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Chair

The Honourable Judy A. Sgro

Standing Committee on Transport, Infrastructure and Communities

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• (1530)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call to order the meeting of the Standing Committee on Transport, Infrastructure and Communities, 42nd Parliament, meeting number 76, pursuant to the order of reference of Wednesday, October 4, 2017, Bill C-48, an act respecting the regulation of vessels that transport crude oil or persistent oil to or from ports or marine installations located along British Columbia's north coast.

Appearing today we have departmental staff, and we have Minister Marc Garneau here for the first hour.

Minister Garneau, welcome. I'll turn the floor over to you.

Hon. Marc Garneau (Minister of Transport): Thank you, Madam Chair.

Madam Chair and esteemed members of the committee, I am pleased to be here with you again today to speak about a third bill that advances my mandate priorities.

I'm sure I hardly need to remind you that we Canadians enjoy some of the most spectacular scenery in the world. Among the many beautiful places in our country, the stretch of rainforest along British Columbia's northern coast is unique. There is nothing quite like it. The thought of this pristine ecosystem being fouled by oil pollution is simply intolerable.

That is why I am here today to speak to the proposed legislation intended to preserve and protect these coastal areas—namely, Bill C-48. I'm happy to outline the rationale for Bill C-48, the oil tanker moratorium act. The comprehensive measures of the proposed legislation are the result of extensive consultations with Canadians. While there continue to be differing perspectives, what we did hear loud and clear is that the transport of both crude oil and persistent oils by sea should be prohibited near the pristine coasts of northern B.C.

The proposed moratorium would cover all ports and marine installations in the area encompassing northern B.C. and extending from our border with Alaska in the north down to B.C.'s mainland adjacent to the northern tip of Vancouver Island. Tankers with more than 12,500 tonnes of crude or persistent oil as cargo would be prohibited from stopping, loading, or unloading at ports or marine installations in this area.

The definition of crude oil in the proposed legislation is based on the one in the International Convention for the Prevention of

Pollution from Ships, which is familiar to the shipping industry. Persistent oils are heavier and stickier. Because of this, they tend to break up and dissipate more slowly, and if they are spilled, they are more likely to cling to birds, wildlife, and shorelines. Examples of persistent oils in the moratorium schedule include partially upgraded bitumen and synthetic crude oil. We may consider changes to the list of targeted goods if a review of the scientific evidence and innovations in the transportation of oil or cleanup technology show that changes are justified. The safety of the environment will always be the main consideration, and any changes would have to be made through a regulatory amendment.

We recognize that many communities in the area of the proposed moratorium are not accessible by road or rail and depend on oil to be brought in by ship. To ensure the resupply of these communities and their industries, this act would allow individual shipments of less than 12,500 tonnes of crude oil to continue.

[*Translation*]

To reinforce how seriously we take this matter, the Oil Tanker Moratorium Act also includes reporting requirements and strict penalties for violations.

All tankers capable of carrying more than 12,500 metric tons of oil would be required to report on the cargo they are carrying, or picking up, within the moratorium area. This information would have to be submitted 24 hours before the tanker calls at a port or marine installation.

I want to reassure shippers that the reporting burden would be kept to a minimum, because we are aligning the new requirements with existing reporting processes.

The only additional requirement for shippers would be to report the specific type of oil they are carrying and the amount of oil that would be loaded or unloaded at a port or marine installation in northern B.C.

With respect to enforcement, Transport Canada already has marine inspectors who enforce existing marine legislation. These inspectors would enforce the proposed Oil Tanker Moratorium Act to ensure compliance.

The powers these inspectors would have under this act would be similar to the authorities they have under existing marine legislation such as the Canada Shipping Act, 2001, and the Canadian Environmental Protection Act, 1999.

Inspectors would have the authority to board an oil tanker and take samples, or conduct tests, to verify compliance with the act. If a marine inspector had reasonable grounds to believe the law had been violated, the oil tanker could be detained.

Again, I want to emphasize that the safety of the environment is our top priority in advancing this legislation. Lest anyone doubt that, let me note that we would support this moratorium with an enforcement regime that could result in fines for violators of up to \$5 million.

• (1535)

[English]

These strong measures against potential oil pollution are what Canadians want and expect.

Canadians helped us set the parameters of the oil tanker moratorium act. In 2016, I undertook an extensive series of engagement sessions, and met with stakeholders with clear views on a proposed moratorium. I talked to coastal and inland indigenous groups. I also met with environmental organizations, marine and resource industries, and representatives of affected communities. I met with colleagues from provincial and municipal governments as well. People across Canada logged on to our website to comment on the proposed oil tanker moratorium. I listened to their views on improving marine safety in Canada and formalizing an oil tanker moratorium.

It's clear that Canadians share certain goals—to keep our economy strong and protect the environment. We understand that marine safety is a precondition to sustainable economic development.

[Translation]

Madam Chair, this legislation complements our government's larger national strategy to promote marine safety and coastal protection under the \$1.5-billion oceans protection plan, which we announced in November 2016. As part of this plan, we are investing in new prevention and response measures, based on the latest oil spill cleanup science and technology.

Madam Chair, and members of the committee, this legislation is long overdue. Canadians have been asking for this for years. Fortunately, it is not too late. Once passed by Parliament, the Oil Tanker Moratorium Act will provide an unprecedented level of environmental protection for British Columbia's north coast.

The oil tanker moratorium will allow us to preserve this precious ecosystem for the enjoyment and benefit of future generations. We have an opportunity now to accomplish something of historic importance. And we should grasp that opportunity.

And so I urge this committee, and my fellow parliamentarians, to support this bill.

Thank you, Madam Chair.

I would now be happy to answer your questions.

[English]

The Chair: Thank you very much, Minister Garneau.

We'll move on to Ms. Block.

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

I thank you, Minister, for joining us today, and your departmental officials. We appreciate your taking the time.

Minister, in your mandate letter, the Prime Minister instructed you to formalize a moratorium on crude oil tanker traffic on British Columbia's north coast, working in collaboration with the Minister of Fisheries, Oceans and the Canadian Coast Guard, the Minister of Natural Resources, and the Minister of Environment and Climate Change to develop an approach.

Given that you received this mandate letter on the heels of your appointment, I'm wondering if you could explain to the committee what exactly you were consulting on, since you already had been instructed to formalize this moratorium.

Hon. Marc Garneau: It is one thing to describe a mandate in a few sentences. It is another to put together a piece of legislation.

There were a number of options that could be used to implement the moratorium, and this involved discussions with my colleagues as well as stakeholders. The whole objective here was to come up with the best way to implement this moratorium. There were different options that were contemplated, including, of course, the very matter of what kinds of hydrocarbons would be included in this moratorium. There were lots of details to be worked out and that's where the consultations came into play.

• (1540)

Mrs. Kelly Block: Thank you very much.

Again, your mandate letter spoke about developing an approach, which you just referenced, in terms of developing legislation, so here's my next question. During the consultation process your department undertook and the following deliberations on the substance of those consultations, did your office or the department develop metrics or determine the weight of a witness's testimony?

For example, did your office or the department set about applying a rating of importance to the testimony of those representing an affected community?

Hon. Marc Garneau: We took everybody's testimony as being an important contribution to our determination of how we would implement this proposed legislation. It meant that we were going to meet with, first of all, the peoples who live along that coast and who, in many cases, have been there for millennia.

We started with indigenous coastal communities: the Nisga'a, the Metlakatla, the Lax Kw'alaams, the Haisla, the Haida, and the Heiltsuk. We did extensive consultations with those who live there and who have the most at stake, if I can put it that way.

We also met with the shipping industry, because the shipping industry obviously has a very strong presence on the west coast of Canada. We also met with environmental groups, which have very strong views on the issue of a moratorium. We engaged also with government officials at the municipal level—such as those from the City of Prince Rupert, which is in the middle of this area—and provincially as well.

We were very engaged with everybody, and everybody's input was considered to be important.

Mrs. Kelly Block: Thank you very much.

I think what I've heard is that an environmental group with an interest in the outcome of an oil tanker moratorium would have the same weight as a coastal indigenous community. Is that what you were saying?

Hon. Marc Garneau: It's a difficult thing to say that we're going to give this many points to this person's testimony and that many points to.... What we're looking for is the kinds of comments and recommendations they make to us. Some recommendations and comments may bring us to places that we hadn't thought about and may help us to make the decision about which of the options we're going to go forward with.

We're certainly sensitive to the fact that we want to develop the economy of our country, but at the same time, we made an election promise in 2015 that we were going to put in place a tanker moratorium. The important part is how we do it whilst also balancing our economic priorities.

Mrs. Kelly Block: Thank you.

I have one final short question. Would you provide the committee with any documents that relate to how your office or the department evaluated the witness testimony?

