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# **Standing Committee on Transport, Infrastructure and Communities**

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**EVIDENCE**

**Wednesday, February 7, 2018**

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**Chair**

**The Honourable Judy A. Sgro**



## Standing Committee on Transport, Infrastructure and Communities

Wednesday, February 7, 2018

• (1535)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call to order this meeting of the Standing Committee on Transport, Infrastructure and Communities, meeting number 89, pursuant to the order of reference of Tuesday, December 5, 2017, Bill C-64, an act respecting wrecks, abandoned, dilapidated, or hazardous vessels and salvage operations.

We have a variety of witnesses on our panels today. I'd like to ask you if you would take a moment to introduce yourselves.

I'll start with Mr. White.

**Mr. Patrick White (Founder and Executive Director, Project Naval Distinction):** Thank you, Chair. My name is Patrick White, and I am the Founder and Executive Director of Project Naval Distinction.

**Vice-Admiral (Retired) Denis Rouleau (As an Individual):** I am retired Vice-Admiral Denis Rouleau. I used to be the Vice-Chief of Defence here in Canada and in Brussels. Now I'm simply an assistant to Captain Paul Bender, whose project we'll be talking about here today.

**Ms. Sara Anghel (President, National Marine Manufacturers Association Canada):** I'm Sara Anghel, President of the National Marine Manufacturers Association, representing the recreational boating industry.

**The Chair:** Thank you very much.

Ms. Anghel, would you like to start with a five-minute presentation? We try to keep everybody to five minutes because the committee members always have a lot of questions that they need to get answers to.

Please, go ahead.

**Ms. Sara Anghel:** Absolutely. Thank you, Madam Chair and members of the committee.

On behalf of the entire recreational boating industry and community, thank you for the opportunity to be here before you today on Bill C-64.

The National Marine Manufacturers Association, known as NMMA, is the leading association representing the recreational boating industry at the national level across Canada and the United States. Our member companies produce more than 80% of the boats,

engines, trailers, accessories, and gear used by North American boaters.

NMMA, through regional efforts, also represents marina operators, dealers, and finance and insurance companies. In Canada, the recreational boating industry generates \$10 billion in revenues, contributes \$5.6 billion to the national GDP, and employs more than 75,000 people across the country. More than 4,000 businesses serve approximately 12.4 million adult Canadians who enjoy boating each year on our waters.

We place great importance on ensuring marine safety, preserving marine ecosystems, and promoting improvements to environmental stewardship. Therefore, NMMA is largely supportive of the proposed legislation and of the oceans protection plan.

As an indication of our commitments to these causes over the last 20 years, marine manufacturers across North America have invested billions of dollars to develop cleaner, quieter, more efficient engines that reduce emissions by 75% to 90% and increase fuel efficiency by more than 40%. In 2010, NMMA stepped up in a big way and worked on a voluntary basis with Environment Canada to develop new regulations requiring that engines sold in Canada meet U.S. EPA standards.

Each year, we publish statistics on the total number of boats sold, and for the committee's interest, in 2017 there were 39,000 new boats and 61,000 pre-owned boats sold across Canada. We estimate there are approximately 8.6 million recreational boats in use today, with over 50% of those being human powered with no engines.

NMMA is committed to a strong and enforceable licensing program and welcomes the opportunity to see an expanded and enhanced registration process. Having accurate data will help address the abandoned vessels issue and safety, while also providing valuable data for the boating industry.

Should Transport Canada enlist provincial assistance to deliver a new licensing program, we recommend that every effort be made to ensure a seamless delivery framework that includes consistent pricing regardless of province or territory. As a side note, I believe there are representatives from the insurance industry who may have good insight into this topic, and I would be pleased to facilitate an opportunity to enlist their expertise.

While NMMA is supportive overall of the provisions of the bill, we do have one fundamental concern. We appreciate that the legislation was written to encompass all vessels, and we appreciate that many of the boats needing cleanup are recreational. I do stress the importance of ensuring that, as regulations are developed, commercial vessels are treated differently from recreational boats. Disposing of a commercial vessel is a more complicated and expensive task than it is for a recreational boat.

Our industry wants to ensure the burden of cost is not disproportionately placed on recreational boats. Should any levies or taxes be imposed on recreational boats through licensing, these funds should be used to support disposal of recreational boats specifically.

Our association will continue helping identify solutions on this topic. We have applied for funding under Transport Canada's abandoned boats program, and our goal would be to reach across the nation to identify the size of the problem and then consider recycling options. Part of this solution may exist outside of Canada.

NMMA has taken a leadership role on the international stage on this and many other boating issues, much of this facilitated through the International Council of Marine Industry Associations, on whose executive committee I serve as Canada's representative. This global organization brings together recreational marine industry associations under one international umbrella, engaging proactively on the topic of end-of-life of boats and how best to expand recycling options by sharing best practices.

There are some sound recycling solutions in places like France, Sweden, the Netherlands, and Japan, just to name a few. I'd be pleased to share these learnings with Transport Canada and the committee, so that we don't work in a silo in Canada on this global topic.

We applaud the government for introducing Bill C-64, and we will continue to provide assistance and support as the bill moves forward.

Thank you for the time today and for the invitation to be here.

**The Chair:** Thank you very much.

Mr. Rouleau.

**Vadm (Ret'd) Denis Rouleau:** Madam Chair, members of the committee, I'm very humbly here representing Captain Paul Bender, merchant navy, retired, who unfortunately two weeks ago had a fall. He will be 91 this year, and he's in the hospital right now recovering. I take no credit for any work that he has done—the research—for the past five years.

He has been the total lead of this, with the exception of two persons who were on the bench with him, as opposed to being in the bleachers. That was me, and Parliamentary Secretary Karen McCrimmon, who kindly gave us some time to look into this project.

In the spring of 2013, he initiated this project on the premise that if you go to Halifax or to London and you look at the memorials there, they say, for sailors, "tombs unknown" or "graves unknown". His position is that this is not true. We know where they are. We know exactly where these ships are. Not only do we know where the ships are, but we know how many people went down with those ships.

Again on his own, in 2013-14, the first place he went was the ship that went down with the most people on board, the *Athabaskan*, off the coast of France. There were 128 sailors on board. He dealt directly with France through the embassy here and he got France to include the two Canadian warships within French territorial waters under the French heritage code. That means there are now punitive consequences for somebody who goes on those wrecks. International laws of the seas do not provide punitive consequences. They just provide jurisdiction.

His next step was to go to the U.K., where we have three corvettes that sank in British territorial waters. Again on his own, he went through the high consulate here to submit the request to have those three vessels placed under a special act that they have in the U.K., called the Protection of Military Remains Act. That is strictly to add punitive consequences to the international laws of the seas for the vessels that are sunk there.

He went there on his own. Interestingly, the U.K. looked at that and said it was coming from a single person and asked whether it was possible to get that from a higher level of authority. He went to the Naval Association of Canada. Of course, he has the support of all those people, but the U.K. insisted on having a Canadian position on that.

Therefore, we went through Global Affairs Canada, trying to get a request with the British delegation here, waiting for that request so they could staff it through England, and they were ready to do it. Unfortunately, Global Affairs Canada looked at that position and said this request could serve to undermine the current laws under which these vessels are protected. Well, they are not protected. Interestingly enough, the Germans have U-boats protected under that British law, but we can't get our Canadian warships that are sunk there protected under that same law.

The next steps for him are to get a political champion so that he can bring this project to fruition, and we believe that this committee has the power to possibly create that. We also need to have all those wrecks with sailors on board—and like I said we know where they are—legally designated as ocean war graves.

This is the title of this project, ocean war graves. The responsibility could be passed on to the Canadian agency, the Commonwealth War Graves Commission, to which Canada subscribes a significant amount of money every year.

Global Affairs Canada needs to review its position as to the jurisdiction versus jurisdiction enforcement, which does not exist right now. Once we do that, we can go back to the U.K. The U.K. is waiting to include those three Canadian warships into its protection law.

After that, we will come to Canada. Here in Canada alone, we have nine warships within Canadian territorial waters, and 10 merchant ships that were sunk due to enemy action. All those vessels are known. Their positions are known. The number of people on board are known. It's just a matter of putting a law into place, whether it's something similar to what the U.K. has to protect the wrecks, to protect the war remains, or having our own law here.

For the merchant ships, it's an issue of changing or amending the Canada Shipping Act. It could very well easily do that to provide those merchant ships and warships the same level of protection that all our cemeteries have across the world for soldiers and airmen who actually fell.

This is all he is looking for, to give those sailors down in their graves at the bottom of the sea that same level of protection that is not available to them now, but that can be put into place.

• (1540)

Thank you very much.

**The Chair:** Thank you very much, sir. I appreciate that information.

Mr. White, you have five minutes.

**Mr. Patrick White:** Madam Chair, members of the committee, thank you for the invitation to contribute to the committee's study on Bill C-64, the wrecked, abandoned and hazardous vessels act, with a specific focus on the need to provide protection for Canada's ocean war graves.

Before I begin my remarks, I would be remiss if I did not acknowledge the incredible work of retired merchant navy Captain Paul Bender, who has led the charge to bring protection to Canada's ocean war graves. Captain Bender's efforts on this issue come after a remarkable lifetime of service to Canada, which includes his service during the Second World War, post-war service in the Royal Canadian Navy, and now at the age of 90, fighting to ensure the final resting places of Canada's sailors and merchant mariners are given the protection they unquestionably require. It is truly an honour to add our support to Captain Bender's work.

My name is Patrick White. I am the Founder and Executive Director of Project Naval Distinction.

Project Naval Distinction is an independent citizen initiative working to ensure all branches of the Canadian Armed Forces are given proper recognition across Canada. As the Royal Canadian Navy faces a natural challenge in connecting with Canadians beyond Canada's coastal communities, known as maritime blindness, our work has focused on ensuring the sailors of the Royal Canadian Navy are given recognition alongside the soldiers and aviators of the Canadian Army and the Royal Canadian Air Force.

We were made aware of Captain Bender's efforts to provide protection for Canada's ocean war graves from a Twitter exchange between Ian Holloway, dean of the University of Calgary's faculty of law and the minister responsible for Parks Canada. On January 1, in response to Dean Holloway's tweet about Joseph Brean's *National Post* article about ocean war graves, Minister McKenna confirmed she was looking into it. We contributed our suggestion for amending

Bill C-64, an ideal vehicle through which to enact legislative protection for Canada's ocean war graves.

