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

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**EVIDENCE**

**Wednesday, February 14, 2018**

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**Chair**

**The Honourable Judy A. Sgro**



## Standing Committee on Transport, Infrastructure and Communities

Wednesday, February 14, 2018

• (1630)

[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 of this 42nd Parliament. Pursuant to the order of reference of Tuesday, December 5, 2017, we are resuming our consideration of Bill C-64, an act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations.

Welcome to you all.

Witnesses, I apologize for starting late, but that's Ottawa and Parliament. We're never quite sure.

Recognizing that it's also Valentine's Day this evening and that people possibly have some other plans, we'll try to put this into two 45-minute sessions. We'll have five minutes for each of our witnesses and then we'll have the remaining time in that block for a round of questions. Then we can go on to the next one, and hopefully we can be completed by 6 p.m.

In the first panel of witnesses, from the Town of Bridgewater, we have David Mitchell, the mayor. Welcome.

**Mr. David Mitchell (Mayor, Town of Bridgewater):** Thank you.

**The Chair:** From the Town of Shelburne, we have Dylan Heide, council-chief administrative officer, by teleconference. From Vancouver Fraser Port Authority, we have Chris Wellstood, director, marine operations and security.

Welcome to all of you.

Mayor Mitchell, would you like to lead off with your five minutes? I will signal when you come to the end of your five minutes.

**Mr. David Mitchell:** Yes. Thank you.

Good afternoon, and thank you for allowing me the privilege to speak to you today about the impact that derelict vessels have had, and continue to have, on our community. While I am speaking for the Town of Bridgewater, our situation, sadly, is one that is repeated many times over across our great country. For you to fully understand where we're at today, you do need to know how we got to where we are.

In October 1998, Transport Canada divested itself of the port of Bridgewater and transferred ownership of the wharf to the Artificial Reef Society. I want to make sure that I am clear on the following

point. The Town of Bridgewater does not own this wharf, and it is now owned by the individual who was the head of the Artificial Reef Society. I say this to drive home the point that had that not happened, I would not be speaking to you on this topic today and you would have saved a few dollars by not having to bring me here.

During the first two years of port ownership, the Artificial Reef Society brought the HMCS *Fraser*, a Canadian Navy frigate, up the LaHave River with the intention of sinking her for an artificial reef. When that didn't go anywhere, the plan was to turn the *Fraser* into a floating hotel and museum, and in 1999 it was designated a national historic site.

In 2009, after it had rotted at the wharf for a decade, the navy repossessed the *Fraser* and took her to be scrapped. While this should have been a joyous occasion for the people in my community, sadly it was not. That's because sitting behind the *Fraser* since the year 2000 was the *Cormorant*. Unfortunately what should be another celebrated piece of Canadian history, its being an integral part of the expedition to recover the ship's bell from the *Edmund Fitzgerald*, the *Cormorant* has sat abandoned and rotting in our town.

In 2015 the *Cormorant* began to list so severely and sink that the Coast Guard had to be called in to slowly right the ship at a cost to Canadian taxpayers of over \$1 million. This was a year after the *Cape Rouge*, one of the two trawlers behind the *Cormorant*, also sank, both spilling various lubricants and fuels into this tidal watercourse.

The *Cormorant* still sits at the port of Bridgewater today, rusting away in the LaHave River. These derelicts have had a very large, very real, and very negative impact on my town. They depress property values along the river resulting in reduced tax revenue for my town, which has had a direct impact on the services that I'm able to offer my citizens. As the *Cormorant* sits at the wharf, there is a risk every day that this vessel will tip over again and, along with the other derelicts, leak and leach the various contaminants still inside them into the river—a river that the federal and provincial governments, along with our neighbouring municipality, have committed \$15 million to clean up.

The Town of Bridgewater has worked very hard to get to where we are today as the fastest growing town of our size in the province of Nova Scotia. With the help of the federal government, we've undertaken a massive downtown revitalization plan, which beyond the 100-year-old underground infrastructure that was replaced, saw the addition of two parks on our waterfront over the last number of years. Across from the port of Bridgewater is a very large recreational green space that holds many family events throughout the year, yet always looming in the background is the *Cormorant*.

Despite having to endure over two decades of these derelict vessels at this wharf—and I'm sure some cursing by those who had wished the port of Bridgewater was never put into private hands—I have hope in being here today that one day this ship will be gone and legislation will be put in place to ensure that this will hopefully never happen again.

I've seen the action taken by this government in the Town of Shelburne to remove the *Farley Mowat*, and the support from all parties in the House to rid our wharves and waterways of these dangerous eyesores. This is not a Liberal, Conservative, NDP, or Green Party issue. This is a Canadian issue, and I'm proud to be able to tell my residents is being taken very seriously by all members of Parliament.

Irrespective of the level of government we represent, we were elected to improve our community, economy, environment, health, and the lives of the people we represent. These ships, whether they are in Bridgewater or elsewhere in Canada, impact all these things in a very negative way.

For decades our town has looked at options to deal with these vessels, but I cannot do this alone. As communities across Canada we cannot do this alone. However, being here today I can say with confidence that we are no longer alone in this. I can look around this room and I know that we are being heard and that the days of idle words are behind us and legislation is coming to protect our water, which is in reality our most valuable and vital resource. This is not just encouraging, but a demonstration of co-operation that we need when too often all we read or hear about is division and negativity when it comes to government, regardless of which level it is.

I'd like to thank my MP for being a champion of this topic, and I'd like to thank each of you for your willingness to work together to clean our waterways from coast to coast to coast. I look forward to seeing the result of your efforts.

Thank you.

• (1635)

**The Chair:** Thank you very much, Mayor Mitchell.

We'll now move on to the Town of Shelburne and Mr. Dylan Heide and Mayor Karen Mattatall.

You have five minutes to speak to the committee, please, so we can then ask questions.

**Ms. Karen Mattatall (Mayor, Town of Shelburne):** Thank you. My name is Karen Mattatall, mayor of the Town of Shelburne. The CAO, Dylan Heide, and I will sort of be tag-teaming this.

We certainly agree with Mayor Mitchell and many of his comments. However, Shelburne is a coastal community; we have about 1,743 residents; we're sitting on one of the best natural harbours in the world; and our county has about 14,500 people. Most of our economic activity—pretty much all—is marine-based. That includes fishery, marine industry, and tourism. Though the Shelburne harbour is federally regulated, we actually are unique in that we operate the marine terminal. It is a commercially operated facility in Shelburne harbour, heavily used by Clearwater, local aquaculture operators, and other independent fishermen. As with Bridgewater, this facility was divested to the town a good 20 years ago, which as Bridgewater has said, certainly has not been very favourable to the town.

Go ahead, Dylan.

**Mr. Dylan Heide (Council-Chief Administrative Officer, Town of Shelburne):** Hi. We're playing tag team with the phone. As Mayor Mattatall said, I am Dylan Heide, the chief administrator officer for the town.

I just want to go a little bit into the background of derelict vessels in our harbour. As the mayor noted, it's one of the best natural harbours. Both Karen and I have been with the town for the past six years, and in that time we've had about half a dozen derelict vessels arrive in our harbour. Generally they have gone to the Shelburne Marine Terminal, which is a divested facility similar to the port in Bridgewater, as noted by Mayor Mitchell. It continues to operate as a commercial facility, heavily used by the local fishery.

We've had vessels of all sorts abandoned. Some have had residual value. Some have not. We have, as the operator of the terminal, had to take action on these vessels. Obviously, the one that is most known is the *MV Farley Mowat*, which got a considerable amount of media attention. The six vessels prior to that essentially were covered only in the local media and were of concern to residents. Yet those vessels still on occasion caused environmental contamination in our harbour, were significant eyesores, interfered with fisheries operations, and generally impacted the viability of our local port to the extent that over the years it did lose significant business.

That said, we have always taken aggressive legal action and tested the limits of the courts to deal with derelict vessels, which has led to a clear realization on our part as to the necessity of the legislation that the federal government has recently been pursuing. When vessels have had a residual value, we've been more able to dispose of those vessels and recoup some costs, something that has really only been available to us because the vessels have been abandoned at an operating commercial facility with a legal berthage agreement and tariff, not necessarily something available to most communities.

