Port Saint John

May 13, 2012

Chair, Tanker Safety Expert Panel
Via e-mail

Dear Captain Houston,

Please find attached is our formal submission to your panel.

We look forward to assisting where possible and would be pleased to host the panel in Saint John. Should you require anything further, I can be reached at 506-636-4884.

Sincerely,

Capt. John McCann
Vice President
Operations, Infrastructure & Harbour Master

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Submission to Expert Tanker Safety Panel May 2, 2013

General remarks:

Thank you for the opportunity to comment on Canada's current Marine Oil Spill Response Regime

As you are aware, Port Saint John is one of North America's leading import and export ports with a 300,000 bbl/day refining facility. In total Saint John imports and exports some 26 to 30 million tonnes of crude and refined products annually.

Port Saint John as well as a number of stakeholder's including the province of New Brunswick is engaged in promoting Saint John as a terminus for the west to east pipeline which could substantially increase the above noted numbers.

As the full cycle of the refining process takes place within the navigable waters of the port authority, we continue to be cognizant of our role to provide operational and safety oversight on this activity. To this end, we work collaboratively with many agencies most notably; Transport Canada, Canadian Coast Guard, Environment Canada and our local response provider ALERT. In addition to those noted we are member of REET and participate on numerous exercises such as the bi-annual joint exercise between Canada and the United States (Canuslant) as well as local joint exercises with ALERT.

As a port authority our Emergency and Marine Contingency plans as well as our Port Practices and Procedures are promulgated on several facts: firstly we have strong reliance on the current oil spill regime and secondly we expect that those with oversight and responders can carry out the full functions of their mandates.

Governance:

We feel that overall, the current regime provides a balanced and adequate prevention, oversight and response capability with the following observation, with regards to the Government of Canada's role as both regulator and federal monitor in that we feel that having policy and inspections resident in TC and federal monitoring and response in Coast Guard that this can develop a crucial disconnect as a world class marine oil spill regime. We also feel that the work done through TC, IMO and Classification Societies in developing and implementing tanker safety and construction standards such as double hulls is in itself world class and notwithstanding port state control added value . Given that petroleum and hazardous cargos are handled in all parts of Canada and that only the government of Canada has the capacity to play the vital role as federal monitor and bring to bear all of the resources necessary to deal with a catastrophic spill and they must continue to play this role.

Recommendations ; notwithstanding the value of CMAC and NAC's/RAC's which meet sporadically, Canada should establish an operating structure that would house both TC oil spill response policy/inspections and Coast Guard operations that would ensure day-to-day collaboration and cooperation. Industry and other levels of government would have a one

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stop focused structure to deal with on marine oil spill preparedness and response in Canada. This would have to be stronger than an interdepartmental working committee and be more aligned as a working entity in order to build the policy and operational capacity and competencies needed to be world class.

We respect the value of the specific offshore petroleum boards and the specialized nature of this activity however; the boards should be closely aligned with the above noted working cooperative to ensure a coordinated approach to prevention and in case of an incident, responding to such. In some cases the same barrel of oil produced off NFLD ends up at the refinery in Saint John, NB.

We also appreciate the stepped approach in the National Preparedness and Response Action Plan developed through Transport Canada to respond to large spills however the plan is only as good as is exercised, updated and resourced to be truly relevant and functional in a changing environment.

Particular to Port Saint John, this port most likely has one of the most dynamic environments with respects to an oil handling environment in Canada noting the interaction of VLCC's, Q-Max LNG tankers coupled with product tanker, barge and tug operations and most recently crude imports by tank car from North Dakota. The operating environment includes a resident lobster fishery, some of the world's highest tides, met-ocean conditions that include persistent fog in the summer as well as variable sea, current and wave conditions.

The above is noted so that the panel can consider the need to ensure that the appropriate risk assessment tools and mitigation strategies are in place so that the national response strategies do not reflect the one glove fits all approach.

