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Chair

The Honourable Judy A. Sgro

Standing Committee on Transport, Infrastructure and Communities

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● (1535)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling to order meeting number 82 of the Standing Committee on Transport, Infrastructure and Communities, pursuant to the order of reference of Wednesday, October 4, 2017, on Bill C-48, An Act respecting the regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British Columbia's north coast.

I'm very happy to welcome the officials here today to help provide the committee members with some very valuable information. From the Department of the Environment, we have Heather McCready, director general, environmental enforcement; Michael Enns, executive director, environmental enforcement; Marc Bernier, director, environmental science and technology laboratories; and Carl Brown, manager of emergencies science and technology section.

We also have, from the Department of Fisheries and Oceans, Gregory Lick, director general, operations. I have to acknowledge, since we're celebrating Navy Day and the Coast Guard, that Mr. Lick has received an award for his long-standing career and achievements and dedicated service to the Coast Guard. Congratulations, and thank you for your service.

We also have, from the Department of Natural Resources, Christine Siminowski, director of the Canadian oil, refining and energy security division, energy sector, and Kim Kasperski, director, environmental impacts, at CanmetENERGY.

Thank you all very much for being here today.

Ms. McCready, who would like to go first?

Ms. Heather McCready (Director General, Environmental Enforcement, Department of the Environment): I don't know if you have preference by department, but Marc Bernier will present our opening statement for Environment and Climate Change Canada.

The Chair: Mr. Bernier, please go ahead.

Mr. Marc Bernier (Director, Environmental Science and Technology Laboratories, Department of the Environment): Thank you, Madam Chair.

Madam Chair, vice-chairs, members of the committee, as director of the environmental science and technology laboratories, science and technology branch, I supervise a team of scientists who undertake a research program to study the effects of spilled chemicals on the environment and the cleanup of spills.

Environment and Climate Change Canada has more than 40 years of experience in understanding and responding to oil spills. Much of the research on conventional heavy crude oil and fuels is long-standing; however, emerging challenges in recent years have included unconventional heavy products such as diluted bitumen. This research continues under the oceans protection plan.

The most basic part of the research involves understanding the physical behaviour and chemical nature of oil. ECCC has assessed hundreds of domestic and international oils and makes these results publicly available on the Internet. The ECCC oil catalogue is the largest publicly available oil-spill-related database in the world. The great majority of data are for persistent oil products.

In an effort to measure the composition of the oil, ECCC has also led research on the forensic identification of oil, which is used to determine the source of spilled oil. This is important for enforcement of Canada's environmental laws, which were used recently in cases such as Lac-Mégantic in Quebec and the MV *Marathassa* spill in Vancouver, British Columbia.

ECCC also studies the fate, effects, and behaviour of spilled oil. We look at the many ways in which an oil spill can change in, and interact with, the environment, including evaporation, emulsification with water, dispersion into water, mixing with sediments, and other mechanisms by which an oil may sink, for example.

We also have a special focus on how oils interact with shorelines, in particular how they can penetrate and become sequestered in riverbanks and marine shorelines.

All of this contributes to ECCC providing predictive models of the trajectory of a spill and its impacts on habitats and ecosystems as well as our communities.

Spill modelling is used not just for response to spills; it is also key to planning for contingencies and for assessing the potential impacts of new projects as they arise through the environmental assessment process.

ECCC also studies how to clean up oil spills using both traditional response techniques and newer alternative response techniques in both laboratory and large-scale experiments. ECCC has a major focus on the evaluation of the effectiveness and toxicity of spill-treating agents, including chemical dispersants and surface-washing agents. Much of this work leads to international standards to codify best practices for spill response.

[*Translation*]

ECCC has also led in the development of oil spill remote sensors and the assessment of oil contamination on shorelines. As an example of our work, I'd like to highlight recent studies on the potential for spills along the northern and southern coastlines of British Columbia.

First, we surveyed the BC shorelines, to understand the existing geology and biology, and also the existing background levels of oil-related chemicals. This is essential both for planning for potential spills and for understanding what the target endpoints for clean-up need to be following a spill.

Secondly we've examined the potential for heavy oils, both conventional ship fuels and non-conventional diluted bitumen, to sink and migrate, especially as small particulates in water, again using sediments and beach material taken from BC coast lines. The potential to sink, move with currents as particulates, and for penetration, or "stickiness", have been identified as major issues affecting spill clean-up in recent years with conventional oils like ship fuels and non-conventional oils like diluted bitumen.

All of this work is focused on improving Canada's capability to respond to marine oil spills including those involving persistent oils. Understanding how the properties of spilled oils change over space and time is critical to better predictive models of spill behaviour, which in turn enables better planning and response.

● (1540)

[*English*]

ECCC also plays a role under its mandate in enforcing environmental laws and regulations that pertain to the marine environment. While Transport Canada remains the federal government's lead for monitoring, regulating, and enforcement with respect to ship-source pollution, ECCC enforces the pollution prevention provisions of the Fisheries Act that prohibit any substance that is deleterious to fish from entering water frequented by fish, the disposal-at-sea provisions of the Canadian Environmental Protection Act, and the Migratory Birds Convention Act, which contains penalties for birds oiled at sea.

In summary, Environment and Climate Change Canada continues be engaged in Canada and internationally with governments, academia, the petroleum industry, spill responders, non-governmental organizations, and the public to identify oil spill research needs and establish priorities for future activities.

All of our stakeholders have identified the need to improve our understanding of the fate and behaviour of spilled persistent oils. Recent oil spill research and development activities undertaken by Environment and Climate Change Canada and other federal departments have led to an improved understanding of persistent and heavy oils.

I would like to thank the members of the committee for their time and welcome any questions that you might have.

The Chair: Thank you very much, Mr. Bernier.

We'll move on to the Department of Fisheries and Oceans.

Mr. Lick, you have five minutes, please.

Mr. Gregory Lick (Director General, Operations, Department of Fisheries and Oceans): Good afternoon, Madam Chair and committee members. It is my honour today, particularly on this Coast Guard and Navy Day, to thank you very much for the honour that you gave me.

I'm going to discuss the Coast Guard's role in supporting the government's commitment to creating a world-leading marine safety system. My remarks will focus on the Coast Guard's area of responsibility in monitoring vessels in and around Canadian waters, as well as our marine pollution response capabilities.

I shall start by pointing out that our marine pollution response and the monitoring of our waterways are both part of the Coast Guard's bread and butter. Assuring the safety of the longest coastline in the world is one of the pillars of our mandate. It's easy to measure safety in human lives saved—for us, 13 people are saved on average per day—but it also means ensuring that every one of our 243,000 kilometres of rugged coastline is protected from pollution events.

The Canadian Coast Guard monitors vessels navigating Canada's waters through its Marine Communications and Traffic Services network. On average, this means our MCTS radio officers are keeping an eye on 1,254 ship movements every day. We do this by providing our 12 MCTS centres across the country with cutting-edge maritime monitoring technology. On the west coast alone, we are implementing six new radar stations that will enhance our monitoring capabilities in the Vancouver Island Inside Passage area and throughout Seymour Narrows. Additionally, over the course of a six-year capital project that wrapped up in 2016, we've completely modernized our communications control systems, allowing for more effective monitoring of our waters.

We're proud of these accomplishments, but a big part of our agency's culture is the desire to always do more. That's why the oceans protection plan has invigorated the Coast Guard. The oceans protection plan solidifies the Coast Guard's role as the backbone of Canada's marine safety system, and the OPP is allowing us to beef up our MCTS network capabilities with the addition of 24 new members into those centres.

We've already begun to strengthen our 24-7 emergency response capacity by providing our members with the tools and resources they need to respond to marine emergencies and ensure a coordinated response that will better protect our waterways. Again made possible by the OPP, the operational network initiative aims to ensure full redundancy in our telecommunications network and provide contingency measures for enhanced business continuity. This way, if any kind of outage occurs, our services will remain online.

To keep our waterways, we must know who and what is on the water, but we also have to see what lurks beneath. Another component of the oceans protection plan is ensuring that hydrographic charting and navigation tools are helping to improve marine safety. To that end we've already surveyed four priority ports, including Vancouver anchorage, Prince Rupert, Port Alberni, and Stewart.

Also, and with the help of our partners, we've increased our eyes and ears on the water. One example is the Canadian Coast Guard Auxiliary, a Canada-wide network of hundreds of coastal communities whose 4,000-plus volunteer members contribute vital resources to Coast Guard-led marine pollution response efforts.

The oceans protection plan supports the Canadian Coast Guard's shift from being an agency that reacts to spills to one that can also help to prevent them before they even happen. One example of this is an increase in emergency towing capacity to rescue vessels in distress and avoid potential marine incidents. We're also installing towing kits on all major Coast Guard vessels and providing higher-level training for our crews to operate this new towing equipment. We're also leasing two offshore vessels capable of towing large ships in distress on the west coast.

Of course, the Coast Guard doesn't do this alone. We are currently engaging indigenous and coastal communities, industry, academia, and other key stakeholders to complete a needs assessment on emergency towing requirements on the west coast.

When a pollution event does occur, however, we are ready to respond. On average, Coast Guard personnel respond to three pollution incidents every day. If we take the west coast as an example, environmental response caches dot British Columbia's coast in 18 places, with three of them staffed in Richmond, Victoria, and Prince Rupert. When we receive word of a pollution event, we swiftly dispatch our resources to the incident.

As I stated off the top, the Canadian Coast Guard is on the front lines of supporting the government's commitment to creating a world-leading marine safety system and is expanding its marine pollution response and monitoring capabilities to meet this commitment.

● (1545)

Thank you, Madam Chairman and members of the committee, for this opportunity, and as with my colleague, I'd be happy to answer any of your questions.

