



**SHIP-SOURCE OIL  
POLLUTION FUND**

The Administrator's

*30<sup>th</sup>*

Annual Report

**2018-2019**

Canada 

Cover Image: "Oil Spill on Ocean" by David Nunuk

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***Published by the Administrator of the***

Ship-source Oil Pollution Fund

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The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport  
Ottawa, Ontario  
K1A 0N5

Dear Minister:

Pursuant to Section 121 of the *Marine Liability Act* (MLA), I have the honour of presenting to you the Annual Report for the Ship-source Oil Pollution Fund to be laid before each House of Parliament.

The report covers the fiscal year ending March 31, 2019.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne Legars', with a long horizontal flourish extending from the bottom right of the signature.

Anne Legars, LL.M., CAE  
Administrator of the  
Ship-source Oil Pollution Fund



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# INTRODUCTION

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The Ship-source Oil Pollution Fund (SOPF or the Fund), a special purpose account in the accounts of Canada, is established under Part 7 of the *Marine Liability Act* (MLA) to facilitate the indemnification of claims for ship-source pollution in Canadian waters while protecting the taxpayer. Canada's compensation regime is based on the fundamental principle that the shipowner is primarily liable for oil pollution damage caused by the ship – that is, the polluter pays principle.

A fund of last resort or a fund of first resort – at the election of the claimant – Canada's national SOPF covers all classes of ships that discharge persistent and non-persistent oil, including oil spills from unknown sources which are commonly referred to as "mystery spills". The SOPF is notably available to pay compensation for reasonable claims for oil pollution damage response costs, or preventive measures taken to minimize damage caused by the discharge – or the risk of a discharge – of oil from any class of ship in Canadian waters. Any occurrence caused by an oil tanker carrying persistent oil as cargo would also be covered under the international regime ([www.iopcfunds.org](http://www.iopcfunds.org)).

This Annual Report on the operations of the SOPF covers the fiscal year ending March 31, 2019.

This is the 30<sup>th</sup> annual report of the SOPF, which will turn 30 on April 24, 2019.

## 2018-2019 AT A GLANCE

- Limit of liability per incident: **\$174M from April 1<sup>st</sup> to December 13, 2018. No per-incident limit of liability after December 13, 2018**
- Significant **legislative amendments** (Bill C-86) entered into force on December 13, 2018
- Accumulated surplus: over **\$408M**
- **Five-year appointment** of a Deputy Administrator
- **25 new claims** received (over \$4.2M in total)
- Average value of claims: **\$170,505**, but 64% are less than \$50K
- 92% of claims, but only 42% of the total dollar amount claimed, came from **Coast Guard**
- Most claims come from **BC**
- Most claims are generated by **wrecks, derelict or abandoned vessels**
- Claims for **dismantlement of steel vessels**
- **52% of assessments** performed in less than 3 months
- Amount offered: about **75% of what is claimed** (on average)
- **62 files in recovery action** against shipowners
- **Some \$2.2M** recovered from shipowners
- Involved in **25 court cases; 4 judgments issued**
- Outreach missions across the country
- Increased focus on outreach to **Indigenous Communities**
- Over **\$8M collected in interest**
- **\$491,838** paid to the IOPC Fund
- About **\$8M** for payments of Canadian claims, a record
- **\$2.1M** for operating expenses

# 1. ACTIVITY REPORT

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## THE FUND'S FISCAL YEAR 2018-2019 WAS MARKED BY THE FOLLOWING EVENTS:

### **Indexation and removal of the limit of liability.**

On April 1, 2018, the limit of liability of the Fund was adjusted by the Minister to \$174,611,294 per incident for the 2018-2019 fiscal year (from \$171,692,521 the prior fiscal year), as provided under s. 110 of the MLA. Amendments to the MLA entered into force on December 13, 2018 have since removed this per-incident limit of liability.

**Appointments.** On April 4, 2018, Mark A.M. Gauthier was appointed as Deputy Administrator for a five-year mandate. It is only the second time in the Fund's history that the Governor in Council has appointed a Deputy Administrator, and it is the first time that this appointment is for a five-year term. This appointment was extremely welcome, as the new Deputy Administrator brings with him a wealth of experience in maritime law and in the marine liability regime, having practiced law in the Legal Services Unit of Transport Canada as Counsel and Senior Counsel until 2005 and thereafter as the General Counsel of the Maritime Law Secretariat, until he retired from the public service in 2011. In March 2012, he was appointed to the Transportation Appeal Tribunal of Canada where he served as a member until April 2018 when he was appointed Deputy Administrator of the Ship-source Oil Pollution Fund. The Administrator was herself reappointed for five years a few days before the fiscal year 2018-2019 began.

**Strategic Plan.** This double five-year appointment at the helm provides the Administrator the opportunity to plan and deploy a number of strategic initiatives aimed at ensuring that, after 30 years of existence of the Fund, the Office of the Administrator (1) provides access to justice; (2) is supported by a professional and motivated team linked to a vast web of expertise;

and (3) is an efficient and transparent organization, both agile and structured. Most of these initiatives have been launched concurrently with the help of additional resources, in order to create momentum in the wake of the Fund's 30<sup>th</sup> anniversary year.

**Systematic outreach across Canada.** During her previous interim mandates, the Administrator had noticed that very few key stakeholders and potential claimants knew about the existence of the Fund and were therefore unable to use it as an option to access justice. The newly appointed Deputy Administrator also quickly realized this fact. The outreach effort initiated during the previous fiscal year was systemized and shouldered by all members of the Office of the Administrator, with the goal that, for the 30<sup>th</sup> anniversary year of the Fund, each province and territory, each provincial federation of municipalities, each provincial federation of municipal administrators, as well as Canada Port Authorities, marina associations, fishermen's associations, Indigenous groups, maritime lawyers and marine insurers associations, have been reached.

