

More inspections, tougher pollution penalties for oil tanker traffic

Dene Moore,
PM

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VANCOUVER - The federal government announced changes Monday to improve oil tanker safety off Canadian coasts, and shore up support for several controversial projects that would increase oil exports from British Columbia.

The changes include some new measures — administrative penalties for polluters and mandatory marine response plans for oil terminal operators — and increased frequency for measures already in place, such as annual inspections for all tankers and offshore aerial surveillance.

They also include a review by a panel of experts and a promise of future improvements, which was dismissed as "greenwashing" by the Council of Canadians, which opposes proposed pipeline projects that would deliver oil from Alberta to the B.C. coast for shipping overseas.

"Our government listens to the people ... What we're announcing today is a result of our listening to British Columbians and responding to their concerns," Natural Resources Minister Joe Oliver said at a news conference on the deck of Port of Metro Vancouver, against a backdrop of tankers and shipping vessels in Burrard Inlet.

Without naming any specific project, Oliver reiterated that if Canada is to benefit from its resource potential, products must reach Asia and the rest of the world. "We have an opportunity to ensure that our products, particularly oil and liquefied natural gas, reach world markets and command world prices," Oliver said. "Our government knows that to be an energy superpower, we need a world-class safety system for our waters."

In Ottawa, the Conservatives tabled legislation making it mandatory for the operators of oil handling facilities to submit spill response plans to the government, and added additional monetary penalties for marine polluters. Oliver named an expert panel on tanker safety to review the current regime. A report on regulations south of the 60th parallel is due this fall, and a report on Arctic shipping a year later. The minister said the government will also review the oil pollution liability regime now in place, to determine if \$1.3 billion currently available in various funds is sufficient to ensure Canadian taxpayers don't end up footing the bill for a spill.

Ottawa will also conduct scientific research into the behaviour of diluted bitumen,

the molasses-like oil produced in the oil sands that pipeline opponents argue sinks to the floor of the ocean and cannot be cleaned up.

And the federal government will designate Kitimat — the tanker port terminus of the Northern Gateway project — as a public port, offering better traffic control and vessel safety. Other ports may also be brought under the control of a port authority, reversing a trend by consecutive governments toward divesting regional ports.

The proposed Northern Gateway pipeline and tanker port would see an increase of about 250 tankers a year into Kitimat. The proposed doubling of Kinder Morgan's existing TransMountain pipeline would increase vessel traffic to Port Metro Vancouver by about 400 annually.

Several pipeline opponents immediately dismissed the changes. "The Harper government is trying to find a way to ignore public opposition to the Northern Gateway pipeline while making it look like they're listening, using 'world-class' greenwashing," Maryam Adrangi, of the Council of Canadians, said in an email. Darcy Dobell, vice-president of the World Wildlife Fund Canada's Pacific region, said there are no regulations that would change her mind on the Northern Gateway project. "It doesn't address our fundamental concern. Our concern has never been about the regulations needing tightening. Our concern is that the Great Bear Rainforest is no place for oil pipelines or oil tankers, at all," she said.

Darryl Anderson, whose Wave Point Consulting has studied marine safety worldwide, said the changes are a start but more remains to be done. "This addresses some of the issues," Anderson said. "It's got to be backed up with resources." Officials said \$120 million has been earmarked over the next five years for the changes. But critics point out the Canadian Coast Guard and ocean research have been cut by more than that in recent budgets.

"First, the Conservatives tried to ram through the Northern Gateway project without listening to British Columbians," said Peter Julian, the federal NDP's natural resources critic. "Now they are trying to back-paddle with a lacklustre spill plan that doesn't even begin to address the Conservative cuts to spill prevention."

The B.C. government has said a "world-class" oil spill response plan is one of five conditions that will have to be in place before the province will support the Northern Gateway, along with First Nations involvement and a "fair share" of revenues.