The Chair: Thank you very much, Mr. Lick.

We'll move on to the Department of Natural Resources.

Dr. Kim Kasperski (Director, Environmental Impacts, CanmetENERGY, Department of Natural Resources): Thank you, Madam Chair and members of the committee.

I am pleased to be here, along with my colleague Christine Siminowski, to represent Natural Resources Canada, together with colleagues from other federal departments.

Natural Resources Canada seeks to enhance the development and use of Canada's natural resources and the competitiveness of Canada's natural resource products. NRCan develops policies and programs and conducts innovative research in our facilities across the country. Our CanmetENERGY laboratory in Devon, located near Edmonton, has decades of expertise in the development of cleaner fossil fuels, refining, and related environmental technologies. Close to 130 scientists, engineers, technologists, managers, and support staff generate knowledge to help provide solutions to industry and advice to government policy-makers and regulators. This was the case when NRCan was called upon by Transport Canada last year to assist in developing this moratorium legislation.

More specifically, NRCan provided input on the chemistry, properties, and classes of hydrocarbons associated with petroleum production and their analysis. This was used to support the legislation's definition of “crude oil” and the products in the accompanying schedule that were designated as persistent, and hence banned for transport.

As mentioned, scientists and engineers at CanmetENERGY at Devon conduct research to understand and improve the production of fossil fuels, while reducing the environmental impacts of that production, and in particular heavy oil production. For example, this includes research on oil spill behaviour, including how a spill of diluted bitumen compares to a spill of conventional crudes, which complements the work carried out by our colleagues at Fisheries and Oceans Canada and Environment and Climate Change Canada, representatives of which join us today.

NRCan continues its work to ensure that the development of natural resources remains a source of jobs, prosperity, and opportunity for investment in Canada, while at the same time protecting the environment.

Canada is open to investment and remains one of the most globally competitive energy producers, including in the oil and gas sector. The government's approval last November of the Line 3 replacement and of the Trans Mountain expansion oil pipeline projects is expected to meet increasing demand for Canadian oil in North American markets as well as open new markets for Canada's producers on the Pacific coast and in Asia. Moreover, possible future exports of liquefied natural gas or propane, for example, would both be permitted under the moratorium.

We wish to thank the committee for this opportunity and are ready to answer your questions.

The Chair: Thank you very much, Ms. Kasperski.

We'll go to Mr. Lobb for six minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thanks very much.

The first question I have is for the people who are here from the Department of the Environment. With regard to the duty to consult, this is one the questions that has been brought up a few times with the minister. It's been brought up by different indigenous groups who have appeared here before committee, both those in support of the ban and those who are against the ban.

What are the consultations you guys have inside the department around how we should embark on consulting when consulting with the Department of Transport? Are there any discussions there?

● (1550)

Ms. Heather McCready: None of us here are the people who are experts on the particular aspect you asked about. There's actually a new branch at Environment and Climate Change Canada that deals with that specifically. We could get an answer back to you from them if you prefer.

Mr. Ben Lobb: I did notice that on the list, nobody was from environmental assessment. I find it interesting that nobody from environmental assessment appeared, because it's been brought up a few times at our committee.

One of the questions I asked the transport minister when he appeared was that it seems to me like there are a number of different standards that are put in place on who's required to do environmental assessments, how they're to do environmental assessments, and whether or not consent is required.

Anybody who is here today is welcome to join in.

One of the examples I referenced was the environmental assessment requirements for a project in my riding to do with a deep geological repository. The level of consent and consultation—and I'm not saying I'm against it—far exceeds anything that has been done here. I'm just wondering what the committee is supposed to do to make sure that the minister is properly consulted when all the people who have appeared at the committee who are indigenous Canadians have said they weren't consulted.

Ms. Heather McCready: I apologize. I should know this. Have you had anyone here from the Canadian Environmental Assessment Agency yet?

Mr. Ben Lobb: No.

Ms. Heather McCready: You may wish to direct some questions to them, specifically about the environmental assessment process writ large. I think they would probably be a better help to you.

I'd love to answer, but I don't want to start answering things I don't —

Mr. Ben Lobb: Thanks. That's probably a good idea.

I have another question about diesel fuel. NRCan can respond; you guys can respond.

What kind of a tanker would you envision heading up the coast that would be able to carry diesel fuel?

Dr. Kim Kasperski: Tankers are not my expertise, but I quickly googled it today. Any tanker that is made for petroleum products.... As I understand, there are two types. One type carries crude oil, and one carries refined products. I imagine it would be one of the refined product tankers. The size would be dictated by where it wanted to travel.

Mr. Ben Lobb: That's fair enough.

Are any other persistent oils entering Canadian ports today, from Nigeria, Venezuela, Saudi Arabia?

Dr. Kim Kasperski: Any crude oil that's entering Canadian waters is a persistent oil, whether it's coming up the eastern coast of the U.S. or from wherever. I don't know what oils are being imported, but if it's a crude oil, it's persistent.

Mr. Ben Lobb: I know you have used the term “persistent”, and the indigenous people who were here, specifically Eagle Spirit, will be one as well. Their argument is that you're putting this ban on them because it's persistent and there's a risk to the environment, yet other ports in Canada are going to be receiving persistent oils with the same inherent risks. How do we square that? Use whatever term you want to use. How can the ban apply to one, when those risks are not dealt with in the same way for the rest? How do you deal with that?

Dr. Kim Kasperski: That's not in my area of expertise.

Mr. Ben Lobb: Does the department provide any advice? Does Environment Canada provide any advice to the minister when she asks if this is the right course of action to take?

What we heard from Eagle Spirit and the other indigenous groups was that if it's so bad, maybe the ban should be everywhere, or if it's good for some, it should be good for them too.

You can see that we as a committee are trying to use science, and we know that's an important term for government to use, yet we're throwing up our hands on this question.

I have one final question. I think I might have time. You mentioned the size of a tanker. I've read some information on the size of a tanker. Does Environment Canada do any modelling using 12,500 tonnes, which is the number in the bill? What would that look like if there were a disaster, versus a much larger amount of diesel fuel if it were, God forbid, to spill? Was any modelling done to say diesel is fine, but persistent oils are not so fine?

● (1555)

Mr. Marc Bernier: Are you talking about the oil spill moving when there is an actual spill in the environment?

Mr. Ben Lobb: When the schedule says yes to diesel, yes to propane, yes to gasoline, but no to persistent oil, surely science was done somewhere to say the environment can handle a massive diesel fuel spill but not a persistent oil spill. Is there data that the committee could look at to say we agree with that or disagree with that?

Dr. Carl Brown (Manager, Emergencies Science and Technology Section, Department of the Environment): Yes. When looking at persistent oils or non-persistent oils, we do have the capability to model those differences, and certainly we do that.

The Chair: Mr. Lobb, you're a minute over.

Mr. Ben Lobb: That's fair enough. I think the committee members would like to see those models to make a good decision on the bill.

Thank you.

The Chair: Okay. Mr. Hardie is next.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair.

Thank you, everybody, for being here.

Most of my questions will go to you, Mr. Lick. You mentioned that you're putting towing capacity on Coast Guard vessels, and we're also acquiring two new vessels for the west coast that are capable of heavy-duty towing.

Mr. Gregory Lick: Yes, that's correct.

Mr. Ken Hardie: Will one of them be posted up north?

Mr. Gregory Lick: Right now we're working on where it would be located, but typically we're looking at one vessel in the southern portion of the west coast and one vessel located somewhere in the northern portion of the west coast, yes.

Mr. Ken Hardie: Part of the reason for asking is that we heard of an episode not that long ago in which a container ship was in trouble off the west coast of Vancouver Island, and we had to rely on the U. S. Coast Guard to come down and rescue it.

Would we have the capability to look after that ourselves when these ships are in place?

Mr. Gregory Lick: I'll just correct the honourable member on the first part.

It was actually the CCGS *Gordon Reid* that rescued that vessel. The U.S. Coast Guard was able and willing to help, and we were calling upon them, but we actually rescued that vessel.

On the second part of your question, the towing capacity that we're adding to our own vessels currently, as well as the chartering or leasing of two heavier tow-capable vessels, will absolutely give us greater capacity on the west coast to deal with that type of incident.

Mr. Ken Hardie: A lot of people on the west coast were very happy when a previous decision to close the Kitsilano Coast Guard base was reversed. Then, of course, added to that was a training capacity for people up and down the west coast.

What's the state of that program right now?

Mr. Gregory Lick: The program is ongoing. We're ramping up that capacity as a training facility. While it may be a training facility as well, we're also moving our training capacity across the entire west coast. It's possible that not all the training will be done at Kitsilano. It may be done elsewhere, in local first nations communities and so on, where we can have better access to and train with the people, integrating those indigenous first nations communities into the safety systems.

That program is ramping up as we speak.

● (1600)

Mr. Ken Hardie: There were some issues that some of us had early on—I'm looking at my friend from the NDP—about the closure of the Comox MCTS base. Even today, we still see over 300 outages a month affecting MCTS capabilities—mostly, I understand, to do with the third party provider part of the system. That seems to be the weak link.

Are there any plans to replace that provider or to further harden that system?

Mr. Gregory Lick: We see many more third party issues in the eastern part of Canada. The west coast has more robust microwave links that actually help us, although there still are some third parties. As I said in my opening remarks, the OpNet, or operational network project, is designed to provide further redundancy and less reliance on those third party service lines.

Yes, absolutely, the system will be more reliable, and there will be better redundancy. That's being designed as we speak, right now.

Mr. Ken Hardie: Do you have any concerns about the articulated tugboat-barge combos that will be moving oil products up and down the Inside Passage, closer to shore? There have been some concerns about that, particularly since the *Nathan E. Stewart* incident.