Hon. Marc Garneau: I'm not sure that.... Let me just say on that particular score that I will consult with my department to see what documentation would be available for that purpose, and we'll get back to you.

Mrs. Kelly Block: Thank you.

The Chair: Thank you very much.

Mr. Badawey.

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

Thank you, Minister, for being here this afternoon.

Minister, since 1985 there has been a voluntary tanker exclusion zone, the TEZ, in place along British Columbia's coast. The TEZ ensures that loaded tankers carrying oil from Valdez, Alaska, to U.S. west coast ports transit west of the TEZ boundary to protect the shoreline. Therefore, Bill C-48 will simply be formalizing the status quo with respect to what's been occurring in that area. This has existed since 1985 and has not had any discernible negative impacts on international marine trade.

Here's my first question. In your opinion and that of the consulted stakeholders who you've spent a lot of time with, including first nations, will the moratorium provide an important added level of protection to measures already in place?

• (1545)

Hon. Marc Garneau: You're quite right to point out that over 30 years ago a voluntary exclusion zone was put in place, for the reasons you mentioned. It speaks to the fact that there was a clear recognition at that time, which the United States agreed with, that waters in the northern part of B.C.—and I'm talking about the Dixon Entrance, Hecate Strait, Queen Charlotte Sound, waters around Haida Gwaii—were extremely sensitive, ecologically speaking. I'm proud of the fact that the exclusion zone for tanker traffic, as you say, coming from Valdez has been respected, and there have not been any incidents since then.

This formalizes, as you point out, something that was already in place. It also puts it into legislation and specifically identifies the ports along the coast as being places where tankers cannot come in or leave with the purposes of shipping certain kinds of crude and persistent oils. In a way it's the formalization, but it's also a legalization of it, which is something that we undertook to do in 2015.

Mr. Vance Badawey: Thank you.

Minister, during the 2015 federal election, there was a commitment to formalize an oil tanker moratorium on British Columbia's north coast, one of the most pristine, biodiverse habitats in the world, which will provide a high level of coastal protection around the Dixon Entrance, Hecate Strait, and the Queen Charlotte Sound.

In November 2016 Prime Minister Trudeau announced a \$1.5-billion oceans protection plan that would improve oil spill responses on the B.C. coast and create a world-leading maritime safety system. This bill also penalizes violations and puts into place penalties that could reach up to \$5 million.

In your opinion, is this going far enough or can it go further in the future?

Hon. Marc Garneau: When one looks at coastal, maritime nations, you'll see that the oceans protection plan—which includes over 50 measures and is a \$1.5-billion plan—takes us to a world-leading level in terms of what it does, in terms of committing to infrastructure to not only monitor our maritime areas but also to be able to respond much more quickly if something were to happen.

It also sets new standards in many areas. For example, we are going to be spending money—I announced it a week ago—on improving our hydrographic services so that we better understand what's under the water in order to make sure we're not going to have collisions, because some of our charts are old.

It involves first nations in a way that has never been done. It's something first nations wanted to be involved with, and something they are very good at. They're often the first responders, and it's something that of course they have a huge stake in because they live along the coast. It will be addressing the issue of abandoned and derelict vessels. Some of those elements are coming out at the moment. It also will continue to work on science. When all of that is taken into account, we will have a world-leading system.

The north coast, however, doesn't have all the infrastructure that the south coast does—or the east coast, or the St. Lawrence—and it is a particularly sensitive area. That is why we are putting the moratorium in place and overlaying on that the oceans protection plan.

Mr. Vance Badawey: My last question, Mr. Minister, is with respect to a concern about vessel traffic and our ability to encourage more economy in that area. What percentage of vessel traffic within the voluntary and now the moratorium area is actually carrying petroleum or petroleum products? How much of this traffic would be subject to the proposed tanker moratorium?

Hon. Marc Garneau: At the moment, within the area covered by the moratorium—the northern coast of British Columbia—there is traffic. There is tug and barge traffic that brings up and down the coast some of the natural resources that are harvested in northern British Columbia. There is also—and this is in the legislation and is why I talked about the 12,500-tonne limit for a tanker—the requirement to resupply certain very remote communities in British Columbia that are really only accessible by ship or air. There are no roads.

There was a clear recognition that we would need to continue to have some tanker traffic to bring heating and industrial fuels that would allow these communities to continue to prosper. We gave some very serious thought to what that limit—what our maximum—should be.

●(1550)

The Chair: Thank you very much, Mr. Minister. I'm sorry to interrupt.

Ms. Malcolmson, welcome. It's good to have you here.

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

Thank you, Minister. I applaud the intention of the bill, especially knowing that it's designed to protect the incredible biodiversity of the Great Bear Rainforest region, Gwaii Haanas. There's a long-term New Democrat private member's bill, among others, so we're really glad to see it coming forward.

A concern, though, is that Bill C-48 doesn't do anything to prevent the kind of disaster we saw a year ago in Heiltsuk territory, the *Nathan E. Stewart* barge spill, because it specifically excludes refined oil products from the ban.

Even if they were included, the 12,500-tonne threshold is high enough to allow them to pass through some of B.C.'s most sensitive waters. Disasters like the *Nathan E. Stewart* show that we need better regulation and enhanced investments in spill prevention and response in the region.

My question is two-fold. First, why should large petroleum tanker barges be excluded from the bill, given the risks that we know already exist in the region? Second, is there a scientific case to exclude refined oil products from this legislation?

Hon. Marc Garneau: There are a number of facets to your question. There is a schedule of forbidden fuels, the ones we call persistent oils. On the other hand, certain lighter fuels such as

naphtha kerosene, aviation gasoline, or LNG are not excluded from this.

There needs to be traffic along the coast because of the resupply that I mentioned in my last answer. The question is, how much? What capacity should they be able to carry to do their resupply along this 400-kilometre coast?

The *Nathan E. Stewart* incident pinpointed very clearly why we need to have an oceans protection plan. I couldn't agree with you more that we definitely needed to take action. I went up to Bella Bella, and I met with the Heiltsuk. I have been in contact with Chief Slett on a number of occasions. That unfortunate incident highlighted the need for us to put in place measures that would allow us, ideally, to prevent this kind of incident from occurring, or if it did occur, to respond very quickly.

We will be taking extremely seriously the recommendations to the Transportation Safety Board, which is currently completing its investigation of this unfortunate event.

Ms. Sheila Malcolmson: Thank you.

I am also hearing a broad concern that the exemption, which is in subclause 6(1) of the bill, allows you as the minister to exempt identified oil tankers from the ban, by order, on any terms and for any period of time. Some of the NGOs have called this a loophole so big you could drive an oil tanker through it.

Subclause 6(2) says that the Statutory Instruments Act does not apply to such exemption orders. This removes the requirement that such exemption orders would be published, transparent, and made easily available for public examination.

We're concerned that although the act broadly has great intentions, this could effectively gut the purpose of the oil tanker moratorium act.

Why is that broad ministerial power necessary, given that the bill already provides clear exemptions for distress and vessels under the control of the Minister of National Defence? Why are the ministerial exemption orders excluded from the application of the Statutory Instruments Act, which would give more transparency?

Hon. Marc Garneau: I would dispute your interpretation of broad powers to do it. I can assure you this is not a sneaky, surreptitious stealth way of doing tanker traffic, by having the minister regularly invoke special powers. This is very specifically focused on one situation, which is a very serious unexpected emergency situation that occurs somewhere along the coast on a one-time basis where there is a need for a larger amount of fuel for whatever reason.

In that case, the discretion exists with the minister to invoke that exception. However, we're not going to be talking about sneakily trying to develop tanker traffic on the north coast of British Columbia after putting in place a moratorium.

●(1555)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Minister, thank you for appearing.

The Chair: You have forty seconds left.

Mr. Nathan Cullen: There's also a section in this act that allows you, through the Governor in Council, to amend the schedule of petroleum products. You can amend it as you go. Will the government apply the Statutory Instruments Act to the regulatory authority to add or remove fuel types under the ban?

This is a concern of many constituents of mine, some of whom you know, who have spent a lot of years on this and want to get this right and not allow any more loopholes in the provisions you provided.

Hon. Marc Garneau: I'm delighted that we had the support of the City of Prince Rupert for this moratorium.

It's unfortunate you weren't here for my opening remarks—

Mr. Nathan Cullen: I'm sure it was good.

Hon. Marc Garneau: —but what I did say very clearly was that we leave the schedule open to make changes to it if scientific evidence shows us that a particular persistent oil can be either handled more efficiently in terms of recovery, because persistent oils, as you know, tend to be stickier and more persistent and they take a longer time to break up and therefore have a more negative effect on sea life, on bird life, and on the shoreline. It also gives us the possibility to add new persistent oils, depending on what is developed in the petroleum industry.

