i.e. shipping policy, vessel safety and ship-source pollution prevention) and is the national administration to which many international maritime conventions refer. CCG is the lead on international fora dealing with operational service matters. TC is the lead department representing Canada and providing overall co-ordination for Canada's relations at the International Maritime Organization (IMO), and represents Canada on any negotiations related to the Oil Pollution Preparedness and Response and Cooperation (OPRC) Convention. DFO/CCG remains the lead agency for all operational joint contingency plans developed with foreign countries. The two departments will support each other during those negotiations.

Completing the transfer of responsibilities from DFO to TC

On December 12, 2003, the Government of Canada transferred from the Department of Fisheries and Oceans (DFO) to Transport Canada (TC) all Canadian Coast Guard (CCG) policy responsibilities and certain operational responsibilities relating to pleasure craft safety, marine navigation services, pollution prevention and response, and navigable waters protection. The responsibilities were transferred to provide Canadians with a single point of contact for policy issues associated with marine safety and security.

The policy responsibilities transferred include the development and management of legislation, regulations, standards and guidelines. Certain associated operational/program responsibilities were also transferred. These were thoroughly discussed in the previous Report to Parliament for 2002-2004.

A Memorandum of Understanding (MOU) and Resource Transfer Agreement (RTA), between Transport Canada and Fisheries and Oceans Canada, was written to outline the changes in roles, responsibilities and associated resources resulting from the Government decision of December 12, 2003. The documents reflected the need for TC and DFO to continue to work in close co-operation in support of environmentally conscious, safe, secure, and efficient marine transportation in Canada. The MOU and RTA were co-signed by both departments on March 3, 2005.

Transport Canada activities, 2004–2006

Environmental Response Systems—part of Transport Canada's Operations and Environmental Programs branch, Marine Safety Directorate—is responsible for developing and administering policies, regulations and programs to protect the marine environment, to mitigate the impact on the environment of marine pollution incidents in Canadian waters, and to ensure the safety of the general public.

Transport Canada works with other federal agencies and departments, such as Fisheries and Oceans Canada (DFO), the Canadian Coast Guard (CCG) and Environment Canada (EC), to establish guidelines, the regulatory framework and mechanisms for the preparedness and response to oil spills. In addition to work related to the CSA 2001 regulatory reform project (see previous section), TC activities related to the Regime during the reporting period are outlined on the following page.

Transport Canada is also an active member of the Arctic Council, a high-level forum for co-operation, co-ordination and interaction between Arctic states, indigenous communities and other Arctic residents. Through the Council's Emergency Prevention, Preparedness and Response (EPPR) Working Group, Transport Canada works with other Arctic Countries to deal with the prevention, preparedness and response to environmental emergencies in the Arctic that are a result of human activities or natural disasters. More information on the Arctic Council and the EPPR is available at http://www.tc.gc.ca/marinesafety/oep/ers/arcticcouncil.htm.

National Aerial Surveillance Program

Canada borders three oceans, has the world's longest coastline, and has an ocean area equivalent to over 30 percent of its landmass. As a result, our economy, history, and social fabric are inextricably linked to the oceans and their resources. Subsequently, preventing pollution from entering our oceans is a matter that the Government of Canada takes very seriously. The National Aerial Surveillance Program (NASP) is one method by which this is achieved.

The NASP was established in 1991 and serves to detect pollution violations and enforce international conventions and domestic legislation. The program conducts aerial surveillance in five of Transport Canada's Regions, Atlantic, Quebec, Ontario, Pacific, and Prairie and Northern. —using four patrol aircraft which are strategically placed across Canada. It documents such things as the number of patrol hours, vessel over-flights, pollution sightings, sightings per vessel over-flight, and volume of oil discharges observed.