I'll move on to the MV *Farley Mowat* briefly because it is such a well-known story. The *Farley Mowat*, as Mayor Mitchell mentioned, like a lot of derelicts, has a storied history. Obviously, it had been seized by the federal government back in 2008 and let go for salvage. In 2014, it made its way into the Shelburne harbour under cover of darkness and without permission. I think this evidence is an important concern around derelict vessels, in that the vessel was derelict when it arrived. It had been removed from the port of Lunenburg halfway through salvage, with the top decks fully removed, and posed an incredible hazard from the moment it arrived. The town took action against the owner of that vessel for several years without success. In the summer of 2015, it sank at the terminal and the Coast Guard refloated the vessel, but it continued to remain at the Shelburne marine terminal until the summer of 2017.

All throughout this period the town was engaged in legal action with the vessel owner, who was known to the town. This evidences the importance of understanding that a derelict vessel may have an owner but the owner may be irresponsible and unable to affect removal or unwilling to affect removal. I should acknowledge that over this period we had significant support from our federal member of Parliament and also from neighbouring communities, including Bridgewater.

In 2017, the vessel was eventually removed and disposed of by the Coast Guard. The town residents and, obviously, the council are very grateful for the federal government's involvement with that vessel; but at the end of the day the three-year fight to get to that point clearly demonstrates the need for legislation.

I'll just hand the phone back over to Karen to make a concluding comment.

• (1640)

**Ms. Karen Mattatall:** Thank you.

The lessons learned and the value of this legislation are, first, that a vessel can be derelict and cause extensive hardship even when the owner is known. Second, even if they have value, derelict vessels can be an enormous burden on our communities and marine facilities. Third, there are significant limitations to court actions. Court action is slow, allowing for significant problems like sinking vessels, as we experienced with the *Farley Mowat* releasing pollutants, and it is very costly, with little chance of recouping the cost directly from the owner.

Clearly, this legislation on derelict vessels is needed. The legislation must endeavour to place a burden on the owner, and ensure that the communities and facility operators cannot be victimized by vessel owners, and will need to include assistance for the costs incurred.

Thank you very much for hearing from us.

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

Next we go to the Vancouver Port Authority, and Mr. Wellstood, for five minutes, please.

**Mr. Chris Wellstood (Director, Marine Operations and Security, Harbour Master, Vancouver Fraser Port Authority):** Thank you for the invitation to appear before you.

The Vancouver Fraser Port Authority, like other Canadian port authorities, is established by the Government of Canada pursuant to the Canada Marine Act, and is accountable to the federal Minister of Transport.

Our mandate is to facilitate Canada's trade objectives, ensuring that goods are moved safely, while protecting the environment and considering local communities.

The Port of Vancouver is Canada's largest port by a wide margin. Our jurisdiction, for those of you familiar with B.C.'s Lower Mainland, includes the Burrard Inlet and the surrounding land in downtown Vancouver, and much of the Fraser River, for a total of 16,000 hectares of water, more than 1,000 hectares of land, and approximately 350 kilometres of shoreline. The port borders 60 municipalities, and intersects the asserted and established traditional territories and treaty lands of several Coast Salish First Nations.

The nature of the area is such that the issue of wrecks, abandoned, and hazardous recreational vessels is a significant one for the port authority. Within our jurisdiction, English Bay, Burrard Inlet, and the Fraser River are very popular for recreational and small commercial boating, and derelict vessels are a common occurrence. The problem has been particularly acute on the Fraser River, so much so that several years ago we completed a risk assessment of all derelict sites, including vessels, to determine the likelihood and severity of their potential impact on public safety, the environment and navigation.

We then started work on the eastside by trying to contact owners and, where possible, working with them to ensure safe removal. The port authority committed approximately \$2 million over five years to the initiative, and to date we have cleaned up 144 of 151 identified sites.

The main challenge we have with recreational derelict boats has been the inability to trace ownership in the current pleasure craft licensing system. As you are aware, the system has required only recreational vessels that are powered by an engine of 10 hp. to be licensed. Larger recreational sailboats that become derelict are often not in the licensing system because many have engines that are just under the 10 hp. threshold. Further, it has been difficult to identify owners of vessels even if the vessel is in the licensing system because there is no real requirement to transfer the record of that ownership in the event that the vessel is sold.

Lastly, mandatory insurance has not been required for recreational craft, as is the case for automobiles. The absence of insurance often means that there are no funds available from the owner to remove derelict recreational vessels.

Therefore, the port authority welcomes appropriate regulation that would address the challenge of cleaning up derelict vessels and improve the port authority's ability to keep our waterways clean and safe.

In summary, I am pleased to say that the port authority fully supports this bill, and in particular the provisions to prohibit vessel abandonment, strengthen owner responsibility and liability for hazardous vessels and wrecks, and empower government to take proactive action on hazardous vessels before they become more costly to Canadians. These changes are much needed and will go a long way towards addressing the environmental and safety issues problem prevalent vessels pose.

• (1645)

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

We move on to five minutes of questioning, and Ms. Block.

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

I'd like to thank all of you for joining us today and for being flexible, given the circumstances we face today.

I do want to thank you, Mr. Mitchell, for your comments regarding the fact that this is a non-partisan issue and has support from all members of all parties in this House.

I do want to keep my questions very brief because I do want to hear from all of you, so perhaps you'll answer my questions in the order you presented just so, for those who are on the telephone, you will know when you may want to provide your response.

Quite simply, do you have any concerns about Bill C-64? If so, I'm imagining that you might have some amendments, and I would like to know what they might be.

**Mr. David Mitchell:** Thank you.

My community doesn't really have any concerns, because we see this as a huge step forward from what we have in place now. I have spoken to my member of Parliament to express our support. We've seen action already, so I sense that this legislation will only see more action in terms of removing the derelict vessels.

My only comment is that because our municipality does not own the wharf, it would be nice to see something whereby the wharf owner could be penalized for having allowed those boats to arrive in the first place. As you've seen from the slide show that's been playing, from the HMCS *Fraser* to the *Cape Rouge* to the *Cormorant*, these boats just keep coming over and over again. A huge concern for me and my community is that if the *Cormorant* were removed tomorrow, there is nothing to stop the port owner from bringing another ship up on Friday.

However, we are so pleased that legislation is being brought forward are happy right now.

**Mrs. Kelly Block:** The folks from Shelburne, go ahead.

**Mr. Dylan Heide:** It's Dylan here. We discussed it and agreed that I'd respond to this one.

We are also very pleased about the legislation coming forward. We have the opposite take from Mayor Mitchell's on the operator of the facility, just on account of its being a public facility in our case. Certainly, if the owner of a facility is inviting a vessel and knowingly causing a situation, I could understand that there may be some liability associated. Our concern is around the ability of a facility operator to refuse a derelict vessel.

Generally, all of our derelict vessels either arrive without permission or arrive with permission and then are subsequently abandoned. In those cases, we've taken every action that we conceivably could. In communication with other small-port operators—and we're a member of the Independent Marine Ports Association of Atlantic Canada—we hear that this seems to be a common issue. While I'm sure there are facilities that have recklessly encouraged the situations that have taken place, such as in Bridgewater, one of our big concerns is that a lot of the time a community such as ours may be left holding the bag, the costs associated with a derelict vessel, despite having done everything possible to remove it.

We would like the legislation to ensure that costs incurred by our communities can be compensated for, in particular acknowledging that the vessel owners may not have the means or be in a position to deal with the costs they have created for our communities.

• (1650)

**Mrs. Kelly Block:** Thank you.

Mr. Wellstood.

**Mr. Chris Wellstood:** As a port authority, we fully support the bill and we're looking toward the regulations that would be made pursuant to it. We hope it would be that they would help out the port authority in dealing either proactively or retroactively with the problem and not put any prohibitions on the port authority when it comes to dealing with these issues.

As a port authority, we have been very proactive in our approach toward the derelicts and we understand that this bill covers the entire country and all the waterways it encompasses. But the navigational jurisdiction areas within Canadian port authorities are specific bodies of water, and there's a specific entity that looks after them, so my main concern is that we don't get adequately integrated in the approach.

I don't see that in the bill, but I would hope to see it in the regulations.

**Mrs. Kelly Block:** Thank you.

**The Chair:** We'll go to Ms. Jordan, for five minutes.

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

Thank you to the witnesses for being here today.

I'm going to start with you, Mayor Mitchell, because I know the situation in Bridgewater quite well.

Bridgewater has spent a lot of time and effort in the last little while developing its waterfront. We have Mariners' Landing, Pijiniuskaq Park, Shipyards Landing, and the outdoor classroom. What impact does having those vessels in the town have on all the work that the community has gotten behind? You spent a great deal of money fixing up our downtown core, but then we have those sitting in the background.

Maybe you could talk about that for a second.