In the same *National Post* article, Captain Bender outlines numerous important reasons why Canada's ocean war graves need to be given protection immediately. On a fundamental level, we are drawn to his final comment that protection of Canada's ocean war graves is more than just symbolic recognition, it would "put the loss of sailors on the same plane as the loss of soldiers and airmen."

There are clear and concrete reasons why this issue must be addressed with a sincere sense of urgency. As Captain Bender notes, he has, "the latitude and longitude position of every one of the Royal Canadian Navy ships that were lost during the Second World War". This information is readily available to salvagers and treasure hunters. The question is not whether these graves might be disturbed. The question, if we do not act, is when. In November, blood-stained canvas hammocks, used by Canadian soldiers on the ocean liner RMS *Hesperian* were found off the coast of Ireland indicating the ocean war grave had recently been disturbed. The same grave-robbing could be happening right now to other Canadian ocean war graves as we sit in this meeting.

In light of this information, I ask the committee to amend Bill C-64 to provide protection for all Canadian ocean war graves in Canadian waters under section 163(2) of the Canada Shipping Act, and ensure the punishments for those who commit an offence are in line with those of grave-robbing.

Further, and in their roles as individual Members of Parliament, I ask committee members to, first, request that the Minister of Transport, the minister responsible for Parks Canada, and the Minister of National Defence provide immediate protection to all of Canada's ocean war graves under the existing powers of the Canada Shipping Act. Second, I ask committee members to request that the Minister of Foreign Affairs ask the government of the United Kingdom to add Canadian ocean war graves to the list of protected places and controlled sites under the U.K. Protection of Military Remains Act, 1986, and third, given the urgency with which protection for ocean war graves is needed, request the Speaker of the House of Commons to hold an emergency debate on protection for Canada's ocean war graves.

The men and women who have made the ultimate sacrifice and given their lives for Canada deserve to remain undisturbed in their places of final rest. Whether on the battlefields or in the cemeteries of Europe, or in HMC ships at the bottom of the ocean, Canada's soldiers, aviators, and sailors deserve the same protection that any Canadian would expect for themselves and their families.

Thank you. I look forward to answering any questions.

• (1545)

**The Chair:** Thank you very much, Mr. White.

We'll start with questioning for six minutes.

Mr. Lloyd, welcome to the committee today.

**Mr. Dane Lloyd (Sturgeon River—Parkland, CPC):** Thank you. I'm happy to sit in for my colleague Ron Liepert, another Albertan.

We have a huge issue with derelict vessels. I was pleased to listen to the testimony today. I wanted to ask the National Marine Manufacturers Association how they foresee this legislation impacting their association members in increased costs or red tape.

**Ms. Sara Anghel:** To date there hasn't really been a clear place to recycle the boats, so that's perhaps one part of the burden of where we take them. I think the industry welcomes the opportunity to work through the bill, and I haven't heard any of them say that it's a burden. We're here to help get this done, to clean up the issue, to look at viable recycling options, and to build a program that will see some funds available to deal with the matter. I welcome the opportunity to approach it.

**Mr. Dane Lloyd:** It would be reasonably foreseeable that a recycling regime for boats would need to be created and would lead to higher costs for retailers or manufacturers who build these boats.

• (1550)

**Ms. Sara Anghel:** If you're talking about increased costs to build, it's not so much that. I think what we're looking at is what's viable for recycling. At this point, I don't see how the way it is today would impact the cost of manufacturing or retail until we find something to do with the scraps. They're always looking for ways to improve and make the products more environmentally friendly, and that's part of the puzzle. I still don't see it, in the immediate future, as an increased cost, unless we're looking at other options that would burden them through taxes and such. As I said all along, if that's the route it goes, we welcome the opportunity to create a viable recycling program.

I'm not sure what they're going to do with the abandoned vessels. They are where they are, and we need to work together to figure out how we're going to dismantle them and where we're going to take them. Right now the only option is to take them to a landfill, and that's probably not what we want to do.

**Mr. Dane Lloyd:** Understood. You said in your testimony that a great number of abandoned vessels are recreational vessels. Do you have any figures on how many are large abandoned vessels?

**Ms. Sara Anghel:** I'm not sure I said I thought there were a lot of abandoned vessels. I think what I was referring to was that there are about 8.6 million boats in use in the country, 50% of which are human-powered. These are canoes, kayaks, and vessels of lower than 10 horsepower, which the system doesn't capture in registration. Let's call that the smaller part of the problem.

I don't know. We've applied for the funding, now that this program is upon us, to really get at the core of how big the opportunity is. It could be—although more so on the west coast—that there are hundreds across the country, but I don't have any way to measure it at this time. Again, I welcome the opportunity to work with the government on that.

**Mr. Dane Lloyd:** Thank you.

That's all I have for questions.

**The Chair:** Thank you very much.

Ms. Jordan.

**Mrs. Bernadette Jordan (South Shore—St. Margarets, Lib.):** Thank you, Chair.

Thank you to the witnesses for being here today.

Ms. Anghel, I'm going to start with you. If a recreational boat owner is finished with their boat now, what do they do with it? If it can no longer be used, where does it go?

**Ms. Sara Anghel:** There isn't currently any legislation or—

**Mrs. Bernadette Jordan:** I just mean in general. We know that responsible boat owners look after their vessels. What do you do if a vessel is no longer...?

**Ms. Sara Anghel:** I think some of them have probably tried to work with their local marina to find a place to dispose of the vessel. It's probably disposed of at a landfill through dismantling the different components that can be recycled.

There was a program in Ontario funded by the Ministry of the Environment that was looking at grinding up the fibreglass and turning it into cement. There are a lot of these opportunities in other parts of the world. That funding ceased to exist a few years ago, so that went away. There's an opportunity to go back there.

There aren't a lot of great solutions for disposing of them responsibly.

**Mrs. Bernadette Jordan:** Are the majority of recreational vessels made of fibreglass?

**Ms. Sara Anghel:** I would say no, they're not. You can pull my statistics, but I'm going to say probably 60% are aluminum, which is recyclable, and I'd say about 40% are fibreglass. Keep in mind that the lifespan of a recreational boat is quite long. They do have long lives, and they're built well as per Transport Canada construction standards and our certification program. We're looking at much older vessels—probably from the fifties and sixties—that we're seeing pop up as abandoned.

**Mrs. Bernadette Jordan:** Part of the problem we're seeing, and I think particularly on the west coast—and perhaps my colleague Ms. Malcolmson will address it a little bit more—is that the west coast seems to have a lot more recreational vessels that are left abandoned, whereas on the east coast, it's bigger, container ship-type things that we're dealing with.

I'm happy to hear that you're onside with the legislation and that you think it's a good step forward. Thank you for being here today.

I'll go to Mr. White. Thank you so much for your presentation, and for your hard work on this issue. Of course, thanks also to Captain Bender for everything he has done. I guess, maybe, both of you can answer this question for me.

I support what you're trying to do. I totally understand the need to protect these ships that sank during war, and the graves. I question that this would be the right place to have that, and if this legislation is where that should be. Can you tell me why you think this legislation is an appropriate place to put what you're asking for?

•(1555)

**Mr. Patrick White:** When I look at subsection 163(2) of the Canada Shipping Act—and this came from a conversation with Captain Bender—there is a provision that allows the minister to designate vessels as having heritage status. The problem with this is that, federally, there is no actual protection for heritage status. It's not a legal protection; it's a legal designation. According to Parks Canada's own website, it's a ceremonial thing. It provides either a significance.... It's a way of honouring either a sunken wreck or, as you were talking about, the ships that were discovered up in the Arctic, for example, things like that, as part of our history. What makes this different, particularly with ocean war graves, is that obviously we're talking about tombs. We're talking about remains still being on board.

The Canada Shipping Act is one of the primary vehicles under which that kind of protection could be granted now. It might be possible to amend the Canada Shipping Act to insert different punishments or protections under subsection 163(2) from what exist now. I'll be very honest. I don't profess to be an expert on a lot of this. What we saw, and from what Captain Bender had researched, was that there does exist a gap.

What I had thought to propose, in terms of this bill and an issue dealing with the Canada Shipping Act, was that if there were any way we could get protections through Parliament sooner, rather than drafting a whole new bill, etc., perhaps this could be the vehicle to do it. I'll fully admit, in our position, there might be a better vehicle, but echoing what I'm sure the admiral has said, there's a real sense of urgency. Perhaps we can use it collectively, as a Parliament, both sides asking, "What avenues exist?" and "How quickly can we bring in protection?"

**Mrs. Bernadette Jordan:** As I've said, I totally agree with what you're saying.

I am concerned that we would have war graves protected under something called "abandoned, dilapidated, and wrecked vessels". I think there's an optics problem there that we may want to avoid. To that point, though, I do believe that what you're asking for is significant and needed.

What does it mean to have it protected? Is it not illegal right now to...?

**VAdm (Ret'd) Denis Rouleau:** Right now the only protection.... In fact, they don't have protection. The international laws of the sea will provide jurisdiction. They will not provide jurisdiction enforcement. That is through protection, which is why the British brought this act, the Protection of Military Remains Act. In fact, they even extended this domestic law to their warships that were sunk in international waters. During the war with Japan, they had warships that sank off Malaysia. They consider those ships protected under this special act that they've put in place in the U.K.

As I mentioned before, even the Germans asked for the U-boats to be protected from salvaging or diving. So did the Danish—some of their merchant ships were sunk during the war—under that same act. There are punitive consequences.

**The Chair:** Thank you very much. I'm sorry, your time is up.

Ms. Malcolmson.

**Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP):** Thank you, Chair.

With thanks to all three of the witnesses, I'm going to focus my questions on the National Marine Manufacturers Association.

I was elected in British Columbia. It's actually perfect that you're here today, because this afternoon we have another witness, from Vard Marine, who was commissioned by Transport Canada to do a picture of both the abandoned vessel problem and also our capacity to respond to it from a ship breaking and recycling point of view.

This is how they characterized what they heard from marinas in B. C. I'm just going to read it out for the record, but I'm curious whether it resonates with what you've heard from your membership. It says:

Vessel abandonment is clearly perceived to be a significant issue in the region, with numerous respondents reporting problems ranging from illegal mooring adjacent to their facilities, to abandoned or sunken vessels inside their facilities which cannot be dealt with easily due to regulatory and risk uncertainty, and even incidents of vessels leaking fuel, sewage, or even being set ablaze in their harbour as a means to scuttle them quickly.