Mr. Gregory Lick: I know that we've been working with Transport Canada, and they've been working diligently to take a closer look at what I would call a tighter inspection process for those types of vessels. While that's not our responsibility, we are continuing in our MCTS centres—in essence, on behalf of Transport Canada—to do closer monitoring of those vessels as they move up and down the west coast.

Mr. Ken Hardie: We see that this legislation would involve Transport Canada in monitoring ship movements and inspecting for forbidden products.

Is that likely to be delegated to the Coast Guard, or in your view will everybody—especially Transport Canada—have the capacity to undertake this new activity?

Mr. Gregory Lick: We're not generally changing our responsibilities with respect to this bill. As I said in my opening remarks, the Coast Guard will retain and increase our capacity to monitor vessels trafficking through the proposed moratorium zone. If there is a particular issue that we see through our MCTS centres, then we will immediately notify Transport Canada, who will continue with their responsibility in their enforcement role.

Mr. Ken Hardie: Thank you.

The Chair: All right. Thank you very much, Mr. Hardie.

Go ahead, Mr. Donnelly.

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Thank you, Madam Chair.

Thank you to departmental officials for being here, for providing your comments and answering the committee's questions. Congratulations to Mr. Lick, as well.

Just to clarify, to start off with the rationale for the 12,500-tonne limit and ministerial discretion, are those both under the jurisdiction of Transport Canada? Am I correct in assuming that it was Transport Canada that would answer to that, not any of the three departments here?

Dr. Kim Kasperski: It's not NRCan, no.

Mr. Gregory Lick: My belief is that it is Transport Canada.

Mr. Fin Donnelly: Okay, thanks. I just wanted to clarify that.

In terms of the diluted bitumen, we heard the components and the chemical compounds. Do we have cleanup technology on our coasts, on all three coasts, to deal with any kind of spill of this product?

Dr. Carl Brown: Yes, many of the conventional techniques that are used now would be appropriate for diluted bitumen products as well. The timing of the use of those various response methods may change. With diluted bitumen, you may have a little bit less time to respond with a certain type of response measure.

Mr. Fin Donnelly: You mean something like that could sink, and we don't have the technology—or do we have the technology to capture it, if it sinks quickly?

Dr. Carl Brown: If it sinks quickly, then it would be difficult. You have to locate it first before you can respond to it.

Mr. Fin Donnelly: Okay.

Moving on to the *Nathan E. Stewart,* which ran aground near Bella Bella in 2016, spilling more than 110,000 litres of its more than 200,000-litre fuel capacity, the spill impacted marine wildlife and altered the livelihoods of the members of the Heiltsuk Nation.

Cleanup efforts were repeatedly hampered by bad weather, and the vessel was not recovered until more than a month after it sank, I believe. If the tug's 6,600-tonne barge had been fully loaded when it hit the rocks, it could have spilled one-third of the volume of the 1989 *Exxon Valdez* spill of refined fuel.

This bill doesn't cover refined fuel products, so the threats of another *Nathan E. Stewart* remain. My question is this: does there need to be new legislation to cover spills like this, or how do we address this kind of spill, which seems large and affects a coastal community in a negative way? I'm not sure which department wants to take that.

● (1605)

Mr. Gregory Lick: Maybe I'll touch on it first in terms of our response capability and, as I mentioned at the very start, the increased monitoring capability that we're putting into our centre.

On the very first part of it, we're monitoring those vessels as they go through our waters. As I said to Mr. Hardie, Transport Canada is also looking more closely and inspecting those vessels. All that part is meant to help prevent spills and be better aware of the traffic going through our waters.

That is also being expanded through the oceans protection plan to allow other communities, including first nations communities, to have a better awareness of what traffic is going through their waters, or what they claim to be their waters. That awareness is very important for us to be better able to understand the risks going through our waters.

When and if something does happen, though, the initiatives we have to increase our environmental response capability, both currently and under the oceans protection plan, will help to deal with issues like the *Nathan E. Stewart* incident in Bella Bella.

We have a number of initiatives. One is to start to integrate first nations communities, particularly into the marine safety system but also into the environmental protection system, so that they can better support an incident response. That training is starting now, and we want to include as many communities across the west coast as possible. That initiative will eventually move across to other parts of Canada.

We are also increasing our environmental response capability, both in Prince Rupert and Port Hardy, where we're putting in another staff depot, near Bella Bella. While specifically we could put a depot anywhere across the west coast, we're looking at areas that we think are best able to help in responding to an incident.

From a monitoring point of view, better awareness of the traffic going through our waters, Transport Canada's role in increasing inspection for more risky types of vessels, and the increase in our response capability are all helping to reduce the risk from traffic on the west coast.

Mr. Fin Donnelly: Thank you.

The Chair: Thank you, Mr. Donnelly.

We go on to Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

That was a perfect segue into some of the questions that I have for Mr. Lick with respect to a maritime domain awareness program. I'm fortunate in that I have a company, Accipiter, in my riding that is working on a new program to expand our abilities to have a binational sharing of information that would look at the logistics distribution systems, but as well look at the sharing of environmental trends.

Mr. Lick, what limits do we currently have on surveillance technology with respect to not only the trends with traffic movement but also with environmental monitoring?

Mr. Gregory Lick: I'll touch on the first part of your question first.

With respect to limits and in terms of surveillance technology, all types of ship traffic that we're talking about, particularly the traffic that comes under the proposed moratorium that would prohibit over 12,500 tonnes, are required by law to carry the automatic identification system that transponds their signal, as well as a lot of other data about the ship itself. That is one of the primary systems that we use to monitor shipping through our waters across Canada, including the west coast in this case. That system is very reliable. It allows us to see exactly where the ships are.

I should talk a little bit about all the reporting that goes on before any of these ships come into our waters, the 96-hour PAIR report. That gives a whole range of information that ships need to report 96 hours before they even enter our Canadian waters. That includes the type of cargo, the ship's name, and all that type of information that we can use to assess the risk of that ship coming onto our waters.

The AIS, the automatic identification system system, is one of the main systems we use, but the other one that we use particularly is radar. That gives us a much closer, more accurate view, depending on where you are, of particular areas of risk that we see across Canada. In this case, we're talking about the west coast. We have radars on the west coast already in particular areas. We're installing six new radars on the west coast that will allow us to see particular areas that we feel are more at risk. The capital project that is installing those will go further than that later on as well.

That radar and AIS information gives us—I'm not going to give a percentage per se—a very accurate view of the traffic that we're talking about in our waters, anywhere from the barge traffic that Mr. Donnelly was talking about with the *Nathan E. Stewart* up to the largest tankers.

● (1610)

Mr. Vance Badawey: With respect to the radar as a service, as well as the e-technology and e-navigation capacities that can be introduced with new technologies, do you find, not only with respect to current and real time, but also the management of that data, that it is a benefit? Once again, you can analyze those trends, and not only have fluidity with respect to the traffic itself, but also with respect to ensuring that the environmental concerns can be looked at in a proactive manner so that solutions can be found before an incident happens, versus being reactive.

Mr. Gregory Lick: The traffic data is not much good as data itself. What we need to do is turn it into—and I'm being a little bit facetious here—information, really.

As we're looking at the traffic in real time, our radio officers at the MCTS centres are very much aware of and, in particular vessel traffic zones, are controlling the traffic as it goes through there. When we look at trends, we're not only looking at the trends in just how much traffic is going through, but where it is going through. That comes with our partners, Environment Canada, NRCan, and Transport Canada, to look at the risk and to look at the particularly sensitive areas that the traffic may be going through.

Then we are looking at plans to deal with a possible incident. We are looking at putting caches of environmental response equipment in particular areas of risk according to the environmental impact that it may have in those a particular areas and staffing those depots and so on. That whole planning process to look at risk, to look at sensitivities, and to look at impact is using that data to be able to have the best response, if needed.

Mr. Vance Badawey: That said, when you look at past incidents —for example, with the *Exxon Valdez* situation in Alaska, and obviously you've learned something from that—and these areas where the moratorium is being located, do you find a similarity to the geography of this area versus other areas that have had these situations happen?

Mr. Gregory Lick: That's a fairly broad question.

I would say, without getting into speculation, that certainly the area of the north coast where the proposed moratorium will be in place has many similarities, just simply because of geography, to where the *Exxon Valdez* cracked up.

Mr. Vance Badawey: Fair enough.

Mr. Gregory Lick: The area of the proposed moratorium is a particularly sensitive area. This is not truly my expertise, but it is a particularly sensitive area.

Getting back to your question, with the similarities to any incident like that of the *Exxon Valdez*, we not only look at the risk of the particular ship itself, but as I've stated before, we also look at the sensitivities of those particular areas the traffic is going through. Then those plans are put in place to deal with it. One of those plans, in essence, is the moratorium.

Mr. Vance Badawey: Hence the reason for those technologies.

The Chair: Thank you very much, Mr. Lick.

We'll move on to Mr. Sikand.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Thank you.

I guess the information I want to extract here is more a comparison across time. Basically we're here because of a policy decision in 1972. Then there was the voluntary moratorium in 1988. Now we're in 2017. As I was saying, the information I want to extract is whether the risks have changed and if we've adapted to those risks.

I'll start with the enforcement side, the Department of the Environment. Over the years, from 1972 to now, are there particular types of offenders that are repeat offenders, or have you seen something changing over the years?

● (1615)

Ms. Heather McCready: I'll start, and I'll throw it to my colleague in a moment.

You just asked a really broad question. We'd have to go back and look at a lot of data to give you a proper response.

Mr. Gagan Sikand: Nothing actually jumps out at you, though.

Ms. Heather McCready: Not that I'd want to say here on the record. To really answer your question well, we'd have to get back to you, but we can provide you with data on that.