I think it's a very reasonable and sensible thing to have a schedule that identifies...and it's according to very specific measured international standards based on the boiling point range of these, so they are quantifiable. Who knows what kinds of products might be developed 20 years from now in terms of new products, for which there's a market but may also still be persistent oils, in which case we might have to add them to the list.

The Chair: Thank you, Minister Garneau.

Mr. Iacono.

[Translation]

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

Thank you, Minister, for being here today.

I'd like to get a clear sense of the real impact Bill C-48 will have, using an example. If an oil tanker carrying more than 12,500 metric tons of crude oil entered the moratorium area, what exactly would happen?

Hon. Marc Garneau: If an oil tanker has entered a northern B.C. port where inspections are regularly conducted and is found to be carrying more than 12,500 metric tons of oil in its hold, the vessel could be fined up to \$5 million.

In certain cases involving resupply to small communities on the northern coast, oil tankers will have the capacity to carry more than 12,500 metric tons, but will not be permitted to do so. That means the vessels will be only half or three-quarters full. If they enter or leave a port carrying more than that amount of oil, they are breaking the law.

Mr. Angelo Iacono: A comparison of the voluntary tanker exclusion zone and the proposed moratorium area under Bill C-48 reveals that the voluntary tanker exclusion zone is larger.

Will the voluntary exclusion zone remain in effect once the bill is passed?

Hon. Marc Garneau: Yes. In place since 1985, the voluntary exclusion zone will continue to be enforced. We've had U.S. cooperation ever since the program began. It's primarily for tankers carrying large quantities of oil from Valdez, Alaska, to ports along the U.S. coast. However, oil tankers carrying 12,500 metric tons of oil or less will travel inside the exclusion zone in order to supply small communities.

• (1600)

Mr. Angelo Iacono: What key data and facts prompted the decision to protect this area specifically? Why do spills pose a greater risk in that region?

Hon. Marc Garneau: The region's ecosystem is unique in the world. I'm not sure whether you've had the opportunity to visit the area, but it's incredible. It has a very fragile ecosystem, however, with a coastline that is home to multiple indigenous communities. A spill would be catastrophic and have a severe impact, as we saw last year with the *Nathan E. Stewart*, which was a tugboat, not an oil tanker.

What's more, the area has fewer spill-response systems in place than B.C.'s southern coast, where the port of Vancouver, the country's largest port, is located. The systems in place there are fairly robust, and we will be strengthening them under the ocean's protection plan. Regardless, the spill-response capacity in the 400-kilometre area encompassing B.C.'s north coast is much less robust.

Mr. Angelo Iacono: Thank you.

I'm going to give my last minute to my colleague Mr. Hardie.

[English]

The Chair: Go ahead, Mr. Hardie.

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

The Chair: You have one minute from his time plus your own time of six minutes. You have the floor for seven minutes.

Mr. Ken Hardie: Perfect. Thank you.

Mr. Garneau, many years ago I had the opportunity to go on my father-in-law's fishing boat out of Prince Rupert up through the Portland Canal. You really do have to see that area to know what it means and how special it is. I have taken the ferry down to Port Hardy and stopped in at Bella Bella. Again, it's a very special stretch of coast.

What was behind the decision to bring in this moratorium, given especially that in the election campaign, and on the political side of things, we were also very vocally against the northern gateway project? By killing northern gateway, wouldn't this have effectively done the same thing as bringing in this moratorium? Did we need this as well?

Hon. Marc Garneau: The Liberal Party made this decision, and in fact, it was in our election platform. If you go back to 1985, it was under a Liberal government that the exclusion zone was brought in because of Liberal pressure at that time.

There's been a recognition for a very long time that this pristine part of Canada's west coast needs to be protected. That was the reason for it. The purpose was not to prevent development. In fact, we, as a government, as you know, understand, for example, that the people of Alberta and Saskatchewan would like to get their products to tidewater, and we did approve the TMX pipeline, with a number of conditions, which is a fairly normal matter. We have also approved other pipelines, and we support the Keystone as well, which would get them to southern tidewater. It was not to prevent, specifically, the building of pipelines to tidewater, because we support that. We have put in place the oceans protection plan to complement that economic and environmental side of development.

It was to preserve, hopefully for posterity, this very pristine area, where an incident as small, compared to a tanker, as the *Nathan E. Stewart* can have very important effects on the local communities there, as I had the chance to witness myself.

You can't eliminate risk completely. We did not get unanimous consent from all groups we consulted with. It is very difficult to obtain unanimous consent from all groups that are involved, but we did get significant, and I would say clearly majority support, for putting this moratorium in place. Our job was to put it in place in the most intelligent manner possible.

• (1605)

Mr. Ken Hardie: With respect to the products that are going to be prohibited, again, the legislation opens the way so that perhaps those products can be delisted if technology comes along that makes them more acceptable. What would the technology have to prove in relation to a particular product to actually be delisted?

Hon. Marc Garneau: In terms of the cleanup technology, unless we can effectively clean up a spill of persistent oils or crude oils very rapidly, before we lose it and before it begins to do its damage, we have to take the necessary precautions to keep it on the list, because of the potential effect it can have.

We are continuing to do science on what happens to various persistent oils and hydrocarbons when they land in the water. We need to continue to do that science so that we know as much as possible. We are also looking at how we can recover it as effectively as possible, taking into account factors such as how long it takes before you get there, the temperature of the water, the sea state, the salinity, and all those other things. I would say that we are taking a pragmatic approach based on a quantifiable measurement of persistent oils. At this point in time we are being cautious, but we are not excluding all hydrocarbons, as you know.

Mr. Ken Hardie: That is the point, that not all hydrocarbons are excluded.

We've had interest from somebody on the west coast to build a refinery in Kitimat, where they would probably refine bitumen into something else. What would that something else have to be in order not to be covered by this moratorium?

Hon. Marc Garneau: It would have to be something that is not on the schedule.

Mr. Ken Hardie: Okay.

Did any of the input you received...? There are competing interests, obviously, and we'll be hearing from some of them in the course of these hearings. Was there anything you heard along the way that caused you to pause and consider whether the promise to put in a tanker moratorium was really a good one?

Hon. Marc Garneau: If you are asking me whether everybody agreed 100% with the idea of the moratorium, the answer would have to be no. However, at no time did I personally, as I went through a very extensive consultation.... You are seeing this bill now in committee, but we started the consultation at the beginning of 2016. We were very extensive in our consultations, and at no time did I feel that we didn't have a definite majority of people who supported the moratorium for the north coast.

The Chair: Thank you very much, Minister Garneau.

We're moving on to Mr. Lobb.

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

Minister, there is a document that your department put out about some of the key indigenous groups that were consulted. In your opinion, do all the groups listed have to consent to this bill for it to be a success?

Hon. Marc Garneau: No. When there are large numbers of communities that are impacted—and there are many communities in the area we are talking about—you are going to get opinions that can vary depending on which first nation you are talking with. You then have to make a decision based on what was the sentiment of the majority of first nations. That varies a lot depending on their circumstances and where they are located on the coast.

• (1610)

Mr. Ben Lobb: Not too long ago, the United Nations Declaration on the Rights of Indigenous Peoples talked about the responsibility and the duty to have some consent. If some communities feel that they have not been adequately consulted, there would be a debate on that, whether they are supportive or not supportive of this bill.

I know of a project in my riding that will be many years in the making. They've already started consulting with indigenous Canadians about something that might be 20 years down the road, and they are very conscientious about their responsibility to consult. Then I look at this. It says it was started in January 2016. Quite likely, the indigenous communities just outside my riding would not agree that this would be an appropriate length of time to consult adequately on such a significant impact, both environmentally and economically.

With that being said, would it be fair that we should continue to have committee meetings until we've heard from all concerned indigenous communities? Would that be something you are open to?

Hon. Marc Garneau: In my opinion, we did a sufficient amount of consultation—it really was—and I have the list of all of the first nations that we consulted with. Some of them were individual and some were represented by larger groups, such as the Aboriginal Equity Partners. Again I will say to you that not everybody agreed. Some agreed violently with the idea of the moratorium. Others had different feelings about it.

It's our job as government to make a final decision on this. Some of those decisions are not always going to be unanimous, but it is our responsibility to take all factors into account and all stakeholders into account, and then make a final decision.

Mr. Ben Lobb: With all due respect to that point, I've sat in meetings where I've heard from different organizations that have said this project will not move forward until we have consent from indigenous Canadians.

I'm not sure how on one hand we have people who have consulted with federal departments saying one thing, and at a meeting today, we hear that we're not going to have 100% agreement. I'm not sure how on one project we need to have 100%, and on another one it's up to the minister's discretion on when he has consulted enough.

By the way, if we as members of Parliament want to invite all the communities on the list that you consulted with to confirm what you're telling us here today, we have no opportunity to do that. That's unfortunate.