It goes on to say:

All the stakeholders acknowledged that proper disposal of vessels is an issue.

One marina reports an estimated 16 vessels sunk deliberately or after being abandoned on the sea floor within the bounds of their marina.

I'm seeing a nod, so you're hearing this from your membership also.

•(1600)

**Ms. Sara Anghel:** Definitely—on the west coast, predominantly. We've known that's where the concentration of the problem is, and that's why we've taken it nationally, to make sure it gets addressed.

**Ms. Sheila Malcolmson:** From my local government experience, but then also as an MP, I brought legislation forward to try to deal with the backlog and some of the recycling pieces. Unfortunately, that bill was blocked by the government last year, so I'm trying to find ways to bring some of its teachings from coastal communities into this bill. A whole bunch of marinas and harbour authorities from across the country endorsed my bill.

One of the pieces of it was borrowing the vessel turn-in program that Oregon and Washington pioneered as long as 10 years ago. That was one way they had to get rid of the backlog. It's equivalent to a "cash for clunkers" program like we've had in a bunch of our regions. Especially, it was recognized that you got a boat amnesty: within a certain number of years you can turn in your boat, in co-operation with your local government.

Is that something you've been hearing from your membership as a model, maybe, that some of the marinas on the U.S. side have had experience with and that has helped them deal with the backlog of old pleasure craft?

**Ms. Sara Anghel:** I can't say we've had a detailed discussion on exactly that, cash for clunkers, but it just came up recently. I'm actually working on a paper to provide to our U.S. counterparts, so that the industry has a look at this internally in terms of what we can do to step up as an industry. That's definitely one of the options to consider. It would be a fantastic model for Canada to look at, and the industry would welcome the opportunity to step up, assist, and see if we can get that started.

There are lots of other opportunities. In B.C., maybe something needs to be done more quickly. To get started, we maybe could focus pilot projects on where the problem is, and then work our way out. Definitely there are a lot of great examples from the U.S. and Europe that we should put together and see what works for us.

**Ms. Sheila Malcolmson:** We have a new provincial government in British Columbia. Mid-campaign, they promised that if the feds wanted to work with them on it, they would be interested in piloting some of those recycling and product stewardship pieces. There's a good prospect that we might get some co-operation there.

You mentioned recycling examples from other countries that your association was looking at. Is that research you've compiled already that you'd be able to share with this committee now?

**Ms. Sara Anghel:** Absolutely, we can get that for you. It's a lot of information.

**Ms. Sheila Malcolmson:** We're fast readers. Thank you.

You mentioned that your association had applied to the small harbours abandoned vessels removal program. Can you tell us about your experience, whether you received funding, and how you found the application process?

**Ms. Sara Anghel:** It hasn't been announced yet. I understand that because I haven't heard one way or the other. It's a Transport Canada program that was announced last summer. We applied for it over the summer. I think September 15 was the deadline, so we're just waiting.

The application process was okay. There were no issues. Perhaps, because the issue is so technical, we want to step up and take the initiative to work proactively on the matter. It felt a bit daunting because we aren't technical experts, but we are here to represent the industry. Maybe we'll need some assistance, if it is approved, to look more closely at the technical aspects of how it will work. It was a relatively easy process, though.

**Ms. Sheila Malcolmson:** We had the transport minister at committee on Monday, who said that only seven boats had been applied for. I think four as assessments and three for removals. In retrospect, if you do have feedback for all of us on how we might streamline that process, we'd like to get a higher level of participation, so that we can get more of that backlog removed.

Thanks for your work.

**The Chair:** Thank you very much.

Go ahead, Mr. Hardie.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** Thank you, Madam Chair, and thank you to our witnesses here today.

Vice-Admiral Rouleau or Mr. White, this is for either one of you. To your knowledge, are any of the wartime wrecks hazards to navigation or are they all too deep?

• (1605)

**VAdm (Ret'd) Denis Rouleau:** To our knowledge, they are not hazards to navigation at all.

**Mr. Ken Hardie:** In the legislation, it would appear that being designated as some sort of historical site or whatever, the only thing that this legislation would do is to prevent it from being taken out and taken away. However, using whatever language it uses, the legislation presupposes that somewhere somebody would designate it as a historical artifact of some sort. We can look into that and find out if that process actually exists. Although, the experience with the *Erebus* and the *Terror* up in the far north suggested that it was Parks Canada. Have you spoken to Parks Canada about your effort?

**VAdm (Ret'd) Denis Rouleau:** Since he started in 2013, Captain Bender has had exchanges with Parks Canada, Environment, National Defence, every possible.... In many cases, he's been told that "we're looking into it". At one point, there were cross-discussions taking place, but no responses have been received so far. He's still trying to find an avenue to get the Canadian warships in Canadian territorial waters, which is one issue.

Right now, the one where he was stopped was the three ships that are within British territorial waters.

**Mr. Ken Hardie:** Thank you.

Ms. Anghel, do you have any sense as to the average age of the pleasure boats that are abandoned?

**Ms. Sara Anghel:** I do not.

**Mr. Ken Hardie:** What do we know about the component pieces that were in those older vessels and how well did they maintain their integrity, or were they splattering debris all over the place, which, of course, creates one of the reasons why we'd want to clean them up? Can you make any sense from records on that?

**Ms. Sara Anghel:** Boat building turned away from wood in the fifties and sixties, I guess. If I could make a really big guess, we're looking at vessels that are probably from 1960 to 1980 that might be part of the problem today. We don't have the capacity to look into it at this point, as they're not coming to us to say what's abandoned. Again, I think it would require a study to look at what components there were from that time that might be hazardous.

What I know is that the engine is now built to high standards over the last several years, but what it was in the fifties and sixties and what spillage there is, I really don't know. I could look into it, but I don't know.

**Mr. Ken Hardie:** It would be worth knowing. I'm sure that some of your manufacturers have records that go back far enough, so that we'd know what they were actually using for materials.



Let's fast-forward to the present and talk about the materials that are going into boats now. What design attributes will there be to ensure that if it's wrecked, it's not going to contaminate that area with debris, particularly styrofoam, which tends to pop up and get really ugly along the beaches. Of course, it's not very good for the marine life either.

Do the more modern ingredients going into pleasure craft give us a sense that things are going to be better protected, even if the worst happens?

**Ms. Sara Anghel:** If they are a member of our association, though I can't speak for those that are not, any boat that is sold in Canada or the U.S. has to go through a rigorous certification program, which goes above and beyond the U.S. Coast Guard standards and even some of TP1332 construction standards for Canada. For example, on the styrofoam in particular, everything is in a sealed airtight compartment, so there is no way for that to leach out. It's completely sealed. The engines are completely sealed and very well done.

I would be more than happy to provide some of the more technical engineering aspects of what we're looking at when we're certifying a boat. We could also look at the provisions of the Transport Canada Construction Standards, which must be met to be compliant for a boat to be used here.

**Mr. Ken Hardie:** We just have to look further ahead at the derelict boats of the future, I suppose.

**Ms. Sara Anghel:** Yes, that's a good point.

**Mr. Ken Hardie:** On the issue of licensing and registration—

• (1610)

**The Chair:** A short question, please.

**Mr. Ken Hardie:** —is it possible to have, like we do on vehicles, hidden identification numbers on boats, so that even if the owner thinks they're getting away with abandoning it, we can track them down?

**Ms. Sara Anghel:** All boats do have HINs. I guess the issue with the ones that are abandoned is that they've managed to scratch it off or remove it.

**Mr. Ken Hardie:** That's why we need hidden ones, right?

**Voices:** Oh, oh!

**Ms. Sara Anghel:** We can work again—

**Mr. Ken Hardie:** For cars, we've been doing it for a while.

**Ms. Sara Anghel:** We're happy to look at that. That's not huge.

**Mr. Ken Hardie:** Okay.

**The Chair:** Thank you.

Mr. Fraser.

**Mr. Sean Fraser (Central Nova, Lib.):** Thank you very much to our witnesses.

Madam Chair, before I get into my own questions, I understand that the parliamentary secretary would like to pose a question. I'd be happy to give her a minute of my time.

**Mrs. Karen McCrimmon (Kanata—Carleton, Lib.):** Thank you very much, Sean.

I just want to offer a bit of clarification on something MP Malcolmson said. We have received seven applications for vessels, but there are likely to be multiple vessels named on each application. It's not just a single number, one per application. There can be multiple vessels on the same application. That's just a little point of clarification.

My second question is for the admiral and the captain. We know of our own vessels in our own territorial waters. Are there not foreign vessels in Canadian waters that other countries have asked us to protect?

**VAdm (Ret'd) Denis Rouleau:** Not to our knowledge. The vessels that are within Canadian territorial waters—the nine warships and the 10 merchant ships—were sunk there either by U-boats, which came very close, as we all know, or by collision, when something happened and something went wrong on the vessel, something to do with the enemy at the time. We know the locations of those 19. We know of none from other countries. Most of those merchant ships were taking part in two convoys during the war.

**Mrs. Karen McCrimmon:** If you compare the legislation of the United Kingdom with France, is there one that's stronger or better than the other? If we were to pick one to use as an example, which one would you recommend?

**VAdm (Ret'd) Denis Rouleau:** Again, I'm just like Mr. White. I am not a legal expert. However, if I were to go for one of the two, I would go for to the one that's strictly dedicated to the protection of war remains, which is the British act. Somebody even went as far as mentioning the fact that there could be a precedent somewhere, such that even this act, this British act, could be deemed to apply for our Canadian vessels here. I guess we'll have to look at the legal side of this to see whether or not it is true that it can be deemed applicable to Canadian ships.

**Mrs. Karen McCrimmon:** Captain White.

**Mr. Patrick White:** I'll just add to what the admiral is saying that one of the things Captain Bender has stressed in his own work is that even these other acts don't necessarily provide a concrete definition for what an ocean war grave is. In France, for example, you're taking heritage law and protection of heritage assets and applying it to something that contains remains, but that doesn't necessarily acknowledge the fact that those remains were there. When it comes to the U.K. act, it might also be the case that they're protecting the ships themselves, and the aircraft, that might be under the water.