**Second highest number of claims received and third highest in terms of total amount claimed.** The Administrator received 25 claims over the year, for an aggregated amount of over \$4.2 million claimed, which makes fiscal year 2018-2019 the third highest in the Fund's history, second only to the two previous fiscal years

**Appeal by a claimant before the Federal Court of an offer made by the Administrator.** One of the offers of the Administrator was appealed before the Federal Court. This is the second such appeal in the Fund's history, and the first in a decade.

**Record year in terms of recovery action** both with respect to the total amount recovered during a given fiscal year, and to the number of files closed after successful recovery. Some \$2.2 million was recovered from shipowners and insurers.

**An exceptional year in terms of court activity** with 25 court cases (where the Fund was either a claimant or defendant/party by statute), and four judgments rendered. One other court case was settled successfully through mediation – a first in the Fund’s history.

**Amendments to the *Marine Liability Act*, the Fund’s home statute.** A number of amendments were introduced in October 2018 via Bill C-86, which entered into force on December 13, 2018.

- The removal of the Fund’s per-occurrence limit of liability (which was \$174 million);
- The authorization to temporarily transfer funds from the Consolidated Revenue Fund to the SOPF in the event that it is depleted;
- The alignment with international conventions of the Fund’s liability for claims for economic loss (notably loss of revenue) caused by oil pollution;
- The Fund’s additional liability for reasonable costs or expenses incurred by the Minister of Fisheries and Oceans in respect of preventive measures taken when the occurrence giving rise to those costs or expenses did not create a grave and imminent threat of causing oil pollution damage;
- The provision of up-front emergency funding to the Minister of Fisheries and Oceans for significant oil pollution incidents;
- An expedited, simplified process for small claims (up to \$35,000) to the Fund.

**Entry into force on February 28, 2018, of the *Wrecked, Abandoned or Hazardous Vessels Act* (former Bill C-64).** This new legislation implements the *Nairobi International Convention on the Removal of Wrecks* into Canadian law, thereby imposing mandatory wreck removal insurance for all vessels over 300 Gross Tonnage (GT). This new requirement will contribute, over time, to a reduction of claims brought to the Fund with respect to oil pollution damage caused by wrecks, particularly among ships between 300 and 1,000 GT, as ships of 1,000 GT and over must already be insured for oil pollution damage where subject to the *Bunkers Convention*.

Although these foregoing developments had a direct impact on the operations of the Fund during the 2018-2019 fiscal year, the main driver of the Administrator’s activities was the fulfilment of her statutory mandate under Part 7 of the *Marine Liability Act*, i.e.:

- Administering claims for oil pollution from a ship-source in Canadian waters (see Section 1.1, below);
- Providing emergency funding to the Canadian Coast Guard (CCG) in cases of major incidents, as directed by the Minister of Transport, under new statutory provisions that entered into force on December 13, 2018 (Section 1.2);
- Causing administrative monetary penalties to be issued against contributors in case of lack of compliance of their reporting obligations – a new statutory provision entered into force on December 13, 2018 (Section 1.3);
- Contributing to the International Oil Pollution Compensation Funds (Section 1.4);
- Causing books of account and records to be kept, control and information systems and management matters to be maintained, and providing reasonable assurance that assets of the Fund are safeguarded and that the operations of the Fund are carried out effectively (Section 1.5);
- Causing the financial statements of the Fund to be audited (Part 2 of this report); and
- Reporting on the above (Section 1.6).

## 1.1. CLAIMS AND INCIDENT REPORTS FOR CANADIAN OIL SPILL INCIDENTS

The Administrator dealt with a portfolio of 89 active files during the 2018-2019 fiscal year (compared with 88 files the preceding year). The details of the 2018-2019 active files can be found in the Appendix. This portfolio includes:

- 70 claims files, vs. 56 claims files in 2017-2018 (from the moment a claim is received by the Administrator, to its investigation and assessment, to the offer made by the Administrator to the claimant, to the payment by the Administrator along the terms of the offer, to the recovery action by the Administrator against the shipowner, its insurer, or any responsible third party); and
- 90 incident files, vs. 32 incident files in 2017-2018 (from the moment the Administrator is informed of a ship-source oil spill in Canadian waters or of the imminent risk thereof, to any measure undertaken by the Administrator to protect the exposure of the Fund, to the moment a claim is actually filed in relation to this incident). 32 of these files were “active”, i.e. the Administrator had not only received and filed the information on the incident, but deployed resources to investigate the incident or to protect the Fund’s exposure in case of future claims. During the fiscal years several incident files turned into claims files.

Although claim assessment usually takes only a few months, a file may carry over two or more fiscal years between the incident report stage and the end of recovery action. The oldest file still open is for a spill incident that happened in 2007 and was indemnified by the Fund in 2008. The Administrator has a judgment registered against the owner, which she may eventually be able to execute.

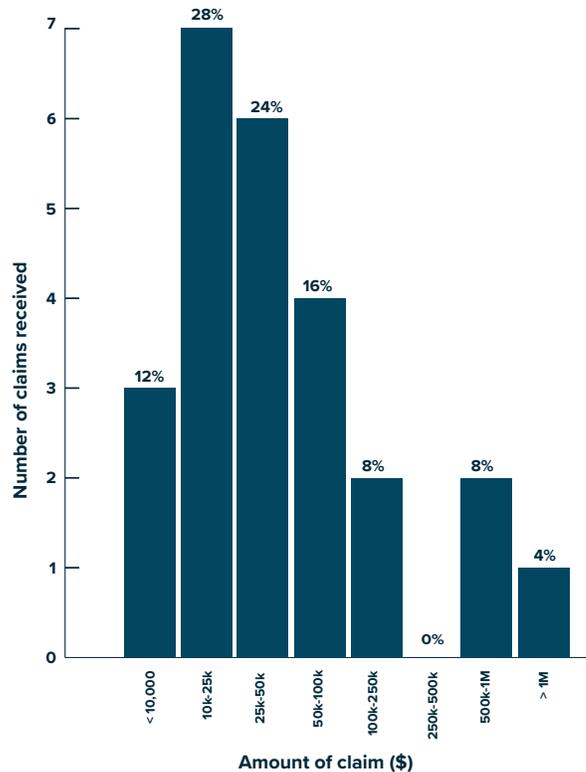
### 1.1.1. 2018-2019 CLAIMS PORTFOLIO OVERVIEW

**Many claims.** 25 claims were received during the fiscal year, compared with 32 claims the previous year and with 12 claims per year on average over the history of the Fund. The claims received in 2018-2019 ranged from \$1,158 to \$1,857,314 for a total of \$4,262,618 (2017-2018: \$7,322,367). This amount is the third largest for any fiscal year since the inception of the Fund in 1989 (2017-2018: \$7.3 million; 2016-2017: \$5.4 million), even if the consumer price index is taken into consideration.

