



**Proceedings**  
**CILTNA Pacific Chapter**  
**Gateway Series**  
**Spring Luncheon**

Guest Speaker:  
Captain Gordon Houston  
Chair, Tanker Safety Expert Panel

Tuesday, June 23, 2015  
Terminal City Club - 837 W Hastings St., Vancouver, BC

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## Thank You to Our Sponsors

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## Luncheon Programme

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- 12:00** Guests seated
- 12:05** Welcome and thanking of sponsors by **Marian Robson**, Chair, Pacific Chapter
- 12:10** Plated lunch is served
- 12:45** **Martin Crilly**, Treasurer, Pacific Chapter, introduced and speaks about student participation
- 12:50** Capt. **Gordon Houston**, Chair, Tanker Safety Expert Panel, introduced
- 12:55** Capt. **Gordon Houston**, Chair, Tanker Safety Expert Panel, speaks
- 1:20** Thanks given by **Andriene Abonita**, BCIT
- 1:25** Questions by **Phoebe Gilday**, BCITMA and **Gregory Dechant**, Capilano U; open floor questions follow
- 1:45** **Gordon Payne**, Member, Pacific Chapter Executive, discusses CILTNA membership
- 1:50** Conference adjourns

## Speaker Biography

Captain Gordon Houston

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Captain Gordon Houston is the former President and CEO of the Vancouver Fraser Port Authority. He attended Edinburgh University's Nautical Campus receiving the designation of Master Mariner in 1975. He also holds a nautical science diploma from Aigburth Nautical College. After a seagoing career spanning three decades, Captain Houston joined the Prince Rupert Port Corporation as Harbour Master in 1988. Later, he joined the Vancouver Port Authority, as Deputy Harbour Master, and then as Harbour Master where, among his other duties, he represented the Port during the creation of Canada's current Ship-source Oil Spill Preparedness and Response Regime.

In 1996, he moved into the Port's executive ranks, as Vice President, Operations. After five years in this role, Captain Houston was appointed President and CEO of the Vancouver Port Authority where he oversaw the amalgamation of the three ports in the Lower Mainland.

# Summary of Remarks

## By Capt. Gordon Houston

### Chair, Tanker Safety Expert Panel

To the Pacific Chapter of the Chartered Institute of Logistics and Transport  
Luncheon held June 23, 2015  
at the Terminal City Club, West Hastings Street, Vancouver BC

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#### Introduction:

- Capt. Houston's speech reviewed Canada's existing ship-source **oil spill preparedness and response** regime and the **recommendations of the expert panel** for enhancing it.
- The panel comprised Capt. Houston as chair plus Mr. Richard Gaudreau (a marine lawyer) and Dr. Michael Sinclair (a marine biologist) with Transport Canada support staff.
- The **three major elements** for Canada's approach to ship-source pollution are: (1) Preparedness and Response, (2) Liability and Compensation, and (3) Prevention
- The panel's mandate was on the (1) **Preparedness and Response** element but it also made two related recommendations on (2) Liability and Compensation. It did not touch on (3) Prevention.
- Panel's work was in two phases separated geographically
- Phase one: all of Canada south of 60 deg. N. latitude, except for Hudson's Bay
- Phase two: Hudson's Bay and the Canadian Arctic
- Consulted with 133 groups and received 103 submissions
- 88 recommendations in the two phases

#### Phase One (the South):

- Currently, the Response Organization (or RO, e.g. West Coast Marine Response Corporation, WCRMC) has to prove it can handle a **10,000 tonne spill** as a planning standard (though in fact today it can handle 25,000+ tonnes).
- Panel's first recommendation: change this so the RO must make arrangements with other organizations e.g. for mutual assistance to address a **worst case discharge**, i.e. loss of all oil onboard regardless of size of ship.
- 25 years ago, **main risk area seen was within major ports** where most spills were on vessel loading and discharging ("operational spills") but tightened practices have since virtually eliminated these.
- Now, with bigger ships/volumes of oil, we see new **risk factors in areas with convoluted coastlines** and tricky tides/currents. The first 16 recommendations are made for potential risks involving big vessels in such areas (e.g. West Coast, Bay of Fundy, St Lawrence) in newly created Areas of Response and specific Geographic Response Plans within them. Four test areas now established by Transport Canada for these new plans.
- Concerning **statistical risk of spills** occurring, Transport Canada's data for past 10 years show zero spills over 1000 tonnes in Canada: so estimating chance of bigger spills meant using worldwide (not just Canadian) data.