What makes this a fundamentally different issue is that it's not just a heritage asset. It's a tomb. What we saw, in fact, when I was doing some of the research to prepare for the committee, is that as recently as a few weeks ago they discovered vessels that had been completely salvaged in the Java Sea, and the remains of hundreds of sailors—U. K., Dutch, and potentially American—have been dumped in a mass grave. These are international reports coming out. Because there was an inability to protect those ships from being salvaged, we're now in a position where allied nations are finding their sailors in bags, hundreds of bags, or in graves where the ships used to be. That's what provides a bit of a twist to what might otherwise have been a relatively simple issue.

**Mrs. Karen McCrimmon:** Thank you very much.

Thank you, Sean.

**Mr. Sean Fraser:** How much time is remaining, Madam Chair?

**The Chair:** You have three minutes.

**Mr. Sean Fraser:** Very quickly, I would like to say thank you for your service, and for that of Captain Bender. I would love to have the opportunity to meet him and discuss his quest to ensure that sailors are treated on an equal footing with our soldiers and airmen. I think it's honourable, and I thank you for raising this issue.

I have some background on the international law of the sea. I just want to make sure, Vice-Admiral Rouleau, that I understand your explanation about jurisdiction versus protection. Are you saying that the UN Convention on the Law of the Sea gives the right for a given nation to offer whatever protections it may on sunken vessels in its own waters, but does not in and of itself protect those vessels?

• (1615)

**Vadm (Ret'd) Denis Rouleau:** The international laws of the sea will provide jurisdiction, which means that the vessel remains the property of that nation. If it is within territorial waters, then you apply an additional punitive consequence to do it. An example of that is, if you recall back in the mid-1980s, Dr. Ballard, who was a researcher, found the *Bismarck*, the German battleship, way out in international waters and indicated that he intended and do some exploration on the *Bismarck*. That vessel has hundreds and hundreds of sailors still on board who went down with that ship. Germany's response was immediate, very swift, and basically told them that the vessel belonged to Germany under international law and, in order to do anything on that vessel, they would have to request to do that, and it would always be denied because it is not a wreck. It is a war grave.

**Mr. Sean Fraser:** I only have about one minute left. I would love to go to our other witness and come back if we get a second round.

You mentioned you had some fears around recreational levies acting as a subsidy for commercial cleanups. Isn't the best fix for this to ensure that the owner of the vessel is liable and require that they have insurance so you would never need to put in place a levy on the recreational boater for a commercial cleanup in the first place?

**Ms. Sara Anghel:** If we want to look at the opportunity to expand the insurance aspect, we could that. I don't know that the legislation currently has that aspect on small vessels.

**Mr. Sean Fraser:** Okay.

**The Chair:** I am sorry, Mr. Fraser.

Mr. Chong.

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Thank you, Madam Chair.

I have a question for Madam Anghel about the scope and nature of the recreational boating industry. You mentioned in your opening remarks that about 40,000 new boats were sold in Canada last year. What mix is that between sail and power?

**Ms. Sara Anghel:** It's probably 90% power and 10% sail, maybe less than that in sail.

**Hon. Michael Chong:** Of those 39,000 to 40,000 new boats sold, roughly what percentage are manufactured here in Canada, and what percentage are imported, if you know that?

**Ms. Sara Anghel:** Over 80% are imported from the United States.

**Hon. Michael Chong:** How many fibreglass-hulled sailboat manufacturers are there left in Canada, just out of curiosity?

**Ms. Sara Anghel:** I don't know for a fact, but none of them are members of our association.

**Hon. Michael Chong:** Okay.

**Ms. Sara Anghel:** I would say the majority of the sailboat components probably come from Europe, and they are larger if they come from Europe.

**Hon. Michael Chong:** It seems to me—and maybe my impression is wrong—that the sailing manufacturing industry in Canada and sailboats in general declined in the last number of decades. You know, living in Ontario, it seems to me that, in the 1970s and 1980s, we had quite a robust sailboat manufacturing industry and sailboat racing community, but that is kind of gone, relative to power, and has been on the decline over the last number of decades. What sailboats we do have are being imported from, as you mentioned, Europe and the United States.

**Ms. Sara Anghel:** We can track the statistics back to 2009, thanks to the Transport Canada licensing information. It's a small percentage.

**Hon. Michael Chong:** You mentioned that the regulations for recreational boats should be different than for large commercial boats. If the government does, at some point, put in regulations for below 300 tonnes, what, if anything, do you think the government should do with respect to insurance or licensing? I know you mentioned that whatever fees are collected should go, not into general revenues, but into some fund that should be dedicated for the purpose. Do you have any other suggestions?

**Ms. Sara Anghel:** I would just say that it's not just that it goes into general revenue, but if we're collecting money for every registration, say it's not every year but every three years, and there are  $x$  dollars collected for every new boat that is licensed or a used boat this is transferred, that should become a fund that Transport Canada manages to enhance the program of licensing, but then it should leave a stipend of  $x$  amount of dollars, which is what some of the U.S. states are doing, for cleanup of abandoned vessels. For every three dollars that is spent for a \$30 registration, let's say in Washington state, that \$3 goes to a fund that is operated by the state to clean up abandoned vessels.

I would just say that it doesn't have to be more complicated than that. It's just kept within a fund that helps to clean up abandoned vessels that are for recreation. If we're collecting registration money from recreational boats, then that money shouldn't be used to clean up commercial ships. That is what I'm suggesting.

• (1620)

**Hon. Michael Chong:** I don't have any further questions, Madam Chair.

**The Chair:** Mr. Iacono.

[Translation]

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Madam Chair,

We recognize that it is important for all sections of the Canadian Armed Forces to be correctly recognized everywhere in Canada.

Nevertheless, I believe that protecting Canada's ocean military graves needs enhanced collaboration among several departments.

My question goes to Mr. Rouleau.

Bill C-64 excludes wrecks considered as having heritage value under an act of Parliament or of the legislature of a province. How many military wrecks meet those conditions today?

**VAdm (Ret'd) Denis Rouleau:** Are you talking about the wrecks to which the act would not apply? There are 19 such wrecks today: nine military vessels and ten merchant ships.

**Mr. Angelo Iacono:** Okay.

How many vessels would come under the act, in your view?

**VAdm (Ret'd) Denis Rouleau:** I would say about 480, almost 500.

**Mr. Angelo Iacono:** Great.

By protecting our warships, we are preserving our history. However, do any of the vessels pose a threat to the environment or cause a problem for navigation?

**VAdm (Ret'd) Denis Rouleau:** None of the wrecks poses a risk to navigation. As for the environment, those vessels have been at the bottom of the ocean for a number of decades and we have no data with which to determine whether they pose a risk or not. All we know is that the vessel sank in a given location, with so many sailors on board.

**Mr. Angelo Iacono:** Great.

I will pass the rest of my time to Mr. Badawey.

[English]

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

My concern is more with what happens to the orphaned vessels. We have a bill that we're moving forward with, and it's all fine and dandy. It's going to identify the challenges and the problems with our vessels in general. However, when we have an orphaned vessel and no one has taken full responsibility for it, or any responsibility for it, what is the proper process then? Who is going to be in charge?

I look at certain situations in the past. One situation in particular comes to mind, which is the *Kathryn Spirit*. It basically became somewhat of a very expensive project, after sole-sourcing versus tendering a company. With that, the Coast Guard made a decision to build a dyke to pump out the water and recycle the ship in the place where it was abandoned, which didn't work. They then walked away from the project, and a second Mexican company came in to take over the project. Once they found out it was next to impossible to do it in a feasible manner, they walked away from the project. As far as I know, the ship is still there.

Again, I go back to my concern. This bill is great. It's wonderful. It has all the right intentions. Many MPs on both sides of the floor have worked on this with all the right intentions, and I commend them for that. However, there's a reality attached to it when it comes to orphaned vessels. Who is going to take responsibility for that? What process is going to be undertaken to find a remover and recycler?

Ultimately, who will bear the cost? Is it going to be the taxpayer?

**VAdm (Ret'd) Denis Rouleau:** Madam Chair, the intent of this project has nothing to do with the removal. In fact, the intent of this project is to have those vessels designated as ocean war graves as opposed to just wrecks that went down in the water.

• (1625)

**Mr. Vance Badawey:** I'm not talking about the vessels that you were talking about. I'm giving you the question, based on your title, with respect to the bill that we're discussing right now. That bill has to do with derelict and abandoned vessels. I'm trying to bring the topic back to what we're dealing with versus what you're trying to steer the topic to.

With that said, I go back to my question based on your duties as part of the Coast Guard. Do you see the challenge being that these vessels are simply sitting there anyway, or do you see a more feasible process or protocol that can be put in place to deal with these vessels with respect to removing and recycling them from the areas in which they're basically being orphaned?

**VAdm (Ret'd) Denis Rouleau:** Madam Chair, first of all, I'm not from the Coast Guard. I'm from the navy. I certainly do not have the expertise to even start addressing the question you're putting there. As to how, by whom, and when, it is completely different from what we're talking about here.

**Mr. Vance Badawey:** Okay.

Do other panel members have a comment?

**Mr. Patrick White:** The only thing I might add, which Captain Bender has raised, is that when it comes to the vessels themselves, the idea to provide protection isn't necessarily to preserve them. We're not talking about maintenance for the vessels. We're not talking about adding additional costs. If we were to designate these vessels and these wrecks as ocean war graves, and down the line as the ships deteriorate there were to be an environmental concern, given the significance of what they contain, being the human remains of Canadian sailors and merchant mariners, I think that would prompt at that time a different kind of discussion about how we might exhume the bodies and provide proper burial.

But that would have to be something we'd approach on a case-by-case basis, because the call for protection for ocean war graves isn't necessarily about recycling or reclaiming the vessels. It's about leaving them where they are and just providing legal protection in that way.

**The Chair:** Thank you very much, Mr. White.

We'll move on to Mr. Shields for four minutes.

**Mr. Martin Shields (Bow River, CPC):** Thank you, Madam Chair.

They're interesting topics. I think the challenge is trying to relate them to the bill.

I have a couple of questions about the sailors. Have other countries designated sunken sites of their lost sailors?

**Mr. Patrick White:** The U.K. has what's known as their Protection of Military Remains Act. It was enacted in 1986 and they provide protection not only for their ships, but for German U-boats in the same waters.

As Captain Bender has found, you could go to the same geographic area, and you'd have protection for the Royal Navy ships, you'd have protection for the German U-boats, and a Canadian ship sitting right beside it does not have any of those protections.

**Mr. Martin Shields:** Is that the only one you know of?

Sir, you can jump in.