During the reporting period, the following statistics were gathered:

Fiscal Year	Patrol Hours	Vessel Overflights	Pollution Sightings	Total Estimated Volume of Oil Detected
2004/2005	1,224	6,539	56	3,485
2005/2006	1,599	9,724	78	842

The NASP is a national program managed from within Transport Canada's headquarters. The NASP is the primary tool available to TC and EC, to enforce the provisions of Canadian legislation applicable to illegal discharges from ships. Evidence gathered by the NASP is forwarded to the investigation team to enact the enforcement provisions in each of TC and EC. It was recognized that co-operative efforts are required to deal with the problem of chronic and illegal marine oil pollution. Consequently, future prosecutions and investigations will be conducted under the umbrella of the inter-departmental Memorandum of Understanding (MOU) between TC and EC to outline the cooperation of both parties in enforcing pollution prevention and wildlife legislation for the protection of the marine environment from ship source pollution. Since assuming control of the NASP in December 2003, Transport Canada has been proactive in augmenting the effectiveness of the program. It has increased the frequency of pollution patrols and expanded patrols over areas not historically flown, such as the Arctic. Other initiatives include multi-tasking with other government departments to ensure each surveillance hour is as productive as possible, and upgrading its pollution surveillance equipment to ensure Canada exceeds the capability offered by many other countries tasked with preventing pollution from ships and protecting the marine environment.

In 2004, TC initiated a program to modernize the NASP in an effort to improve the effectiveness of the program. This was when the work commenced to acquire the first of three maritime surveillance systems for TC's pollution surveillance aircraft.

On December 1, 2006, Transport Canada commissioned its newly equipped Dash 8 pollution surveillance aircraft (based in Moncton, New Brunswick), which features state-of-the-art Maritime Surveillance System 6000 (MSS 6000) technology (see details below). The addition of this new imagery equipment makes Canada a world leader in detecting marine polluters. Polluters can be detected at night and under low cloud. In addition, it is possible to isolate very fine details on the sea surface. More importantly, however, this aircraft will act as a significant deterrent to would-be polluters as it becomes widely known that Canada is watching better than ever before.

TC's pollution surveillance aircraft have quickly become the aircraft of choice by the federal government departments involved with marine security. The new system continues to provide marine domain awareness data to the coastal Marine Security Operation Centres (MSOC) on a daily basis to assist with completing the recognized maritime picture.

Transport Canada, Marine Safety, in partnership with EC's Canadian Ice Service have established a Marine Aerial Reconnaissance Team (MART) to provide aerial surveillance in order to support government of Canada departments and agencies who ensure that vessels operate in a safe, pollution free, and legal manner while in Canadian waters. In both the short and long term, the MART will serve numerous government departments and through multi-tasking will serve the people of Canada more effectively by breaking down the barriers between departments to ensure that reconnaissance aircraft are being used more effectively and cost efficiently.

Acquisition of new equipment for NASP

In order to improve the effectiveness of the NASP, Marine Safety felt it was necessary to modernize the Dash 8 pollution surveillance aircraft based in Moncton, N.B. This included upgrading the remote sensing capability of the Dash 8. In total $4.6 M was spent on the project. A maritime surveillance system called the MSS6000 was acquired from the Swedish Space Corporation (SSC) of Solna, Sweden, following a public tendering process. The SSC is an industry leader in the development of aerial surveillance systems and they have sold similar systems to many other countries such as Greece, Norway, Poland, Sweden and the United

States. In 2005, an identical system was purchased for the West Coast of Canada and TC anticipates it will be operational with trained crews by winter 2008.

Prior to this acquisition, pollution surveillance relied on visual detection from aircrew, which equates to approximately two nautical miles on each side of the aircraft. The new equipment is able to detect surface anomalies, such as oil, for up to approximately 15 nautical miles and vessels for up to approximately 45 nautical miles on each side of the aircraft.

This equipment will significantly increase TC's ability to detect illegal discharges from passing vessels even in conditions of reduced visibility, such as darkness or low cloud cover. This capability is currently not available within the NASP. The system will also assist other departments such as the Department of Fisheries and Oceans/Canadian Coast Guard and Environment Canada with containment and clean-up operations by detecting, tracking and helping determine the characteristics of oil slicks.