Mr. Gagan Sikand: Thank you.

In terms of the science, you were talking about everything that you take into account—stickiness, persistence. Does anything jump out at you in terms of the types of goods being transported? Because of technology, has the type of oil changed in any way?

Mr. Marc Bernier: Nothing comes to mind that really sticks out.

We do have a database of a lot of conventional oils, the heavy oils, in terms of their physical and chemical behaviours. We are, through the OPP, doing more work on bitumen products. We're trying to look at volumes being shipped across the country to try to understand the behaviour when it's spilled into the environment. It's something that we're continually trying to catch on to in doing the research.

Mr. Gagan Sikand: Then I guess it's just the use of the water, really, that's still the risk, and not necessarily the technology or the kind of offender.

This now takes me over to the Department of Fisheries and Oceans.

Mr. Lick, you said that on average, there are three polluters a day that you address.

Mr. Gregory Lick: When I say "pollution incidents", that could be anything from a small spill from somebody filling their fuel tank on a 16-foot runabout to more major spills, but I have to say that the evidence is very clear that there have been very few—and they're extremely rare—big spills. They are not that common at all.

Mr. Gagan Sikand: I'm glad you clarified that, because that was my next question.

In terms of the six....

How am I doing on time?

The Chair: You have three minutes left.

Mr. Gagan Sikand: In terms of the six radar sites, what kinds of capabilities do they have? What is it that they're able to do?

Mr. Gregory Lick: I don't have the data in front of me, but essentially we are installing radars on large towers that allow us to see, with radar capability, into those areas of risk. It may be in a particular area.

We're installing a number of them on the Inside Passage of Vancouver Island. It may be, with the tower height, that they can see almost across the entire strait.

We've evaluated the risk of particular areas where we need coverage, where maybe the signals from the AIS are difficult to get. There we use radars to supplement our eyes and ears—in this case, eyes. When we've evaluated that risk, we install the radar with the capability that allows us to see where those gaps are in radar coverage.

Mr. Gagan Sikand: Does it give you specifics, or is it just that there is something there? Are you able to tell the size, the shape, the possible...?

Mr. Gregory Lick: Like any radar, it gives you the ability to see a particular vessel on the water. We then use data and intelligence to see what that vessel is, what it is carrying, and whether it reported in, but primarily it's looking at where that vessel is, how fast it is transiting, and in which direction. We then use other pieces of information—whether it's the PAIR reports, which are 96-hour reports, or AIS—to see what that vessel is carrying, what the ship's name is, and so on. We basically overlap them on our systems so that we are able to create intelligence of where traffic is going, what it's doing, what its ETA is into ports, and so on.

Mr. Gagan Sikand: That was very thorough. Thank you.

The Chair: Thank you very much, Mr. Sikand.

We are moving on to Mrs. Block.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Madam Chair.

Thank you, all of you, for joining us today.

I too want to add my congratulations to you, Mr. Lick. I had the opportunity of meeting with members of the Navy League of Canada this morning. I join our chair and all those around the table.

One simply needs to look at the mandate letter of the Minister of Transport to recognize that there really is a group effort when it comes to legislation like the legislation before us. I'll reference his letter. It says, "Formalize a moratorium on crude oil tanker traffic on British Columbia's North Coast, working in collaboration with the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Minister of Natural Resources and the Minister of Environment and Climate Change to develop an approach."

Certainly, from the testimony we've heard from you today, it would seem that both Environment and Climate Change Canada and CanmetENERGY continue to be engaged in research on oil spill behaviour, including how a spill of diluted bitumen compares to that of conventional crude. I heard, though, someone suggesting that we already have many techniques that would address a diluted bitumen spill.

I'm wondering—and anyone can take the opportunity to answer this—what technologies are currently available. You said there are many techniques, but what technologies are currently available to remediate the effects of a spill of the products that are currently listed on the schedule? I believe it was Ms. Kasperski who stated that much of the work done by NRCan was used to create that schedule.

What technologies are available today?

● (1620)

Dr. Carl Brown: The majority of technologies used today would be skimmers and booms. You corral the oil and use skimmers to pick up the oil on the water.

Mrs. Kelly Block: Are there new products or technologies being developed that would aid in a cleanup effort? Is that some of the ongoing work that your departments are doing?

Dr. Kim Kasperski: Natural Resources Canada has funded research by technology developers to look at improving, for example, skimming technology for higher-viscosity oils, which diluted bitumen would be.

Mrs. Kelly Block: I heard "yes" from Dr. Brown. Do you want to expand on that?

Dr. Carl Brown: Sure. We are looking at other technologies that could be used, such as spill-treating agents. A legislative change has been made to use those for spills from offshore platforms. We are also looking at things like in situ burning technologies that can rapidly remove a large amount of oil in a short period of time, as well as other things, such as translocation of oil—moving it on the beach and using nature, in some cases, to help remove that oil.

Mrs. Kelly Block: Is the private sector involved in developing new products or technologies? If yes, do you work with the private sector at all?

Dr. Kim Kasperski: I'm aware of studies being done by pipeline companies on oil spill behaviours and technologies to address oil spills, but I don't know the exact details. However, as I said, they are doing some work in that area.

Mrs. Kelly Block: I have one last question.

How much time do I have?

The Chair: You have a minute and a half.

Mrs. Kelly Block: I'm wondering if you would comment on the importance of the government having flexibility to maintain the schedule by regulation rather than by legislation.

Dr. Kim Kasperski: That's beyond me.

Ms. Christine Siminowski (Director, Canadian Oil, Refining and Energy Security Division, Energy Sector, Department of Natural Resources): I think that would be within the domain of the ministry of transport to respond to.

Mrs. Kelly Block: Thank you.

The Chair: We'll go to Mr. Fraser.

Mr. Sean Fraser (Central Nova, Lib.): Thank you very much, Madam Chair.

I'll add my voice to the chorus. Congratulations, Mr. Lick. I had the opportunity to meet with the Navy League this morning and I appreciate very much what you're doing.

Could you could give me a heads-up when I'm halfway through? I'm going to be sharing my time with Mr. Badawey. In that spirit, I hope the answers can remain as concise as possible.

First, there's a threshold in this legislation at 12,500 tonnes in terms of what's not subject to the moratorium. I'll start with Ms. Kasperski.

Is this a reasonable limit? From your perspective, is this going to meet the needs of the community? We've heard different suggestions for better amounts, but do you have any issues with the threshold?

● (1625)

Dr. Kim Kasperski: I'm not aware of how they came up with that number. That was Transport Canada.

Mr. Sean Fraser: Perhaps I'll move on, because I think it's probably a Transport Canada issue.

Mr. Lick, I'm curious about how the capacity to enforce is going to work. It's essentially a ban on the ability to load and unload in ports, rather than a policing of open waters. How is the enforcement mechanism going to work and how does that compare to any enforcement activity that's actually going on in the zone impacted by the voluntary ban today?

Mr. Gregory Lick: They are different, but essentially our role, as I talked about, is certainly the monitoring of vessels coming in. I think it would probably be best to give an example.

If a 96-hour report was provided by a tanker of over 12,500 tonnes coming into our waters and it gave an ETA and it had an oil that was on the schedule as cargo, and its intention was to come into Prince Rupert, then we would inform Transport Canada at that time through our normal process of informing them. We do that every day of the year. Then they would take action and say, “No, you can't come in here.” It's a fairly simple enforcement action. They will not be allowed into those ports.

Mr. Sean Fraser: Then there's no risk that you're under-resourced to actually carry out enforcement activities.

Finally, Ms. McCready and Mr. Bernier, we saw a new technology called CanaPux. It's a really neat thing. It looks like a thick hockey puck. It's able to transport oil products. Apparently it floats. Are you aware of this product or other new technologies, and how do you test new, innovative technologies that may potentially fall on the schedule but might not be that harmful?

Mr. Marc Bernier: We've heard about it. I don't have a whole lot of information as an expert within that field.

Dr. Carl Brown: I'm the same. I've heard about them. They purportedly float in the water, but we haven't been involved in the testing.

Mr. Sean Fraser: I have to share my time with Mr. Badawey now.

The Chair: You have one minute, Mr. Badawey, just because it's almost 4:30.

Mr. Vance Badawey: I'll be quick and I'll wrap my questions up in one question.

The moratorium we're about to introduce looks at future impacts. Looking at the past, and contrasting the past with the future, if anything does and can happen, especially in other areas, have there been any records of site condition on lands or shorelines, site-specific risk assessments, phytotoxicological reports, lessons learned, and therefore protocols that are established or that are expected to move forward? As well, is there an expectation from the Department of the Environment for remediation with respect to incidents of the past over time, and of course for incidents that may happen in the future in other areas?

I know that's a loaded question.

The Chair: We can give you 30 seconds for an answer. How's that?

Dr. Carl Brown: If I understand your question correctly, you're asking if we are learning from the past to help for the future. Certainly we have. After a heavy oil spill in Chedabucto Bay in Nova Scotia in 1970, part of that was cleaned up and part wasn't. It was left intentionally so that we could learn from it.

Mr. Vance Badawey: When you have a record of site condition on a piece of property, what is the expectation then from the Department of the Environment with that property? Obviously the expectation is remediation, but who takes responsibility for that, especially if it's crown land?

Dr. Carl Brown: If it's on crown land, the crown would be responsible for it, if they were the spiller.

Mr. Vance Badawey: Thank you.

The Chair: Thank you very much.

Thank you very much to all our witnesses. We very much appreciated having you here to help the committee with this particular issue.

We will excuse our witnesses and suspend for a moment.

● (1625)

(Pause)

● (1630)

The Chair: I call the meeting back to order.

Before I introduce the witnesses, the clerk has given us a project budget for our clean water study.