**VAdm (Ret'd) Denis Rouleau:** Three Canadian corvettes are within the British territorial waters, yes.

**Mr. Martin Shields:** Are there any other countries?

**Mr. Patrick White:** An example would be France, and in fact through Captain Bender's work, France actually now provides protection to one of our own ships under their heritage code. It's not something that is totally foreign, and Canada wouldn't be the first nation providing it. In fact, we're probably one of the few nations that don't provide that kind of protection.

**Mr. Martin Shields:** Out of 200 nations, I don't think you're probably accurate with that one.

Is there any example under Canadian waters?

**Mr. Patrick White:** This is actually part of the issue. In the protection that exists under Canadian waters the closest thing we come to are the heritage protections under the Canada Shipping Act.

**Mr. Martin Shields:** Where are the examples? What do we have?

**Mr. Patrick White:** There are 480 souls and 19 wrecks, as the admiral was saying.

The problem, of course, that we run into is that section 7 of the Canada Shipping Act excludes warships from anything in the act. For the merchant navy vessels, for example, if tomorrow the minister were to come out through an executive order to say, we're now providing heritage protections and increased penalties for people who dive on the merchant navy ships, that could apply tomorrow and that wouldn't require any legislative amendment. The problem is that the warships would require some other change. You would have to include something, perhaps that says, notwithstanding section 7 of the Canada Shipping Act, and in consultation with the Minister of National Defence, the Minister of Transport and the minister responsible for Parks Canada extend those protections.

**Mr. Martin Shields:** With technology improving for underwater research, and whatever, with the vehicles, is this now coming to a point where it's more critical as more people find and want to do this type of exploration?

• (1630)

**Mr. Patrick White:** With the cost of sport diving and just general salvaging decreasing, absolutely. I think that's why, in the past decade, we've seen ships that have remained undisturbed for the previous 50 or 60 years all of a sudden disappearing.

**Mr. Martin Shields:** Thank you.

Admiral.

**VAdm (Ret'd) Denis Rouleau:** That's the exact reason France has the French heritage code, and why the British have this special act that protects war remains. That's the reason for it.

**The Chair:** Time is up.

I want to say thank you very much to our witnesses for coming to join us today and being very informative.

We will suspend for a moment for our other witnesses to come to the table.

Thank you.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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**The Chair:** I will bring the meeting back to order. Could everybody please take their seat? If you need to have some conversations, please take them outside the room so the committee can commence its work.

Hello, Ms. May. It's nice to see you.

Our meeting is back to order. This is the Standing Committee on Transport, Infrastructure and Communities. We're doing a study, as you know, of Bill C-64, an act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations.

Thank you to our panel that's here. We have from the District of Squamish, Patricia Heintzman, who is the Mayor. From the Office of the Administrator of the Ship-source Oil Pollution Fund, we have Anne Legars, the Administrator. From Vard Marine Incorporated, we have Andrew Kendrick, Vice-President of Operations.

We also have joining us at the table today our colleague Pam Goldsmith-Jones. Elizabeth May has also joined us today.

Welcome, everyone. I'm going to open it up.

Madam Mayor, would you like to go first?

• (1635)

**Ms. Patricia Heintzman (Mayor, District of Squamish):** Sure. I'm Patricia Heintzman, Mayor of the District of Squamish. If you're not familiar with Squamish, it's about 45 to 50 minutes north of Vancouver. It's just south of Whistler. We're at the very end of Howe Sound, which is the most southerly fjord on the west coast of Canada.

We, like every coastal community in British Columbia and I'm sure on the east coast, have the issue of wrecks, derelict vessels, and abandoned vessels as part of our day-to-day vernacular. It's part of a conversation that we're constantly having in Squamish.

We have had quite a few experiences over the last couple of years that have led to quite a number of conversations with Transport Canada, both at the local level in British Columbia and with the minister's office. I'm quite pleased to see issues from a lot of those conversations that we had with them actually in the act. It seems to deal with some of the issues, and I can go into specific events that it would help with, if that's helpful. It helps in a lot of ways.

There are still a few gaps and it's hard to know if they're covered in other acts or if there are other ways that we can tie off some of the gaps, but it's certainly an excellent first start.

I look forward to the conversation.

Thank you.

**The Chair:** Thank you.

We like you to keep your comments down to about five minutes so that committee members can get as many questions answered and as much information as possible.

Ms. Legars.

[*Translation*]

**Ms. Anne Legars (Administrator, Office of the Administrator of the Ship-source Oil Pollution Fund):** Madam Chair, ladies and gentlemen of the committee, thank you for inviting me to testify today as part of your study of Bill C-64.

Let me start by saying a few words about the compensation fund. It was created in 1989 under the Marine Liability Act. It is a special account in the accounts of Canada and into which monthly interest is paid by the Minister of Finance. Today, its capital stands at more than \$400 million.

The fund is therefore fully capitalized, but the money must be used strictly for the purposes for which it was constituted. Those purposes are to provide compensation for damages caused by ship-source oil pollution, as well as to pay Canada's annual contribution to the International Oil Pollution Compensation Funds. So the administrator of the fund is the only person able to authorize payments from the fund. The administrator is appointed by the Governor in Council and is totally independent. Only the Federal Court can review his or her decisions.

The notion of "polluter pays" is the program's key principle. This is the context in which the compensation fund provides claimants with access to an additional form of justice by avoiding the need for them to go before the courts, and by providing them with compensation of up to \$172 million per accident. After that, the fund sues the polluter.

[*English*]

What is our experience with vessels and wrecks of concern? First, I have to underline that the fund seldom has to pay for oil pollution damages caused by vessels of over 1,000 tonnes. These incidents will normally be indemnified directly by the ship's insurer, as insurance is compulsory for such ships.

The vast majority of the fund's claims portfolio is linked to incidents involving vessels and wrecks of concern. These incidents represent two-thirds of the claims received by the fund and 80% of the final settlement cost paid by the fund over the past decade. This was actually documented in this report, which is on our website. We can leave a sample with the committee as well.

Only 2.2% of the amount settled with claimants over the period of the incidents involving these ships was recovered from the responsible party. The pollution costs of these vessels are escalating. These vessels are essentially vessels under 300 tonnes, such as

fishing vessels or ex-fishing vessels, tugs, barges, and pleasure crafts.

Many claims we receive are linked to wreck removal. When the wreck removal operation is triggered by an oil spill incident or imminent risk of spill, we may pay the reasonable costs of preventing oil pollution damages or cleaning up oil pollution damages that are incidental to wreck removal operations. We will not pay for the actual removal or dismantling of the wreck unless the ship itself has become an oily waste, typically an old wooden vessel that has become impregnated with oil, becoming a kind of oil sponge.

What are the potential impacts of Bill C-64 on the fund's claims portfolio? When in force, Bill C-64 should help limit the number of claims brought to the fund, especially with respect to oil damages caused by wreck removals. The benefits should be felt for ships between 300 and 1,000 tonnes, for which the costs of dealing with the oil pollution risk incidental to a wreck removal operation will be borne by the wreck removal insurance. As mentioned, ships over 1,000 tonnes must already be covered by insurance for bunker fuel pollution.

However, in and by itself, Bill C-64 will likely have a marginal impact on our claims portfolio for the following reasons. First, the act will apply only to future occurrences and not to the existing inventory. Second, most of the ships that cause claims to the fund are below 300 tonnes, with no mandatory insurance. Third, many claims are caused by ships that are abandoned or dilapidated vessels, not "wrecks" within the meaning of the convention. Fourth, small vessels and pleasure crafts are the least regulated segments of the Canadian fleet. They are an important and uninsured source of vessels of concern and of oil pollution, and they are an important source of claims with the fund. Fifth, the polluter pays principle is difficult to uphold in circumstances where the owner cannot be identified.

● (1640)

Pending the implementation of other initiatives complementary to Bill C-64—and we know that a number of such initiatives are in the process of being developed or implemented—the fund expects to keep receiving a steady flow of claims linked to ships and wrecks of concern.

[*Translation*]

Ladies and gentlemen of the committee, I will be pleased to answer your questions.

[*English*]

**The Chair:** Thank you very much, Ms. Legars.

Mr. Kendrick.

**Mr. Andrew Kendrick (Vice-President, Operations, Vard Marine Inc.):** Madam Chair, ladies and gentlemen, thank you very much for the invitation to appear before this committee.

As noted, I'm Vice-President, Operations, for Vard Marine's Ottawa office. Vard is a Canadian company that designs ships. We also undertake a range of consulting activities to do with marine issues for private and public sector clients. Our clients range from oil majors to environmental NGOs. We take that as an endorsement of our ability to provide objective advice to whoever our client may be.

On a personal level, I'm myself a keen boater, particularly for sail and human-powered craft; and I am a lake steward for a small lake outside Ottawa. I have a keen, personal interest in all issues associated with water quality and water safety. I will try to maintain a difference between my corporate and my personal opinions.

In 2015, Vard undertook a project on behalf of Transport Canada, which was referenced, I noted, by the previous witnesses. We were supposed to be analyzing ship breaking and recycling capacity in Canada, but it actually became a much broader project, looking at advice on vessels of concern. What causes them? What are the potential means of dealing with them? This brought home to us the general legislative uncertainty surrounding the disposal of wrecked and abandoned vessels of various sizes, and best and worst practices in Canada and around the world for handling this.

Canada certainly needs a better framework to handle this problem. We consider that Bill C-64 is a valuable part of this. We do have some concerns with the bill because it's trying to address a very broad range of issues in a single package. While you may be able to gloss over this in the act itself, it will make it difficult, in our opinion, to formulate effective regulations for all the types of vessels that are under consideration. We're already seeing some signs of this in a recent DFO/PSPC request for information, which I'll talk a little more about in a minute.

The summary of the act refers explicitly to the Nairobi Convention and to requirements that will be imposed on vessels of 300 gross tonnes and above, but the general coverage of the act is to all Canadian vessels that are registered, listed, recorded, or licensed under the Canada Shipping Act.

There are only 1,500 Canadian vessels that are over the 300-gross-tonne limit. A thousand of those are barges and 200 are owned by the federal government, provincial governments, and crown corporations. On the other hand, there are roughly 40,000 vessels that are registered and several million that are either licensed or are supposed to be licensed. We followed in our work the NMMA study from 2012, which put the number of recreational vessels in Canada as 4.3 million.