Hon. Marc Garneau: It would always be great if we had everybody 100% on board for everything we do in this country. Whether we're dealing with first nations or other groups in Canada, you, as a politician, know that one cannot always get unanimity, even though we strive for it in bringing forward our points of view.

We did unprecedented consultation with groups, and I might add that I think we're setting a new standard in this government in terms of consultation. However, there is a great practical reality that after we have done the consultation and taken in some good ideas and suggestions along the way, we have to act. That is what a government has to do.

Mr. Ben Lobb: I have one last quick question.

In your documentation, you also mentioned the resources on the southern coast that are not available on the northern coast for an array of safety precautions.

What would you do if the industry came to you and said they would cover those costs, that they'd ensure the same protections are

in the north as they are in the south? Obviously that is one of the concerns you've put in your documentation. What would you do then, as minister, if they said they'd provide all the same guarantees that the southern coast has on the northern coast.

Would you repeal this at this time?

Hon. Marc Garneau: No, I would not. I would welcome the industry's willingness to provide more resources, if it chose to do so.

Let me be clear. The Port of Prince Rupert is a growing port. It's a very impressive port, and it has many natural advantages. Right now it is carrying a lot of shipping to the Asian markets, and we hope to grow that port in the years to come.

There is enormous potential for many other products to be shipped out of the north coast of Canada, and we would like to see that happen. If the shipping industry or other groups are willing to help increase the resources that are available for monitoring and responding, we would be delighted.

● (1615)

The Chair: Thank you, Minister Garneau.

We'll move on to to Mr. Fraser.

Mr. Sean Fraser (Central Nova, Lib.): Thank you very much, Minister, for being here. I'll be saving a bit of my time at the end to share with my colleague, Mr. Sikand.

As a follow-up to Mr. Lobb's comments, I catch myself on occasion being guilty of treating indigenous communities as a singularity who have common interests, which I know is not the case. I find in the energy industry, proponents are getting much better at dealing with individual concerns in communities.

When you go through a period of consultation, as you have, and there are competing interests and differing opinions, how do you end up with a decision? What's the process you go through, as the minister, to determine which side of the coin you're going to fall on?

Hon. Marc Garneau: You've encapsulated what government is about.

One has to make decisions, and you can't end up falling between two stools. If you're looking at putting a moratorium in place, it can't be a partial moratorium; it has to be a complete moratorium. Yes, you're going to get a range of opinion, but as government we are always attuned to what the majority of different stakeholders feel about it. The majority of stakeholders are supportive of the moratorium.

That is why, back in 1985, David Anderson, who was the environment minister at that time, created the exclusion zone with the willingness of the United States. That is why in 2015, we said that we would put in place a moratorium.

Mr. Sean Fraser: Thank you.

To shift gears for a moment, when you were describing the unique ecosystem of the coast in question and the pristine nature of it, I couldn't help but think of a certain part of my own riding off the eastern shore of Nova Scotia, which has hundreds of wild islands that have been untouched, have unique species that can't be found anywhere else in the world, and the local communities have come together to try to build a very impressive tourism initiative for the world to enjoy that coastline. I invite you to come and join me any time you're available.

There's not a similar protection for other different pristine ecosystems. The tanker traffic on the east coast is almost three times the number of vessels, although perhaps not the same volume, most of which land in Saint John, Come By Chance, or importantly for this part of the region, Port Hawkesbury. Do you feel that the measures outlined in the oceans protection plan will offer the protection we need both from a preventive point of view and from a spill-response point of view, God forbid it ever happens, to these other pristine ecosystems like the wild islands on the eastern shore of Nova Scotia?

Hon. Marc Garneau: Yes, we do. Our intention was never simply to put a moratorium on the north coast of British Columbia and then do nothing else. The oceans protection plan is an unprecedented plan, and it addresses the southern part, as well as the east coast. You're right about the traffic. In some places where the traffic is going through, there is more infrastructure in place to help in case of an incident. At the same time, we need to improve our performance in terms of protecting the marine ecosystems on the east coast. We've already announced some of the elements of that for all of the east coast where you come from. Also, I'm on the St. Lawrence system and that's part of it as well, because a spill there can also have some devastating effects.

The oceans protection plan is a way of recognizing that we need to continue to be a commerce country. We are a trading nation, and a lot of what leaves our country leaves by ship. At the same time, we need to do much more, and that's why the oceans protection plan is in place. We think that, in the areas where there is shipping that's part of that commerce, we need to beef up our capability. That's what the OPP is doing.

Mr. Sean Fraser: Thank you.

I'll share my remaining minute and a half with Mr. Sikand.

The Chair: You have 90 seconds.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): It's nice to see that you're doing well, Minister. I know that you were under the weather last time.

• (1620)

Hon. Marc Garneau: Yes, I was in rough shape last time.

Mr. Gagan Sikand: I'll be quick with my question. In response to my colleague, you mentioned that the ecosystem off B.C. is quite fragile. It seems I can support the spirit of the bill, and I think certainly most Canadians would. I'm just wondering if you took into consideration the operating speeds of oil tankers, and if that is or was a consideration.

Hon. Marc Garneau: You bring up a good issue, and this is generalized not just to oil tankers but to any shipping traffic and any part of our coasts. We had an unfortunate example of that on the St.

Lawrence this spring with shipping going too rapidly along the St. Lawrence and creating enough of a bow wave that it was exacerbating the flooding that occurred here along the St. Lawrence in a place called Yamachiche.

We recognize—and this is part of our focus in the oceans protection plan—that ships create bow waves and those bow waves can affect the shore, change the shore, and damage the shore. It's not part of the moratorium, but it is part of our larger science with respect to the oceans protection plan.

The Chair: Thank you very much, Minister.

Now we go on to Mr. Lobb.

Mr. Ben Lobb: I have one quick question, and then I'll turn it over to Ms. Block.

From my perspective with the oil industry, my guess is that in the short term what they'll try to do is develop a refinery, whether it's in Prince Rupert or in Kitimat, and use the rail lines there and refine it down to varieties of gasoline, diesel, etc. Obviously, those are allowed to be shipped across. Do you feel that there's a potential for huge increases in tanker traffic of those products? Is that something that you're looking at enforcing down the road, to take those off if the volumes become too high? Could you let us know what you might do in the future?

Hon. Marc Garneau: It's a good question.

If a company were to get access to a port along the north coast, and if it were to perhaps send in the pipeline an unrefined product but then refine it before putting it in a ship, and if that product were not on the schedule of persistent oils, then from the moratorium point of view, it would be possible for it to have tanker traffic from that port.

Obviously, in getting it from, let's say, Alberta to the coast and building the refinery, there are other environmental evaluations that have to be done that come under Environment Canada and other ministries, but if those were satisfied, and the product that was put in a ship was a lighter, non-scheduled hydrocarbon, then that would not violate the moratorium.

Mrs. Kelly Block: From our perspective, we've been clear. We've had an opportunity to debate this bill for a couple of hours in the House. We had an opportunity to ask some questions during time allocation, and we've basically said that this doesn't appear to be a true moratorium on tanker traffic on B.C.'s west coast because that's going to continue. This appears to be a moratorium on the oil sands development and a pipeline that could eventually carry that oil to tidewater.

Canadian oil is extracted and transported under some of the safest and most environmentally strict regulations in the world. Preventing our Canadian oil from reaching customers in other countries only serves to proliferate the use of oil products extracted and transported in less safe and less environmentally friendly ways.

I'm wondering if you can explain what is to me the strange contradiction in your views that the proliferation of Canadian oil is bad, but the proliferation of oil from other countries with less stringent regulations is good, because we will keep importing whatever we need rather than developing our own resources.

•(1625)

Hon. Marc Garneau: I have to say that I reject the premise of your comment. We think that it's important for Canada to have the capability of selling our natural resources, including oil, to other countries because of the demand. That is why the TMX was approved with conditions. That is why we support the Keystone. That is why we also approved the Line 3, going from Alberta to the northern United States.

These, I think, are very clear indications that we want to allow the economic development of this resource within the parameters we gave ourselves for the pan-Canadian framework in the Paris accord, and there is every expectation that we will be able to satisfy that.

We are, in fact, in favour of that, but we're also a government that believes that you must and you can balance the environmental side of the equation as well. We've said this, of course, repeatedly in the House of Commons, and we have taken measures. We think it's a very sensible thing for us to have the moratorium, have the OPP, and continue to be supportive of Alberta and Saskatchewan's oil industry.

The Chair: Thank you very much, Minister Garneau.

Mr. Cullen, you have one minute left.

Mr. Cullen is not in the room, and unfortunately there is only a minute left.

Minister, thank you very much for being here for this hour. I appreciate it. I know you're leaving your officials here with us for the upcoming remainder of time, so thank you very much.

We will suspend for a moment.

•(1625)

(Pause)

•(1630)

The Chair: Thank you very much. We are reconvening our meeting. We have with us our departmental officials.

