



Infrastructure and Transportation

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Sent Electronically

Dear Captain Houston:

Manitoba appreciates the opportunity to participate in the Panel's review proceedings. In particular, we appreciated the Panel holding sessions in Winnipeg on June 12th, and I understand you had a robust exchange of ideas and considerations with provincial officials from our departments of Infrastructure and Transportation (MIT), Conservation and Water Stewardship (CWS) and Innovation, Energy and Mines (IEM).

As was discussed at the session, Manitoba is not in a position to comment on specific technical aspects of the current regime (ie, compensation rules). Rather, however, we can offer some strategic comments from a public interest lens for the Panel's deliberation. We do so in the context that there is increasing interest in crude oil supply chains utilizing the Hudson Bay Railway and Port of Churchill, Manitoba. The Province therefore has an abiding interest that any crude oil supply chain be established with a proactive, best practices approach in mind with regard to safety and environmental risk mitigation along the whole of the supply chain within our region, including the marine component in the pristine waters of the Churchill Harbour Basin and Hudson Bay.

Manitoba's public interests as they relate to the Panel's mandate are best expressed as principles and questions for the Panel's consideration. We leave to the Panel to consider their reasonableness, and how they might be specifically realized in the regulatory, technical or operational theatre in the implementation of the oil spill preparedness and response regime.

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Principle 1: The Panel should assess how a revised regime can quantifiably demonstrate that the risk of oil spills and catastrophic results from them will be lessened (in relation to the existing regime).

This principle is raised in the context that oil supply chain practitioners are operating in a new and evolving social paradigm—there is acutely heightened public awareness regarding the consequences of oil spills, and a very low public acceptance for any contamination risk of pristine Canadian environments. To enable Canada's interest to realize supply chains for the movement of petroleum products, the social license to do so will have to come in part from a strong and enhanced oil transportation safety platform of government, including the marine oil spill preparedness and response regime. The ability to communicate the efficacy of this platform to help assure the confidence of our communities and citizens is also critical.

Principle 2: The Panel should assess how a revised regime can assure an equivalent "level of service" (LOS) across all regions where tanker activity occurs or is imminent.

This principle is raised in the context that jurisdictions or regions confronted with the possible development of oil export supply chains to Canada's benefit should be provided an equal LOS as other, already-mature oil supply chain jurisdictions are receiving. In this respect, the role of the federal government to augment services provided by third party responders where LOS inconsistencies have been detected needs to be assessed closely. The preparedness and response regime must be flexible to accommodate evolving supply chains, both in new locations and in changed traffic intensity that may develop.

Principle 3: The Panel should assess if there is a need for an expanded federal government role to educate the public, facilitate projects and support research and development on risk reduction practices.

The federal government has a foundational jurisdictional role in the creation and management of a regulatory and enforcement framework regarding marine shipping in general, tanker safety, and oil spill preparedness and response. Given the aforementioned heightened public concerns, however, the Panel should assess whether a more proactive federal role beyond its baseline regulatory activities is warranted.

A more proactive role could take the form of outreach and education to counter negative perceptions, pro-active assistance to jurisdictions and communities in assessing oil handling project proposals received from industry (including information on "best practices" and navigating the regulatory system), assistance to proponents of oil handling facilities that wish to enhance their safety practices, and research and development needed to improve crucial knowledge, particularly when it comes to managing oil spills in difficult conditions such as ice.

Principle 4: The Panel should assess how a revised regime can better link an oil supply chain's "risk profile" to required safety and risk-mitigation practices of practitioners.

Every oil supply chain faces a different risk profile. Current rules-based approaches, however, may be perceived as leaving the public exposed to heightened risk under some conditions. Rules-based approaches are critical, minimum foundations, but can often be perceived as inflexible and inhibit a risk management culture. The Panel should assess if the greater introduction of risk-based practices could enable the system to be more dynamic and responsive to changing market, environmental and other conditions.

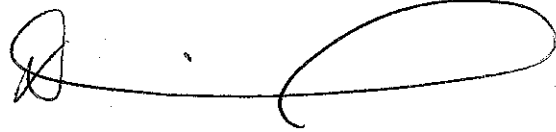
Manitoba, for example, has asserted the perspective that the movement of oil through Churchill carries with it additional public interest considerations beyond the minimum regulatory and rule compliances—concerns that risk-based approaches could help ameliorate. To this end, we are pleased to learn and support that Transport Canada is currently undertaking a pan-Canadian risk assessment project as it applies to national marine oil movements, which will help determine how risk management approaches can fit into the overall system. Manitoba looks forward to the results of this assessment to be prepared this Fall, and how they might apply to Churchill.

Principle 5: The Panel should ensure that the Port of Churchill is dealt with holistically, from the perspective of there currently being somewhat different requirements for both north and south of 60°N latitude.

Lastly, the issue of the Port of Churchill and its appropriateness for inclusion in a northern or southern regime has been raised, and need be treated by the Panel. It is acknowledged that although spatially located south of 60°N, all marine traffic must ply arctic waters north of 60°N to transit to Churchill. At this stage, Manitoba does not have a ready view on the best regime “placement” for Churchill, except to note that the Panel is urged to consider the treatment of Churchill so as to remove potential administrative “grey areas” that may arise from it straddling the bifurcated north/south regime. In the end, Manitoba’s expectation is that the placement of Churchill within the regime must be done in manner that ensures best environmental risk management outcomes for the marine route to and from the Port. Certainly, Manitoba would appreciate learning of the Panel’s evolving thinking on this matter as the review proceeds.

Again, we would like to thank the Panel for convening a session in Winnipeg, and enabling the province to have a dialogue on this very important issue.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Doug McNeil', written over a horizontal line.

Doug McNeil, M. Eng., P. Eng.
Deputy Minister

- c: Honourable Steve Ashton, Minister of Manitoba Infrastructure and Transportation
- Mr. Fred Meier, Deputy Minister, Manitoba Conservation and Water Stewardship
- Mr. Grant Doak, Deputy Minister, Manitoba Innovation, Energy and Mines