The new suite of equipment consists of a SLAR (Side-Looking Airborne Radar); an Electro-optical Infrared Camera System, an IR/UV (Infrared/Ultraviolet) line scanner; an Air-borne AIS (Automatic Identification System) for receiving ship identity information; a high-resolution digital photography camera and a video system for visual documentation for evidence purposes, and a Satellite Communications System used for air to ground communications. Data from all systems is processed, integrated and presented in one integrated view to the operator. All recordings are annotated with Global Positioning System (GPS) data and digitally stored in an on board geographical database. Data and digital images are presented, integrated with an electronic nautical chart database, and also correlated with the mission report, all at the fingertips of the user, to ensure maximum efficiency during routine surveillance as well as in emergency situations. The MSS 6000 software will further allow transmission of data to the ground in real time as well as replay for analysis of the recorded mission on a separate ground workstation.

East Coast Risk Assessment Study

As part of its responsibility, Transport Canada initiated a Risk Assessment Study for the South Coast of Newfoundland and Labrador in 2005. This project was developed in co-operation with many organizations, including: the Department of Fisheries and Oceans, the Canadian Coast Guard and the Government of Newfoundland and Labrador.

There has been a marked increase in tanker traffic along the south coast of Newfoundland and Labrador in recent years, mainly due to the growth of offshore oil production, processing and trans-shipment in Placentia Bay, and to the importation and trans-shipment of oil in Eastern Canada. The purpose of the study is to assess and quantify the risk facing the south coast of Newfoundland over the next 10 years by the transportation of oil and oil products by commercial vessels. The study will gather the required information to allow Transport Canada to assess the adequacy of the Marine Oil Spill Preparedness and Response Regime on the south coast of Newfoundland and Labrador.

Some of the aspects that are being examined in this study include:

- increases in marine traffic;
- the size and number of tankers transiting the area;
- the convergence and divergence of shipping routes;
- the assessment of spill probabilities; and

- the potential impacts of spills on the environment and socio-economic impacts on residents and business.

As a result of consultations with stakeholders, the area of the study is the entire south coast of Newfoundland, from Cape St. Francis (east near St. John's) to Cape Ray (west near Port aux Basques), including Placentia Bay to the 50-mile limit. Public consultation sessions were held in June and July 2006. A report on these sessions is available online at http://www.tc.gc.ca/marinesafety/TP/tp14617/menu.htm.

This study will provide Transport Canada with extremely valuable information to assess the level of preparedness provided by Canada's Marine Oil Spill Preparedness and Response Regime, given the level of environmental risk identified in the study, and enable the department to make any necessary adjustments to the regime as required.

This study is expected to be completed in 2007. Once the results are in, Transport Canada can then assess the level of preparedness provided by the Regime, given the level of environmental risk identified, and make necessary adjustments to the Regime as required. Transport Canada may also use the data gathered to further enhance existing programs to minimize the risk of oil spills.

Designation of Port

A new Transport Canada policy has been written on the designation of a Canadian Port. The main objective of this policy is to define Transport Canada's role as lead regulatory agency for the creation of Designated Ports within Canada to serve the Canadian marine spill response regime. At this time the expansion of the Canadian oil extraction industry and the import of certain hydrocarbons has created a need to consider the Designation of additional Ports. The objective of this policy is to create the mechanism for this activity when it is deemed necessary.

Co-operation to Reduce Illegal Oil Pollution

Transport Canada began working with Environment Canada during the period of the previous Report to Parliament to Establish a National Memoranda of Understanding (MOU) for Co-operation to Reduce Illegal Oil Pollution. Work was completed on the development of the MOU during the summer months of 2006 and was signed and implemented August 2006. The purpose of this Memorandum of Understanding (MOU) is to outline the basis for cooperation between Transport Canada (TC) and Environment Canada (EC) in protecting the marine environment in waters under Canadian jurisdiction and in meeting Canada's obligations in accordance with international agreements with respect to subject matters such as ship source pollution and responsibilities of each Party in relation to programs and activities designed for protecting the marine environment from ship source pollution. The three main areas of the MOU pertain to Inspections, Investigations, and Direction and Detention Orders for ships that contravene the Government pollution prevention and wildlife protection legislation. The MOU has been in force for two years and has successfully provided the overall framework for Transport Canada and Environment Canada coordination of the government's enforcement actions with respect to the applicable legislation.