Would you like to introduce yourselves and tell us your positions?

Ms. Natasha Rascanin (Assistant Deputy Minister, Transformation, Department of Transport): Good afternoon. I'm Natasha Rascanin, assistant deputy minister at Transport Canada for transformation.

Ms. Gillian Grant (Team Leader and Senior Counsel, Maritime Law, Department of Transport): I'm Gillian Grant. I'm senior counsel at Transport Canada legal services.

Ms. Jennifer Saxe (Acting Director General, Marine Policy, Department of Transport): I'm Jennifer Saxe. I'm acting director general for marine policy.

The Chair: Thank you for being here.

We'll open the questions with Ms. Block.

Mrs. Kelly Block: Thank you very much.

The news release put out when this bill was introduced, which I think was dated May 12, 2017, states:

Vessels carrying less than 12,500 metric tons of crude or persistent oil as cargo will continue to be permitted in the moratorium area to ensure northern communities can receive critical shipments of heating oils and other products.

Can you tell us approximately how many tonnes of oil are currently shipped to these northern communities each year? Also, has there been a serious spill in northern B.C. involving one of these ships where thousands of tonnes of oil were spilled?

Ms. Natasha Rascanin: I can't give you an answer in tonnes. We certainly looked at traffic, volumes, and types of products that are being shipped in that area, both for community resupply and for industry resupply. Based on that analysis, this was the limit that made sense to permit the kinds of shipping taking place currently.

In my awareness, there has not been a serious accident in the north of B.C. before.

Mrs. Kelly Block: Okay. You couldn't tell us in tonnes how much oil is being shipped into these northern communities, but you said that you did look at traffic. Approximately how many of these smaller vessels would be travelling into these northern communities carrying around that 12,500-tonne benchmark?

Ms. Jennifer Saxe: For vessels that are carrying less than 12,500 metric tons, which includes tugs and barges, there is traffic in ships that occurs for that community and industry resupply purpose. What we have done is a full study, which we did commission, on the community and industry resupply, and that's public and on our website. There's a full analysis of all the types of traffic for the community purposes as well as industry, and it looks at the various types of products as well. Some of that is more regular traffic, while some for industry is more occasional. That full analysis is public on our website.

•(1635)

Mrs. Kelly Block: You don't have that number for me in terms of how many smaller vessels would be travelling...?

Ms. Jennifer Saxe: I don't have a specific number because there are quite a number of different various-sized tugs and barges that go. For the actual specifics, to be able to answer that, the best place would be through the study.

Mrs. Kelly Block: Okay. Thank you.

Are these smaller vessels governed by the same Canadian rules and regulations as the large supertankers when they offload their cargo in Vancouver or on Canada's east coast?

Ms. Gillian Grant: I'm not a marine safety expert, but based on my understanding of the legislative regime, I would say that, generally speaking, the rules with respect to loading and unloading of barges and tankers are the same, yes.

Mrs. Kelly Block: Perhaps you could tell me how Canada's rules and regulations with respect to the loading and unloading of oil and petroleum products compare with the rules and regulations of other G7 countries?

Ms. Gillian Grant: Canada's rules with respect to oil tankers are largely set by the International Maritime Organization. They're set out in the international convention from which we draw the definition of crude oil. It's called "MARPOL" in its short form. These rules are negotiated at the IMO, and Canada implements them through its own law. That would be consistent, really, with the rest of the world.

Mrs. Kelly Block: You may have just answered this for me. Is it your estimation that there are the same rules and regulations in place to govern the unloading or loading of oil on Canada's west coast as on the east coast? There would be no difference there. There is nothing, in terms of the marine environment or anything like that, which might suggest that you needed to do something differently.

Ms. Gillian Grant: The regulatory regime that governs oil tankers, which includes barges, is the same across the country.

Mrs. Kelly Block: Okay. I'm good. Thank you.

The Chair: Go ahead, Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

When the minister was sitting in that seat, I was attempting to get some history, as well as reasoning, behind this bill. I think he was very clear in response to my questions on why we're bringing this to the table.

However, I want to dig a bit deeper into the weeds with respect to a lot of what has been identified throughout Bill C-48. How is this region different from other parts of Canada where tanker traffic is currently permitted?

Ms. Natasha Rascanin: I think the minister actually did highlight that as well, but this is a very pristine region and a unique ecosystem. Other parts of Canada where there is significant marine traffic of various kinds have a lot of precautionary, infrastructure, and response mechanisms already in place. That is a significant difference that is in play.

Mr. Vance Badawey: Thank you.

Is it likely that Bill C-48 would direct investment and traffic away from Canada and into the United States?

Ms. Natasha Rascanin: No.

Mr. Vance Badawey: It's not likely. Good.

This question is very important because we've heard some comments from different individuals about this, with respect to the future. In the event of new technology for increased safety in the movement of petroleum products, as was the case with the introduction of double-hulled tankers.... We understand what happened in Valdez, Alaska, when the tanker only had a single hull. We saw the outcome of that.

With respect to future technologies, like double-hulled tankers, would this provision allow Transport Canada to amend the schedule of all products subject to the oil tanker moratorium?

Ms. Natasha Rascanin: The minister was also quite clear that the schedule to the moratorium bill could be amended through the regular regulatory process should innovations in science and the evolution of products, and so on, warrant products to be added or to be removed from the schedule. That is something that would be considered. As we all know, science evolves continually and that is an important consideration to take.

• (1640)

Mr. Vance Badawey: I know the minister answered this somewhat, but I would like to hear it from you as well, since for the most part, we understand that you folks are the ones with the feet on the ground and are really accepting a lot of the input from the public consultations that have occurred. Can you be a bit more specific about who you've met with, some of the comments that were made, both good and bad, with respect to bringing us to where we are today?

Ms. Natasha Rascanin: There was a range of input that we received across the different consultations and engagement sessions. Certainly, I would say that everybody is interested in enhanced marine safety and enhanced environmental protections, and in making sure that economic opportunities are also considered. Therefore, there was an awful lot of similarity in those thoughts. Certain groups put more weighting on one of those elements than others, but they all considered them important elements to our society and to Canada as whole.

Mr. Vance Badawey: We always try to look at things through a triple bottom line process when it comes to the environment, the economic, and the social, and I can see this sort of establishing that balance.

My last question is on whether you see that this process, more so than the actual bill itself—the process that has brought us to the point where the bill is—can be used as a template in other areas to further our responsibility, especially when it comes to the environment, while still trying to balance the economic and social sides of it throughout the country?

Ms. Natasha Rascanin: My view is not necessarily the right take on this, in that officials do not provide views.

What I believe is fundamental to this is that from all of the scientific assessments, the work that we do, we take that into consideration as we go forward, so absolutely, lessons learned are critical.

Mr. Vance Badawey: The bottom line is that a lot of it has to do with being science based.

Ms. Natasha Rascanin: Evidence based....

Mr. Vance Badawey: Evidence based.

Great. Thank you, Madam Chair.

The Chair: Mr. Cullen.

Mr. Nathan Cullen: Thank you, Madam Chair.

Thank you to our officials for being here.

I know governments like to.... It's the nature of politics to take credit for stuff, especially if they're attempting to do the right thing.

I'd say a lot of the success.... It's been a 40-year conversation in the northwest of British Columbia, when the first pipeline was proposed and the first tankers were then considered on the north coast, realizing the particular and tricky nature of sailing a supertanker through the Douglas Channel. The minister and I have spoken a lot about that.

I'm wondering about a couple of things. I'll also give credit to the government for introducing the bill. My credit mostly rests with the people who, in some cases, spent the last 40 years struggling for this. Does the precautionary principle rest within this legislation in any formal or informal way?

Ms. Natasha Rascanin: The approach to the schedule to the act was based on the precautionary principle, and certainly encompasses a range of petroleum products that are at the heavier end.

Mr. Nathan Cullen: When we were going through the National Energy Board hearings around northern gateway, which was the example that was most discussed—whether there should be a tanker ban now—one of the challenges that people had in the northwest, in the area I represent, was in trying to establish the qualities of the products proposed to be moving through the pipeline. Diluted bitumen was a relatively recent actor on the stage within the Canadian petroleum industry as a large mover of volume.

When we were questioning federal officials, both from your department and from the fisheries department, as to the nature of diluted bitumen and how much was understood about how it reacted in fresh water, salt water, did it sink, did it float...? These are of course incredibly important things to know when trying to determine how you would clean something up if there were ever a spill, especially for a place like the northwest of British Columbia where the value of the rivers, the ocean, is paramount—culturally, economically, socially.

Do we now have established evidence within the department as to the qualities of bitumen, how it weathers over time, and what is recoverable in the event of a spill either in fresh water or salt water?

Ms. Natasha Rascanin: This is an area that is not under the purview of the Department of Transport. It is our colleagues in Natural Resources and in Environment Canada who do some of this.