**Mr. David Mitchell:** Sure. The expression may not be appropriate to say, but putting lipstick on a pig is kind of what we're doing here. We're beautifying our waterfront, yet sitting there is this giant eyesore. It's difficult to attract tourism. The things that leak out of these ships are a constant concern, as you've seen in some of the pictures that were scrolling—the booms that have to go around these boats because they continue to leak and leach their various fuels and whatever else is in these ships, for example, asbestos. We know that the *Cormorant* is filled with mould. It all has an impact on the enjoyment of our waterfront.

It's hard to get people to go down and enjoy the beauty of your waterway, and we have a tidal river that at the halfway point in our town mixes from freshwater to saltwater, so it's quite unique. It's hard to drive people down to those beautification projects if they're really not that beautiful because of these ships in the background.

There is definitely an economic impact.

**Mrs. Bernadette Jordan:** You also mentioned that the assessments of houses along the river, across from them, have declined. Do you want to comment on that a bit further?

**Mr. David Mitchell:** Again, the assessments are done by people from the property value assessment services from the province, who also look at the surroundings. In the background to all the homes on the waterway are these ships in this wharf, which keeps bringing these ships up. The owners constantly appeal their assessments and they win on appeal because it's affecting their property. That goes into depressed tax revenue.

We're a very progressive town. We're very proud that we just launched a public transit service for our community of 8,600 people; and we presented last week to two federal ministers on our climate change action plan, which we keep winning awards for. All these things take money, and whenever I have something like these ships that are reducing property values, it has an impact on the services I can offer.

**Mrs. Bernadette Jordan:** Mayor Mattatall and Dylan Heide, I'm going to go to you next.

You actually took the owner of the *Farley Mowat* to court. What did it cost the Town of Shelburne to do that?

**Ms. Karen Mattatall:** Hi, Bernadette. The cost was \$148,000, which is pretty significant for a small community.

**Mrs. Bernadette Jordan:** Was any of that recouped?

**Ms. Karen Mattatall:** How much was recouped, Dylan? Was it \$43,000?

**Mr. Dylan Heide:** That's the unrecouped portion.

• (1655)

**Ms. Karen Mattatall:** Oh, I'm sorry, that's the unrecouped part. That's right. It was close to \$200,000. What we received from the ship-source pollution fund was \$43,000 of the \$46,000.

**Mr. Dylan Heide:** And that's not for legal costs.

**Ms. Karen Mattatall:** That's right. It didn't cover the legal costs. We're still out almost \$150,000.

**Mrs. Bernadette Jordan:** When the *Farley Mowat* was there, it took up about a quarter of the wharf space in Shelburne. Is that correct?

**Ms. Karen Mattatall:** Yes, that is correct.

**Mrs. Bernadette Jordan:** For the three years that it was there, a quarter of that wharf space could not be used, so you lost revenue from that as well.

**Ms. Karen Mattatall:** Yes, we certainly did lose revenue from the fact that it was sitting there. We didn't only lose the unpaid wharfage fees that the owner wasn't paying us; we certainly lost revenue from ships that couldn't use that space.

**Mrs. Bernadette Jordan:** Mayor Mitchell, I just want to thank you for bringing those pictures. I've been talking about the size of the ships that we have problems with, because on the west coast they have a lot of problems with smaller recreational vessels. I've been trying to say that here on the east coast, it's a different problem. I appreciate your bringing the pictures of the *Fraser* and the *Cormorant* and all of the other ones.

**The Chair:** You have 20 seconds remaining.

**Mrs. Bernadette Jordan:** Okay, thank you. I'll let it go there.

**The Chair:** Next on the list, the clerk has inserted Ms. Malcolmson's name.

Would you like us to give you a few minutes and go to Mr. Fraser and then come back to you?

**Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP):** Sure, that would probably improve the quality of my remarks, with thanks to the chair, and apologies. I couldn't leave my colleague's speech.

**The Chair:** That's okay—understood.

Mr. Fraser, five minutes, please.

**Mr. Sean Fraser (Central Nova, Lib.):** Thanks very much to our witnesses for being here. It's hard to follow on from my colleague Ms. Jordan, because we come from very similar communities with a lot of similar concerns.

I want to just build on the issue of the small municipalities. I represent an area where it's common for a municipality to have a few thousand people in a coastal community. They don't have a lot of financial capacity to deal with this. The bill includes a lot of measures aimed at prevention of new vessels arriving and being abandoned. Separate from that, there are some federal government programs, like the abandoned boats program, designed to deal with existing vessels.

I'm wondering if you could perhaps, particularly from Bridge-water and Shelburne, discuss how the federal programs could best be shaped to help municipalities that don't have the financial capacity to deal with abandoned vessels that exist within their communities today.

Perhaps, Mr. Mitchell, you can start off.

**Mr. David Mitchell:** You're absolutely correct. We don't have the financial capacity to deal with these ships. In my opening remarks, you heard me say that just with the *Cormorant* listing to the side—it didn't even sink to the bottom—it took over \$1 million that had to come from the federal government.

**Mr. Sean Fraser:** What's the annual budget of your municipality?

**Mr. David Mitchell:** Fifteen million dollars. We're pretty lean.

We can't absorb this if it's an emergency. If we had to bear the cost of removing these ships or even bringing one back up to the surface, we couldn't do it.

**Mr. Sean Fraser:** To our guests in Shelburne, I assume the story is quite similar for you. Is that correct?

**Ms. Karen Mattatall:** It certainly is. I guess a point, too, that always concerned us was that when the *Farley Mowat* did sink at our wharf, it cost I think close to \$500,000 to refloat that. That was a bill that the taxpayers of Canada had to foot unnecessarily.

**Mr. Sean Fraser:** Mr. Mitchell, I think you made an interesting suggestion that maybe there could be something done to prevent a wharf owner from accepting a boat that's already in derelict condition. When I think of the next step, it seems to me that if everyone is prohibited from accepting it, the owner would have to abandon it out at sea, which I don't think is the right answer either.

Is there a way that you think that consequence could be avoided?

**Mr. David Mitchell:** I don't know.

I understand where Shelburne was coming from in their answer, in response to my answer about punishing the wharf owner. I was specifically talking about how in this case, our case, it's a privately owned wharf. I wouldn't want Shelburne to have to bear that.

There are things in the bill that do deal with this, such as not allowing a vessel to remain in the same place for 60 days. That would help.

I think there should be monetary provisions put in place to punish the wharf owner. If I go back to the original ship that arrived, the *Fraser*, it had a whole bunch of plans. The wharf owner was going to first sink it. Then they were going to make it a hotel, and then a museum. If I start a business, I have to have a business plan, or the bank's not going to give me any money. If you're going to bring a giant Canadian naval frigate up the river and park it, I would hope that you have a better business plan than, "hey, I'd like to sink it in the Atlantic ocean, where I'm not allowed to sink ships to make artificial reefs."

• (1700)

**Mr. Sean Fraser:** I'm dealing with a very similar issue with a Coast Guard vessel that was going to be used for scrap metal and then the price fell on the global market. It's still sitting there years later.

To our guest Mr. Wellstood, I missed something at the very end of your remarks. You suggested there was something specific that could be included in the regulations. Would you mind just repeating what that was?

**Mr. Chris Wellstood:** What I specifically said was that the port authority's navigational jurisdiction is a specific jurisdiction within

Canadian waters. What I don't see in the act is anything that allows port authorities to do specific things in relation to derelicts or proactively address derelicts within their waters. I would hope to see that in the regulations that are made pursuant to the act.

**Mr. Sean Fraser:** Okay.

**The Chair:** You have 15 to 20 seconds.

**Mr. Sean Fraser:** Are there any final amendments that any of our guests would like to see made to this legislation?

**Mr. Dylan Heide:** Could we comment quickly?

**Mr. Sean Fraser:** Thank you.

**Mr. Dylan Heide:** It may not be with regard to amendments, but we just wanted to point out that the *Farley Mowat*, the vessels in Bridgewater, the Coast Guard example that was given, and many of the other derelicts around the country all originated with the federal government. They were either federal disposals of vessels, or seized vessels disposed of. Perhaps there needs to be an onus on the federal government to ensure that they are disposed of responsibly.

**Mr. David Mitchell:** I have just one quick thing, and maybe this is a provincial issue. As a town, we're not able to tax a public wharf that's owned by a private individual. Not only do we have to deal with these ships, but we get zero revenue that we could build into a fund to deal with them. That's another issue, but I think that's probably a provincial issue..

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

Ms. Malcolmson, go ahead for five minutes.