Places of Refuge Contingency Plan

Although there have been a number of "places of refuge"-type incidents that have taken place in Canada, in the absence of a formal approach, such incidents were handled in an ad-hoc manner, although more recently the Regional Environmental Emergencies Team (REET), port authorities and the provinces have also been engaged in the process.

In recent years, there have been a few high profile international incidents that have resulted in either a ship pollution disaster, or a near miss of one, involving ships that were refused a place of refuge, including the *Prestige* in 2002. Consequently, the issue of the provision of a place of refuge to a ship in need of assistance has become a priority for governments worldwide.

On December 5, 2003, the International Maritime Organization (IMO) adopted Guidelines on Places of Refuge for Ships in Need of Assistance. These guidelines recommend that all coastal States establish procedures consistent with the guidelines, to guide responses to requests for assistance.

Transport Canada is the lead agency for decisions related to a ship in need of assistance and requesting a place of refuge. As such, Transport Canada is responsible for ensuring the IMO Guidelines are taken into account and implemented to the extent possible. Work towards establishing a Places of Refuge Contingency Plan (PORCP) began during the 2004-06 reporting period, and was finalized in 2007.

The purpose of this plan is to establish a national framework and approach which, with associated regional measures, will provide for an effective and efficient response to requests from ships in need of assistance seeking a place of refuge. The PORCP will help to ensure that a consistent approach is taken across the country to putting in place an effective response plan that will meet both Canada's national and international responsibilities.

The PORCP provides a decision-making risk assessment tool for Transport Canada Marine Safety Regional Directors which will help to ensure that a thorough and balanced assessment of the risks are made and the best risk control strategy can be decided on and implemented in a timely and safe manner.

Transport Canada has the authority to direct a vessel under Sections 189 and 211(3) of *CSA, 2001* and Section 16(1) of the *Marine Transportation Security Act.* The Department of Fisheries and Oceans has the authority to direct a vessel under Sections 175.1(2) and 180 of CSA *2001* and the Port Authorities has the right to direct a vessel under Section 58 of the *Canada Marine Act*.

Canadian Coast Guard activities, 2004–06

The Canadian Coast Guard (CCG) continues to work on improving its operations with respect to its function as lead response agency for ship-source spills. In addition to the activities outlined below, CCG has, in conjunction with TC, reviewed and assisted in the completion of the Places of Refuge Contingency Plan.

Canada / France Joint Marine Pollution Contingency Plan (JCP)

A draft administrative arrangement between Canada and France for Saint-Pierre and Miquelon was completed. This gives the responsibility to put in place a Joint Marine Pollution Contingency Plan between CCG Newfoundland & Labrador Region and the Prefecture of Saint-Pierre and Miquelon. It is anticipated that the JCP will be officially signed and implemented in 2007.

Improvements to the Marine Pollution Incident Reporting System

The Marine Pollution Incident Reporting System (MPIRS) was implemented in 2001 to record reported marine pollution incidents and subsequent actions taken. Technical upgrades to the MPIRS were conducted in 2004 to facilitate its use. These improvements will result in increased reliability in the data quality and more accurate and consistent marine pollution data for statistical analysis and performance measurement of the CCG Environmental Response Program. Further upgrades were made to the MPIRS application over the period of this Report. Some functions were streamlined and new business rules ensure more accurate and consistent data.

Response Management System course development

The Response Management System (RMS) allows CCG to maximize the efficiency of responding or monitoring the polluters response operations, documenting the actions of responders and accounting for expenditures. The RMS is continuously evolving and is being used in all CCG exercises and responses to marine pollution incidents.

Two new RMS courses are currently under development. The first will be an “Introduction to RMS” Web-based course. The introductory course will provide users with a general overview of the RMS, including organizational structure and functionality. The second is a three-day course designed to provide users with an understanding of RMS roles, responsibilities and processes, including individual job functions.