Mr. Nathan Cullen: How do you then apply that precautionary principle, I guess is my question, as to what to list and what not to list? Does it come from Natural Resources, and have they provided testing to you to establish the parameters of cleanup and viability when considering something like a tanker ban?

• (1645)

Ms. Natasha Rascanin: We work very closely with our colleagues. We also relied very heavily, importantly, on international standards under the various international elements. Also, under the oceans protection plan, there are investments into ongoing research in this area.

Mr. Nathan Cullen: I guess that's what I'm seeking right now. Your department, the Department of Transport, is handling this bill. You're relying on those other agencies and evidence.

Do you have evidence that you can give to the committee, upon which you relied, to establish the parameters of this tanker ban with regard to products that can and cannot be shipped?

Ms. Natasha Rascanin: In terms of evidence, it was an analysis of the types of products looking at internationally based definitions and science-based definitions on which ones are the heaviest and most persistent—all the current knowledge scientifically. Those are the ones that are listed on the schedule.

Mr. Nathan Cullen: I'll stop here, Chair, but on that, are we now with the confirmed knowledge that when something like diluted bitumen, as it's currently composed, presents itself to a salt or ocean water environment, it in fact sinks rather than floats? Do we know that?

Ms. Natasha Rascanin: I'm not able to answer that question directly myself.

Mr. Nathan Cullen: Would you be able to provide the committee with any information the department has if you don't have it available right now?

Ms. Natasha Rascanin: We do actually have some NRCan folks here.

Mr. Nathan Cullen: I'm not sure how to proceed, Chair, because I know with limited time...if we want to call forward NRCan officials.

Let's put it this way. If we can endeavour to get a commitment from your department to provide that information from National Resources Canada, that would help us greatly—

Ms. Natasha Rascanin: We will work with our colleagues.

Mr. Nathan Cullen: —just in knowing how it is the department goes around making the determinations that you do when setting out a tanker ban here or in any legislation.

Ms. Natasha Rascanin: Sure. We will follow up with that.

Mr. Nathan Cullen: Thank you.

I don't know if there's any time. I'm sorry to my colleagues.

The Chair: You still have almost a minute.

Mr. Nathan Cullen: Sorry. Go ahead.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): I guess I wasn't here for the minister's presentation and questions, and he may well have answered this in his words.

I wanted to ask again about this ministerial exclusion, and why we need this in the bill. What kinds of situations might you envision where it would be needed, and will the public even know if this exclusion is exercised?

Ms. Natasha Rascanin: The minister did speak about this. This exclusion is consistent with similar, very constrained emergency exclusion capacities that are provided to ministers in other safety legislation. It is to be used in one-off, unique circumstances like perhaps a natural disaster, or even others that we may not at this point contemplate.

In that instance, it is important that a minister have the capacity to act fairly quickly and allow very specific situations to continue.

Mr. Richard Cannings: Are there other—

The Chair: Thank you very much.

Mr. Richard Cannings: That's okay.

The Chair: Mr. Hardie.

Mr. Ken Hardie: Thank you, Madam Chair.

This is a reflection just listening to the testimony that our witnesses are able to provide in answer to the good questions coming out. It occurs that maybe as a committee we should step back and perhaps invite some Fisheries and Oceans people to come here. I think that would be quite useful because there are a number of questions that they are better prepared to answer than folks from Transport.

With that in mind, I'll try to ask a few questions that hopefully you can relate to simply from where you're coming from.

What do you know about the products that are in the fuel tanks and the barges that would be permitted to go up and down the exclusion zone?

• (1650)

Ms. Jennifer Saxe: Currently, there's a mix of different petroleum products. There are persistent and non-persistent products that are going up and down. The moratorium in that schedule we have in this act are specifically pertaining to persistent oil products. What has been used there is an internationally recognized definition used by the International Oil Pollution Compensation Funds that uses a boiling-range test to really identify those heaviest, most persistent products that last.

Mr. Ken Hardie: No. I understand that. The definitions are set out in the schedule, but what you're telling me is that these will be present in approximately what ratio? Say I have a tugboat pulling a barge that's refuelling and stops up and down the coast. How much of the restricted material percentage-wise would be present?

Ms. Jennifer Saxe: In vessels over 12,500 metric tons...?

Mr. Ken Hardie: No. The ones that would be allowed to go up and down the coast. Do you have any estimate? If you don't, please just say so.

Ms. Jennifer Saxe: Actually, I would welcome you to refer to that study I referred to earlier that we undertook on community and industry resupply because it looks very specifically at the types of products, ranging from slack wax, liquid pitch, and petroleum diesel. There are a variety of products and the study shows in what quantities those are being transported both above and below that 12,500.

Mr. Ken Hardie: Great.

One of the questions I would really like to probe with DFO or the Coast Guard, or both, is in fact the whole regime around tugboats because we had that tugboat go down near Bella Bella. There's news today that another tug sank at Squamish on Tuesday, and guess what. It sank again today off Point Atkinson. I think we have a little problem there that we need to drill into, to in fact see what vehicles would be permitted to operate in that area, and in fact their whole safety regime.

It's my understanding, for instance, that the tug that sank near Bella Bella didn't have a pilot on board. It wasn't required to. These are things we need to drill into, but I don't think it's necessarily your bailiwick that would deal with that, or would it?

Ms. Natasha Rascanin: That is Transport Canada's bailiwick, but it's not....

Mr. Ken Hardie: It's not yours. I hear you.

Ms. Natasha Rascanin: It's not mine, but the safety elements of shipping are within Transport Canada's elements.

Mr. Ken Hardie: The inspection and enforcement, I presume, would fall to the Coast Guard.

Ms. Natasha Rascanin: It depends on the situation. We have marine inspectors, and marine inspection enforcement in many instances would be Transport Canada as well.

Mr. Ken Hardie: If you detected a ship that was over a certain size, would it be Transport Canada people who would go out and do the inspection?

Ms. Natasha Rascanin: In terms of it carrying some of these products perhaps, yes, it would.

Mr. Ken Hardie: What complement of inspectors do you have on the west coast?

Ms. Natasha Rascanin: I would be able to answer that question as a follow-up.

Mr. Ken Hardie: What is it particularly up north, where this is necessary?

Ms. Natasha Rascanin: I don't know right now.

Mr. Ken Hardie: Are you familiar with a new process CN rail has developed to modify undiluted bitumen?

Ms. Natasha Rascanin: Yes. We have seen preliminary proposals for that, as have our NRCan partners in the science part of the NRCan analysis.

Mr. Ken Hardie: What have you concluded thus far?

Ms. Natasha Rascanin: There are no conclusions thus far. It is still very preliminary in terms of getting a full sense of what this product is and how it would behave in various situations in salt water.

Mr. Ken Hardie: I know that the Coast Guard, through the reopened Kitsilano Coast Guard Station in Vancouver, is set up to train indigenous groups up and down the coast to participate in everything from marine rescues, to monitoring, to spill response. Would Transport Canada consider including that process in its own process for inspection?

Ms. Natasha Rascanin: The oceans protection plan has a lot of components of working with indigenous groups to develop and help work through the various marine safety enhancements. There are also opportunities for actual participation in various elements. We're working through that with communities. There are education components as well. There are many such components already under way.

• (1655)

Mr. Ken Hardie: Thank you.

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

Mr. Sean Fraser: I want to follow up a little bit on the issue of enforcement my colleague was just chatting about. I find it a little bit hard to picture how you develop a regulatory scheme when you are in this on a voluntary basis. This really hasn't been happening.

Do you have an idea of what the actual cost would be to implement an inspection and enforcement regime once the moratorium kicks in?

Ms. Gillian Grant: The way we'd foresee the enforcement regime working is that there are already marine safety inspectors in northern B.C. They have offices, for example, in Prince Rupert and I believe in some other communities.

They board ships for a number of reasons to verify compliance with a number of laws, principally the Canada Shipping Act and its regulations. We would see them enforcing the moratorium regime in the same way. As part of their duties in looking at ships generally, they would also verify compliance with the moratorium and take steps as necessary.

Mr. Sean Fraser: The same people who are on the ground now would still be there in the future, so there's not necessarily an increased cost for the new inspection and enforcement measures.

Ms. Gillian Grant: No. I believe that Transport Canada's marine safety division sees doing this as a regular part of their existing duties.

Mr. Sean Fraser: On a related issue, dealing now with compliance measures, there's a handful of different mechanisms included in the bill, things like creating offences, liability of the directors and officers, and new seizure powers. How do we know that this is actually the right mechanism?

I find it really difficult to understand how we arrive at a compliance mechanism when you're not dealing with a sweeping problem where you can assess whether it's been effective in the past, on a go-forward basis. Can you offer a comment?