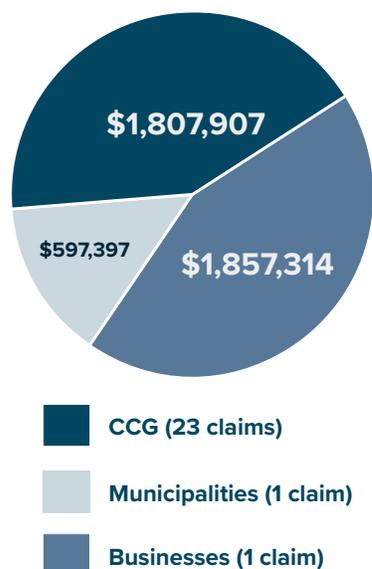
**Most claims still below \$50,000.** Although the average value per claim was \$170,505 this fiscal year (2017-2018: \$228,824), 64% of the claims were still below \$50,000.

**The Canadian Coast Guard as the (almost) sole claimant.** The CCG was the claimant in 23 out of the 25 claims received in 2018-2019 (92% of the number of claims received) but only for 42% (2017-2018: 85%) of the total amount claimed during the year. The two remaining claimants were respectively a municipality and an Indigenous tourism association. Despite the outreach efforts, there was less diversity in claimants in 2018-2019 than in the previous year. However, the non-CCG claimants had large claims.

**Table 1: Spread of the 25 claims received in 2018-2019, by amounts**



**Table 2: Value of the 25 claims received in 2018-2019, by claimants**



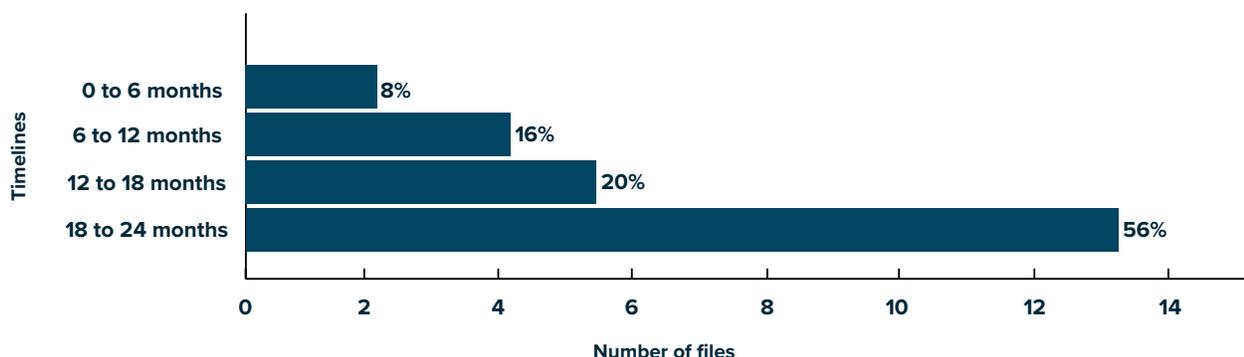
**Most claims still come from British Columbia.** The claims received during the fiscal year have come primarily out of British Columbia (14), followed by Nova Scotia (4), Ontario (3), Newfoundland & Labrador (2), and Quebec (2). This preponderance of British Columbia as a source of claims is consistent with the Fund’s claim portfolio of the past decade and is largely due to the number of abandoned and derelict vessels present in the province.

**Fishing vessels generate more claims than other types of vessels, but tugs and barges generate larger claims.** The claims received during the fiscal year can be regrouped by vessel type as described in Table 3. It is worth noting that no claims were received for tanker incidents nor for cargo/container vessels.

**Table 3: Claims received in 2018-2019, by vessel type**

TYPE OF SHIP	NUMBER OF CLAIMS	PERCENTAGE OF TOTAL	TOTAL AMOUNT \$	PERCENTAGE OF TOTAL	AVERAGE \$ PER CLAIM
Tankers	0	0	0	0	0
Cargo/container vessels	0	0	0	0	0
Tugs/barges	5	20	3,400,316	80	680,063
Fishing vessels	7	28	403,470	9	57,639
Unknown (mystery spills)	2	8	12,547	1	6,273
Other	11	44	446,285	10	40,571
<b>TOTAL</b>	<b>25</b>	<b>100</b>	<b>4,262,618</b>	<b>100</b>	<b>170,505</b>