Revision of the National Contingency Plan into the National Response Strategy

The CCG National Contingency Plan is currently undergoing a revision. The new plan will incorporate the National Preparedness and Response Policy and National Contingency Plan and become the National Response Strategy. This plan is slated for completion in 2007.

Acquisition of new pollution response equipment

CCG acquired approximately $1.4 million of pollution response equipment. This equipment was purchased to replace some outdated equipment as well as improve the efficiency and operation of some existing equipment.

The view forward

Now that the first phase of the work associated with the CSA 2001 regulatory reform project has been completed and the new Act proclaimed July 1, 2007, the submission of this Report to Parliament marks the beginning of a new stage for the Regime.

Completion of the CSA 2001 Regulatory Reform Project

Phase 2 of the CSA 2001 regulatory reform project—occurring post-implementation of the CSA 2001—will see the regulations that are in compliance with the new Act updated.

National Aerial Surveillance Program

To further strengthen the National Aerial Surveillance Program (NASP), Transport Canada has acquired identical aerial surveillance equipment with the same capacity now being used on Canada's East Coast for use on Canada's West Coast. It is anticipating that it will be operational with trained crews by the winter of 2008. With these recent improvements, the Department is sending a strong message to the international maritime community that Canada's marine environment is precious and valuable.

To supplement ongoing pollution surveillance flights, Transport Canada is also a partner in the Integrated Satellite Tracking of Polluter's (I-STOP) Project, which uses earth observation technology (Radarsat imagery) to look for oil-like signatures (anomalies) on the ocean's surface that could be indicative of an oil spill.

Through partnership with Environment Canada's Canadian Ice Service, Transport Canada is creating a Marine Aerial Reconnaissance Team whose mission is to observe, analyze, record and report marine activity and environmental conditions affecting or being affected by the maritime community. It is Transport Canada's goal to be recognized as a world leader in aerial marine reconnaissance.

Hazardous and noxious substances

Canada has the longest shoreline in the world and some of the most difficult waters to navigate due to extreme conditions, strong currents and very cold water. The amount of hazardous and noxious substances (HNS) that are currently being transported in and around Canada have expanded rapidly in recent years. This trend clearly gives rise to a real and increasing risk of an HNS incident occurring in this country and to the need for a means to address this risk.

In Transport Canada's Sustainable Development Strategy (2007-2009), high priority is given to the development and implementation of an HNS regime that focuses on assuring the safety of the public and the protection of the environment. In particular, it highlights the need to:

- develop the legislative structure required to put an HNS regime in place, together with the necessary regulations and standards;
- create the required HNS response mechanism in order to provide a nationally consistent method of responding to, and managing the response to, marine HNS incidents and spills from ships and during the loading and unloading of ships at chemical handling facilities; and
- take the necessary action to permit Canada to accede to the Protocol on Preparedness, Response and Co-operation to pollution incidents by Hazardous and Noxious Substances, 2000 (OPRC-HNS Protocol).

Since 2004, Transport Canada has been the lead regulatory governance agency for preparing for all ship-source oil pollution spills. With respect to HNS, it is also responsible for the overall design and regulation of an HNS regime and to ensuring that the appropriate resources are in place for the creation of the national response capacity, as well as ship pollution response plans, handling facility pollution response plans, monitoring response organization exercises, and enforcement and compliance.

Work towards establishing an HNS regime will be closely related to the evolution of the Marine Oil Spill Prevention and Response Regime. The lessons already learned from the establishment and operations of the Regime will be invaluable resources. The relationship between the two regimes will be determined as the HNS regime develops. This will be a significant project for Transport Canada over the next several years.