Ms. Gillian Grant: The way the bill is constructed, it tries to be, I suppose you could say, precautionary. For example, we have a reporting requirement so that vessels will report before they come. The hope is that we will prevent tankers that are not compliant with the moratorium from coming to our ports.

With respect to the other sections of the bill you mentioned, this is consistent with how we generally enforce marine safety legislation. The idea behind the enforcement regime really was to create something that our inspectors would be familiar with and would be able to enforce, as they do other legislation.

Mr. Sean Fraser: I would like to change subjects to the 12,500 figure. I know the aim here is to ensure that supertankers aren't coming in, but you're not going to deny communities that don't have access by road to the fuel that they need. How did you land at the 12,500 number? Is it an assessment of the fuel consumed by these communities today?

Ms. Natasha Rascanin: We looked at the types of traffic and the volumes of various products that are shipped into northern B.C. both for community resupply and industry resupply, and on that basis set the threshold. As my colleague mentioned, there's a very detailed study published on our website that gives quite a lot of analysis of the types of traffic and the types of ships that currently traverse and what they carry.

Mr. Sean Fraser: Are you confident that this 12,500 figure, at different times of year when fuel consumption might be different, is going to make sure that these communities aren't denied access to the fuel they need to get by?

Ms. Natasha Rascanin: Yes, we are.

Mr. Sean Fraser: On the actual definition of "crude" in the schedule, I know we've more or less adopted the international convention to determine what persistent fuels were going to be subject to the moratorium. Had Transport Canada considered other products that may have ended up on the list and decided not to include them?

Ms. Natasha Rascanin: No. All products that are persistent in that range, petroleum products, are included in the definition.

Mr. Sean Fraser: Are there other substances that Transport Canada was or is looking at adding, in anticipation of maybe something new that we could be worried about in the future, or are you comfortable with the—

Ms. Natasha Rascanin: None at this time. The point is that if such products emerge, we will assess them and do the scientific analysis with our colleagues to determine the best course forward.

Mr. Sean Fraser: Do I have time for a final question?

On the issue of exemptions, the Minister described that there's not going to be some unscrupulous attempt to have a great number of ships come in under this exemption power. Can you describe what safeguards would be in place to ensure that the application of the exemptions is limited, or at least that the exemptions are applied consistently?

•(1700)

Ms. Gillian Grant: As you'll know from reading the text of the bill, it talks about an identified oil tanker and it provides a test for when exemptions can be granted, which is predominantly to address problems with community or industry resupply. There is the broader test of the public interest, which we included in there just because, first, it mirrors what appears in other legislation, but second, it's impossible to predict situations where we might need to use the exemptions. We wanted to provide enough flexibility to deal with an unanticipated situation.

As I say, however, traditionally these exemption provisions are interpreted quite narrowly. Certainly the legal advice that we usually provide to ministers and officials is to stick very closely to the test.

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

Mr. Lobb.

Mr. Ben Lobb: One question I have, just to start out with, is whether Canadian supertankers would be allowed to, say, go up to Valdez, Alaska, and pick up a load of diesel fuel and come through this area on their way to Washington or San Francisco or Los Angeles?

Ms. Natasha Rascanin: It depends on what kind of product they're carrying.

Mr. Ben Lobb: Diesel fuel.

Ms. Natasha Rascanin: There are many types of diesel fuel.

Mr. Ben Lobb: Light diesel fuel, gasoline.... I notice in your example you list light diesel oil and that's allowed. If I have a supertanker full of 318,000 metric tons, can I pick that up, if I'm a Canadian tanker, in Valdez and work my way through and deliver it to California? Under Bill C-48 will I be allowed to do that?

Ms. Natasha Rascanin: We do have the voluntary tanker exclusion zone that applies. That has been in place since 1985. Tankers would go outside of that line.

Mr. Ben Lobb: Doesn't Bill C-48 allow for that? Doesn't it allow for diesel fuel to come up—

Ms. Natasha Rascanin: If the product is not on the schedule, then it is not covered by the moratorium. If it's not crude oil in the legislation and it's not in the schedule, it would not be covered by the moratorium legislation.

Mr. Ben Lobb: You could drive a tanker through there, right?

Ms. Natasha Rascanin: Except that tankers are supposed to follow the voluntary exclusion—

Mr. Ben Lobb: Voluntary, right.

Ms. Jennifer Saxe: It depends on the volume that you have as well. It would have to be a tanker where the persistent.... If it's 12,500, as long as it's non-persistent oil, if it's only light diesel and that's the only product being carried, then that would be permitted. If it is carrying persistent oil as well above that 12,500, then it wouldn't be.

Mr. Ben Lobb: That was what I was asking, though. If I have a supertanker with 318,000 metric tons of light diesel oil that's allowed under C-48, can I drive my boat up and down? Can I do that?

Ms. Natasha Rascanin: Anything that's not on the schedule can be transported.

Mr. Ben Lobb: That seems like a “yes” to me.

What scientific studies have the department, or Environment Canada, or NGO environmental groups done to weigh out the environmental risks? Are there any evidence-based, scientific studies to say that, if we have a terrible spill of 318,000 metric tons of light diesel oil versus 12,500 of any of the other ones prescribed in your bill...?

Is there scientific evidence that we can look at that says the devastation is 10 out of 10 for one, and the other, for example, is two out of 10? What studies are out there for that? I think that probably should have been done, or it should have been based on one. Is there an answer for that one?

Ms. Jennifer Saxe: I think it's important that this moratorium act is an additional precautionary measure, and it is one of multiple measures that are in place.

There is the tanker exclusion zone, and laden oil tankers from Alaska to west coast ports and the northeastern United States do abide by this. This is something that is monitored, and consistently we have seen that industry does abide by that tanker exclusion zone.

This moratorium act is a complementary measure. It is an additional measure to provide that additional protection to the environment.

Mr. Ben Lobb: We can dig further into that later.

I have one other question before my time runs out. Does Transport Canada work with the department of indigenous affairs on the consultation process, or do you have your own in-house group that works to ensure adequate consultation with indigenous Canadians?

•(1705)

Ms. Natasha Rascanin: We have both. We work very closely with INAC, and we have folks in our own department who have that expertise. We continue to work through the oceans protection plan, in particular, as an example, as a whole-of-government national program to build new partnerships and continue to work with all indigenous nations.

Mr. Ben Lobb: Does duty to consent come up in the discussions?

Ms. Natasha Rascanin: It has not come up in any discussions that I have been in, the direct question of consent.

Mr. Ben Lobb: That's interesting, too.

The Chair: You have 45 seconds left.

Mr. Ben Lobb: One other quick question concerns the support west of Haida Gwaii for Canadian tankers, Russian tankers, and American tankers that break down. What supports are proposed here to beef up the support for a tanker that breaks down en route? I think there might be some supports lacking there.

Ms. Natasha Rascenin: There are a number of measures that are already in existence, and Canada's marine safety record has been very good, but as the ministry indicated, the oceans protection plan is bringing additional marine safety improvements to fill some of the gaps where they may have existed.

There will be a certain rescue tug capacity available, and the Coast Guard has a number of additional enhancements to their ships under the oceans protection plan, so those are examples of the various marine safety enhancements that are coming.

The Chair: Thank you very much.

Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair.

I want to go back to that triple bottom line. We've talked a lot about the environment today, but I want to get into the economic side a bit and the social side, vis-à-vis jobs.

This has been the status quo throughout the past many years, since 1985, and now we're just sort of solidifying it through the moratorium. There's a lot of traffic I'm sure that can't go there anymore to bring the oil, which goes to other ports. Has there been, or can there be, a shift or a balance to return to this area some of the traffic or expanded traffic from those other areas so that this area could balance out that economy?

Ms. Natasha Rascenin: Certainly I will echo what the minister said. There is a lot of work with the Port of Prince Rupert. We are enhancing and working to allow for shipping, not for the products that are not permitted under the moratorium but for a variety of other products that are supporting the economy.

Mr. Vance Badawey: Let's attach a "how" to that, and how we can do that.

The minister, as I'm sure you recognize, is now embarking on a transportation strategy for the entire country, and with that has established trade corridors or a process that is going to establish and recommend those trade corridors nationally.

Do you think it would be prudent, upon that process, to then—I won't say force, I'll just say facilitate—facilitate a dialogue among Prince Rupert, Vancouver, and other ports on the west coast, a process that would otherwise identify strengthened areas for added economy when it comes to who should be doing what versus relying on them to do it? You know just as well as I do, competition is competition.

With that, would it be prudent for us through that process—through the establishment of that strategy—to actually facilitate that so we can get that economic balance across the west coast?

Ms. Natasha Rascenin: I believe those dialogues are going on, as is a lot of the work that happens in terms of transportation corridors and having an efficient and safe transportation system. If there are any places where there are blockages or inefficiencies for whatever

reason, a lot of conversations go on to identify and work through them in a collaborative manner.