Are there any comments or questions on that? Otherwise, I would ask that the committee move adoption of the budget that's before you.

An hon. member: I so move.

Some hon. members: Agreed.

The Chair: Thank you all very much.

Madam Clerk, there you go.

Hello to our witnesses. On this segment we have, by video conference from Prince Rupert Port Authority, Ken Veldman, director, public affairs, and from the Vancouver Fraser Port Authority, Peter Xotta, vice-president, planning and operations.

With us in the room we have Royal Vopak representatives. We have Marina Spahlinger, manager, regulatory and stakeholder relations, Canada, and Joel Smith, operations manager, province of Quebec, Vopak Terminals of Canada.

Would you like to start, Mr. Veldman?

Mr. Ken Veldman (Director, Public Affairs, Prince Rupert Port Authority): I'm happy to. Thank you for inviting me here today.

I'll be focusing on the legislation's potential impacts on both current and future port operations and Canadian trade.

Measured by the value of trade that it facilitates, the Port of Prince Rupert is the third-largest port of Canada, and its volumes employ over 3,000 women and men in northern B.C. Competitive Canadian trade gateways not only add value to the industries, which use them for market access, but are significant economic generators themselves.

With respect to creating a moratorium on crude oil tanker traffic on B.C.'s north coast, we understand that protection of the marine environment is of paramount importance to Canadians. The environmental, cultural, and economic values associated with it are enormous. PRPA shares those values and considers environmental protection of lands and waters within the port to be a key element of its mandate.

It should be noted that the navigational approaches to and from the port are among the safest in Canada. This is a result of several factors, including relatively low marine traffic volume, uncongested and unrestricted marine approaches, a deep natural harbour, and short inland water transit times from the Triple Island pilot station. The low level of navigational risk has been quantified and validated by third parties.

Navigational risk is further mitigated by positive steps taken by PRPA, including investment in shore-based radar, navigational aids, real-time navigational data, and best-in-class practices and procedures that clearly describe rules to marine carriers for safe access to and from the port.

With that as context, I'd like to focus on the proposed schedule of products found in Bill C-48.

The list found in the schedule is very broad and has not been accompanied by demonstrable evidence as to why items have been selected for inclusion. There are potentially several trade opportunities that may be negatively impacted beyond the core objective of bitumen. In fact, the legislation has the potential to eliminate existing supply chains and proposed marine services, as well as unintentionally impact future Canadian imports and exports through Prince Rupert, which would have significant economic consequences for the country.

For example, the inclusion of slack wax, a feedstock that's used to create petroleum wax products for Canadian manufacturing, impacts a service and existing capital plant and equipment that has been successfully operating in the Prince Rupert harbour for decades without incident. A vessel that transports slack wax only discharges a portion of its cargo in Prince Rupert, usually below the 12,500-tonne threshold being proposed. However, the total volume carried by that vessel would be impacted by the moratorium, and this could eliminate the service from the port.

The legislation also does not recognize the potential for port services that handle, but are not exporting, heavy oil. For example, a proposed marine fuelling service that includes a 12,500-tonne bunker fuel storage barge in the harbour is currently undergoing an environmental assessment. The capability to fuel large marine vessels at anchor in the port is a critical strategic service that the port needs as it strives to grow Canadian trade. An arbitrary storage limit is a potential hindrance to the development of these kinds of services.

The committee should also be aware that the production of refined petroleum and natural gas liquids is forecast to expand in Canada. In the case of refined petroleum products, while the bill's schedule omits several refined products, it also includes many of the products of the same production process, such as heavier oils and lubricants. The inability to market and maximize value for those heavier products would negatively impact the total economics of the refinery. Similarly, the inability for a future liquid bulk terminal to offer a full slate of refined and natural gas liquids would negatively impact its investment case as well.

Lastly, Transport Canada also notes that amendments to the schedule could be considered, following a regulatory review that would primarily assess whether the ability to clean up a spill has improved. While these criteria are rational to include, the exclusion of criteria specifically related to the empirical risk of an incident spill is a significant oversight. In an extreme example, conditions could be created that eliminated all risk of an incident, yet a product would still be banned under the moratorium because of the challenges of cleanup. Given the strategic attributes of Prince Rupert and our advantage of being arguably the safest port on the west coast of North America, this is a significant oversight in the legislation.

We have the recommendations that follow for amendments to Bill C-48.

Number one, the legislation's schedule of commodities should be reviewed to ensure a full understanding of the trade, economic, and operational impacts of their inclusion.

Number two, the review should be based on demonstrable evidence for their inclusion and include robust consultation with industry and marine transportation experts.

● (1635)

Lastly, number three, the legislation should contain language that requires periodic quantified assessments of the risk of marine incidents in order to provide an improved context for the regulatory process of reviewing the schedule on an ongoing basis.

Thank you.

The Chair: Thank you very much, Mr. Veldman.

Mr. Xotta, would you like to go next?

Mr. Peter Xotta (Vice-President, Planning and Operations, Vancouver Fraser Port Authority): Thank you very much, Madam Chairman.

Thank you for the invitation to make some comments. While the oil tanker moratorium act does not directly impact Canada's largest port from an operational perspective in Vancouver's Lower Mainland, the Vancouver Fraser Port Authority is pleased to provide our perspective and to respond to any questions the committee may have.

For context, the Vancouver Fraser Port Authority, like other Canadian port authorities, is established by the Government of Canada pursuant to the Canada Marine Act and is accountable to the federal Minister of Transport. Our mandate is to facilitate Canada's trade objectives by ensuring that goods move safely while protecting the environment and considering local communities.

With regard to Bill C-48, the Vancouver Fraser Port Authority assumes that government understands the potential economic impact for such a moratorium, given that there are very few suitable locations, particularly on the west coast, for movement of petroleum products, as was articulated by my associate from Prince Rupert.

Notwithstanding the fact that any future proposals would be subject to government's rigorous environmental and regulatory review process, this moratorium could create pressure on the southwest coast of British Columbia to develop capacity for future energy projects. In turn, that pressure could constrain capacity for other commodities that must travel through the lower gateway of the port of Vancouver, such as grain, coal, and containerized consumer and manufactured goods. Supply chains are complex, with multiple participants, and it's important to understand that other ports could not necessarily easily pick up the slack for one commodity or another.

Turning to the matter of tanker safety, I want to point out that tankers have moved safely into and out of the port of Vancouver for decades. Our related procedures go above and beyond the baseline requirements, and we revisit them regularly and update them. I'd be happy to go into more detail on that.

Even with the moratorium, the risk of spills from vessels with less than 12,500 metric tonnes of oil requires excellence in spill response. The port authority echoes its submission to the tanker safety panel of 2013, noting that the government has taken significant strides to address recommendations raised by that panel and by contributors like the port of Vancouver.

The oceans protection plan goes a long way to addressing our concerns. We're aware that the government is aggressively moving to ensure the Canadian Coast Guard is adequately funded to respond to and manage spills in local waters, including being trained and resourced to provide comprehensive leadership.

We also recommended that local communities and individuals, including aboriginal peoples, must be involved in spill response plan development, oversight, and response, and fisher personnel and their vessels must be incorporated into a response strategy, particularly in remote locations, to provide an additional level of support. We're certainly pleased to see government acting in this regard also, through the oceans protection plan.

We reiterate the need for strategic placement of appropriate spill response equipment in locations of higher risk, which would lessen response times and improve response capabilities. The announcement of new Coast Guard stations on the west coast is an important step in the right direction, if they are in a position to provide such response.

The port is also optimistic that government will continue to implement the recommendations of the tanker safety panel. We believe there is a good level of understanding that the moratorium is only part of the puzzle in protecting our precious coastlines.

Lastly, the port authority encourages the committee to consider the work of unbiased voices, such as the Clear Seas Centre for Responsible Marine Shipping, an independent research centre that promotes safe and sustainable marine shipping in Canada. Clear Seas has now been established for over two years and is well positioned to provide support to government in the event that it may need to consider future policy changes with regard to Bill C-48.

Again, thank you for the opportunity to comment. I look forward to your questions.

● (1640)

The Chair: Thank you very much, Mr. Xotta.

We will go on to Royal Vopak of Canada.

Ms. Marina Spahlinger (Manager, Regulatory and Stakeholder Relations, Canada, Royal Vopak): Thank you, Madam Chair.

On behalf of Royal Vopak, I would like to thank you for the opportunity to provide comments regarding Bill C-48.

We are an international tank storage company with a 400-year history and a strong focus on safety and sustainability.

As an infrastructure and service provider, we ensure efficient, safe, and clean storage in the handling of bulk liquid products and gases for our customers around the world. Our purpose is to store vital products with care. We currently operate 66 terminals in 25 countries, with a combined storage capacity of 35.9 million cubic metres. Four of these terminals are located in Ontario and Quebec, and we recently expanded our business to British Columbia, where we have a 30% interest in a new propane export terminal that is currently being built. Including our joint ventures and associates, we employ a work force of over 5,500 people globally.

Canada is a beautiful country, and we feel privileged to be doing business here. We appreciate Canada not only for the business opportunities it presents but also for continuously striving to be an environmental leader. We certainly enjoy Canada's pristine environment and we perfectly understand why you want to protect it.

That said, many of our terminals around the world are located in or near pristine natural environments, and our experience has shown that economic development and environmental protection can go hand in hand.

Let's consider the economic context of this moratorium. According to Natural Resources Canada, Canada was the sixth-largest energy producer in the world in 2016, yet 97% of oil and gas exports from Canada were sent to the U.S. The National Energy Board projects that net exports of Canadian energy will continuously increase until 2040. However, domestic petroleum consumption in the U.S. is expected to remain relatively flat over that same time frame.