Conclusion: Entering a new era with CSA 2001

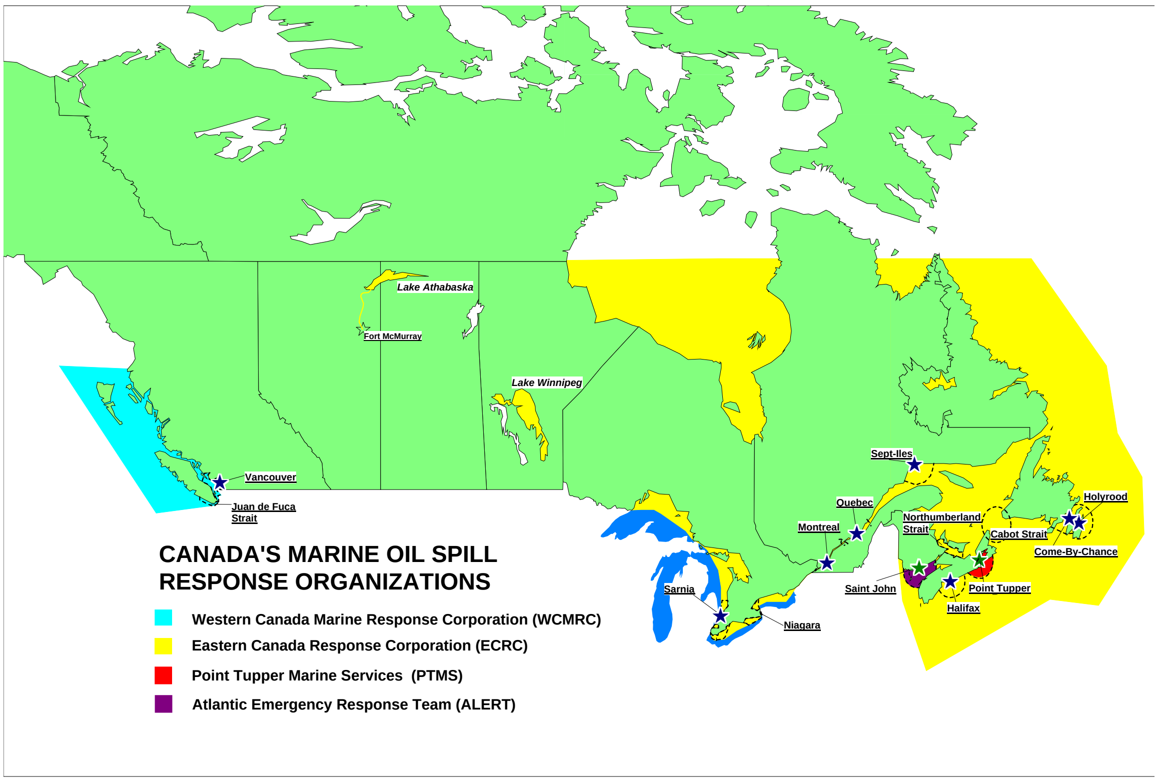
The CSA 2001 reforms provide a solid yet flexible legislative framework that has a high level of approval among stakeholders. The new legislation improves the Regime's ability to manage its affairs, while integrating it further into Canada's national system of preparedness and response. The Regime has been confirmed as a long-term provider of protection to Canada's marine environment.

It is clear that Canada's environment enjoys a greatly improved level of protection against the danger of marine oil spills, compared to the situation prior to the development of the Regime. The process of developing this industry-funded and operated system of spill preparedness and response has forged a strong government-industry alliance in the interest of environmental protection.

TC is committed to protecting the marine environment through the ongoing development of pollution prevention regulations under the *Canada Shipping Act, 2001*, active participation at the International Maritime Organization (IMO) to continuously improve international standards for safe and environmentally sound shipping, and to overseeing Canada's Marine Oil Spill Response Regime in the event that a major spill does occur.

TC recognizes CCG's ongoing excellence in responding to and monitoring operational requirements and looks forward to continuing to work together with our colleagues at the CCG to ensure the protection of the Canadian marine environment.

