

Marathassa (2015) (Vancouver Fraser Port Authority)

Location: Vancouver Harbour, B.C.

Case number: 120-673-C1-1

The Incident

On April 8, 2015, the Canadian Coast Guard (CCG) was informed that there was an oil spill in English Bay near the entrance to Vancouver Harbour, B.C. The Cypriot registered bulk carrier *Marathassa* (43,229 GRT), which was at anchorage number 12 in English Bay, was identified as the probable source of the pollution. The vessel's Master initially denied any responsibility for the oil spill. Transport Canada Marine Safety (TCMS) inspectors later traced the source of the spill to a mechanical defect aboard the *Marathassa* which allowed bunker oil into the bilge.

Later that day, the CCG contracted the Western Canada Marine Response Corporation (WCMRC), a Transport Canada Certified Response Organization. The CCG took command of the operation as the lead agency and the WCMRC began collecting fuel oil and skimming operations. The *Marathassa* was boomed in the early morning on April 9, 2015, by WCMRC. This delay had a significant impact on the spread of the recoverable pollution.

The cleanup work executed by the WCMRC and the various subcontractors engaged by the CCG lasted 16 days, concluding on April 23, 2015. The *Marathassa* was released on April 24, 2015 and departed English Bay the next day.

A review of the incident found that the volume of the oil spill was approximately 2,800 litres of IFO 380, a ship's bunker product. It was estimated that about 600 litres, or more, could have impacted the shoreline. The coastal area surrounding English Bay contains several parks with popular beaches accessible from the downtown Vancouver area. The beaches are major tourist attractions and frequented by the local population all year long. English Bay and Burrard Inlet are important wintering areas for numerous marine birds and waterfowl and have been designated by Birdlife International as important bird areas based on bird population and habitat thresholds.

Measures taken by the Administrator

A Letter of Undertaking (LOU) was received from the ship's insurer and the Administrator was advised that claims are being dealt with by counsel for the insurers.

The Claim

On April 5, 2017, while still pursuing settlement discussions with the insurer, the Vancouver Fraser Port Authority (VFPA) filed a claim with the Administrator in the amount of \$198,947.22 pursuant to the *Marine Liability Act*.

The Administrator determined that the claim was admissible under Part 7 of the Act.

Assessment and Offer

At the request of the claimant, the Administrator kept the assessment on hold pending on-going settlement discussions between the claimant and the insurer. Assessment resumed at the end of June 2017. Additional information was requested from the claimant and was provided.

Three different claims concerning the *Marathassa* incident of April 8-24, 2015 were eventually submitted. The measures and activities linked to the Incident Command System (ICS) identified in the individual claims (and their respective documentation) overlapped/intersected and therefore had to be assessed as an integrated package by the Administrator to ensure that the measures were part of the integrated plan and that measures had not been duplicated; i.e. although each claim had to be assessed for itself, it had to be understood in the light of the global operation that took place and that involved efforts from other parties. The understanding of this global picture was necessary to make a determination as to the reasonableness of measures and activities and the reasonableness of the costs of the individual elements of each claim.

On January 15, 2018, after investigation and assessment of the claim, the Administrator sent a draft letter of offer to VFPA, for comments. On February 14, 2018, VFPA requested that the final offer be issued, and the Administrator made an offer for the established amount of \$158,800.49, plus interest, as full and final settlement. The salient reductions from the VFPA claim were due to some duplication of effort with other parties to the ICS, as well as some ineligible meal expenses and hospitality costs.

On February 20, 2018, VFPA accepted the offer and on March 1, 2018 the Administrator directed payment of \$172,674.87 (including \$13,874.38 in accrued interest) to VFPA.

Recovery action

On March 6, 2018, Counsel for the Administrator sent a demand letter to the insurer's counsel.

On March 21, 2018, a payment of \$172,935.87 was received by the Administrator, as final settlement of her subrogated claim of the VFPA.

Having received the full recovery amount, the Administrator signed and sent the owner a Release and Settlement letter in March 2018.

Status

The file was closed on April 12, 2018.

Related Files

Marathassa (2015) (CCG Claim), Case number: 120-673-C1 (same incident)

Marathassa (2015) (City of Vancouver), Case number: 120-673-C1-2 (same incident)