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

We found that Washington state's abandoned vessel legislation does have a limit on agencies' ability to sell agency-owned vessels that are in poor condition, but there's nothing in this legislation that limits the disposal of federal assets in that area. There was recently the sale of Canadian Forces' auxiliary vessel the *Firebird*, for which, again, the contract didn't do that due diligence to make sure that the person purchasing had the means to carry it on.

Mayor Mitchell, we had a good conversation this summer on exactly this case. I imagine Shelburne is in the same situation. If you were to see, in this next version of the legislation, something that would put protections like that in place, would any of the witnesses be glad to see such responsibility being taken on by the federal government?

**Mr. David Mitchell:** Yes. I think that does make sense. It goes back to my original point about having a business case in order to bring the ship up. If you're going to divest yourself of a ship, as a government, you should make sure that the person who takes on that responsibility can.

**Ms. Sheila Malcolmson:** Thanks.

I note that neither Bridgewater nor Shelburne applied to the abandoned boats program for 2017-18. In fact, nobody outside of British Columbia did, no town. In fact, only seven applications were entered.

Do you want to identify quickly, from the perspective of either of the local governments with regard to barriers, why you didn't apply to the program for specific removals?

**Mr. David Mitchell:** Correct me if I'm wrong, but does that only apply to vessels at a public wharf, not a privately owned wharf?

**Ms. Sheila Malcolmson:** There are two programs, and municipalities do qualify for one of them—but not the small-craft harbour one maybe. We've found in other local governments that there were barriers. The take-up wasn't as big as we expected, and the transport minister said the same in his testimony. So you could have applied, but many local governments didn't. In Bridgewater or Shelburne, are there any specific barriers you've identified?

**Mr. Dylan Heide:** With regard to the town's jurisdiction over the Shelburne Marine Terminal, we hope that we've set a bit of an example through the *Farley Mowat* case, and currently we are fortunate not to have any derelicts at our terminal. That said, the reason that we didn't apply with regard to derelict vessels within the Shelburne Harbour, which, unfortunately, does have at least a couple derelict vessels, is that we do not have jurisdiction over the harbour. It's a federally regulated harbour under Transport Canada, and the town is not clear on its jurisdiction to make an application, since the federal government could potentially take action on vessels in a federal harbour.

• (1705)

**Ms. Sheila Malcolmson:** We also noted that the Municipality of the District of Lunenburg decided not to proceed because of liability and concerns about legal responsibility.

**Mr. Dylan Heide:** Yes, that would be associated with our concerns.

**Ms. Sheila Malcolmson:** Turning to the port authority, we heard some concerns. In fact, the B.C. Ferry and Marine Workers' Union and BC Ferries both rang the alarm on the unmanageable hazards of abandoned vessels in their operations. They wrote a joint letter endorsing my legislation, saying that a major ferry on a scheduled night-sailing between Departure Bay and Horseshoe Bay struck a semi-submerged abandoned vessel. This caused the ferry to stop and investigate. It deployed a rescue boat and crew. They cited risks to their employees and disruption to the schedule of the ferry service. This is a major, huge passenger ferry. From the Vancouver Fraser Port Authority's perspective, have you also found disruption to your operations and to the economy from abandoned vessels like this?

**Mr. Chris Wellstood:** Abandoned vessels can pose a threat to the environment, which I think is a major point. If they go adrift, they can pose a navigational hazard to deep-sea vessels and can cause the port to be shut down to avoid a bigger accident, as was described in the BC Ferries case.

It's great that we're looking at derelict vessels, but it all starts with preventing vessels from becoming derelicts. If we look at British Columbia, it's predominantly in the registration systems and the insurance requirements for vessels, from small recreational vessels to the larger vessels. Even the larger government vessels, BC Ferries or chip barges, are being sold to owners who don't have the means to support them but can pick them up, and then the previous owner basically absolves himself from responsibility and the new owner can't fulfill the requirements.

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

Mr. Hardie.

**Mr. Ken Hardie (Fleetwood—Port Kells, Lib.):** Thank you Madam Chair, and my thanks to our witnesses for being here.

Mr. Wellstood, are there graveyards outside of the port authority area, especially on the Fraser River?

**Mr. Chris Wellstood:** There are areas outside of the port authority's jurisdiction that see a congregation of derelict vessels up in Mission and around the corner in Howe Sound.

**Mr. Ken Hardie:** Would the jurisdiction there still be federal if they're out in the water? How much do you know about them?

**Mr. Chris Wellstood:** Howe Sound is in provincial waters, so it becomes a provincial issue up in Squamish, Howe Sound. I know that the derelicts seem to congregate where there's the least amount of issues that they can come across. Within a port authority's jurisdiction, there's a lot of scrutiny and a lot of eyes on it, whereas if you're around the corner in a smaller community there are less eyes on it and it's easier for people to abandon vessels.

**Mr. Ken Hardie:** To Bridgewater and Shelburne, given your experience, which hasn't been very positive in many cases, do profiles start to emerge with respect to the vessels themselves or the vessel ownerships where you can say, "Oh, boy, here comes trouble"?

**Mr. David Mitchell:** In Bridgewater, it's not so much the vessel—

**Mr. Dylan Heide:** We could comment, but David could go first.

I'm sorry. We're not there, so we can't pick up on where everybody is.

**Mr. Ken Hardie:** No problem.

Mr. Heide or Mayor Mattatall, go ahead. You go first. Then we'll hear from Mr. Mitchell.

**Mr. Dylan Heide:** I'm sorry to jump in there, Mayor Mitchell.

Just quickly, as I've said, we've had a number of derelicts. We've had the misfortune of having to deal directly with the owners—if they can be found—and certainly a profile does develop. Without intentionally maligning anyone, the majority of derelict vessel owners have ended up in prison fairly quickly after their vessels arrived in the harbour, including one who was imprisoned overseas.

Generally, they are people who do not have the means to effect removal. A part of the pattern of disposal can seem to be to offload the costs associated with the vessel if the price of steel has fallen or they otherwise see themselves as not being able to afford to dispose of it. Abandoning it in the harbour has become a common means of disposal for people at that point.

• (1710)

**Mr. Ken Hardie:** Mayor Mitchell.

**Mr. David Mitchell:** For us it's the wharf owner that would be the issue. All the ships that have come up, they've brought up. In the *Cormorant's* case they sold it. Now the ownership is being disputed. The person who the wharf owner says he sold it to is saying, "I didn't buy that boat." They're dealing with that in provincial court. All these ships were brought up and allowed to park at the wharf by the wharf owner.

**Mr. Ken Hardie:** One would be tempted to make suggestions of things like bonding or whatever before ships are allowed to locate themselves, but I'll park that.

Are there any powers or permissions your municipalities or the port authority would like to see, perhaps in regulation, that would give you a bit more clout to deal with these issues on a local basis?

**Mr. David Mitchell:** Taxation would probably be one, but again, I think that's a provincial matter. For us, at the docks that we own, you can't park your vessel overnight for more than a certain number of days without our permission. We don't have that kind of jurisdiction.... It would be nice—and maybe it's just a dream—for municipalities, when there's a boat over a certain size that would affect us, to have the right to refuse it up the waterway.

We don't own the waterway—it's federal—but if we were the port authority, for example, and we were allowed to say, "this ship cannot pass through these waters", that would probably be the strongest tool we could use against allowing these ships to come up in the future.

**Mr. Ken Hardie:** In the time remaining, Mayor Mattatall or Mr. Heide, please.

**Mr. Dylan Heide:** Yes, I have just a quick comment on that. We have refused vessels in the past, but at the end of the day, you would have to physically obstruct access. Without 24-7 security and the means to physically obstruct access, derelicts like the *Farley Mowat* have arrived under cover of darkness and without any permission. Although there are facility owners that do grant permission, there are also facility owners that have not granted permission and are still victimized by the vessels.

I think any means to essentially consider a vessel to be actionable as a wreck from the moment it has been found.... We have been clear that the *Farley Mowat* for three years was in danger of sinking. Hopefully, the clause in this legislation referring to a ship that is about to or "may reasonably be expected to" sink or to strand can be interpreted to the benefit of a community like ours, where we understood that the vessel would sink.

**The Chair:** Thank you very much, Mr. Heide. I'm sorry. My apologies, but I have to cut you off.

Mr. Chong, for five minutes.

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

My first question is for the towns of Bridgewater and Shelburne. You've highlighted some of the challenges you've had with these abandoned and derelict vessels. You have mentioned vessels like the *Cormorant* and the *Fraser*, which are quite large, probably well in excess of the 300-tonne cut-off the legislation has for requiring insurance.