Licensing applies to all vessels with more than 7.5 kilowatts, 10 horsepower, of engine power. That's a fairly low threshold. Bill C-64 lowers this still more by applying to all vessels other than unpowered vessels below 5.5 metres in length. Finally, I've been caught, because my 14-foot sailboat actually has an electric trolling motor. I'm not sure what the interpretation of the act will be in a condition like this.

As the coverage expands, the quality of the databases available for monitoring and enforcement drops rapidly. There are three different databases for Canadian-registered vessels, and they are by no means current or accurate. We're doing a study of that at the moment on another project for Transport Canada, and the registry is full of errors. We don't have access to the record for licensed vessels, but

our experience suggests that the records are incomplete and highly inaccurate, and the process of licensing is poorly understood even by some of the more reputable boaters. Licences have to be renewed every 10 years, but most recreational boaters are not aware of that. We strongly suspect the licensing database is sadly out of date and would be of very little use in tracking down owners in many cases.

Enforcement of the requirements is very inconsistent. I'm not aware of any fines having been levied recently on people who didn't have a licence but were supposed to.

Applying the act to large vessels should be relatively simple and uncontroversial, except in the case of orphaned vessels. There, hard cases make bad law. But generally the large vessels are few in number, highly visible, and relatively well documented.

For smaller craft, there's certainly the potential to create a new, costly, and intrusive bureaucracy and considerable potential for mischievous or malicious application.

● (1645)

It appears to us to be possible to designate many vessels as abandoned, dilapidated, or derelict at quite a low threshold of proof, and if intrusive neighbours consider a boat to be an eyesore, they can initiate a process for removal that may be difficult or costly to stop.

This Friday, I'm going to an information session on the DFO initiative to create a risk assessment methodology and inventory management system for vessels of concern. This appears to envisage a very complex, multi-phased system that will deal with many abandoned and derelict vessels actually very slowly and with a maximum amount of paperwork. We're all in favour of the government creating lots of opportunities for consultants, but we are also taxpayers and boat owners. We trust regulation standards and internal processes developed to support the act will focus on actual problems and not create new ones.

I'd be happy to answer any questions either on our report or on any of our statements.

Thank you.

**The Chair:** Thank you all very much.

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

**Hon. Michael Chong:** Thank you, Madam Chair.

Mr. Kendrick, maybe you could tell us a little bit about recycling and disposal of boats in the recreational sector. You mentioned there are some 4.3 million recreational boats in Canada. One of the previous witnesses mentioned that, until the 1950s and 1960s, it was largely a wood-hulled construction business, and disposal was pretty easy even if a boat was abandoned: within several decades, ashes would turn to ashes and dust to dust.

However, with the advent of fibreglass-hulled boats, how... First of all, what is the life expectancy of a fibreglass-hulled boat? I know that there are lots of sailboats that were built in the 70s and 80s that are still being sailed and sailed aggressively.

Is there a life expectancy to the hull of a fibreglass-hulled boat?

• (1650)

**Mr. Andrew Kendrick:** They're almost immortal. This is a problem because there is no market for fibreglass. There have been numerous initiatives in Canada and elsewhere, and your previous witness mentioned some that we've seen as well for turning fibreglass into something useful. At the moment, it's purely a cost, and most of the fibreglass in Canada that's disposed of ends up in a landfill.

Certainly, if you have an aluminum boat, if you have a steel boat, that's worth something. The fibreglass is worthless. You cannot recover anything on a cash-for-cars, cash-for-clunkers, basis. There's no residual value, or very small residual value. This is one of the challenges.

**Hon. Michael Chong:** Is it a real problem that fibreglass-hulled boats are being abandoned because there is no way of easily disposing of them and the market for them is shrinking?

**Mr. Andrew Kendrick:** It is, and I'll just mention at this point that what we found in our research is that it's a huge problem on the west coast because boats stay in the water. In central Canada, if you leave your boat in the water over the winter, bad things happen to it anyway. Most of the abandoned boats in central Canada are onshore, where they're much less of an issue than they are particularly on the west coast and to a lesser degree on the east coast.

**Hon. Michael Chong:** Mayor, I wanted to ask you a few questions. In your municipality, how many abandoned or wrecked vessels are there, roughly?

**Ms. Patricia Heintzman:** Let's put this into context. We had a project about two years ago, whereby we pulled out a whole bunch of creosote pilings because a lot of the squatters in the marine environment attached onto these old logging edifices and structures. During that process, we pulled out 22 vessels just basically in a weekend with a local volunteer group. We suspect there are a lot more in deeper water that we just don't see or get to.

**Hon. Michael Chong:** These 22, were they recreational or commercial?

**Ms. Patricia Heintzman:** They were mostly small recreational boats, but often bigger than the 15 feet that is outlined. Absolutely, there are smaller ones as well as 20-, 25-, and 30-foot boats.

**Hon. Michael Chong:** They're power boats or sailboats. What are they?

**Ms. Patricia Heintzman:** All of the above.

**Hon. Michael Chong:** How much of an issue is this for your municipality, these abandoned and wrecked vessels? Maybe tell us a little bit about how much of a problem it is.

**Ms. Patricia Heintzman:** In every coastal community, it's a constant issue. It's a constant concern. We obviously have a boating community. People have their pleasure crafts. We have a terminal, a port. There's always an interface with the ocean. We're on the ocean. It's absolutely a day-to-day problem, whether it's squatters in channels or people who collect a whole bunch of derelict boats that others are giving away because they're trying to give away their problem and they end up collecting all these boats that are really awful.

The problem exists on Bowen Island, along the Sunshine Coast, on Vancouver Island. Everybody has the problem.

**Hon. Michael Chong:** It's like an auto wrecking yard in the ocean. People collect boats, and they just—

**Ms. Patricia Heintzman:** People get given free stuff because other people are trying to unload their environmental problem or their garbage problem, sometimes under the pretence that it's going to be scrapped, and it never gets scrapped, so it's a constant problem.

**Hon. Michael Chong:** And you have a problem with squatters? Are these people on power boats or sailboats who are just mooring wherever they can and living in an unauthorized area?

What do you mean by squatters?

**Ms. Patricia Heintzman:** We have a housing crisis on the west coast. Housing is very expensive, and Squamish is no different from Vancouver. We're very much affected by anything that happens in Vancouver.

Sometimes on big barges that someone might buy, they might have homeless people on them, for example. That has happened many times in Squamish. You might just have people who can't afford an apartment, and they get given a crappy old boat, and they just park it in the middle of the channel.

One of the things we did recently was mark the channel. The Coast Guard said they could enforce their rules much more clearly and more effectively if we marked the channel, and we marked it right up to the water lots. There are private leases and water lots, sort of a remnant of the logging days when you had log booms everywhere, so then it becomes a private property issue or a crown land issue.

• (1655)

**Hon. Michael Chong:** I don't have any further questions. Thank you.

**The Chair:** Ms. Jordan.

**Mrs. Bernadette Jordan:** Thank you to the witnesses for appearing today.

Ms. Legars, can you tell me how much money the Ship-source Oil Pollution Fund paid out last year?

**Ms. Anne Legars:** I don't have the exact number.

**Mrs. Bernadette Jordan:** Roughly?

**Ms. Anne Legars:** Roughly, I would say two and a half million.

**Mrs. Bernadette Jordan:** Two and a half million.

**Ms. Anne Legars:** Yes, because we had a backlog from the previous year due to a subrogation and release issue with the Coast Guard. Basically when that was settled, we were able to pay a bunch of claims that had been waiting to be paid, but historically, I would say that the amount of claim that was paid was around \$1 million, \$1.2 million per year, and I say “historically” because this has gone up in the past two years.

This year I have over \$11 million in assessment.

**Mrs. Bernadette Jordan:** How many claims would that represent, the \$2.5 million last year, roughly?

**Ms. Anne Legars:** I should know these numbers by heart. It was, I would say, about 20 cases.

**Mrs. Bernadette Jordan:** Twenty cases, and were they mostly smaller vessels or larger vessels?

**Ms. Anne Legars:** Yes, mostly smaller vessels. That's really the bulk of what we do, the smaller vessels, because with big vessels... Yes, we have files involving big vessels, but we have an insurer in the picture, which means that basically, at the end of the day, the insurer will pay all the claims, and when it's all settled, we just close the file.

**Mrs. Bernadette Jordan:** I represent the area that removed the *Farley Mowat* this year. I believe the Ship-source Oil Pollution Fund ended up having to pay a claim out there as well.

**Ms. Anne Legars:** Yes, we had four claims with the *Farley Mowat*.

**Mrs. Bernadette Jordan:** What was the total of those four claims, roughly?

**Ms. Anne Legars:** I have the numbers here, and I would say that it was roughly \$1.5 million.

**Mrs. Bernadette Jordan:** It was \$1.5 million. Was that when it sank at the wharf and had to be raised? Did that cover that cost?

**Ms. Anne Legars:** Yes, we cover all costs that are pollution costs. We don't pay the other costs. That means that we don't necessarily accept everything in a claim that is submitted to us. When there is a wreck removal element, we will not pay for the wreck removal element unless it's a wooden vessel.

**Mrs. Bernadette Jordan:** But because the wreck had oil pollution going into the water when it sank, that would be a case where the Ship-source Oil Pollution Fund would step in.

**Ms. Anne Legars:** Yes.

**Mrs. Bernadette Jordan:** I guess I'd like to say that for \$1.5 million I probably could have removed it before it sank, and then we wouldn't have had to pay those kinds of costs.

My point is that it's important to be proactive as opposed to reactive and to make sure that we deal with these vessels ahead of time instead of when they sink or when they become an environmental hazard. That is the challenge we face, and we have to deal with.

**Ms. Anne Legars:** Yes, if I can complement that, from the fund perspective, the fund cannot lend money. The fund can only assess claims for damages that have caused expenses. With proof of these expenses, we assess the reasonableness, and then we pay. We cannot

advance money and say that for this many millions we can remove a vessel. It's not something that is part of our mandate.

As mentioned, I have lots of money, but I have a very strict mandate. As I'm the only person who can allow money to be taken out of this pile of money, I have to respect these parameters. I cannot start throwing money for all kinds of good reasons.