- Panel favours seeking **least environmental damage** (or concept of “Net Environmental Benefit” once spill has occurred) in choice of response techniques. Chemical treatment of spills (using agents called “dispersants” and “herders”) is one option. “Let nature clean it up” (without chemicals, especially if spill isn’t coming ashore) is another. Though Environment Canada has approved effectiveness of some agents, there is no legal framework that would allow them to be used in Canada.
- **Polluter pays principle** is entrenched: it’s just not the case that ships get away “scot free”. (1) first, vessel insurance pays to their limit of liability; then (2) next fund is Civil Liability Convention paying up to \$137M; if that is exhausted then (3) International Oil Pollution Convention Fund pays up to \$307M, then (4) Supplementary Fund with \$833M, and in Canada we also have a Ship Source Oil Pollution Fund (SSOPF) up to \$161M. i.e. **total available is \$1.3B of compensation plus vessel insurance.**
- Canada’s abovementioned SSOPF today holds some \$400M. If more needed, Panel recommends it be allowed to **borrow from government’s General Revenue fund**, then repay the loan through (a re-instituted) **levy on all oil carried** by vessels in Canada: Panel’s industry discussions indicated willingness to pay.
- Also, SSOPF should be able to **compensate Canada Coast Guard** where they have paid for cleanup of spills as “on scene commander” where the spill source is unknown, unable or unwilling. Currently SSOPF terms don’t provide for this.
- Panel recommends Senior Level Interdepartmental Committee to coordinate 3 main departments (i.e. Transport, Fisheries and Oceans and Environment) in Ship-Source Preparedness and Response, and to make regular expert reviews of the regime.

#### Phase Two (Arctic):

- Same Panel mandate for Phase Two as for One (though very few ships in the Arctic)
- Many Panel recommendations for the Arctic are on **Prevention** and improving existing measures. Eg.. Arctic Shipping Pollution Prevention Regulations (incl. design standards for ice navigation) need updating for latest Polar Class Ship requirements.
- the 16 Arctic control zones for ice navigation need to be made current with **changing volumes of ice.**
- Formal certification needed for **Ice Navigators** (experienced mariners advising ships masters, in lieu of Marine Pilots, in the north).
- Arctic **resupply ships** need to be able to handle own operational spills (Transport Canada to certify). **Shore tanks** (and **barges** used for winter storage) need Spill Prevention plus Spill Preparedness and Response Plan (as per currently in the south).
- Since Northwest Passage charts are not of highest standards, **more land based nav aids** are needed for the few but growing number of vessels that transit between the Atlantic and Pacific.
- The tiny amount of oil (and no crude to date) carried in Arctic would not generate enough revenue for a Response Organization, and none has sought certification to date.
- With **no Arctic ports**, off-loading of goods is by lighter and sometimes floating hoses; Panel makes several technical recommendations on them.

#### Phase Two continued (Canada-wide Hazardous and Noxious Substances):

- Panel was also tasked to advise on creation of a pan-Canadian Preparedness and Response Regime for **Hazardous and Noxious Substances (HNS)** i.e. about 6000 different substances.

- Core challenges with HNS spills: the difficulty of matching (possibly jumbled) containers to original stowage position on board after a collision, to identify the contained cargo; or how to determine which tank of many has ruptured, and what clean-up technique for what of the many HNS.
- Panel recommends all **HNS-handling vessels and shore facilities** have a certified Preparedness and Response Plan with Transport Canada oversight; Coast Guard HNS training needed; producers of HNS to liaise with carriers to provide expertise to marine responders; stowage data to be available to Coast Guard on loading

### Key Recommendation

- Finally, the Panel sees rapid decision-making as key to protecting people and the environment after a spill. Since “decisions by committee” of multiple agencies can cause delay, England and Australia have created positions of single command covering emergency marine response. The Panel recommends Canada should **establish a single decision-maker for emergencies** to make and enforce decisions in the public interest.

