

Good Morning, my name is Adrian Michielsen and I am the Senior Advisor for Emergency Preparedness for Imperial Oil, Products and Chemicals Division.

I oversee Imperial Oil's emergency response program, including conducting internal assessments of the emergency preparedness of our sites for handling releases of crude oil and petroleum products to the natural environment (spills, for short).

I represent Imperial Oil on the Board of Directors of the West Coast Marine Response Corporation (WCMRC) and the East Coast Response Corporation (ECRC).

I have been a member of Imperial Oil's Emergency Response Team since 2005. I am a member of ExxonMobil's (EM) North American Regional Response Team (NARRT) and EM Strike Team. As part of these teams, I had the opportunity to assist in the recent Arkansas Pipeline Incident and have participated in their exercises in North America (including Sea River exercises in Alaska, Florida, and San Francisco) and Asia-Pacific (Singapore). I will be going to Guam in mid-May. I also participate in the EM Global Emergency Preparedness & Response Network on their review of global best practices and oil spill response techniques. EM is the chairperson on the board of Oil Spill Response Limited (a global Response Organization (RO) leader).

- In addition to my marine emergency preparedness duties, I am participating in the BC MOE Land Spill Emergency Response Review, I am chair of the Chemical Transportation Emergency Assistance Program (TEAP) III, which includes assessment of TEAP service providers. I also represent Canadian Fuels Association on the MACTDG (Multi-Industry Association Committee for the Transportation of Dangerous Goods) and TDG (Transportation of Dangerous Goods) Advisory Council.**

Imperial Oil and I welcome this review of tanker safety and we appreciate the opportunity to provide input to this expert panel.

Imperial Oil believes in the need for a rapid and effective response to any incident. It is Imperial's policy to work with government and industry groups to foster effective regulations which are based on sound science and the consideration of risks. It is important to identify the regional specific risks, recognize how these risks are managed, such as reducing the likelihood of a significant release during the loading and unloading of crude oil and other petroleum products and improved vessel management. Imperial Oil does not operate Marine Vessels but is involved in the loading and unloading of petroleum products at our Oil Handling Facilities (OHF) and crude oil at our Nova Scotia refinery. Imperial uses our Operations Integrity Management System (OIMS) to set business line expectations (zero safety incidents and zero spills) and requirements. During the transfer of petroleum product at an Imperial Oil OHF, control measures are in place, including automatic shut-offs and the required supervision, to reduce the quantity of product that might be released should an incident occur. Improved tanker technology, including double-hulled, segregated cargo tanks, improved vessel maneuverability, and crew training requirements has substantially reduced the number and severity of incidents and the potential of a large spill while the quantity of crude and other petroleum products transported and the number of tankers have both increased. There has also been an increased amount of inspection at OHF and of vessels in Canadian waters which has helped to ensure that regulations for vessel loading and travel are met.

If a good quality science-based risk review indicates that there is a need for increased ER capacity, Imperial Oil would support this recommendation.

With respect to governance, having six Regional Advisory Councils with one National Council is a good practice as it should allow for review of the different risk levels in the regions. The risk management requirement and the future regime should be area-specific to address the level of risk identified for each port/region (i.e., types of products, consequence and probability of a release). Good risk management allows for flexibility and cost-effective solutions and should consider:

- Spill prevention (i.e., automatic shutoffs and containment to prevent shore to water releases, containment booming during loading and unloading, etc.).
- The use of access agreements to avail cascading of additional equipment via national and international mutual aid to supplement local capacity.
- The use of best available technology tools (including use of shoreline cleaning and herding agents, and dispersants, where applicable) to improve the overall effectiveness of a response and reduce the impacts on the environment.
- The use of alternate mechanical equipment and recovery storage applicable for the region to achieve the most effective Emergency Response.
- The use of analyses during the response to prevent additional ecosystem damage using mechanical cleanup equipment; i.e. Net Environmental Benefit.

I believe Canada does have a “world class regime”; it has been in place for 20 years and should be reassessed when there are significant changes to risk (when new projects are to be brought on line) or a significant change in society’s risk tolerance. WCMRC and ECRC are “world class” emergency response organizations. Both WCMRC and ECRC have made best practice changes as new technologies and procedures have been developed to improve emergency preparedness and response. For example, WCMRC is currently undertaking a benchmark study to assess Canadian and Global Response organizations. The study will further help to identify best practices and define “world class”. Imperial Oil encourages the panel to have detailed discussions with these Emergency Response Organizations to understand what is already in place and what improvements have been undertaken to increase their effectiveness of response. Both organizations participate with other global oil spill response organizations (OSRO) to learn best practices which meet or exceed regulated standards. If other response tools are approved and/or steps are pre-identified, this would further improve their response effectiveness in some regions (some tools are not appropriate for some areas). It is important to note, more equipment does not necessarily mean improved response effectiveness. Having the right equipment, training and tools is how you improve the response effectiveness.

Initial compensation should be made from the Ship-Source Oil Pollution fund for Response Organizations and for protection and recovery of wildlife. This approach will ensure a rapid deployment of best practices. The ship-source fund should then seek reimbursement from the ship owner and/or their insurance company.

As previously stated the Canadian regime is “World Class”; however, as it has been some time since a full review has been undertaken and there is a potential change in the risk on the West Coast this is a good time for a reassessment to determine if additional changes would further improve the regime. Some areas of improvement that should be considered include:

- The Federal and Provincial adoption of the Incident Command System (ICS) and Unified Command so that it is used across Canada, as it is in the USA (and the global movement to ICS). This move to ICS will clarify roles and responsibilities. A key learning from the Gulf Coast incident was that a full understanding of ICS and Unified Command is required so that everyone understands their roles and responsibilities from the start. ‘Just in time’ learning is too late and not effective. WCMRC follows ICS and cross trains with its mutual partners to the south and north. The adoption of ICS by the Canadian Coast Guard is overdue.
- Review and outline how additional emergency response tools (in-situ burning, dispersants, and other new technologies) could be implemented, so that they could be effective early into a response or where they should not be considered at all.
- Coordination and improvement in the development of geographic response plans, identification of sensitivities and pre-set priorities of response will improve the effectiveness of a response. Overall management and oversight to set priorities should be coordinated across jurisdictional boundaries by a lead agent such as Environment Canada or the Canadian Coast Guard. This allows for regional differences and varying risk. Improved alignment with Provincial and Territorial regulatory agencies (i.e., coastal

waters and near shore) and south of the border will improve response efficiencies.

If the port or vessel traffic risk assessments identify a need for increased ER capacity, any associated costs should be supported by the represented parties that pose the additional risk (such as new pipeline terminals and vessel operators) and not be limited to the existing Response Organization shareholders. Imperial Oil believes in the “user pay” principal. Those involved with bringing new products to market should be responsible for funding Research & Development with oversight by government. Large quantities of non-petroleum oils (i.e., canola oil) that could pose a risk should also be included in the regulations and captured under the bulk oil cargo fee (BOCF) to fund the RO.

You can see from this presentation that Imperial Oil places high importance on risk management, prevention and effective emergency response. Like in safety, we need a strong focus on prevention. But in the event of a spill, we need to be prepared and have an effective response - that is the mandate of this committee and is a large part of my job at Imperial Oil. I wish us all success in this important task. I would be happy to answer any questions that you may have on emergency response.