• (1700)

**Mrs. Bernadette Jordan:** Would the *Farley* have been one of the larger vessels that you've had to fund?

**Ms. Anne Legars:** It was one of the largest claims, yes.

**Mrs. Bernadette Jordan:** But was the vessel itself? It was a big vessel.

**Ms. Anne Legars:** Yes, it was a big vessel.

**Mrs. Bernadette Jordan:** Okay.

Ms. Heintzman, living in a coastal community myself, I feel your pain. We don't see the same type of abandonment with small vessels as you do. In my riding we deal with mostly large vessels. I know that one of the towns that we have, Bridgewater, is dealing with, I think, five large vessels, one of which is actually a naval vessel, left abandoned and the impact doing that has on our tourism and our ability to grow economically.

Have you see that it Squamish?

**Ms. Patricia Heintzman:** Definitely the vernacular of our ocean front is part of our brand. It's a part of who we are. That's one of the reasons we initiated this cleanup. Absolutely it affects how people view you and how you view yourself.

Interestingly on this issue of whether you need to react to something before it sinks, absolutely. We had a case—and I believe it's a claim in with these guys—of a fairly large barge that was listing. It had wrecked cars on it. It had old excavators and stuff on it. People were squatting on it, living on this barge. The Coast Guard came up and they couldn't... This was prior to this act. We believe this act will have a positive effect on this type of situation. It was listing, listing, listing, listing. I said, “Can't you do anything? It's going to sink. Isn't it going to be a much more expensive problem?” They said, “We can't board it.” They eventually made a deal with the boat owner that he would relinquish ownership as long as he wasn't on the hook for any of it. That was the only way to deal with the problem.

Twenty minutes after they made that deal—it took them a day and half to get there—the cargo, the cars, and all the stuff shifted and it sank. It became a half-a-million-dollar problem to the water lot owner.

**The Chair:** Thank you very much, Ms. Heintzman. I have to cut you off there.



We go now to Ms. Malcolmson.

**Ms. Sheila Malcolmson:** Thank you very much, Chair.

I have six minutes. I'm going to try to cover so much ground.

To the Ship-source Oil Pollution Fund, with great thanks for removing the 100-foot *Viki Lyne II* and the 90-foot *Anapaya* from Ladysmith Harbour, both big boats, in this case in partnership with the Coast Guard, thank you for that.

I'm hoping that you'd be willing to table with the committee your report, "Statistical Report on incidents involving Derelict and Abandoned Vessels and Wrecks that resulted in claims with the Ship-source Oil Pollution Fund over a 10-year period (Jan-01-2006 to Dec-31-2015)".

Is that possible?

**Ms. Anne Legars:** Absolutely, yes.

**The Chair:** That would have to be available in both English and French.

**Ms. Anne Legars:** Yes.

**Ms. Sheila Malcolmson:** You have some really good reporting in there about the times that you as a fund were not able to recover the money, because 25% of the boat owners were unfound, unknown, or did not respond; 51% lacked financial assets, and 2% were out of the country or had fled or were away.

Those numbers—because you're one of the single agencies that have really documented this—make me concerned that the main mechanism of Bill C-64, which is to levy fines and penalties, may in fact not achieve its final goal in this case since either the owners do not have the means to pay or they cannot be found at all.

Do you share my concern?

**Ms. Anne Legars:** Well, if the goal is for the polluter to pay, which is basically the key element of the framework that I'm operating in, what we've seen in the history of the fund is that when there is insurance, there are more chances that someone will pay for the polluter, but it means the polluter pays, because the polluter buys insurance.

When you don't have any insurance in the *portefeuille*, it means it's very difficult to get paid. Yes, you can have a judgment against the person. You can seize his truck or try to seize his house, but very often the house or the truck will be under someone else's name. It might be difficult.

• (1705)

**Ms. Sheila Malcolmson:** To Mayor Heintzman of Squamish, did Squamish apply for the abandoned vessels removal program, the one that was announced this summer, and, if not, why not?

**Ms. Patricia Heintzman:** I believe we did do it for one vessel this summer. I believe we did, but I'm not 100% sure if we ended up having to go through the process. It was dealt with sort of through that program, but it didn't have to go to the point where it cost a lot of money or became a problem, if that makes sense.

**Ms. Sheila Malcolmson:** The intake ended at Halloween, so it might not have been the same program.

**Ms. Patricia Heintzman:** This particular incident I'm thinking about was in the summer.

**Ms. Sheila Malcolmson:** What was your experience with the program? Was it easy to navigate?

**Ms. Patricia Heintzman:** I think it was.

My understanding, from the staff's point of view, was that it was really good. The collaboration with the federal agencies was positive, and it's growing. I think they feel like there's a relationship happening with the municipality and with Transport Canada. I think it was a positive experience, from what I understand.

**Ms. Sheila Malcolmson:** If it's possible, would you be able to let us know, as a committee, whether it was the abandoned vessels removal program that you applied to or it was another program?

**Ms. Patricia Heintzman:** I'm pretty sure it was, but I can get back to you.

**Ms. Sheila Malcolmson:** That would be terrific.

We know that out of the goodness of their hearts a lot of Transport Canada workers and Coast Guard workers have taken these issues on and fixed problems, because they know they are huge in the absence of a program, so we are trying to pinpoint who actually did the work.

**Ms. Patricia Heintzman:** I will make sure that my staff get back to you on that.

**The Chair:** Ms. Heintzman, you can submit it to the clerk. This way it will be distributed to all of the members.

**Ms. Sheila Malcolmson:** To Vard Marine, I'm hoping you can table your report that was commissioned by Transport Canada, this analysis of ship breaking and recycling capacity in Canada dated March 1, 2016.

**Mr. Andrew Kendrick:** We would be delighted, but I'm not sure that a French translation was developed of it. We delivered it in English only. As far as we're concerned, it's paid for by taxpayers' dollars; it should be available freely to everyone.

**Ms. Sheila Malcolmson:** Are any of the Transport Canada reps in the room able to identify if that is a translated document?

Would you be able to help us get it on to the record for the committee?

**The Chair:** If you supply it to us, Mr. Kendrick, we can get it translated.

**Mr. Andrew Kendrick:** We will certainly provide an electronic copy to the clerk.

**Ms. Sheila Malcolmson:** It's so on point. I think it will be a benefit to all of the committee.

**The Chair:** Okay.

**Ms. Sheila Malcolmson:** Can you characterize what you found about the state of fibreglass and recycling?

There is so much that you touched on, but maybe you can give us a few words on that.

**Mr. Andrew Kendrick:** As I said in an earlier answer, the problem is that nobody wants it. There are various ways of smashing it into ever smaller pieces. There are ways of pyrolysis to turn it into blocks. The efforts of recycling and the cost of recycling far outweigh the value, so somebody has to pay for it to be done.

The Europeans have this problem in an even bigger way. Landfill is so expensive in Europe, so they have to do something else. Even with the higher cost of doing nothing in Europe, it's still too expensive to turn it into a useful product.

**Ms. Sheila Malcolmson:** The market is not getting—

**The Chair:** Thank you very much.

I'm sorry, your time is up, Ms. Malcolmson.

On to Mr. Hardie.

**Mr. Ken Hardie:** Thank you, Madam Chair. I will be splitting my time with Ms. Goldsmith-Jones.

Mayor Heintzman, I recall in my Squamish days commuting back and forth on the Sea-to-Sky Highway and going past Britannia. In those days, I think we had the *Prince George*, before it caught fire and made an even bigger mess.

Are they still using Britannia as a graveyard for old ships?

**Ms. Patricia Heintzman:** It's definitely a problem area. I don't think it gets quite the volume that Squamish does, but it's definitely a problem area as well.

The interesting thing about Howe Sound is that it's very deep. As soon as you go offshore a little, it's 600 feet to 1,000 feet deep. There is all sorts of stuff that's way, way down there. Sometimes the problem is that if it sinks, it's gone.

**Mr. Ken Hardie:** Right.

I recall travelling with the fisheries committee last year up to Prince Rupert. We were sitting in Smile's restaurant having fish and chips, and looking out under the docks there were piles of engine blocks. Sometimes the debris isn't the whole vessel, it's part of it.

Is that an issue as well?

**Ms. Patricia Heintzman:** Absolutely.

Any part of the boat that breaks off, falls off the boat, the vessel, ship—

**Mr. Ken Hardie:** Right.

Ms. Legars, it seems that we have an ongoing challenge in identifying the owners of vessels. Even when we know who they are in some cases, we can't find out where they are. We've had whole vessels with crews abandoned on the west coast.

Do you have any comment on that, or any remedies that you could perhaps suggest?

• (1710)

**Ms. Anne Legars:** Well, the issue is essentially the ships that do not have to be registered. When you don't even have a registry it's difficult to find the official owner. Even so, we may have a former owner who sold many years ago but the registry has not been updated, so we are trying to track back and so on and so forth.

The act leaves us some leeway in terms of the definition of "shipowner". The person who is actually in charge of a vessel may be, under some section of the act, deemed the owner, so we can try to catch this person, but it's not that easy. Definitely having a registration system that is a bit more accurate would help.

**Mr. Ken Hardie:** If it's under 300 tonnes it's not required to be registered?

**Ms. Anne Legars:** It will not be required to be insured. It's not required under 1,000 tonnes for the time being.

**Mr. Ken Hardie:** In the order of magnitude, then, how big a vessel would that be up to the limit of not necessarily having to be insured? What size of vessel would we be talking about?

**Ms. Anne Legars:** Can you rephrase that?

**Mr. Ken Hardie:** If a vessel under 300 tonnes doesn't need to be insured, how big a vessel is a 300-tonne vessel?

**Ms. Anne Legars:** It can be an ocean-going vessel. It's already a good-sized vessel, but not an extra-large one. It's a good size. All the fishing vessels, usually, will be under that size. The fishing vessels and former fishing vessels are really the majority of the problem ships that we have in the fund.

**Mr. Ken Hardie:** Thank you.

I'll turn my time over now to Ms. Goldsmith-Jones.

**Ms. Pam Goldsmith-Jones (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you very much. I'm really excited to be here, particularly on this issue.

I have a question for Mayor Heintzman.

To give a bit broader view of the situation on the west coast, we worked hard to get the title of this legislation to include barges and docks that are abandoned and holding drums of oil and.... Secondly, the squatter situation is serious. A man in Pender Harbour died in December because he was living in a 23-foot steel-hulled boat with no electrical service—no services—and lit a fire to stay warm. Can you comment on how this abandoned and derelict vessels issue intersects with homelessness on the west coast?