Meanwhile, the U.S. Energy Information Administration projects that China and India will drive a 39% growth in liquid fuels consumption in non-OECD countries from 2015 to 2040, and that's due to rapid industrial growth and increased demand for transportation.

The moratorium as it is currently proposed would cut off a direct route to take advantage of this Asian market. This will continue to expose Canada to steep discounts on energy products that it can only sell to the American market. This raises the question of why Canada would expose itself to such a serious economic risk, particularly when you look at other economic consequences of such a decision, such as forgone tax revenues or employment opportunities.

As it stands, the moratorium is not supported by an independent scientific risk assessment that justifies why crude oil or persistent oils are included in it. This creates uncertainty for us and leads us to wonder what other items could be included in the future.

Additionally, there is no end in sight for the proposed legislation, as it does not include an end date. It is safe to say that this moratorium, if implemented, would set a worrying precedent that could make it riskier to conduct business in Canada.

Seven initiatives are currently being conducted by the Government of Canada to increase marine safety that we hope are being considered as part of the development of this legislation. These include, for example, the creation of lower-impact shipping corridors in the Arctic and aerial response planning pilot projects to help Canada adopt a regional risk-based marine preparedness and response system.

At the very least, we respectfully ask that Bill C-48 be amended to include an end date to the moratorium, as well as the process and the criteria for the inclusion and removal of items from the list of persistent oils.

Madam Chair, Vopak is keen to contribute to both economic growth and environmental protection. We would therefore be happy to engage in further discussions and share our expertise, should that be of any use.

Thank you again for the opportunity to talk to the committee.

● (1645)

The Chair: Thank you very much.

We'll move on to Ms. Block for six minutes.

Mrs. Kelly Block: Thank you very much, Madam Chair.

I want to thank all of you for joining us today. I've appreciated your testimony.

Mr. Xotta, it is my understanding that Canada has one of the safest, most stringent oil tanker loading and unloading regulatory regimes in the world. Can you comment on that?

Mr. Peter Xotta: A number of provisions are in place, and there are probably experts in the room whom you've heard from who could go into more detail. I think our track record of performance, particularly on the west coast—obviously I'm familiar with Vancouver most—is exceptional. In addition to that, of course, the additional scrutiny that many major projects have brought to the west coast, in particular in Vancouver, has renewed the effort to bolster the provisions in place for marine transits such that we are very confident that we're leaving no stone unturned with regard to improvement and aids and protocols for accessing the various areas under our jurisdiction.

Mrs. Kelly Block: Okay. Thank you.

Does the port authority have any responsibility for reviewing these procedures, or is that something that is done by a federal department?

Mr. Peter Xotta: With regard to the vessel transits within the port's jurisdiction, if I can focus on that, our obligations would be similar to those of other Canadian port authorities, Prince Rupert included.

We have a variety of marine restricted areas where we are very precise in the *Port Information Guide*. Those are the guidelines provided to vessels that are transiting the port for areas that we believe require an additional level of effort and diligence. For example, for tankers the Second Narrows area in Burrard Inlet requires two tugs that are tethered, two pilots, and daylight transits. That isn't a requirement for every vessel transiting that particular area, but it is for tankers. For example, that particular marine restricted area procedure was reviewed in the past 12 months and updated in conjunction with the Pacific Pilotage Authority and the BC Coast Pilots, along with input from various other entities, like the Coast Guard.

● (1650)

Mrs. Kelly Block: Thank you.

I think we heard from our other witnesses the number of jobs that have been created at the port. I'm wondering—and maybe I'm just forgetting, if you mentioned it—how many people are employed at the Vancouver Fraser Port Authority.

Mr. Peter Xotta: The Vancouver Fraser Port Authority directly creates 115,000 jobs across the country, all of those in the supply chain, not in the productive capacity of either generating or selling the cargoes. It's about $500 million worth of cargo every day. Of course, that's all varieties of cargo. For context—and I think this was probably mentioned by other witnesses—about 85% of the total tanker transits in Canada occur on the east coast, of course. Very little of the traffic, in terms of the total activity within Canada, occurs in Prince Rupert and Vancouver.

Mrs. Kelly Block: Can you tell me if you have done any projections on how many jobs will be added by the proposed Kinder Morgan pipeline expansion?

Mr. Peter Xotta: Kinder Morgan itself has produced that information. I don't have it available to me at this time, but we can certainly make it available to the panel.

Mrs. Kelly Block: Okay.

I guess my next question would be this. Is the primary focus of the ports and the whole tanker industry on preventing a spill from ever happening?

Mr. Peter Xotta: Once again, I'd mention that the tanker transits through our gateway have occurred for the better part of 60 years without significant incident. The heightened scrutiny, both from a regulatory perspective and, frankly, just from a community perspective, on the west coast has generated, I'd say, a very strong commitment from all shippers, including Kinder Morgan, to make sure that avoidable events do not occur.

Mrs. Kelly Block: My last question would be this. We have heard from some environmental groups that they would like to see the provisions of this bill extended into southern B.C. I'm wondering if you have any comment on that and if you would speculate on what would happen to the Canadian economy if the government were to continue in the direction it has taken with this moratorium.

Mr. Peter Xotta: I think my associate from Prince Rupert has talked about the impact on potential opportunities for employment and investment in Canada. Clearly there is significant investment in Canada that relies on the west coast, Vancouver in particular. The job impact of extending the moratorium to existing activity would be devastating for those companies and those investments and, frankly, would signal a sobering thought internationally about doing business in Canada.

Mrs. Kelly Block: Thank you.

The Chair: Thank you very much, Ms. Block.

We'll go on to Mr. Hardie.

Mr. Ken Hardie: Thank you, Madam Chair.

Thank you to all the witnesses for being here.

I'll pick up on that point.

Inevitably, this committee finds itself in some cases stuck between extremes. On the one hand, there might be environmental groups that want nothing to happen, and on the other, there might be people dangling large amounts of money in front of other people to try to make things happen. That's a little bit inflammatory, I know, but in fact what I've heard you say today is that we have to consider the economic impacts. At the same time, we're being asked to consider what may happen if we have an adverse event up on the north coast or on the south coast.

I guess I'll start with you, Ms. Spahlinger. I understand that you are here on behalf of your company, and your company, like all companies, is looking for surety, clarity in regulation, etc. You're concerned that Canada could send not very good signals to the world in terms of our willingness to do business. What would you say to the indigenous groups that have appeared here, that have also been shown a large amount of money if they wanted to basically play along, and have said no?

● (1655)

Ms. Marina Spahlinger: First of all, there are two different views, even within the indigenous communities. There are the communities that are supportive of development in the area, and then there are the communities that are not supportive of development in the area.

Mr. Ken Hardie: We're aware of that.

Ms. Marina Spahlinger: Absolutely. From that perspective, it's important to talk to all of the communities and discuss what the impacts would be and what the benefits are, and then to work collaboratively on measures that would be acceptable to them.

Our ideas also would be in terms of a corridor. Perhaps there is some way of working within that area to develop a corridor that would be acceptable to those first nations. Of course, we don't have a solution to the problem, but we're willing to be a part of the discussion.

Mr. Ken Hardie: You haven't been active enough in B.C. long enough, I guess, to even start those conversations.

Ms. Marina Spahlinger: No, we haven't. You are correct.

Mr. Ken Hardie: All right.

If, in fact, we look at the relative risks of a spill—and you're a terminal operator—I would imagine that the most adverse outcome would be if a ship had trouble out in the water and dumped its load there. The terminal has no liability in a situation like that, does it?

Mr. Joel Smith (Operations Manager, Province of Quebec, Vopak Terminals of Canada, Royal Vopak): No, the terminal has no liability. However, we would like to serve our customers and the environment the best that we can, so it is in our interest for the transport to be safe. It's also in the industry's best interest.

Mr. Ken Hardie: It's out of your hands too, though, once that product leaves your terminal and is on a boat out in the water.

Mr. Joel Smith: It is out of our hands from a legal perspective, but we still care.

Mr. Ken Hardie: Of course, as we all do.

Mr. Veldman, have you had any spill experience in the Port of Prince Rupert? Some of us have had a chance to tour it. I used to live up that way, in fact, and have been through the port any number of times. Have you had any experience with spills of any magnitude in Prince Rupert?

Mr. Ken Veldman: No, we haven't, which isn't to say that there haven't been vessel incidents over the years. Certainly there is always that risk. However, I think what's important is that you look at the quantification of that risk, and certainly that's informed by prior incidents. Right now our current cargoes are largely focused around the broad areas of agricultural products—

Mr. Ken Hardie: I understand all that, sir. I'm sorry, but my time is limited, so I need to get to another question for you.

I have to say that prior to the *Exxon Valdez* running aground in Alaska, everybody thought everything was fine there too. There hadn't been anything like that happen before. However, it happened once, and that was obviously one time too many, which again presents the conundrum we're facing: the worst thing that could happen. Especially with the kinds of products we see being shipped, that could be extremely difficult, much more difficult to deal with than the *Exxon Valdez*.

You may have helped answer a question, though, that's been rattling about here for a bit, and that is with regard to the threshold of 12,500 tonnes. Is that the amount you would have to have available on a barge for ship-refuelling purposes when they come into Prince Rupert?

Mr. Ken Veldman: Not necessarily, but the proposal we currently have in front of us does determine that as a number that makes a business case for marine fuelling economical.

Mr. Ken Hardie: Got it.

For the Port of Vancouver, what are your traffic forecasts looking like over the next, say, 15 to 20 years in terms of growth in the number of ship movements?

Mr. Peter Xotta: The overall number of ship movements has actually been static for the last 20 years. There have been somewhere between 3,000 and 3,200 vessel movements per year since 1995, when I joined the port authority. The projected increase, should the Kinder Morgan volume materialize as projected, would grow the port volume by approximately 10%, or about 300 additional movements per year at full volume.