Are these generally in your two communities the vessels that are the problem, the vessels of that size, like that of the *Fraser* and the *Cormorant*, or do you also have problems with abandoned or derelict dilapidated vessels that are quite a bit smaller than that?

**Mr. David Mitchell:** For Bridgewater, the two big ones were the *Fraser* and, currently, the *Cormorant*. Behind that sit very large fishing trawlers, still quite large, but under the 300-gross-tonnage limit.

**Hon. Michael Chong:** It would be below the 300 tonnes...?

**Mr. David Mitchell:** It would be, but our biggest problem for sure is the two large ones that came up.

**Hon. Michael Chong:** Is that true also of the Town of Shelburne?

**Ms. Karen Mattatall:** It certainly is. We have had vessels of all sizes as well.

**Hon. Michael Chong:** The next question I have is for Mr. Wellstood at the Vancouver Fraser Port Authority.

You mentioned that you'd identified derelict or dilapidated and abandoned vessels in the Fraser River. How did you define what constituted a dilapidated or abandoned vessel? How did you go about identifying those 150 or so boats that you identified as abandoned or dilapidated? How did you go about assessing that?

• (1715)

**Mr. Chris Wellstood:** If I would have the ability to show you the pictures, you would agree how the assessment would have been done. We're talking about vessels that are half sunk, submerged. Really, you don't have to be an expert to see that these vessels are—

**Hon. Michael Chong:** So it's just by visual inspections: clearly they were dilapidated and a problem.

**Mr. Chris Wellstood:** Yes.

First it's a visual inspection, and then tracking down ownership, and then seeing if it is utilized or not.

**Hon. Michael Chong:** Did you include in that grouping of identified vessels, abandoned vessels that may not have been dilapidated?

**Mr. Chris Wellstood:** Well, they usually go hand in hand. Vessels that are in good shape are usually not abandoned.

**Hon. Michael Chong:** Now you had mentioned that you cleaned up about 140 or so abandoned and dilapidated vessels.

Is that roughly the number?

**Mr. Chris Wellstood:** Basically.

**Hon. Michael Chong:** Were the vast majority of those recreational boats?

**Mr. Chris Wellstood:** Yes. In our case, the vast majority are under 300 gross tonne. The challenge we have—

**Hon. Michael Chong:** Yes, go ahead.

**Mr. Chris Wellstood:** I was going to say that the challenge we see is that if you compare these smaller, under 300 gross tonne, derelict vessels to the automobile requirements for insurance and registration, you don't see a lot of abandoned automobiles along the road because that is tightened up, but the vessels—

**Hon. Michael Chong:** I agree.

How much did it cost you to remove these 140 or so vessels, and who paid for that?

**Mr. Chris Wellstood:** We paid that cost out of our own pocket. We don't receive any tax dollars to do so. We generate revenues. We use the revenues to do this kind of work. With this specific initiative, we paid over \$2 million.

**Hon. Michael Chong:** Over \$2 million.

**Mr. Chris Wellstood:** Besides that, individual vessels have cost up to \$150,000 apiece to clean. It all depends on the size, and these are all under 300 gross tonnage.

**Hon. Michael Chong:** I have a quick final statement.

It's roughly \$150,000 a vessel to clean up. It seems to me that the legislation doesn't account for the need to clean up a lot of these vessels, and I don't think the abandoned boats program has sufficient funds to tackle what seems to be literally thousands of these vessels across the country. I think that's something that committees should be mindful of as we review the legislation.

**The Chair:** Thank you to all of our witnesses. We appreciate your information, and we wish you a happy Valentine's Day.

I'm going to suspend for a moment so that we can switch panels and reconvene.

● (1715) \_\_\_\_\_ (Pause) \_\_\_\_\_

● (1720)

**The Chair:** I'm calling the meeting back to order of the Standing Committee on Transport, Infrastructure and Communities. We continue our study on Bill C-64.

Our witnesses for this panel are from the Assembly of First Nations, Terry Teegee, chief of the British Columbia Assembly of First Nations, by teleconference; from the Chamber of Shipping, we have Bonnie Gee, vice-president, by video conference from Vancouver, British Columbia; and from the Ladysmith Maritime Society, we have Rod Smith, the executive director. Welcome to all of you.

We will turn it over to Chief Teegee for five minutes, if you would like to start.

We're still waiting, so how about we go to Bonnie Gee, since you're ready, for five minutes, please.

**Ms. Bonnie Gee (Vice-President, Chamber of Shipping):** Good afternoon, Madam Chair and members of the committee. Thank you for the opportunity to appear before you to provide the Chamber of Shipping's perspective on Bill C-64, an act that will take measured

steps to address concerns with wrecks, abandoned and hazardous vessels.

The Chamber of Shipping represents the interests of international cargo and passenger vessels calling in the ports in Canada and, to a lesser extent the domestic ferry tug and barge operators. The west coast serves as Canada's busiest gateway for Canadian trade and tourism, and the members of the Chamber of Shipping support efforts towards a healthy and vibrant marine ecosystem.

Overall, we are supportive of Bill C-64 and would like to acknowledge Transport Canada for its approach and work on this important matter. While the bill as proposed will not resolve all the associated challenges in the short term, it does establish a strong legislative framework to build upon. I would like to acknowledge the efforts of many members of Parliament, including Ms. Sheila Malcolmson and Ms. Bernadette Jordan, in advancing the concerns of local communities.

We agree with the many witnesses who have already appeared before this committee that Bill C-64 is a positive step forward in demanding greater accountability from vessel owners, establishing the appropriate authorities and processes to deal with hazardous vessels, and outlining consequences for non-compliance. Given the expanse of Canada's coastline, the challenge will be ensuring that the legislation is fair, effective, and enforceable.

Bill C-64 falls in line with the various commitments made by the Government of Canada under the oceans protection plan to keep Canadian waters and coasts safe and clean for today's use while protecting them for future generations.

Bill C-64 seeks to implement the international convention that provides for uniform international rules and procedures to ensure the prompt and effective removal of wrecks and fair compensation for the costs. The Nairobi International Convention on the Removal of Wrecks, adopted in 2017 by the International Maritime Organization, entered into force on April 14, 2015, one year after ten nations signed the convention without reservation. We welcome Canada's accession to the Nairobi Convention, as it provides communities with added protection against vessels of concern and the potential costs associated with wreck removal in a manner that adheres to international regimes.

Global operators seek certainty in the regulatory environment and general consistency of applications supports a higher level of awareness and compliance. Canada continues to be a strong contributor to the development of good policy at the International Maritime Organization. We applaud Transport Canada's commitment to the important work of this United Nations agency.

International shipping requires a regulatory framework that is consistent, effective and implemented globally. As a founding member, Canada celebrates its 70th year of membership in the IMO this year. To date, 41 countries have ratified the convention, representing 75% of the world's tonnage. These countries include significant flag states and coastal nations such as China, Singapore, Panama, Liberia and Germany. Almost all vessels over 300 tonnes engaged in international trade will already have the appropriate insurance in place as required under article 10 of the Nairobi Convention.

A wreck as defined in the convention includes any object that is lost at sea from a ship. Under Bill C-64 the definition is expanded to include the following:

equipment, stores, cargo or any other thing that is or was on board a vessel and that is sunk, partially sunk, adrift, stranded or grounded, including on the shore.

Earlier this week, Gord Johns, the member of Parliament for Courtenay—Alberni, again raised concerns and expressed his frustration with government inaction following an incident involving 35 containers that were lost at sea just eight nautical miles off the west coast in November 2016. Several containers ended up on the shorelines along the coast. Unfortunately, in this case the carrier responsible was in receivership, leaving communities to deal with the mess, because the provisions offered in Bill C-64 with respect to the Minister of Fisheries and Oceans' authority to direct, dismantle, or dispose of a vessel or wreck were non-existent. This will be addressed once Bill C-64 passes through Parliament and receives royal assent.

Ratification of this convention through Bill C-64 will also provide communities and many indigenous peoples with the mechanism to realize a broader assessment on the impact of ship-related debris in a timely manner and an opportunity to fully recover any costs associated to the assessment of hazardous debris removal operation.

All of the above are important and positive attributes of Bill C-64, which, as mentioned at the outset of my comments, the Chamber of Shipping supports.

Thank you very much for your time and attention and for inviting the Chamber of Shipping to appear today.

• (1725)

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

We'll go onto Mr. Smith, executive director of the Ladysmith Maritime Society.