## Questions from the Audience and Answers by Capt. Houston

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### Question 1 - **Phoebe Gilday**, BCIT 3rd Year Student

**Q:** I spoke with my class mates in preparing my question, many of whom come from the fishing industry. Recommendation #43 states that there is no formal structure in place following a spill, what happens after a spill, in terms of **monitoring long-term environmental recovery**. The government has said that the Ship Source Oil Pollution Fund (SSOPF) will be brought into line with international funds by **covering pure economic losses suffered by people who had losses in earnings** but whose property has not been contaminated. How do you envision a plan that could encompass this? If the ongoing impact of a spill can last through decades, can there be adequate compensation for the fishing industry or other affected industries? Who will determine who needs the compensation and for how long?

**A:** Thank you. When is a spill “over”? We debated this for a long time. They’ll tell you in Alaska that you can turn over a rock and you can still find oil (following the Exxon-Valdez incident). The biologist on our Panel (Michael Sinclair) was convinced that the effects of a spill can be active 10 years later. Our lawyer Richard Gaudreau was of a somewhat different mindset but definitely agreed that it is a very difficult question. How can you develop a compensation regime where someone is going to come along ten years later? You know that for SSOPF, there is a 2 years limit, i.e. you must submit your claim within two years. We did not discuss this aspect and these are just my own thoughts: you would have to expand that time line, the deadline for a claim, which that is the only way. It all boils down to who’s is going to tell you that a spill is all cleaned up?

### Question 2 - **Gregory Dechant**, Capilano University Student

**Q:** When I was reading through the report, what caught my eye were recommendations #20, 21 and 22. You briefly discuss alternative response techniques but I was wondering about recommendation 22, what you are trying to do is **get immunities from Canada Shipping Act 2001 for people responding**. Could you give a little more elaboration on what kind of immunities were you discussing and if any of the legal framework is even been started to try and implement some of these recommendations.

**A:** Immunities today are this: if you are from a Canadian Response Organization, and if you do some damage during your response, you can get an immunity. But suppose that organization ran out of people and has to cascade people in, maybe from the United States, then today those people would not be part of that immunity. That is what this recommendation is about: providing immunity for responders whom you have to bring in from other areas. I can't tell you where the legal profession is with this right now – I don't know – but that is the thrust of our recommendation.

Question 3 - **Mariella Dauphinee**, Marine Claims Manager, Intact Insurance

**Q:** You spoke about being ready for the **worst case discharge scenario**. How many tonnes of oil do you take into account more or less?

**A:** Today, you have this 10,000 tonnes standard (for assessing response readiness). But the general public believes that's the limit you have to pick up (but that's not the case). So (in our recommendation) we have moved to the worst case scenario. This means that if every bit of oil that is on a ship hits the water, you have to be able to respond to it: even 50,000 or 100,000 tonnes, who knows. You have to be able to respond to the larger ship. We know the size of the largest ship moving up and down the coast, so you would know what roughly the target is for planning the response. We don't need to give a specific number.

Question 4 - **Robert Allan**, Robert Allan Ltd, consulting naval architect.

**Q:** Having read the executive summary and the key recommendations, in general I am somewhat disappointed by your restricted mandate. I felt the report focused far too much on the subject of **response rather than prevention**. I firmly believe that we have the technical capabilities within the maritime community globally to prevent tanker groundings in coastal waters. So, can you perhaps talk about the subject of **Canada's rescue towing capability** on all coasts and the subject of **tanker escorts** in confined waters? I felt the report was silent on both those matters.

**A:** Yes, the report was silent. We talked long and hard about rescue vessels. We looked at rescue vessels around the world, what they were, how much they cost, and how often we use them. The UK for instance has about 20 or 25 of these rescue vessels in around their coast -- and they are selling them. Because you spend \$20 - 40 million to build these and it is on average used only 2% of their life, it is just not an economic use of funds, so you are left with the government (to fund them). You will never get the Canadian government to make this type of investment, especially in a climate of austerity. There are plenty of tugs on the west coast of Canada that given enough notice can be there. That was a decision we made and we did talk about it.