**Table 4: Timelines for the filing of claims in 2018-2019**



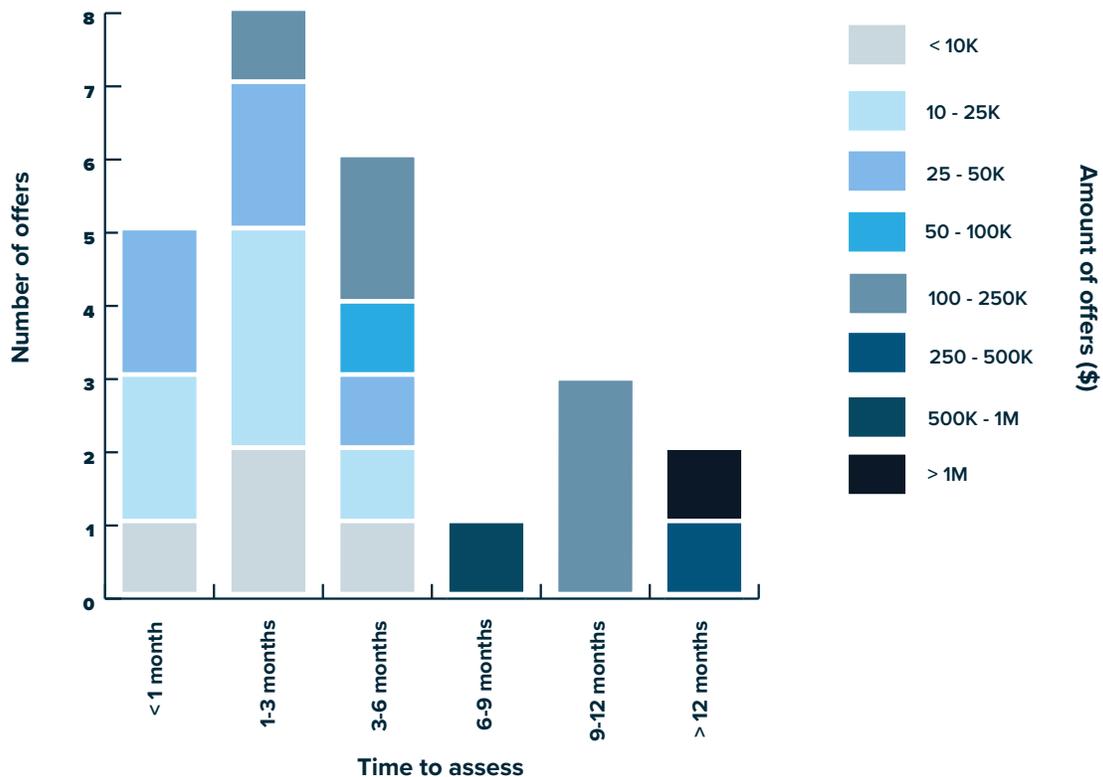
**Timelines for the filing of claims keep getting longer and longer.** All the claims received during the year were filed within the relevant time limitation period; however, some 56% of claims were filed between 18 and 24 months (with about 25% of all claims received less than one month before the two-year limit applicable in spill cases). The number of claims filed within one year of the pollution incident was less than usual.

**A record year in the number of assessments performed and in the amounts granted.** Over the fiscal year, the Fund carried out 36 assessments, and finalized the assessment of 25 claims (2017-2018: 24). As of March 31, 2019, 10 out of the 25 claims received in fiscal year 2018-2019 were still being assessed. The assessment of the \$4.6 million CCG claim in the *Chaulk Determination* incident received in 2016-2017 was finalized and translated into the highest offer ever made by an Administrator in the history of the Fund (even taking inflation into account).

**52% of assessments completed in less than three months (2017-2018: 80%), 76% in less than six months.** The time to complete the assessment of claims for which no court proceedings were involved, and the offers made, are summarized in Table 5. As shown, the smaller the claim, the faster the assessment, with claims of \$50,000 or less being normally assessed within three months.

As already reported in the former annual report, the Administrator implemented in December 2017 a new policy on draft offers, to allow feedback from the claimant when there is a significant discrepancy between the amount claimed and the amount allowed, or when the assessment gives rise to a new assessment practice or policy. The issuance of a draft offer may generate additional delays in the issuance of a final offer, should the claimant elect to use the full delay granted for comment – even more so if the claimant requests an extension of time for responding to the draft offer.

**Table 5: Time to assess claims and offers made in 2018-2019**



**Amount offered less than 80% of amount claimed – a new trend.** On average, offers amounted to 77% of the amount claimed, slightly less than in 2017-2018. Considering that offers were historically between 95 and 97% of the amount claimed, last year’s percentage was already considered an historic drop.

**Claims for the dismantlement of ships the prominent cause for discounts.** This year again, the CCG filed a number of large claims for costs of deconstruction of steel or ferro-cement vessels. The offers made with respect to these claims were markedly below CCG’s historic 95-97% success rate. Indeed, 14 out of the 23 claims for which CCG received an offer during fiscal year 2018-2019 received over 96% of the amount claimed (10 claims receiving 100% of the amount sought), one was assessed at 92% of the value of the claim, while 8 received less than 75% (including 6 claims assessed at less than 40% of the amount claimed). Six of these claims were for the deconstruction costs of the vessel.

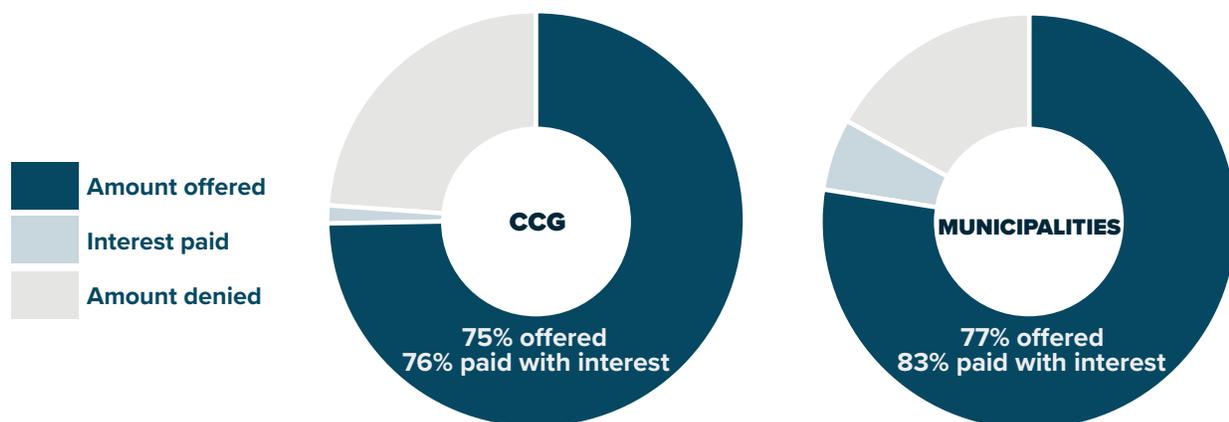
**Second appeal of an offer from the Administrator in the history of the Fund.** The CCG appealed the Administrator’s offer regarding the *Ocean Eagle/ZB 335* claim. The matter is ongoing as of the end of the fiscal year.