● (1700)

Mr. Ken Hardie: Then we are dealing with larger ships, are we?

The Chair: Your time is up.

Mr. Donnelly is next.

Mr. Fin Donnelly: Thank you very much, Madam Chair. Thank you to our witnesses for providing your testimony today to the committee.

There was a question about vessel incidents in the northwest. I would reference the sinking of the *Queen of the North*. As well, I referenced earlier the *Nathan E. Stewart*.

Maybe I could start with the Prince Rupert Port Authority. You gave us some background information. Could you talk about current tanker traffic in the port? You also mentioned the impacts of this proposed moratorium. Talk about the current tanker traffic in the port, the vessel traffic in the port.

Mr. Ken Veldman: Currently, the only tanker traffic that would occur in the port would be related to slack wax, which is a relatively minor product for us. We tend to have about four vessel visits a year, and that usually brings a total of about 10,000 metric tonnes.

Mr. Fin Donnelly: Are those the largest vessels entering the port? What is the largest?

Mr. Ken Veldman: Oh, not by far. The largest vessels would be container vessels. We've experienced very large container vessels that would measure up to 14,000 containers on each quay use.

Mr. Fin Donnelly: Once the moratorium is in place, how do you see the change affecting the port activity?

Mr. Ken Veldman: From a current perspective, the example I provided was the slack wax traffic that currently occurs. Our larger concern is really about future demand. Currently we're working with a number of partners, including the B.C. government and Transport Canada. Our outlook says there will likely be 10 million to 12 million metric tonnes of potential fuel, marine fuels that could be exported to Asian markets over the next 10 years. That does not include bitumen, but other fuels that are a significant opportunity for the Canadian economy.

Mr. Fin Donnelly: Thank you.

Turning to the Vancouver Fraser Port Authority, I'm focused on spill response. You mentioned that the tanker ban wouldn't directly impact you but could indirectly impact Vancouver Fraser.

I have some notes about Western Canada Marine Response Corporation. They're constructing a new on-water spill response base in the Vancouver harbour. This proposed base is supposed to be part of a larger expansion plan to meet enhanced response requirements associated with the Trans Mountain expansion project. They claim this larger expansion will double the WCMRC's capability or capacity and cut mandated response times in half on the south coast waters. Have you heard about this plan? Are you satisfied with this local plan, and the local spill response plan and resources, to deal with the proposed Kinder Morgan sevenfold tanker increase?

Mr. Peter Xotta: Thank you for the question, Mr. Donnelly.

The WCMRC facility that I'm most familiar with is adjacent to New Brighton Park in the vicinity of the Second Narrows Bridge. The new location is one of several new investments that will be made by WCMRC. Trans Mountain, of course, is a member. Shippers are members of WCMRC. That investment in total, I believe, is somewhere in the order of $150 million. In terms of human resources, it's my understanding that the complement of folks involved in that response activity will go from about 30 full-time employees today to about 130 to 150 when fully operationalized. That was one of the proposals that was submitted to the National Energy Board. As Trans Mountain made their application for approval, it was incorporated in the conditions of the project and is now proceeding. That construction is under way today.

● (1705)

Mr. Fin Donnelly: Do you think this is adequate or enough for the port? Is the port reassured by this kind of investment and plan? I mean, we referenced other spills. I know the *Marathassa* spill that happened a number of years ago in Burrard Inlet was a smaller spill, but it pointed out a number of problems that departments had in terms of coordination, including with WCMRC.

Mr. Peter Xotta: Certainly we're pleased to see the additional investment in equipment occurring within the transit route. As I've said, it's very close to the Trans Mountain facility. A number of other steps have been taken with regard to the protocols of engagement with WCMRC by the port authority directly to ensure that the response time, if there ever is another incident, is as brief as possible. I'm satisfied that we've taken corrective action, learning from that minor incident that occurred a number of years ago.

The Chair: Thank you very much. Your time is up.

We go on to Mr. Fraser.

Mr. Sean Fraser: Thank you very much, Madam Chair.

Thank you to each of our witnesses for being here today.

I'm going to start with our guests from the Vancouver Fraser Port Authority.

One of the topics during your opening remarks was the impact that we should be mindful of when it comes to supply chains and the pressure that you can put on one facility if circumstances change at another.

Has there been any assessment done as to the kind of demand that this moratorium or the potential construction of the Kinder Morgan pipeline is going to put on your port authority? Are you prepared to deal with that increased demand?

Mr. Peter Xotta: Of course our primary focus has been looking at the increased vessel traffic that would ensue from that project. I'm confident that we've taken appropriate steps to incorporate that volume. From a total traffic perspective, I mentioned it's a fairly modest increase in total traffic. While the south coast of British Columbia has a significantly greater traffic than the north coast from a marine perspective, it is relatively uncongested from a marine perspective. The challenges that we have are urban encroachment and rail and road, and we have more challenges from that perspective.

This particular commodity arriving by pipeline and exiting by vessel is not a significant concern from an overall congestion perspective. The comments I made previously have to do with emerging opportunities in the future if they were solely directed at the west coast and the Vancouver gateway in particular. It's difficult to speculate what that might mean in terms of total traffic in the future.

Mr. Sean Fraser: To the point that was raised by our guests who were here in person, we don't want to find ourselves decades from now still captive to a single customer. I take it from your comments that with the approval of these projects, assuming that construction goes ahead, you're going to be able to deliver products to customers around the world.

Mr. Peter Xotta: That is certainly the intention. I mentioned that our mandate as a port authority, as is Prince Rupert's, is to enable trade. We're taking steps necessary to make sure that we can do that safely while protecting the environment.

Mr. Sean Fraser: I'll move to our guests from Prince Rupert.

I'm curious about this threshold of 12,500 tonnes. We heard testimony and a recommendation previously that we knock that figure down substantially. I forget the precise figure. It was 3,200, 3,600, or something to that effect. The reasoning was based on the fact that this is the volume being transported on vessels now.

You made a comment about 12,500 tonnes making marine fuelling economical. Could you perhaps elaborate on whether this in fact is a good number? Are there dangers if we move down to that 3,000-odd tonne figure?

Mr. Ken Veldman: The conversation about lower volumes has been focused on resupply to communities on the coast and has been largely driven by barge capacities within that context. I think the important thing to realize about the number is that it's not just community resupply that should be included in that conversation, but there are other examples, such as the one I used of a port service that requires the storage of marine bunkers on barge within the harbour, and that requires a higher number.

The reality is that the number of 12,500 is somewhat arbitrary. While the project that we're dealing with has used that as a number to move forward, in the future there may be other examples that are similar to that, and then it becomes a negative hindrance to a potential business plan and a vital service.

● (1710)

Mr. Sean Fraser: I have two minutes remaining, so I'll ask one final question.

With respect to the Vancouver Fraser Port Authority, you mentioned a handful of the features outlined in the oceans protection plan about spill response. Are there other things that we should be pursuing within the context of the oceans protection plan, or other spill response initiatives that we could or should be taking on to ensure that we are sufficiently protected? Are you confident that the measures included in the plan that we're aware of today are going to give Canadians the tools they need to ensure that they're able to transport products in an environmentally responsible way?

Mr. Peter Xotta: From our perspective, the oceans protection plan encompasses many of the elements of the tanker panel's recommendations. What I perhaps didn't say—which was mentioned by some of the previous presenters—is that area-based risk assessments and planning are things that make a lot of sense, using empirical data to identify areas of increased risk—or decreased risk, if that's the case—and adjusting the plans for spill response to reflect those new or diminished risks. That would certainly be something that was recommended in the tanker panel safety report and that this port strongly supports as a basis for future policy decisions and dialogue.

The Chair: Thank you very much.

Go ahead, Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

You have to excuse me, folks. I'm a Great Lakes guy, so this is a bit new to me. I'm going to ask some questions to get a bit educated on this situation. I'll start off by asking questions of the folks from Royal Vopak.

What is the percentage of cargo that you're bringing into the country?

Mr. Joel Smith: We have to defer that question. I don't know the exact number, but we have three terminals in the province of Quebec, and we have one in Hamilton, which is really the Great Lakes.

Mr. Vance Badawey: Is it mostly containers?

Mr. Joel Smith: It's liquid bulk. It's petroleum products and chemicals.

Mr. Vance Badawey: Out of that, is it mostly crude or other products?

Mr. Joel Smith: No, it's refined products. We do not handle crude in Canada.

Mr. Vance Badawey: When you're going to pick up a load here in Canada, are you coming in empty?

Mr. Joel Smith: It's our customers who do the business. We are a storage company, and our customers do the business. Sometimes it's more economical, of course, to come in with a full ship and then off-load, load another cargo, and take it out, but that's not always how it happens.

I would say a big part is coming in empty, loading here, and going out, or the other way around.

Mr. Vance Badawey: It goes without saying that it would be advantageous to come in full and leave full, and—

Mr. Joel Smith: That would be advantageous.

Mr. Vance Badawey: —then, therefore, for the one day that it would otherwise take to get into the areas where you can go, where there's no moratorium, the economic impact would be lessened.

Mr. Joel Smith: The moratorium will not really impact the kind of thing you referred to right now.

Mr. Vance Badawey: With respect to moving forward and with the moratorium put in place.... This can go to you, Marina, with respect to your business plan. Has there been dialogue with respect to a strategy to bypass the moratorium area and utilize the ports that are available to you? Has there been dialogue on what you're going to do next?

Ms. Marina Spahlinger: The simple answer is no. Right now we're focused on LPG terminals, so at this point in time the moratorium would not impact our business. For us it's mostly from the perspective of restricting or stopping trade along major routes. As a global company, that is the major significance of the moratorium at this point in time.