**Mr. Rod Smith (Executive Director, Ladysmith Maritime Society):** Thank you, Madam Chair.

I would like to thank the committee for the opportunity to appear before you to comment on Bill C-64 and the issue of abandoned vessels. Let me start by complimenting Minister Garneau and his team at Transport Canada for drafting Bill C-64. I also think I should recognize MPs Bernadette Jordan and Sheila Malcolmson for their tireless work on this issue of abandoned vessels.

Ladysmith on Vancouver Island is a community of about 8,600 people. Tourism is one of our key economic drivers in the community. In 2010, visionary leaders in the community set the

Ladysmith Maritime Society on a path to attract large-scale international marine tourism. In 2012, with \$1.5 million of federal support, half a million dollars from Island Coastal Economic Trust, and strong support from the local Stz'uminus First Nations, we opened our welcome centre and began work on a visitor dock extension.

Prior to these enhancements, about 2,000 marine visitors a year tied up at our marina. This past year, we welcomed 6,300 marine visitors, 60% of whom were from the United States. These visitors inject over \$1.5 million per year into the local economy and become our best ambassadors. Recently, the Ladysmith Community Marina was recognized as one of the top 10 marinas out of 400 or so in the Canadian and U.S. Pacific northwest and had been branded by our visitors as the friendliest marina on the west coast, a testament to the efforts of our 200-plus volunteers.

Sadly, all of this is at risk. A simple Google search of Ladysmith harbour results in a disturbing number of headlines about derelict and wrecked vessels, derelict *Viki Lyne II*, "Boat goes up in flames in Ladysmith harbour", and about a boat sinking in the harbour and leaking oil. We're now hearing comments from our boating visitors like, "Great marina. I love the food and the people, but we won't be back. The noise and the smells from those boats next door are just too much."

The 50 or so abandoned, dilapidated, and wrecked vessels adjacent to our marina are a serious threat to our growing tourism industry and an environmental, health and safety, and economic risk to the people of the harbour, including Stz'uminus First Nation, who rely on a 150,000-pound annual oyster licence in the area, as well as other local shellfish producers and processors.

There are some important new tools contained in Bill C-64. Clearly designating the Coast Guard as the lead agency, as I heard Minister Garneau say on February 5, is a big step. Hopefully, this will put an end to the jurisdictional complexity that communities have had to deal with. It should not have taken from June 2012 to October 2016 to remove a vessel that had already been identified in a marine survey commissioned by the Coast Guard as being in imminent danger of sinking and spilling 33,000 litres of oil into the waters of Ladysmith harbour, as was the case of the *Viki Lyne II*. I have the greatest respect for the Coast Guard, and I'm sure they welcome this change as well.

I do, however, have some concerns about Bill C-64, or perhaps more correctly, what's missing from it for us to effectively address the reality of what is happening on the B.C. coast. I have two examples. First, the recently introduced abandoned boats program falls short in its application. The cost-sharing formula with local communities is unfair, and, as recognized by Minister Garneau on February 5 before this committee, the funding for the program is inadequate. There's a huge gap between the cap of the abandoned boats program at \$50,000 and the reality of dealing with the most prevalent vessels of concern on the coast, ex-fishing vessels and tugs, which made up over 70% of the problem vessels dealt with, using the ship-source oil pollution fund, between 2005 and 2015.

Second, on February 5, I heard Minister Garneau answer a question about live-aboards by saying it was an issue to be dealt with at the community and provincial level. Unfortunately, his response and the inability of Bill C-64 to clearly address the issue of squatters living on dilapidated vessels creates a large grey area for those of us in coastal communities and ignores the life-cycle reality of a vessel, resulting in Bill C-64 not being as comprehensive as I think it was intended to be.

Abandoned dilapidated vessels with no apparent ownership commonly serve as free temporary accommodation for squatters, who often take little interest in sewage disposal, stewardship of hazardous fluids, or vessel upkeep. Without the opportunity to identify a vessel as dilapidated and initiate a repair or removal regime, even if there is someone temporarily living on the vessel, there can only be one outcome: the eventual sinking or burning of that vessel, and the release of pollutants into the harbour, as was recently the case with the 85-tonne *Anapaya* in Ladysmith harbour.

• (1730)

**The Chair:** Mr. Smith, I'm sorry, but I have to interrupt you. Your time is up.

**Mr. Rod Smith:** I'm done.

**The Chair:** We want to give the committee time for questions.

**Mr. Rod Smith:** I wanted to say thank you.

**The Chair:** We'll always find time for that.

We now have by teleconference, Chief Terry Teegee, regional chief, British Columbia Assembly of First Nations.

**Vice-Chief Terry Teegee (Regional Chief, British Columbia Assembly of First Nations, Co-chair, National Fisheries Committee, Assembly of First Nations):** Thank you, Madam Chair.

I want to acknowledge that right now I'm in Vancouver on Coast Salish territory of the Musqueam Coast Salish people, Squamish, and Tsleil-Waututh.

I am the elected chief of the British Columbia Assembly of First Nations. I have recently been appointed to the national fisheries committee that I co-chair with Regional Chief Roger Augustine. I've been in Vancouver for the last couple of days to talk about all the national fisheries issues, which include many of our coastlines. I've been asked here to speak on this issue with regard to Bill C-64, An Act respecting wrecks, abandoned, dilapidated or hazardous vessels and salvage operations.

Out here on the coast of British Columbia we've experienced many issues with abandoned and other vessels that have become derelict and are spilling deleterious materials, such as oil, diesel, or gas into the ocean along the coast of British Columbia. They are threatening the fish and other sea life that we've been dependent upon for many generations since time immemorial.

The AFN executive committee that I represent has 10 regional chiefs. Each chief is elected by their community and the many other communities they represent in each province. I think this is the first time we've been allowed to present to the standing committee. I'm quite surprised by that, considering that many first nations depend on many of the alliances from coast to coast to coast. Over the 151 years of colonization, we have had many agreements with the provincial and federal governments, whether treaties or other types of agreements, whereby we have been trying to create a relationship that respects both our laws and governance. Right now, when we're talking about these different bills that affect our way of life, we're considered an afterthought. Meanwhile, we're having different agreements that should have mutual respect and recognition of our rights and title and interest and treaty rights.

As an engagement process, I look forward and hope that those who are presenting today and in the future can create a space for our first nations who depend on the coasts of this country, and also have input into how best to deal with derelict vessels along the coasts of this country we call Canada. Especially during the Trudeau Liberal government, we're living in a time of reconciliation. We need to include the many issues that affect many of our people, whether social or resource-based. We need to be involved in those decisions, especially when it comes to governance as it relates to the United Nations Declaration on the Rights of Indigenous Peoples and its tenets of free, prior, and informed consent.

• (1735)

What really concerns me here is that there have been a number of issues from coast to coast to coast that have affected the resources we depend on. One of the situations out here, for example, was the *Nathan E. Stewart* that went derelict and sank in the Pacific coastal waters where a lot of its diesel fuel and oil spread along the coast of the Heiltsuk people, the coastal people there.

**The Chair:** Chief Teegee, I'm sorry. We're tight for time. Could you save your remaining remarks, possibly, for a response to a question, so that we can get to the committee members who have a variety of questions for all of our guests today?

**Vice-Chief Terry Teegee:** Sure.

**The Chair:** Thank you very much. My apologies for interrupting.

**Vice-Chief Terry Teegee:** I think that while many of these initiatives sound promising, they do require sustainable funding and a commitment to ensure effective first nations' participation in the development of such bills.

Also, we look forward to future involvement in partnerships with the government to help promote a healthier marine environment through many different initiatives, including monitoring, enforcement, and compliance.

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

**Vice-Chief Terry Teegee:** Thank you.

**The Chair:** It's on to Mr. Chong, for five minutes.

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

I have questions for the Chamber of Shipping and the Ladysmith Maritime Society. Perhaps I'll start with the Ladysmith Maritime Society.

The *Viki Lyne II*, I think, was under the 300-tonne threshold the bill has set, and it cost over \$1 million—

**Mr. Rod Smith:** A million and two.

**Hon. Michael Chong:** —for it to be removed. The bill requires vessels of 300 gross tonnes or more to have insurance. Do you think that the threshold is too high, or do you think it should be lowered? If it should be lowered, at what level should it be set?

**Mr. Rod Smith:** Though I'm not an expert in the area of insurance, I think that the 300-tonne limit has been picked for a reason. I think you will probably find that working vessels, fishing boats and tugs, for example, will be carrying insurance for their own reasons. I'm not sure that changing the limit would do much to address that.