**Files paid during the fiscal year: a record, and the confirmation of an upward trend.** 25 claims were paid this year or offered a payment for a total of \$8,137,253, or \$239,423 per claim on average (2017-2018: 24 claims paid, for a total of \$2,711,090, or \$112,962 per claim on average). This is an all-time record, and it confirms the upward trend initiated in 2016: the number of claims paid each year since 2016 has been nearly double the previous decade’s annual average (15), and the average amount paid per claim (\$239,423) was four times higher than the previous decade’s annual average (\$55,984).

**Largest single payment ever made by the Fund.** \$4.2M was paid to the CCG in September 2018, for the clean-up costs caused by the sinking of the tug *Chaulk Determination*, in Trois-Rivières, QC.

**Increased amounts recovered.** Sixty two files were at various stages of recovery action during the fiscal year (compared with forty-five files the previous year, which was already a record year for the number of files in recovery action), from demand letters, to court actions, to asset realization, or registration of the judgment against the eventual property of the debtor. 11 settlements were reached with shipowners or insurers (vs. 5 in 2017-2018). In total, the Administrator

**Table 6: Percentage of amount paid (including interest) vs claimed**



was able to recover some \$2,234,411 (2017-2018: \$258,691) through these 62 files in recovery action (the ten-year average for recovery is about \$39,948). As of April 1, 2019, the Fund still had 36 files in recovery action (2017-2018: 32), the remainder having been closed. These 36 files in recovery action represent some \$4.6M for which reimbursement is sought from shipowners and insurers.

In claims where the responsible shipowner is clearly known, the services of legal counsel may be obtained for recourse action. In some situations involving abandoned and derelict vessels, the name of the shipowner is not always readily available. In these instances, when it is necessary to trace the name and location of the registered owner and identify assets that may be available for recovery purposes, the Administrator may obtain the services of a professional locator firm. The efforts deployed by the Administrator in recovery action and the number of files in recovery action this year led to increased asset location costs and legal costs.

**Challenges and opportunities with respect to claims management.** The previous annual report identified a number of challenges and opportunities with respect to claims management: small claims; readiness for indemnification of large spills; readiness for indemnification of border spills; compensation of claims arising out of an Incident Command System (ICS) deployment; claims for the dismantlement of ships; and the optimization of the Fund as an alternative for access to justice for potential claimants. These challenges and opportunities have continued in 2018-2019, some of them with a new twist due to the passage of Bill C-86 which amended the MLA.

- **Small claims.** Section 106.1, introduced by Bill C-86, provides for a new fast track process for claims of \$35,000 or less: claimants attest to key information in support of their claim, which is paid in full, if the conditions are met, within 60 days and may be reassessed by the Administrator within three years. Claimants must provide supporting documentation on reassessment. Should the Administrator determine that the

claim was established for a lesser amount than what was originally paid, the claimant must repay the difference, and interest may be charged.

- **Readiness for the indemnification of large spills.** In 2016, the Administrator undertook pre-planning collaboration with international partners (International Group of P&I Clubs and International Oil Pollution Compensation Funds) in claimant indemnification in case of a large oil spill in Canadian waters. Progress slowed in 2017-2018 pending announced amendments to the MLA as part of Canada's Oceans Protection Plan. With Bill C-86 now in force, work with our international partners on indemnification can resume. The expedited small claims process, the removal of the SOPF per-incident limit of liability, and the ability for the Administrator to provide emergency funding in cases of major incidents are all new elements of the Canadian regime that should facilitate indemnification in the event of a large spill.
- **Readiness for the indemnification of border spills.** Building on the three-day Transboundary Oil Spill Liability and Compensation Workshop which was held in Ottawa in November 2017 with the US Oil Spill Liability Trust Fund (OSLTF) and other partners, the Administrator and the OSLTF have started to work on a joint liability and compensation exercise which is expected to take place during fiscal year 2019-2020. Our International partners in compensation will also be involved in this exercise.
- **Compensation of claims arising out of an Incident Command System deployment.** Last fiscal year, several claimants involved in the same ICS deployment filed claims with the Fund. Although the Office of the Administrator started to assess these claims separately, it eventually had to assess them jointly, especially with respect to the elements of these claims that were based on the ICS. This was the first time that the Administrator had to process several claims stemming from the same incident in a joint ICS deployment, which raised a number of

assessment issues. One of these claims has still not been settled at the end of this fiscal year. After it is settled, the Administrator intends to hold a *post mortem* with all relevant key stakeholders, so that appropriate guidance can be developed for future cases involving an ICS deployment.

- **Claims for the dismantlement of ships.** This year, the Administrator again received a large number of claims from CCG involving the dismantlement of vessels, some of which resulted in comparatively low offers. As noted in the last annual report, the Administrator has sought to develop a clear statement outlining the principled and consistent approach to the assessment of such claims under her statutory mandate. The growing compendium of her decisions on the issue has served to facilitate this. Draft guidelines based on the Administrator's assessment approach have been developed and will be shared with CCG early in the coming fiscal year before being published on the SOPF website. A further positive development is the coming into force of Bill C-64, which bolsters and clarifies the Canadian legislative scheme surrounding the treatment of wrecked, abandoned, and derelict vessels.

In short, the Fund does not *per se* compensate claimants for the deconstruction of vessels, but rather for reasonable measures taken to mitigate marine oil pollution and/or the threat thereof. Where a claim includes the cost of dismantling a vessel, the claimant must first satisfy the

Administrator that it had legitimate authority to undertake the deconstruction. In the case of CCG, this authority stems from the *Canada Shipping Act, 2001*. Next, the Administrator undertakes an evidence-based assessment of the reasonableness of deconstruction as a pollution mitigation measure, weighing various contextual factors as they arise. Where a threat has been sufficiently mitigated by preventive measures falling short of deconstruction, the Administrator cannot find that deconstruction is a reasonable measure. Generally speaking, deconstruction is compensable in cases where the vessel itself is an "oily waste". If deconstruction is found to have been a reasonable measure in the circumstances, the Administrator turns to the assessment of the reasonableness of its associated costs. The foregoing approach is applicable to vessels of all construction types.