Mr. Vance Badawey: I will just make a comment before I punt it over to my colleague, Mr. Hardie. The advantage to that is not only for the areas individually, in terms of the economy and social aspects. Equally, if not more important, is emphasizing the need to have the customer recognize those strengthened areas and any advantages they would have of doing business in those areas if, in fact, that distribution and logistics network is more formalized.

When you go out there and you're trying to work with three separate versus one individual, if it already had it established, it would be much easier for the customer as well.

Mr. Hardie.

● (1710)

Mr. Ken Hardie: Thank you, Mr. Badawey.

Some indigenous groups were in support of not having a moratorium. In other words, they were against having a moratorium, and we'll speak with some of them in the course of our deliberations. Is it fair to say their interests are primarily financial and economic? Would that be safe to say?

Ms. Natasha Rascenin: I wouldn't wish to presume to interpret their interests. From the kind of messaging we heard, all groups were very interested in environmental protections and economic opportunities.

Mr. Ken Hardie: Perhaps out of fairness we should have asked all of you what band of this issue you actually were more directly engaged with, rather than asking you questions that, really, you find very difficult to answer.

What part of the proposed legislation were you actually doing the deeper dive into, as officials?

Ms. Natasha Rascenin: We certainly talked about the principles and the approach to working through this moratorium. I think it was clear. We got lots of feedback, as the minister indicated. There were various indigenous groups, environmental and non-governmental organizations, the oil and gas industry, stakeholders of other kinds, and Canadians generally. We had a website as well, so we engaged on a whole lot of parameters, quite broadly.

Mr. Ken Hardie: You spoke to producers as well as shippers and people who live in the area.

Ms. Natasha Rascenin: Yes.

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

We're going to try to make sure we get Mr. Falk and Mr. Cannings in before we have to deal with some other issues.

Mr. Falk.

Mr. Ted Falk (Provencher, CPC): Thank you, Ms. Chair.

Thank you, witnesses, for coming.

How long has this voluntary moratorium been in place?

Ms. Natasha Rascanin: It was established in 1985.

Mr. Ted Falk: Okay, so that's for 32 years, roughly.

You indicated before that you didn't know how many inspectors you have on the coast, but I'm presuming there are Transport Canada inspectors who ensure compliance with the moratorium. Have there been any infractions in the last 32 years?

Ms. Natasha Rascanin: There have not, not of laden tankers. There have been a couple of instances of empty tankers going within, but that is permitted.

Mr. Ted Falk: Right, so there were really no infractions. Doesn't it seem like this is a solution looking for a problem?

Ms. Natasha Rascanin: This is an additional protection that the government has chosen to put in place.

Mr. Ted Falk: It just seems like a lot of energy and effort expended on something that isn't an issue.

That's it. That's the only question I had.

The Chair: Mr. Cannings.

Mr. Richard Cannings: I'd just like to follow up on that, maybe from the other side, and forgive me again, I'm new to this and haven't heard any other testimony. You say there's this voluntary exclusion area outside of Haida Gwaii.

Even if it has been working for umpteen years, I'm just wondering, is there a reason why it wasn't included in Bill C-48 because it sounds like this is something on top of that voluntary exclusion?

Ms. Natasha Rascanin: That's right. The moratorium is an additional protection. The government made a commitment to formalize a moratorium and this is the delivery of that commitment.

Mr. Richard Cannings: Right, but the voluntary exclusion of big tankers coming down that coast, or the big tankers going up, that's not part of Bill C-48?

Ms. Natasha Rascanin: That's a mechanism that is complementary to the moratorium.

Mr. Richard Cannings: Is there any reason it wasn't included in Bill C-48 since it seems to have been working and everybody's fine with it?

•(1715)

Ms. Natasha Rascanin: It's a voluntary agreement with the United States that is working very well.

Mr. Richard Cannings: Do we have the power to include a ban on big tankers coming through there from the United States?

Ms. Natasha Rascanin: No, not under international law.

Mr. Richard Cannings: What's the...?

Ms. Natasha Rascanin: Just to explain it maybe more simply, the voluntary exclusion zone has existed for over 30 years and is functioning very well. In addition and complementary to it, the government has enacted its commitment to formalize this moratorium and the two are seen as acting in tandem.

Mr. Richard Cannings: Yes, and I understand that. Could we have included the force of that voluntary exclusion in Bill C-48? If we hadn't, why didn't we?

Ms. Natasha Rascanin: Our international law expert can comment on that.

Ms. Gillian Grant: I would say that there are certain international law limitations to outright preventing tankers from transiting our coasts, which is what effectively these tankers would be doing.

Mr. Richard Cannings: Right, yes. Okay.

The Chair: The bells have started. With the permission of the committee, we could continue for 15 more minutes. We have some committee business to do and a discussion.

Mr. Richard Cannings: I'm fine with that.

The Chair: Is everybody okay that we continue on for 15 more minutes so that we can have a discussion, as well as adopt the budget?

You have another half a minute if you have another question. You're all right? Okay.

To the witnesses, thank you very much for being here. You can slip out if you like, and we will deal with some of the committee discussion that we need to deal with.

We have a budget before you for the beginning of this study. We may have to come back for additional funds, but this is what we're putting forth now, a request for \$37,300. Are there any questions or comments?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: In these few minutes that we have, I believe Ms. Block wanted to make a suggestion.

Mrs. Kelly Block: Yes. With all due respect to the witnesses who we had for this last 45 minutes, I think it was obvious that they could not answer a number of the questions that we had in regard to this study. I think there's a good reason for that, obviously. In the minister's mandate letter he is charged to work with a number of other ministers and departments to formalize this moratorium.

I would be happy to suggest that we look at inviting some of the departmental officials from other departments to come and appear before us. However, I know that we've already submitted our witness lists, so our seven days may already be full. I'm just not sure how we want to manage that.

The Chair: Which departments are we thinking about? That would be helpful.

Mr. Hardie, go ahead.

Mr. Ken Hardie: I think definitely the DFO and the Coast Guard, because they'll have a much greater fix on the nature of the traffic that's there, which is starting to bubble up as a concern for me.

The Chair: Okay. We've agreed to seven meetings. Possibly the clerk has an opening at this particular time that we could try to fit them into within our existing structure of seven meetings.

Mrs. Kelly Block: When you talk about what our clerk has already done and where there are openings, is that because we've already contacted all the witnesses on the list and are still trying to see how to make it work and how to schedule it?

I would suggest Natural Resources Canada, perhaps. If we didn't have to do that transition, it would have been good to hear from them. Even INAC would have been one that we would want to have some conversation with about the consultation process. I just put that out there.

It also says that the minister was to work with the Minister of Environment and Climate Change. I'm not suggesting that we have panels with each department, but if we had a panel with somebody from each department who has been tasked with working on this legislation or on this issue with the Minister of Transport, it might just be an hour where we have the four or five ministries represented so that any questions that couldn't be answered by Transport Canada would be answered by those other departmental officials.

• (1720)

The Chair: The idea would be for the clerk to try to find a meeting, an hour of one meeting or whatever, in order to invite a variety of folks from these different departments. We have to try to work it into the schedule as soon as we can. We are going to find a meeting block, at least for an hour, where we could have folks from these various departments who could be here to give the committee additional information.

Mrs. Kelly Block: I'm good with that, as long as we are not removing some of the other suggested witnesses from the list to do that.

The Chair: We may have to add an extra half-hour one night, if that's all right. I'll make sure to talk to you about that before I add the extra half-hour. We'll try to accommodate the desires.

Mr. Fraser, go ahead.

Mr. Sean Fraser: If it proves to be an impossible task for the clerk to schedule it, adding an hour to the end of one of the meetings would be fine from my perspective. I want to be sensitive to people's schedules, and I don't want to speak for everybody else, but I think that's a sensible solution if we need it.

The Chair: Mr. Hardie, go ahead.

Mr. Ken Hardie: In deference to what I've picked up along the way, Tuesday would probably be better, because there are a lot of folks who are getting out of Dodge as soon as this one is over on Thursday.

The Chair: Thank you, all.

Mrs. Block, go ahead.

Mrs. Kelly Block: Would there ever be the possibility of deciding to meet for three hours on a Tuesday and one hour on a Thursday? Would we have the flexibility or the autonomy as a committee to meet for three hours on a Tuesday and one hour on a Thursday? I get that at this meeting time people are always bumping up against the need to get to the airport.

Mr. Vance Badawey: How about four hours on a Tuesday and no hours on a Thursday?

Mrs. Kelly Block: That's something to think about.

The Chair: On Tuesday, maybe we'll raise that issue and see if it's something that Mr. Chong, who is a regular committee member... Mr. Chong has pretty strong feelings about time at committee. We'll have further discussion then.

Thank you all very much. The meeting is adjourned.

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