• (1740)

**Hon. Michael Chong:** Okay. Let me ask the question differently then. Do you think that recreational vessels should be mandated to have insurance like they do in Washington state?

**Mr. Rod Smith:** I think recreational vessels should be treated like vehicles.

**Hon. Michael Chong:** In other words, yes, they should have insurance?

**Mr. Rod Smith:** Yes, they should have insurance and all of the regulations to go along with this, so if you want to have your vessel licensed, you should have to have insurance.

**Hon. Michael Chong:** Okay, thank you.

For the Chamber of Shipping, do you have any views on the 300-tonne threshold in the bill? The bill says that any vessel of 300 gross tonnes or more must have a certificate of insurance that will cover the cost to clean up its disposal. Do you think that's an appropriate level, or do you think it should be lowered or increased?

**Ms. Bonnie Gee:** No, I don't think it should be increased, but most commercial vessels, under their commercial insurance policy, will have wreck removal insurance. It's the non-commercial vessels, the pleasure craft. That would apply to any visiting pleasure craft, potentially, over whatever threshold is set. They would have to acquire the necessary insurance before coming to Canada. That

might have some impact on tourism or administrative burden for tourism.

**Hon. Michael Chong:** Back to the Ladysmith Maritime Society, are the vast majority of these vessels adjacent to your marina steel-hauled working vessels?

**Mr. Rod Smith:** No, actually, the vast majority are pleasure craft.

**Hon. Michael Chong:** They're pleasure craft. Are they fibreglass-hauled sailboats, pleasure craft, and power boats?

**Mr. Rod Smith:** They are. Actually, with the permission of the chair, I did bring a few pictures, which would take about three minutes to go through for the enlightenment of the committee, to see what we're talking about.

**The Chair:** Yes, I think that would be helpful for the committee.

**Mr. Rod Smith:** Thank you.

**Hon. Michael Chong:** Okay.

Now these are floating, but they're either abandoned or being squatted on.

**Mr. Rod Smith:** Technically under Bill C-64, they would be called dilapidated. Some in fact are hanging on by a thread, so to speak.

This is a picture of the Ladysmith Community Marina. Our marina is in the front, and the town is in the back.

Here are couple of pictures just to show you what we have.

There's our welcome centre, which is federally and provincially funded.

Here's the approach from the town onto our marina.

We do a number of free festival events for communities. This was an event with marine biologists and divers bringing up specimens under a special licence, for kids to get a glimpse of what's under the water.

We run a program called Dine on the Dock, for which we bring in guest chefs to let people sample their wares. We are a non-profit society, so any money raised goes to the chefs, for example.

This was from Kids' Day. It's actually called Kids' Pirate Day, but we're looking for a new name for that. About 6,000 come down. It's a wonderful family event. Everything is free, and there's a fishing derby to help the Kinsmen.

Next door is water lot 651. This is an early morning shot I took. You can see the smoke over the water. Those are illegal wood stoves. This was about a week ago. It was a strangely cold day in British Columbia, and the wood stoves were fired up. This shows about 15% of what's there.

In this shot with the post in the middle, just at the bottom, you can see some logs in the water. That's the dividing line between our water lots. To the left is our marina, and to the right are the illegally moored boats. There are three tied together, which is typical of rafting by squatters. One will be a living quarter; one might be a sleeping quarter, and one is a storage area.

That's a 90-foot 100-tonne landing craft, a barge, on which a gentleman brings in metal vessels on a regular basis and cuts them up for salvage. Once he's done with them, they seem to disappear in the night. You can see the three rafted boats off to the left as well.

This is an example. In this particular one, there are nine boats rafted together, with two people living on them. When one sinks, they step to another. On the right-hand side, you can see a turquoise sloping vessel. It's actually just held there by the bow rope. It sank.

Here's another example of a typical live-aboard vessel by a squatter. You can see they're just getting onto their boat.

This is another typical example of three rafted together. This is the *Viki Lyne II* when it had 33,000 litres of oil onboard it. It took the community four years to get rid of it. The boat to the right of it burned. The one to the left of it sank about two months ago.

Here are three. You can see one in the foreground that burnt earlier in the year. One sank beside it, and there's one that's just burned behind it.

Captain Wootton said they had removed seven or so vessels over 18 months. I've seen six burn. I've had too many calls in the middle of the night. I've had too many people who have been threatened by squatters. You can imagine what this does when you have a marina full of visitors and that is what's going on next door.

So to your question, most are pleasure craft, but almost all are dilapidated. I doubt that there's a vessel or two that could safely navigate the waters.

• (1745)

**Hon. Michael Chong:** I'll just note that the legislation does allow the minister to make regulations to require vessels under 300 tonnes to have insurance, but it's not mandated in the bill. In other words, the bill gives the minister the authority to do that, but the minister doesn't necessarily have to do that. So it's a bit of a question mark about who's going to pay for all of this cleanup. In Washington state, I think they've cleaned up some 750 boats in the last 15 years. It seems to me that across Canada, there are going to be thousands of these boats that need to be cleaned up. The big question I have is if a lot of these boats are small recreational craft vessels, who's going to pay for all this? The abandoned boats program certainly doesn't seem to have sufficient funds to do it, and at some level, I believe that boaters themselves should be paying for the cleanup of these vessels rather than taxpayers in general.

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

We go to Mr. Hardie, for five minutes.

**Mr. Ken Hardie:** Thank you, Madam Chair.

Thank you to our witnesses.

I'll start with you, Ms. Gee. You mentioned that there are some challenges not dealt with in the legislation. I'm wondering if you could just give us a quick recap of what you see those as being.

**Ms. Bonnie Gee:** I would think the small boat registry will be a challenge. I think right now there is no real obligation to renew or no way of enforcing who does or does not renew their vessel registry. It's such an extensive coastline that we have, and how do you police something like this? I think it really is important how the authorities are delegated to the communities, to the various municipalities, to enforce compliance with the vessel registry.

**Mr. Ken Hardie:** Very good.

Chief Teegee, we heard from your counterparts in eastern Canada that they're looking at the issue of abandoned and derelict vessels as a commercial opportunity to get involved with the salvage, the breaking up, and basically, the disposing of these. I'm wondering if that's something that's been contemplated by the various indigenous groups along the B.C. coast.

**Vice-Chief Terry Teegee:** I think so, and further to that, through access, research, and funding to monitor these oceans and these coastal lines for derelict ships, to have an emergency response team to react in those many areas that are quite isolated. Many of those isolated communities are first nations communities that have an opportunity to be the first responders to some of these vessels. Out here in the coast, I do believe there is a desire to do that, and to have response teams ready and willing to do some of these initiatives.

**Mr. Ken Hardie:** I understand that there's a specific program at they newly re-opened Kitsilano Coast Guard base that trains and enables first nations responders up and down the coast. Is this aspect of it covered by the training, do you know?

**Vice-Chief Terry Teegee:** I'm not sure, I don't have data on that, but I do know some of the first nations, such as Heiltsuk, have put in requests to the federal and provincial government to become emergency response teams. I'm not sure where they get their training from, but with their experiences over the last few years with abandoned vessels, they do have the desire to become a response team.

• (1750)

**Mr. Ken Hardie:** Mr. Smith, I'll ask the same question that I asked of the previous panel given your municipal connection. First and foremost, who owns that lot next door with all of the derelict vessels? Is it a private owner?

**Mr. Rod Smith:** It's a crown water lot at this point, owned by the province.

**Mr. Ken Hardie:** Got it, okay. This is a question I asked of the previous panel. Are there powers and permissions that you would like to see, right down to and including the municipal level, that would give you a bit more authority to deal with some of the issues? You mentioned the live-aboards. Are there others, and where would that delegation come from?

**Mr. Rod Smith:** It's difficult because we're not a harbour authority, so we don't have the resources. The town doesn't. We're a not-for-profit organization, so we don't have the resources or the authority. I don't actually think giving the town or a not-for-profit the designation of a harbour authority would do the job. There's still the problem of enforcement. I think the most significant thing that could be done in this bill, and my compliments to Minister Garneau, Ms. Jordan, and Ms. Malcolmson for getting us to this point. I think what makes the biggest difference now, given that this is still within federal jurisdiction, is registry and licensing. That's what we're talking about, a registry and licensing program going forward. Given that it's still within federal jurisdiction, put something in the bill now that would assign fees, some kind of funding mechanism, and negotiate with the provinces and communities later. Let's get this started. I believe there is money available for cleanup, as you probably heard earlier, from the ship-source oil pollution fund. So giving more power to a community that.... Ladysmith doesn't own a boat. When they want to go out and look at those vessels, they come to us and we take them out on the boat. We've gone out with the RCMP and tried to get people to leave but we don't have the authority.