- **The Fund as an access to justice tool for claimants.** In addition to the measures already undertaken last fiscal year to improve access to justice for claimants, the passage of Bill C-86 (and the related need to update its public information tools accordingly) provides the perfect opportunity to review the whole website and material developed for claimants, with the view to improving accessibility.

## 1.1.2. 2018-2019 INCIDENT REPORTS OVERVIEW

- **Incident reports.** Twenty-one incident reports were carried over from the previous fiscal year. Out of these 21 incidents, six claims were filed in 2018-2019 (2017-2018: 6). In addition, the Fund opened 73 new incident reports during the year. This surge in the opening of incident reports was due to the systematic follow-up of the information provided by CCG at their quarterly meetings with the marine experts of the Office of the Administrator. To protect the Fund's potential exposure, the Administrator mandated a marine expert in some of these cases, or appointed legal counsel to take protective measures, such as obtaining financial security from the shipowner and/or its insurer (2 cases in 2018-2019 compared to 4 cases in 2017-2018). The Administrator can arrest the ship or any sistership in order to secure a financial guarantee to cover the Fund's exposure: this did not happen this year (it happened twice the previous fiscal year). However, in the vast majority of the new incident report files, preliminary information gathered by the Office of the Administrator did not trigger such measures.
- **Claims filed for incidents involving insured ships.** An incident where an insured vessel is involved does not normally generate a claim with the Fund, as the ship's insurer will usually indemnify the claimant directly. Incidents involving uninsured vessels, particularly abandoned and derelict vessels, are the most likely to eventually

generate claims with the Fund. Three incidents where the subject vessel had third party liability insurance (*Pitts Carillon*, *West Island 395*, *Feelin' Free*) nevertheless generated claims this year (2017-2018: 12 – a very atypical year).

- **Challenges and opportunities.** The Fund's involvement in cases where the ship is insured might help the claimant obtain compensation without having to go to Court. The polluter, via its insurance, remains the ultimate payer, and the Fund rather than the claimant bears the cost of the interface with this ultimate payer. One of the side effects of this new trend, however, is that it is the Fund, rather than the insurer, who bears the cost of assessing the claim – a cost that can be significant in the case of large claims, involving experts' and lawyers' time.

## SOPF COURT CASES IN 2018-2019

### COURT CASE PORTFOLIO

The Administrator managed a portfolio of some **25** court cases in 2018-2019.

This includes **six new** court cases initiated during the fiscal year, where the Administrator was involved in a variety of capacities:

- as **Plaintiff in an action for security** against the shipowners and the ships under s. 102 of the MLA (*Ocean Eagle/ZB 335*);
- as Respondent, on **statutory appeal of an Offer of Compensation** made to a claimant (*Ocean Eagle/ZB 335*);
- as **subrogated Plaintiff** against a shipowner (*Viki Lyne II; Viking I*), including one case in a sistership arrest (*Viking I/ Full Circle*);
- as **Defendant in a limitation action** brought by a charterer (*Pitts Carillon*); and
- as a **party by statute** under s. 109 of the MLA brought by a BC First Nation against the shipowner, as well as the Federal and Provincial Crowns (*Nathan E Stewart/DBL 55*). The IOPC are also parties by statute in this court case.

**Recovery action cases represented the majority of the legacy court cases**, including four cases where judgment was rendered in favor of the Administrator but proved difficult to execute (*Baffin Sound*), or additional post-judgment court proceedings were required (*Elf; Elva M II; Spudnik*).

### COURT CASES OUTCOMES

Over the fiscal year, eight court cases out of the 25-case portfolio had a positive outcome for the Administrator, while two had a negative outcome and one a neutral one:

- The Administrator had to **withdraw** a sistership action where she stood as subrogated Plaintiff, as the shipowner had left the jurisdiction and no longer had any ship in the jurisdiction (*Lady Young/My4Boys*).
- Four court cases were **settled** out of court or through mediation (*Viki Lyne II; Arca I; Marathassa; Warren L II/ Marlene Wright*).
- One case in which the Administrator was party by statute was **closed** after the Supreme Court of Canada refused to hear an appeal (*Clipper Adventurer*).
- **Four judgments** were issued, three of which were in favour of the Administrator. However, one of these judgments, is currently under appeal (*Chilcotin Princess*).

The other cases of the portfolio are still pending.

The four judgments issued this year were related to recovery action against shipowners. Two of these judgments were delivered by the Federal Court against the same owner, for spills caused by two of his vessels:

#### **Canada (Ship-source Oil Pollution Fund) v Dodds, 2019 FC 144 and 2019 FC 146**

These were motions for summary judgment before the Federal Court – heard concurrently – brought by the Administrator as a subrogated claimant seeking to recover the amount paid to the CCG for pollution damage and preventive measures taken, caused by the *Ryan Atlantic II* (ex *Cape Rouge*) and the *M/V Farley Mowat* respectively.

The Defendant appeared at the hearing and made oral submissions, however he tendered no evidence at all. Heneghan J. ruled that there was no genuine issue requiring a trial. She found that the Administrator's claims were founded in law and established on the affidavit evidence tendered. Accordingly, she ruled in favor of the Administrator in both actions, for a total of about \$1.2 million.

The two other judgments exemplify issues faced by the Administrator when identifying ship ownership for recovery recourse purposes. These two judgments are summarized below.

## RECOURSE AGAINST THE SHIPOWNER: “OWNERSHIP” ISSUES

These two decisions illustrate some of the legal issues raised with the identification of the relevant “owner” of a vessel for recovery action purposes.