As to escort tugs (for narrow waters and suchlike), they are the decision of the ship: Kinder Morgan I believe, in their submission are offering to do that. I am sure firms will follow if they feel it necessary. There are requirements within some marine response areas (e.g. under Second Narrows Bridge) that escort tugs be used. Pilots may insist on a tug escort at certain points. So there are tugs available and they are being used but at the moment it is not a part of the legislation.

Question 5 - **Marian Robson**, Host, CILTNA Pacific Chapter Chair

**Q:** I was really interested in your recommendation about a **single entity to deal with emergency response** in the government structure instead of all of these various parties that are involved. I am sure all of us in the room are all thinking about the fuel leakage from the ship in English Bay recently and in the significant delays in response times. I was wondering if that is an example of inefficiencies of committee decision making.

**A:** I actually don't know what happened in English Bay. I was out of the province when it happened, so I am not aware of the finer details. We did not take a specific incident and say this would have would be different "if". We just believed that there needs to be more coordination at a senior level. We felt that the control and government of the whole system was breaking down and hopefully that recommendation will be picked up.

Question 6 - **Martin Crilly**, FCILT, CILTNA Member

**Q:** Three weeks ago the city of Vancouver published a report which said: what if a spill occurred in the harbour at the Lions Gate Bridge in the amount of 16,000 metric tonnes? They then had calculations of the impact. It was horrible, to the tourism industry, fishing industry and so on. What they did not say was anything about **probabilities -- about whether such a thing could realistically happen**. You did mention probability statistics in your remarks, about how difficult it was to estimate probabilities because these things happen infrequently: it is hard to put a number on it. But is not there an organization called DNV (Det Norske Veritas) which is well respected, that does this kind of thing? I have read they have calculated that the likelihood is that once in a certain number of years, e.g. 250 years, there will be a spill of a certain size. Furthermore, I was trying to **relate the risk to earthquakes**. We invest in earthquake preparedness. Can we somehow draw parallels to the effort we put into preparing for shipping disasters? Do you have any thoughts about such equations that we try to make in society? Give us some insights.

**A:** This belongs to the prevention department, not response and preparedness. I think Transport Canada's Risk Assessment has estimated a spill over 10,000 tonnes every 247 years. There are rules for going through first Narrows which involves two tugs. Ships are coming through the harbour with oil. The same sized vessels have been coming through the harbour for 20 years. Individual industries now want to increase the security with escorts. That's where companies are leading themselves to satisfy questions like that. We didn't touch prevention in our report, so I cannot answer in any more depth.

Question 7 - **Bruce McDonald**, Municipality of Delta (Councillor)

**Q:** There are 61 km of dykes around our community of Delta. I recall the response of the occurrence at English Bay and how it was handled through the process. It did not give us a good feeling about who is doing what and how they are doing it when the Harbourmaster in Bellingham said they would have it boomed in an hour. There is very little comfort to be taken in using the statistics of something like this would happen. I have real doubts about whether the Coast Guard has a handle on where the booms should be, and how to get them out where they are needed. It seems to me that when something like the English Bay spill happens, it plays into the narrative that we cannot handle a spill. I was at Metro Vancouver when they played the video and about the 16,000 tonnes under the bridge. There was no response (in English Bay) at all for 72 hours. I would like to know who is putting together a response program where we can have comfort that increasing traffic, including on the Fraser River who has the handle on that and how we can get better than it is. I personally believe that this is not good enough.

**A:** Transport Canada is responsible for making it better. They drive the legislation. The work we did was about preparedness and response. We have made recommendations on change and you can see them there now on the internet. Transport Canada will now have to decide what they are going to do. I don't want to get into a debate about what happened in English Bay. All I saw about the English Bay incident was from the media: it is one story today and tomorrow is another: they don't have the opportunity to do an in-depth analysis. Last week however I had the opportunity to listen to the assistant commissioner of the Coast Guard who gave a very good explanation on what happened and I would encourage you to read his remarks.

*SOURCE and DISCLAIMER: This summary was drafted from notes and records of the luncheon by **Roy Huang** and **Rita He**, third year and second year student respectively, who are members of the University of British Columbia's Supply Chain Management Club. They were supervised by **Martin Crilly**, FCILT, member of the Pacific Chapter Executive of the Chartered Institute of Logistics and Transport, who also edited the summary. While every effort has been made to ensure that the summary is accurate, errors and omissions remain their collective responsibility.*

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