Recommendations;

Prevention/response:

- There is a distinct need when operating in the Bay of Fundy to have "real time" environmental data. We have for sometime felt that the provision of a met-ocean buoy similar to that found in Placenta Bay NFLD (Smart Bay Buoy) would allow for better real time situational awareness. In addition to the met-ocean data we need to equip the pilots with the most advanced e-navigation capability as possible such as real time tide data as well as dynamic underwater keel information. We would look to Environment Canada, Coast Guard and CHS to provide leadership and resources in this area so that we have national standardization in technology.
- TERMPOL, there is a need to ensure that risk based tools are as current as possible. TERMPOL is a voluntary risk based technical tool that has not been updated since circa 2001. TERMPOL should be updated on a 5 year bases and there should be some thought to having an annex that would allow for existing terminals to be reviewed again on a 5 year bases to ensure that the conditions have not changed since the terminal was built especially with the number of current changes taking place to

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environmental legislation. TERMPOL could be broader than just the technical aspects of the terminal and take a more" holistic" risk based assessment of a geographical area such as a port. TERMPOL should be the government's de-facto process for assessing risk for oil and hazardous and noxious substances including those required by DFO and provincial EIA needs.

- There should be an industry-government led research and development review of diluted bitumen in particular to ensure that the current technologies and response equipment is suitable for this product as it may become pervasive via pipeline, ship and tank car (rail).
- Transport Canada has been for years a recognized leader in marine research and development and should continue to be the centre of expertise for the government looking at new abetment technologies and response technologies. Government should allocate funding for this ongoing need if we expect to be a world class leader.
- Competencies, with changing demographics and reductions in government and possibly industry the ability to have the competencies resident in Canada to mount a response especially to a catastrophic spill may be problematic. HRSDC should with industries assistance develop a repository of available skills and future competencies and through this develop the necessary facilities to meet future demands.
- Leadership, again as above, with changing demographics and downsizing, the lack of leadership (competency) to manage federal oversight and response will be lacking. A number of years ago Coast Guard led the world in joint government – industry leadership training with the Marine Emergency Management Course. Coast Guard should with the aid of the Coast Guard College develop an Incident Command Structure course that brings together government and industry in a controlled environment to help develop the leadership skills and competencies and least not the report necessary to exude confidence during an incident response.
- Training, oil spill and hazardous /noxious response to spills is a high risk and complex undertaking and joint training and exercising is crucial to minimize the risk to the public, responders and the environment. Response organizations are mandated to conduct exercise as part of their certification. This training should be broaden and mandated to include other entities that would be required to come together as part of a spill such as port authorities and government bodies. Training standards must be assessed on regular bases to ensure that they are relevant.
- Places of Refuge, although TC has developed a place of refuge contingency plan more must be done to exercise the principles prior to a real threat.
- Communications, communications, communications, all first responders coordinators know that the essential ingredient to coordinated response is the ability to communicate across many lines and jurisdiction. Unless there is realistic training and exercising communication gaps may occur at critical times of an incident. Realistic exercises also allow everyone to develop relationships that are also a critical component of success in being known as a world class leader.

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- Lastly, government must fund the appropriate knowledgeable delegations to IMO so that international conventions reflect current and future needs that set the standard for international shipping and prevention regimes. Delegates need to be experienced, have sound science to support Canada's position and have the funding to undertake research and development.

Liability, Compensation and Funding,

- Liability, Port Saint John supports the fundamental principle that the polluter pays and feels that the international conventions and the current shipping act address liability issues. The need to ensure that the polluter and underwriters have the capacity to pay and that industry liability caps are adjusted to reflect the real coast of a response and clean up. We would add that conventions should reflect liability on the same barrel of oil and not create a system whereby the same barrel of oil is targeted by different legislation or jurisdictions such as with OPA 90.
- Compensation, the current SSPOF is an adequate instrument to address compensation as long as it remains underwritten by government. That being said, government (taxpayers) should not be unduly put at risk therefore the levy must reflect today's reality.
- Funding, there should be an escalating levy on all aspects of the supply train. This revenue should be administered much like the SSPOF but be used for training, R&D, science research, investment into new technologies including met-ocean and e-navigation technologies and be accessible by industry and different levels of governments.

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