### ***Canada (Ship-source Oil Pollution Fund) v Dr Jim Halvorson Medical Services Ltd, 2019 FC 35: the registered owner of a vessel not covered by the conventions met his evidentiary burden by convincing the Court that ownership had been transferred prior to the sinking.***

The Administrator brought a subrogated action against the registered owner of the ex-logging barge *Crown Forest 84-6*, which sank and polluted sensitive waters off Vancouver Island. The registered owner added a recently-deceased third-party defendant to the action and alleged that the barge had been sold to this individual for \$1 prior to the sinking. At issue before the Federal Court was whether title to the barge had been properly conveyed, and, if so, whether the registered owner could escape strict liability. The Court found, based on the whole evidence, that the alleged transfer was valid despite the registration on the Canadian Register of Vessels and the absence of a formal bill of sale. As a result, there could be no finding of liability of the registered owner under the relevant section of the MLA and the Administrator’s action was dismissed with costs.

In this case – involving a polluting vessel not covered by the international conventions on liability – the Court was satisfied by the evidence brought by the defendant. The Administrator’s take away on this decision is that the registered owner bears the burden of proving an alleged prior transfer on the balance of probabilities in the face of registration. Where a sound contract is not established on the facts, or perhaps if some degree of use and possession continues to be enjoyed, strict liability rests firmly on the registered owner. The Administrator will therefore continue to pursue action against registered owners of smaller vessels covered by the domestic regime unless they can produce sufficient evidence of a legitimate prior transfer of ownership.

When applicable, however, the international liability conventions explicitly include the “registered owner” in the relevant definitions of “owner”.

### ***British Columbia v The Administrator of the Ship-source Oil Pollution Fund, 2018 BCSC 793: the province potentially becoming the owner of a ship after the dissolution of a provincial corporation***

The Administrator brought a subrogated action in the Federal Court against the Province of BC as the owner of the vessel *Chilcotin Princess*. The previous owner was a corporation that had been dissolved under the *BC Business Corporations Act* for failure to file its annual company reports. As a result, all corporate property vested in the Province prior to an oil pollution incident involving the derelict vessel. The Province filed a defence in the Federal Court, but also brought an application in the Supreme Court of BC seeking to restore the dissolved corporation as if it had never been struck, with prejudice to the recovery rights of the Administrator.

In May 2018, the Supreme Court of BC granted the Province’s petition to restore the corporation, but declined to do so retroactively, finding that such a remedy is discretionary, with the Province bearing the burden to show that a prejudicial restoration would be appropriate despite the fact that the Administrator’s legitimate claim arose after dissolution. The Province appealed, and the Court of Appeal heard arguments in December 2018. The Administrator’s Federal Court proceeding against the Province has been stayed pending the final determination of this corporate issue.

## 1.2. EMERGENCY FUNDING OF THE DEPARTMENT OF FISHERIES & OCEANS IN CASE OF A MAJOR OIL SPILL INCIDENT

Amendments to the MLA (ss 110 seq.) that entered into force on December 13, 2018 allow the Minister of Transport to direct, at the request of the Department of Fisheries and Oceans (DFO) and after consultation with the Administrator, the release of emergency funding to respond to a significant incident involving the discharge of oil from a ship. This emergency funding can be up to \$10 million per year. If this maximum amount has been charged to the Fund and DFO is of the opinion that additional emergency funds are necessary, up to \$50 million per year can be released, with the authorization of the Governor in Council.

The emergency funds so released must be reimbursed to the SOPF within two years through an *Appropriation Act*, less any amount claimed as damage by DFO under the normal claim process.

These new provisions are intended to be used in exceptional circumstances. Such circumstances have not happened since coming into force, and the SOPF has not been used for this purpose during the fiscal year.

## 1.3. INQUIRY AND ENFORCEMENT WITH RESPECT TO CONTRIBUTORS' REPORTING OBLIGATIONS

Amendments to the MLA (ss 117.3 seq.), entered into force on December 13, 2018, provide the Administrator with new inspection and inquiry powers with respect to contributors' data reporting obligations. Other amendments to the Act (s. 130.01) provide for Administrative Monetary Penalties (AMPs) in case of infringement of these obligations.

The Administrator did not use these new powers during this fiscal year and no AMPs were issued.

## 1.4. CONTRIBUTION TO THE INTERNATIONAL OIL POLLUTION COMPENSATION FUNDS

**Attendance at the International Oil Pollution Compensation Funds' (IOPC) meetings.** The IOPC Funds are two intergovernmental organizations (the 1992 Fund and the Supplementary Fund) which provide compensation for oil pollution damage resulting from spills of persistent oil from tankers. The 1992 Fund (115 member States) provides some \$372 million in compensation per incident, while the Supplementary Fund (31 member States) provides an additional layer of compensation of about \$1 billion, for a total of some \$1.396 billion (based on March 2019 exchange rates). Canada is a member of both Funds.

The Administrator attended the Spring and Fall 2018 meetings of the IOPC Funds in London. Key topics of discussion and decision included levels of international payments in a number of tanker spills in countries party to the conventions, additional contributions from member countries to cover for these payments, discussions on refined assessment criteria for claims for compensation made by employees who have suffered a reduction in wages, been placed on part-time work or been made redundant as a consequence of an incident, and risks arising from incidents in which ships were insured by unreliable insurers. As a matter of policy, the Administrator applies to the assessment of all SOPF cases – including incidents that do not involve tankers carrying persistent oil – the same assessment principles and guidelines that have been adopted by the IOPC Funds for tankers carrying persistent oil. These refined criteria adopted by the IOPC Funds will therefore be used by the Administrator in the assessment of losses of earnings suffered by employees.

The IOPC Funds (in addition to the Administrator of the SOPF) are parties by statute in the court case the Heiltsuk brought against the owners and all others interested in the tug *Nathan E. Stewart* and tank barge *DBL 55* for the spill which occurred in Bella Bella, BC in October 2016. The claim was filed in the Supreme Court of British Columbia shortly before the Fall

session of the IOPC Funds, however too little relevant information was known to support any discussion by member States at that time.

Bill C-86, amending the MLA, was introduced in Parliament during the Fall session of the IOPC Funds. Transport Canada, head of the Canadian delegation, delivered a short communication to the International Funds' governing bodies, highlighting the main features of the proposed amendments and underlying that these changes would substantially complement the international oil pollution conventions.