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

Mr. Hardie, your time is up.

On to Ms. Malcolmson.

**Ms. Sheila Malcolmson:** Thank you, Chair. To go back to the photos that the Ladysmith Maritime Society showed, I just want to strongly impress on the committee members that these boats showed up in Ladysmith when Port Metro Vancouver and Nanaimo Port Authority and Victoria did bylaw enforcement in their own areas. Then sometimes, when Ladysmith has done some extra bylaw enforcement or tried to find some resources, the problem got pushed out to Penelakut Island first nations reserve. This is where I've been calling and the Union of B.C. Municipalities has been calling for a comprehensive coast-wide solution, because it's not about giving local governments the ability to deal with the problem. The problem will just keep getting squeezed to the more remote regions. Is that a fair characterization of how Ladysmith got these votes, and of the authorities that you're hearing are being asked for in the community?

**Mr. Rod Smith:** I think back to my previous comment. It's a federal jurisdiction that needs to take control of this. We don't want to send them down to Chemainus or over to another community. It doesn't do anything for anybody.

**Ms. Sheila Malcolmson:** The amount of the B.C. coastline that has a municipal authority within it is a tiny fraction, right? The chief would know that too.

I was really happy to hear encouragement from the Ladysmith Maritime Society for including in the legislation some of the models that we've seen in the Washington state abandoned vessel program, legislating that some of the fees from vessel registration go into an

abandoned vessel response fund. In terms of legislating that we have a vessel turn-in program, which has been successfully done in Washington and Oregon, I think I heard you say you'd like to see that in Bill C-64 so that we're sure it goes forward. Is that fair to say?

**Mr. Rod Smith:** I think you have to, otherwise it could be another couple of years of negotiation between the province and the federal government, with no action.

**Ms. Sheila Malcolmson:** That's also partly an accountability and transparency part. The commitment would last beyond the next election. That's something I've heard locally, and I believe you share that view.

**Mr. Rod Smith:** Again, I have great support for what's been done, but how do you report back on it? I don't see a mechanism for reporting back, but I assume that's coming.

**Ms. Sheila Malcolmson:** I know you've been working pretty closely with some of the other marine operators in Washington state, and the fact that both the vessel turn-in program and the fee on vessel licensing are embedded within the Washington legislation is something you'd like to see emulated for the Canadian coast.

• (1755)

**Mr. Rod Smith:** One of the things that I think it would help is with the squatters. There are 50 or so vessels, maybe 20 or so squatters. You can fine them, but it's not going to do anything. While they at least have control of their vessels, even if they're not theirs, you can give them an option to turn them in and not face fines. It's an effective program in Washington, so I can't see why we couldn't use it on any coast.

**Ms. Sheila Malcolmson:** Right. Also—

**The Chair:** We have five minutes left, and we have Mr. Fraser, Ms. Jordan, and Mr. Godin.

**Ms. Sheila Malcolmson:** That was three minutes for me.

**The Chair:** Yes, three minutes and 20 seconds.

If you want to finish your time, maybe we can get one question on this side. I always try to give everybody an opportunity to get a question in.

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

I have just one more.

Can you talk more about the link between vessel registration and insurance, and what you'd like to see at the end of the day? I understand there are actual incentives for pleasure craft owners not to have their boats licensed.

**Mr. Rod Smith:** When you buy a boat from someone, there's no obligation to transfer the registration. In fact, there's a disincentive, because as soon as you transfer the registration you have to pay GST. If I bought a boat and transferred the registration to myself, I'd have to pay GST, which is an interesting point. Because of the lack of legislation around this, the federal government has missed out on a lot of GST revenue over the years. Right now it's a disincentive for people to transfer it, and frankly, they don't. I could name dozens of boat owners who have not transferred ownership and have avoided paying thousands of dollars' worth of GST.

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

Mr. Fraser or Ms. Jordan.

**Mr. Sean Fraser:** Sure, I have a question for Ms. Gee.

One of the things you referred to at the very beginning was about the insurance requirement on vessels over 300 tonnes not posing any kind of inhibition on our largest trading partners. You mentioned something, and I apologize that I'm searching my memory about it, but I think you said 10 of our major trading partners.... I wasn't quite sure. Maybe it was the 10 initial signatories to the Nairobi Convention. I'm just wondering if, as we seek to expand trading relationships, there's any risk that imposing the insurance requirement will potentially slow down the possibility for new trading partners that may not currently be subject to an insurance regime.

Correct me if I misunderstood the point you were making.

**Ms. Bonnie Gee:** No, absolutely not. As I mentioned, there are 41 countries that have signed on to the convention already, and they represent 75% of the world tonnage. Any vessel that is trading into China or Singapore or Panama will already have that insurance in place. You can rest assured that most vessels will already have that insurance in place.

**Mr. Sean Fraser:** Okay, thank you.

**The Chair:** Mr. Godin. Welcome, by the way.

[Translation]

**Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC):** Madam Chair, how much time will you give me?

[English]

**The Chair:** Well, just get going. I'm watching the clock.

[Translation]

**Mr. Joël Godin:** Thank you, madam Chair.

My next question is for all three of you.

**I am going to read to you the purpose of the act:** The purpose of this Act is to promote the protection of the public, the environment, including coasts lines and shorelines, and of infrastructure by, among other things, regulating wrecks and vessels posing hazards, prohibiting vessel abandonment, and recognizing the responsibility and liability of owners for their vessels.

Mr. Smith, a little while ago, you showed us photos of scenes that were rather depressing.

I am not a regular member of this committee, but I have a question.

● (1800)

You showed us photos that paint a bleak landscape. I am sorry. You deserve more, as do all Canadian waterways.

We want to find solutions to the problem caused by these existing wrecks, but does bill C-64 have enough teeth to fulfill its purpose?

Mr. Smith, I would ask you to respond first.

[English]

**Mr. Rod Smith:** I'm very sorry. It's the same thing with this.

[Translation]

**Mr. Joël Godin:** Ms. Gee, did you understand my question?

[English]

**Ms. Bonnie Gee:** Yes, I did.

[Translation]

**Mr. Joël Godin:** Could you please respond?

[English]

**Ms. Bonnie Gee:** It really comes down to the domestic vessels which, I think, are the largest problem that we have. It doesn't address exactly what's going to happen with the existing abandoned boats and wrecks that we have on our coast. Certainly going forward and having the insurance component covered is a big step forward, but it only addresses vessels over 300 gross registered tonnes. I really think funding and a turn-in program is the best way to go. Without having any other recourse to dispose of your boat, abandonment is going to continue to happen.

[Translation]

**Mr. Joël Godin:** You are telling me that a funding program would be part of the solution.

It would indeed be a step in the right direction, but that alone would not be enough. We also have to take certain measures and make rules in order to actually prevent the problem. We are cleaning up our waterways which are essentially contaminated by wrecks, but we also have to find a way of preventing these situations.

I think we need more than money. We need to take measures, enact legislation and give certain powers to the municipal authorities, provinces or the federal government. I am therefore of the opinion that bill C-64 does not go far enough. I am no expert, but I wish to do my duty as a member of Parliament. I would like the people who are directly confronted with the problem to propose some solutions.

[English]

**Ms. Bonnie Gee:** I think the additional amendments under Bill C-69 to the Navigation Protection Act will also supplement this bill quite nicely for the international carriers. There are times when the channels are disrupted or the anchorages are disrupted because there is a wreck in the area. Certainly it's a positive step, but there is more work that needs to be done. Whether that's in the act or in the regulations, I'm unsure.

**The Chair:** Mr. Smith, can you give us a short answer?

**Mr. Rod Smith:** I think there are some teeth in the bill and that 10 years from now, with the change in registration, we'll see a big difference on any coast.

What's needed is immediate funding—right now. One of the sources of that immediate funding is the ship-source oil pollution fund, which has been used for a number of years to prevent vessels from leaking into the ocean. Dozens have been taken out of the west coast using that fund. That fund is available now to use for cleanup, and it should be used now.

**The Chair:** Thank you very much to all of our witnesses. It's appreciated. We will now suspend.

Please have a happy Valentine's this evening.

Any amendments that committee members are considering need to be in by February 22. I think we've heard lots of great information, so we'll see where we go with those.

The meeting is adjourned.

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