● (1715)

Mr. Vance Badawey: What I'm really interested in.... As you may know, there was a review of the Canada Transportation Act, and from that came a strong recommendation by Mr. Emerson to look at integrating not only our national but our international trade corridors—our distribution logistics—with our partners as a government. Also, within industry—with you, and you within your own industries—we need to look at taking full advantage of integrating distribution logistics with all methods of transportation: road, rail, water, and even air. Has there been any dialogue with respect to that in your industry, and of course not only in your industry with respect to transportation, but also with the cargo you're carrying?

Ms. Marina Spahlinger: Not that I'm aware of, at this point in time, but I could definitely circle back and see if anybody else within Vopak has.

Mr. Vance Badawey: I would appreciate that, because it would add to the process we're embarking on in the short term with trade corridors, not only looking at what's happening nationally within our country but also internationally, opening up the broader trade corridors, which would make it easier for you to do business in Canada.

Madam Chair, how much time do I have left?

The Chair: You have one minute.

Mr. Vance Badawey: Time flies.

My last question is with respect to your safety record, or the safety record of those who are transporting your goods. Do you find that the people you're dealing with have a good safety record, and therefore have the proper protocols put in place to deal with an occurrence if there is one?

Mr. Joel Smith: Without hesitation, I say yes. I am very confident, and we, as terminals, are being audited many times a year by our customers and by the government. We also audit ourselves and we audit our customers, and I'm proud to say that we don't want to do business with substandard companies.

Mr. Vance Badawey: Wonderful.

My last comment is to thank you. Thank you for coming out today. Not only do we look forward to your testimony today, but also to your partnership in the future as it relates to moving our trade around in a more expeditious manner and a more efficient manner, utilizing the services and partners such as yourselves and the others you're working with on a daily basis. I thank you for that.

Mr. Joel Smith: Thank you very much. We look forward to working together as well.

The Chair: Mr. Trost is next.

Mr. Brad Trost (Saskatoon—University, CPC): Thank you, Mr. Chair...Madam Chair. It's been a while. I haven't been on committee for three years...two years.

The Chair: We're very glad to welcome you here today.

Mr. Brad Trost: Thank you very much.

As I was noting, even though I'm a veteran member of Parliament, I haven't been sitting on a committee for a few years. I am here as a substitute for a regular member, so I'm slowly learning about this bill, and I have to say, from what I've learned today, that the real impact of this bill would be on some shipments of slack wax and not much more, because unless I've got this really wrong, unless there's a northern gateway project or a pipeline built, there are not really any significant shipments in the area that are going to be impacted.

I'll direct this to the gentleman from Prince Rupert, and if anyone else wants to answer, please do.

Am I the only one who's looking at this and thinking the practical impacts of this bill really say this is a solution in search of a problem? There doesn't seem to be anything being banned except maybe potentially slack wax, which I don't think is a major environmental problem. Spills of slack wax just aren't huge.

Am I missing something? If there's no pipeline built, why are we so worried about this legislation? Could anyone answer that question for me? Does the gentleman from Prince Rupert want to respond?

Mr. Ken Veldman: I think you're absolutely correct in terms of its impact on current operations. It's a relatively insignificant impact. I think the concern from our perspective is more looking into the future.

I mentioned in my comments that we are seeing, certainly from an Alberta perspective, a strategic push to more refined fuels. Within those refined fuels there are a number of by-products that come out of that production process, and if we're looking to maximize value, it's not about just taking light fuels. There are also heavier fuels, and those are the types of fuels that would be impacted in terms of the schedule as it's currently written up within the legislation.

Mr. Brad Trost: Without a pipeline, could this impact rail shipments? Generally we think of fuels and liquids as being shipped by pipeline, but some are shipped by rail. Could this have an economic impact on shipping by rail? I don't know what products could be shipped or exported by rail in the Prince Rupert area, but is that a potential economic impact?

● (1720)

Mr. Ken Veldman: When you're looking at refined fuels, yes. The primary mode of transportation would likely be rail.

Mr. Brad Trost: Okay. You're saying that this could have a real impact there.

Ms. Spahlinger, you said earlier in your remarks that one of the potential results of this legislation is that it could make it more risky to do business in Canada. You said that as part of your presentation, and then you moved on.

Could you elaborate, and give examples of how this would make things more risky? Would it make it more risky for your sort of business? Would it make it more risky for other sorts of business? Talk to a politician who.... I was a geophysicist, but I wasn't in the corporate world. How will this impact making business decisions for your company and others?

Ms. Marina Spahlinger: I think it's really around certainty. As somebody mentioned earlier, for us it's important to have a certain level of certainty when we conduct business and when we look at future projects.

One of the aspects I mentioned was that there seems to be a lack of scientific evidence for including these products in the legislation to begin with. As well, there is concern about the kinds of doors it will open up in the future for other products. The area itself can be quite expensive in which to develop projects, so maybe you would start looking at other areas where it would be less pricey to develop a project and where there would be more certainty.

There are a lot of aspects that I guess somebody else within Vopak would be more qualified to talk to you about.

Mr. Brad Trost: You touched in your response on something I was going to ask everyone about. You talked about the scientific basis of this.

Be it in the regulatory aspects of this bill or in the legislative aspects of this bill, do you think it would be wise to have some sort of objective scientific definition of how products are included?

Again, I'm new to the committee, and the first time I really looked at the bill was today. From what the witnesses have said today, I'm getting the impression that you don't know what the objective criteria were for including the various products in it. I'll take a response both from the port authorities and from the people here at the table.

Have you thought about what you would like for a scientific objective or where we could look to find amendments that would fit those criteria?

Ms. Marina Spahlinger: Yes—

Go ahead, please.

Mr. Ken Veldman: I think you've likely touched on our primary concern with the legislation as it's written. It's not that we have a position on a moratorium one way or the other, but the reality is that there is a lack of evidence as to why certain products were included in the schedule, and that comes back to the fact that there really hasn't been a quantification of what that risk is, and specifically the risk of incidents, as opposed to the quantification of effective cleanup.

Absence of evidence as to why a product is deemed unfit to be shipped off the north coast makes it a piece of legislation that is difficult to sustain in the long term, because there isn't a measure as to what we're actually trying to achieve in terms of marine safety.

The Chair: Thank you very much, Mr. Veldman.

Sorry, Mr. Trost; you're almost a minute over. Mr. Hardie is next.

Mr. Ken Hardie: Thank you.

Actually, thanks to Mr. Trost, we'll just continue on with that line of questioning.

With regard to the scientific evidence, certainly there was a process to identify what they call the persistent oils. From everything I've seen—and I'm no scientist, either, so we're all on the same basis there—it's very clear that even if you go back to the *Exxon Valdez* or what came out of the *Nathan E. Stewart*, diluted bitumen is a nasty bit of stuff if it gets into the water.

Do you agree, Mr. Veldman?

Mr. Ken Veldman: I would agree, but I would also focus on one of my comments, which is that there is a very good question as to what that risk of it getting into the water is. That quantification of the risk of incident is missing from this conversation.

● (1725)

Mr. Ken Hardie: Well, yes, and I guess if you were to talk to some of the indigenous communities, they would say that if it's not being shipped, there is no risk—period, zero, and never. That seems to be the position they take.

I'm sure that having been asked to give some testimony here, you've been looking at the world through the eyes of a port operator. Have you had any opportunity to speak to proponents of doing this versus opponents of doing this in your neighbourhood?

Mr. Ken Veldman: I have, very much so. As you may imagine, there are a wide variety of opinions as to what's acceptable risk and what isn't. However, the reality is that risk can be quantified, and if you're looking to achieve zero risk, then you're correct that zero transportation is really the only way to achieve that.

That said, if our appetite for risk is zero, that has very broad ramifications for shipping off the coast in general.

Mr. Ken Hardie: In the absence of a pipeline, to move any kind of product from Alberta to the port we would have to rely on rail. Would there be the rail capacity to service the larger tankers that could come in absent a moratorium?

Mr. Ken Veldman: Yes. We don't see CN's mainline capacity as being any kind of a limiting issue for any type of cargo, including potential liquid bulk.

Mr. Ken Hardie: To the metro Vancouver port, I almost got this question in the last time.

You mentioned that there hasn't been any kind of significant increase in the number of ships going in and out, but some of the people working on the pilotage side are saying that those ships are larger now, that in fact the amount of cargo going into and out of the port of Vancouver has gone up quite substantially simply because the ships bringing that cargo in are a lot bigger. Is that true?

Mr. Peter Xotta: Yes. In fact, I should have extended my comments by confirming that the volume of cargo has increased substantially over the last 20 years. In the most recent calendar year, we handled about 140 million tonnes of cargo. Four million tonnes or so was liquid bulk products. The average vessel size has increased across all sectors over that period of time, and that's why the total volume has increased substantially, but the number of vessel calls has not.

Mr. Ken Hardie: Good. I'm glad we got that straightened out.

You mentioned, sir, that it's good to be able to rely on “unbiased” sources for information. I think that's the term you used. Where, pray tell, do you find those?

Mr. Peter Xotta: Specifically I was referring to the recently developed—in the last two years—Clear Seas Centre for Responsible Marine Shipping. It's an agency that was created to inform this conversation.

Frankly, I would say that there are a number of relevant sources out there that could provide commentary on this issue. That's just one agency. It happens to be something that is jointly funded by government and some industry, but it has a representative board that is intended to bring a balanced perspective to this dialogue. It's just one source that could opine on some of these issues. In fact, they're prepared to do research to support the dialogue.

The Chair: Thank you very much, Mr. Hardie. The time is up.

Thank you very much to our witnesses for participating today.

The meeting is adjourned.