Annex 1 – Map of response capacity



Annex 2 – RO fees table

Eastern Canada Response Corporation Ltd. (ECRC)

Registration Fee

Applicable To	Annual Fee	Coverage
Member – Oil Handling Facility (OHF)	$450 per OHF	Within the Geographic Area of Response (GAR) of Eastern Canada Response Corporation (ECRC). All regional areas
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$450 per Ship	Applicable to a ship that navigates or engages in a marine activity within a 500-kilometer radius from its home port and within ECRC's GAR.
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$750 per Ship	Applicable to a ship that navigates or engages in a marine activity: (a) Beyond a 500 kilometer radius from its home port, and within ECRC's GAR, ALERT's GAR or PTMS's GAR; or (b) From a port not within ECRC's GAR and within ECRC's GAR, ALERT's GAR or PTMS's GAR.

Bulk Oil Cargo Fee (BOCF)

Applicable Area	Period	Product	BOCF Rate
Quebec/Maritime Region	From January 1, 2003	Oil other than Asphalt Asphalt	31.2¢ per tonne 15.6¢ per tonne
	Mar 11, 2006 to Dec 31 2006	Oil other than Asphalt Asphalt	17.2¢ per tonne 8.6¢ per tonne
	From January 1, 2007	Oil other than Asphalt Asphalt	25.3¢ per tonne 12.65¢ per tonne
Great Lakes Region	From January 1, 2003	Oil other than Asphalt Asphalt	78.7¢ per tonne 39.35¢ per tonne
	Mar 11, 2006 to Dec 31 2006	Oil other than Asphalt Asphalt	36.0¢ per tonne 18.0¢ per tonne
	From January 1, 2007	Oil other than Asphalt Asphalt	58.77¢ per tonne 29.83¢ per tonne
Newfoundland Region	From January 1, 2003	Oil other than Asphalt Asphalt	9.25¢ per tonne 4.6¢ per tonne
	Mar 11, 2006 to Dec 31 2006	Oil other than Asphalt Asphalt	7.86¢ per tonne 3.93¢ per tonne
	From January 1, 2007	Oil other than Asphalt Asphalt	7.35¢ per tonne 3.675¢ per tonne

Western Canada Marine Response Corporation (WCMRC)

Registration Fee

Applicable To	Annual Fee	Coverage
Member – Oil Handling Facility (OHF)	$450 per OHF	Within the Geographic Area of Response of WCMRC (GAR).
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$450 per Ship	Applicable to a ship that navigates or engages in a marine activity within WCMRC's GAR.

Bulk Oil Cargo Fee (BOCF)

Period	Product	BOCF Rate
From January 1, 2002	Oil other than Asphalt Asphalt	49.3¢ per tonne 24.7¢ per tonne
July 1, 2006 to Dec 31, 2006	Oil other than Asphalt Asphalt	34.9¢ per tonne 17.5¢ per tonne
From January 1, 2007	Oil other than Asphalt Asphalt	67.0¢ per tonne 33.5¢ per tonne

Atlantic Emergency Response Team (Alert) Inc.

Registration Fee

Applicable To	Annual Fee	Coverage
Member – Oil Handling Facility (OHF)	$450 per OHF	Within the Geographic Area of Response (GAR) of ALERT.
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$450 per Ship	Applicable to a ship that navigates or engages in a marine activity within ALERT's GAR.
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$750 per Ship	Part of a multi-agreement with ECRC and PTMS to encompass all East Coast Canadian waters.

Bulk Oil Cargo Fee (BOCF)

Period	Product	BOCF Rate
From January 1, 2002	Oil other than Asphalt Asphalt	14.0¢ per tonne 7.0¢ per tonne

Point Tupper Marine Services Co. (PTMSC)

Registration Fee

Applicable To	Annual Fee	Coverage
Member – Oil Handling Facility (OHF)	$450 per OHF	Within the Geographic Area of Response (GAR) of PTMSC.
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$450 per Ship	Applicable to a ship that navigates or engages in a marine activity within PTMSC's GAR.
Member - Ship Bulk Oil and Ship Non-Bulk Oil	$750 per Ship	Where a ship navigates or engages in a marine activity in PTMSC's GAR and in the GAR of one or more response organizations.

Bulk Oil Cargo Fee (BOCF)

Period	Product	BOCF Rate
From January 1, 2002	Oil other than Asphalt Asphalt	22.50¢ per tonne 11.25¢ per tonne