**Ms. Patricia Heintzman:** We had a very similar situation, essentially, where someone who was quite destitute lit a fire. I can't remember if he died of carbon monoxide poisoning before the fire, but it was tragic.

The other issue with this is that there is garbage and there's human waste. There are all those other issues with regard to people who don't have a lot of means living on boats that are barely seaworthy, and in close proximity, of course, to your oceanfront interface. It's a huge challenge. This is where all these things intersect. If we deal with this homelessness problem, we'll ideally be able to have fewer people living in places that aren't safe for them and aren't safe for the environment.

**The Chair:** Thank you very much.

Mr. Fraser.

**Mr. Sean Fraser:** Thank you very much. I'd like to give our guest, Ms. May, an opportunity to ask questions for a few minutes.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** That's terribly kind of you. Thank you, Sean.

First of all, as someone who called Farley Mowat one of my very best friends in life—he was my daughter's godfather—I feel moved to make sure the committee knows that the *Farley Mowat*, christened by the Sea Shepherd Conservation Society, would not have come to the sad fate it did had it not been arrested by the Department of Fisheries and Oceans and resold through that process. The ultimate owners had no connection to the *Farley Mowat* or its environmental purposes.

I'll turn my attention to the excellent testimony we've heard. I welcome this legislation. I represent the area of Saanich—Gulf Islands and I absolutely echo everything we've heard from Sheila Malcolmson, Pam, and Mayor Heintzman. This is a constant source of grief in our area, and as you said, Mr. Kendrick, we have this problem because our boats survive the winters. The problem of derelict and abandoned vessel problem is far greater on the west coast of Canada where vessels are left in the water over the winter, and is compounded, as Pam Goldsmith-Jones just stressed, by the crisis of homelessness with people moving into these vessels. They are abandoned, derelict, and sometimes inhabited. It's a very serious problem.

I welcome this effort to deal with the problem, but I wonder if in the time that I have—since, as you've gathered, I'm not a member of this committee—I will have an opportunity to put forward amendments. To each of you, where do you think amendments would best be focused? I noted the rye humour in your point, Mr. Kendrick, that there will be lots and lots of paperwork involved and the process will be slow. Given your experience—and I'll start with you and move then to Madam Legars—what would you most like to see changed about this legislation to make it as effective as possible?

• (1715)

**Mr. Andrew Kendrick:** I think the legislation itself is good. I think the implementation is what you need to work on. Part of the early stage of this must be education. People don't know what they're supposed to be doing. Most boat owners are very informal. A minority have their boats in marinas and a minority are members of sailing clubs. You have to figure out how you get the message to people that there is a legal obligation for many of them to be licensed and that the licences have to be kept up to date. If that's not done, you can't manage what you can't measure. I'll leave it at that.

**Ms. Patricia Heintzman:** I would agree 100%. Something we've talked about in the District of Squamish is how the federal government and local communities like Squamish can create a bit of a joint communication strategy to educate people about this bill, provide options, and bring some clarity, particularly on smaller vessel issues. It would be good to understand how the ocean protection program and the abandoned boats program really integrate with this particular act. We're not 100% sure how they do, because the language talks about 75% federal government and 25% other for dealing with wrecks, however, the act also implies that it's a federal government responsibility. It's a little bit ambiguous.

I think resources for enforcement and really understanding how we can implement some of the good intention of the act are important.

**Ms. Anne Legars:** I would also stress the educational part because shipowners, especially in the pleasure craft section, have to understand that they while they own an asset, they also own the liabilities that go with it. That's one element.

It's not necessarily something that will go in the act. It can be done through things besides the act, such as parallel initiatives. In my short five-point list I listed a number of things that we see coming, which aren't necessarily coming through that specific legislation, but are coming through that wave of initiatives.

How can we address the inventory? You need money at some point to do that.

For the issue of the ships below 300 tonnes, if you have no insurance, you may have an issue. What's the best way to have that covered by insurance? We there are now some discussions with the provinces, and so on and so forth. In the long run, it's what would probably help make a difference.

Also, with respect to pleasure crafts, they need.... The fund is a repository of a problem that happened higher up in the food chain and we are at the end of it. Basically, the ships for which you have a strong regulatory framework with strong enforcement and mandatory insurance will not end up being a liability for the fund. The ships for which you have fewer regulations, which are usually the smaller ships, and for which you have less enforcement and no insurance, are the ones that become a liability for the fund.

Basically if you want to avoid paying for something at the end of the day, you have to boost the regulatory and enforcement side. At the end of day, that's where you'll see fewer liabilities that are not covered.

• (1720)

**The Chair:** Thank you very much.

Mr. Shields.

**Mr. Martin Shields:** Thank you, Madam Chair.

I appreciate the witnesses today and the topic that you are clarifying.

Your Worship, you talked about many coastal communities. Have you worked with your provincial organization of municipalities? Have you worked jointly with other municipalities on this topic?

**Ms. Patricia Heintzman:** Absolutely, and Pam Goldsmith-Jones can obviously speak to this, too.

Bowen Island has done a lot of work and we work collaboratively with them. We're currently doing a marine strategy that's very inclusive of other communities in the area, and we're obviously very open to sharing any learning or any bylaws that we come up with through this process. There is quite a collaborative atmosphere among coastal communities, particularly if you're near each other.

Right now, we all know that we have a problem, so how can we get some legislation that helps us work on the problem? Absolutely we work with each other.

**Mr. Martin Shields:** At this point, you've done it on your own dime and on your own time amongst the municipalities.

**Ms. Patricia Heintzman:** Predominantly, yes. The provincial government doesn't weigh in too heavily on the marine-related side of things. They're just not interested and I guess they don't really see it as part of their problem. It's generally local governments, because they're in our communities, and the federal realm.

Most of what we're doing has been on our own dime in terms of the analysis and the investigation and communication. We have staff who are dedicated to this type of thing.

**Mr. Martin Shields:** Right.

In the sense of trying to get a value number, how much would you suggest municipalities are spending on a yearly basis doing this?

**Ms. Patricia Heintzman:** It really depends on the municipality and how big their marine environment is and if they simply have the capacity on their staff. We're a staff of 170 people, not a huge number of staff.

Our real estate manager deals with marine environment types of things. We also have a planner, and a quarter or half of her job is dedicated to the marine strategy and marine environment. On average, in our fairly minimal budget, probably \$70,000 to \$80,000 a year is spent on this issue.

**Mr. Martin Shields:** If this legislation is implemented, do you see some of this stuff being downloaded to you to handle?

**Ms. Patricia Heintzman:** That's always a concern for local governments, just because of where we are in the continuum of most of these things. I think that's where some of our trepidation is in terms of enforcement, and who is going to pay at the end is still something that we're keeping our eye on. Ultimately, they're our communities, so we have to deal with these situations. They do cost us money. They cost our volunteer groups money.

We often waive all the fees for what's going into our landfill when these things are pulled out. I think last year it was \$25,000 or \$30,000 of waived fees for disposing of these wrecks in our landfills, because, for example, we can't do anything with fibreglass. It's cumulative costs, for sure.

**Mr. Martin Shields:** Yes, it comes down to the property taxpayer who pays for other people's legislation—

**Ms. Patricia Heintzman:** Yes, it does.

**Mr. Martin Shields:** —which is a challenge.

Thank you.

Ms. Legars, I know you had those five points and you responded briefly to a couple of them. If you had two of those things, out of the five, which two would you say are most significant?

**Ms. Anne Legars:** It would probably be things on the registration of vessels. It would help greatly. That would be number one for me.

Number two would be to find a way to have some mandatory insurance for ships that are below 300 tonnes, because if we don't have an insurer, liability is virtual.

• (1725)

**Mr. Martin Shields:** I think that crosses with what you were saying, that it's the registration piece.

**Mr. Andrew Kendrick:** We have to be very careful about terminology, because registration under the Canada Shipping Act is very different from licensing under the Canada Shipping Act.

Registration captures about 40,000 vessels; licensing should cover several million. We need to consider the different parts of the problem separately.

**Mr. Martin Shields:** Thank you.

**The Chair:** Mr. Iacono, I can give you two minutes.

**Mr. Angelo Iacono:** I'm going to forward it to my colleague, Pamela.

**Ms. Pam Goldsmith-Jones:** Building on the questions about responsibility, this is actually a great example of levels of government working together.

I am very interested in your comments, Mr. Kendrick, about how, in our community, the yacht clubs and marinas are working with municipalities, trying to connect those dots and truly trying to pull together. What's been your experience, and how can we keep this as simple and effective as possible?

**Mr. Andrew Kendrick:** There are a lot of moving parts. While in general the provinces are not on the front line, they can play a very useful role in some cases. For example, in Ontario the OPP basically has the responsibility for regulating water safety on the bulk of the inland waterways. They are the people who check people's operating certificates. They are the people who could do the checks on vessel licensing, in most cases. There really are a lot of stakeholders in here, and a lot of people who have potential roles to play.

**Ms. Pam Goldsmith-Jones:** Perhaps you could also comment on the adequacy of the initial funding round, because on the west coast it's been vastly oversubscribed. I'd love it if the committee could come up with a realistic figure for what this will cost.

**Mr. Andrew Kendrick:** There's a lot of backlog. Unfortunately we're starting from a bad place. Either you have to consider this to be front-end loaded, or you have to accept that it's going to take a long time to remediate.

It's interesting that the sums from the Ship-source Oil Pollution Fund are \$1 million or \$1.5 million a year. In Washington state, which is one of the most advanced jurisdictions in the U.S., their funding level is about \$2.5 million a year. That deals with about 50 vessels a year, the average cost being \$50,000 a vessel. That's what it takes to remediate the big problems.

The other key element is early intervention. If it doesn't sink, you can dispose of it for a few hundred dollars. If it does, it will cost you \$50,000.

**The Chair:** Thank you very much to our witnesses. Again, it was a very informative panel. Thank you for your contribution.

**Ms. Sheila Malcolmson:** Madam Chair, just so this isn't left hanging, we got a report on Monday from the transport minister that

said only \$180,000 was applied for in the program to date. This was submitted, but I just don't want anybody to walk out of here thinking that the program was oversubscribed. In fact, it was much undersubscribed, compared to what we thought.

I'm very glad that the Transport staff, in response to the parliamentary secretary's comment, where I misread the number of vessels, are going to work to clarify and get a little update to the committee so that it's unambiguous wording.

Thank you, Madam Chair.

**The Chair:** Thank you.

The meeting is adjourned..

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