B.C. Environment Minister Terry Lake said the province is currently conducting a

study of marine oil spill safety and when it's done, will know whether the federal changes meet the condition.

"We haven't seen the details but, on first impressions, I would say this is a very positive response to the premier's call for higher standards," Lake said.

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Northern Gateway Pipeline Hearings To Address Oil Spill Plan, Cleanup

CP | By Dene Moore, The Canadian Press

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VANCOUVER - Despite years of planning for the proposed Northern Gateway pipeline and myriad legislative changes that will affect the project, the regulations and best practices from other jurisdictions where tankers tread have not been put in place for British Columbia, studies find.

One review of legislation in Washington state, Alaska, Norway and other jurisdictions that see the type of tanker traffic that the West Coast can expect if the pipelines are approved found room for improvement.

"Canada has a good safety record. Having said that, there are important things we can learn from different jurisdictions," said Darryl Anderson, whose Wave Point Consulting has published several papers on the issues around the pipeline proposals in British Columbia.

The shipping industry is well-regulated in Canada, Anderson found, but the maritime sector too often makes improvements in response to a critical incident, he said. Alaska, Washington and Norway "have a much more robust regulatory system and a much more robust assessment of risk prior to something happening, so you don't just have to rely on a marine incident to bring about change."

In particular, Anderson and his colleague, Joe Spears, recommend an independent agency responsible for conducting oil spill risk assessments and directing investment in spill prevention and response. They suggest more stable funding for maritime policy measures, required emergency response drills, and the use of Canadian-flagged vessels for bulk oil transport.

Enbridge experts will return to Prince Rupert, B.C., on Monday, to resume testimony under oath about the \$6 billion dollar pipeline project.

First up, they will be answering questions about one of the most contentious issues facing the Northern Gateway project: planning and response to marine oil spills.

The company has committed to "extended responsibility" for emergency response along the marine transportation routes. That would include spill response capacity even in the event of third-party tanker spills, but extended responsibility would not include clean-up costs or compensation.

"The tanker owner would remain the responsible party if a spill were to occur along the marine transportation routes," Northern Gateway confirms in documents filed with the review panel.

John Carruthers, president of Northern Gateway Pipelines, said the company has gone well beyond the regulatory requirements in order to ease concerns. "I think people have questions and from a project perspective we're answering them. And I think there is recognition that some of the questions being asked are broader than any one project, and I think it's appropriate for government to be looking at it from that broader perspective," Carruthers said.

Commitments have been put in place by government and the company to guard against incidents, including the use of marine pilots familiar with the local area, cutting-edge navigational systems, and spill response capacity that is more than three times the Canadian standard.

"I think it's important to look around the world and take best practices and that's certainly what Northern Gateway has done," Carruthers said, citing the commitment to marine spill response.

"That's not something a pipeline company would typically take on, but we did ... beyond what's required by regulation. We certainly have looked around the world to build on what's being done elsewhere."

Opponents of the Northern Gateway proposal — as well as Kinder Morgan's plan to double the capacity of its existing TransMountain pipeline from Alberta to Metro Vancouver — fear a catastrophic oil spill off the B.C. coast.

It's a huge concern, said Brenda Belak, a lawyer for West Coast Environmental Law. Industry funds totalling \$1.3 billion may not suffice for clean up and compensation, she said. "Once the bitumen is offloaded onto a ship and the ship starts sailing out of the port, the pipeline operator is no longer responsible in that case. It's the ship operator," Belak said. It would be very difficult to hold the shipping company legally liable, she said. "Very few of them are registered in Canada."

There are means to ease concerns and ensure project safety, Anderson said, but the debate around the Northern Gateway project has become very polarized. "In these other jurisdictions, they have much more debate about the best practices and they don't just get into good, bad, are you for it or against it? They have an understanding that there's a trade-off involved and we're not having any of that discussion in Canada."

The hearings in Prince Rupert continue on and off in Prince Rupert over the next four months. The joint review panel must submit its report to the federal government by the end of the year.