The full report of the IOPC Funds discussions and the relevant supporting documentation are available online at the IOPC Funds website (<https://www.iopcfunds.org/>).

#### **Collection of the data from Canadian contributors.**

The Administrator is responsible for ensuring that the Canadian receivers of crude oil by water (150,000 tonnes minimum on an annual basis) provide their return on the quantities received. The Administrator may follow up on the information received and inquire on significant variances over the preceding year, before reporting Canadian data to the Secretariat of the International Fund. This year was the second year the filing of the Canadian receivers' reports was done through a new web interface. Although all filings went smoothly last year, a number of contributors experienced IT glitches when attempting to file their reports this year and individual assistance had to be provided. The Office of the Administrator will have a debrief with the web interface service provider to ensure that the same situation does not reoccur next year.

#### **Payment of the Canadian contribution to the International Funds.**

On the basis of the Canadian data provided by the SOPF in the Spring of 2018 and of the IOPC Funds financing needs agreed at the November 2018 London meetings, the SOPF paid this year a Canadian contribution of \$491,838 to the International Funds (2017-2018: \$1,335,314). This contribution includes Canada's share for the

General Fund 2018, for payments for major claims (the *Alfa I* incident and the *Agia Zoni II* incident), and for the reimbursement of the balance of the *Volgoneft 139* Major Claim Fund which has been finalized and closed.

**Challenges and opportunities.** As mentioned above, it has been the policy of the Fund's Administrators to align themselves to the extent possible on the guidelines and decisions of the IOPC Funds, including for non-tanker spills and other oil spill claims that are not covered by the IOPC Funds regime. Bill C-86 clarifies the scope of shipowner liability in Canada, aligning it with the international conventions. Furthermore, Bill C-86 delineates and clarifies instances in which only the SOPF is liable. The communication material of the Office of the Administrator is being totally reviewed to align to every extent possible with the IOPC Funds material and guidelines, notably with respect to pure economic losses (fisheries, aquaculture, tourism, loss of employment wages, etc.) for damages for which a shipowner would be liable under the MLA and under the conventions, while also facilitating access to compensation from the SOPF for some types of damages for which a shipowner would not be liable under the MLA.

**The HNS Convention and Fund.** On April 23, 2018, Canada ratified the *International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea*, as amended by its 2010 Protocol (2010 HNS Convention). The MLA had already been amended for that purpose, and new regulations entered into force in December 2016 provide for the collection of national data which was a prerequisite to the ratification.

On April 26 and 27, 2018, the Administrator attended a two-day workshop on the implementation of the HNS Convention organized by the International Maritime Organization (IMO) in cooperation with the IOPC Funds. This event took place at the IMO Headquarters in London prior to the IOPC Funds Spring session

and was moderated by François Marier (Transport Canada). When the Convention enters into force, the Administrator will provide the Canadian data on persistent oil imports by water (above a 150,000-tonne threshold) as well as Canadian data on oil products imports by water (above a 17,000-tonne threshold) to the new HNS Fund. In the case of damage caused by any HNS, Canadian claimants will have access to a new international fund, the HNS Fund, in addition to the shipowner's maximum limit of liability, which will be mandatorily covered by insurance with a right of direct access for claimants. All in all, victims will have access to about \$465 million (depending on exchange rates at the relevant time) from the new international regime. More information on the 2010 HNS Convention can be found on the Convention's website (<https://www.hnsconvention.org>).

## 1.5. OFFICE MANAGEMENT AND CONTROLS

**Appointment of the Deputy Administrator: positive impact on office management and controls.** The appointment of a Deputy Administrator has allowed sharing of the core responsibilities of the Administrator that cannot be delegated except to a Deputy Administrator. Such core responsibilities include the delivery of any decision that translates into a payment out of the Fund, notably offers to claimants, initiation of expenses, and authorization of the related payments. With the appointment of a Deputy Administrator, the Administrator now authorizes expenses while the Deputy Administrator authorizes the related payments. Such a standard governance measure in the management of public funds can now be implemented.

**Human resources renewal, expansion and management.** The 2018-2019 fiscal year was marked by human resources renewal, due to retirements and their replacements, new positions being created and filled through competitions, and new students being hired under the student program (3 in 2018-2019).

An increased number of consultants have also been retained, either remotely or through a presence in the office, to shoulder a number of projects or to act as project coordinators with staff members. Human resources management processes had to be established to ensure that existing office rules were understood, shared and abided by, and that all business processes were properly mapped out and documented. The Administrator has developed a number of policies and guidelines to avoid micromanagement while keeping everybody on the same page. This is an ongoing process that will continue in the upcoming fiscal year.

**File management processes.** The increasing number of resources working for the Office of the Administrator in various capacities, the development of a small in-house legal section, continuing recovery action efforts and the multiplication of legal actions, new mandates introduced by Bill C-86, a need for more granular data for decision making and management purposes, as well as for outreach, have all led to the need to further refine and upgrade the file management system – both at the management policy and processes, and at the IT levels. This upgrade required a significant effort in terms of staff time and external IT services.

**Records retention and disposal.** In August 2018, Library and Archives Canada (LAC) issued to the Office of the Administrator the *Application Guide for Validation 2.0*, which accompanies *Disposition Authorization 2016/015* issued to the Office of the Administrator by LAC in 2016. This validation identifies the activities of the Office of the Administrator that are of archival significance and for which related records will be kept by LAC at the end of their retention period. Records of the Office of the Administrator that were deemed to have archival significance include those related to strategic planning, management and oversight, external communications, and general research and procedures related to processing claims. Individual claims files are not deemed of archival significance.

**Upgrade of the MOU between the SOPF and the Rail Fund.**

The SOPF has been hosting the new Fund for Railway Accidents Involving Designated Goods (Rail Fund) since the inception of the latter. The premises rented by the SOPF and the staff hired by the SOPF are shared in part with the Rail Fund, and an MOU signed between the two Funds on March 31, 2017 itemizes the resources shared and the financial conditions under which they are shared. Under this MOU, the Administrator of the SOPF bills the Rail Fund at the end of the fiscal year for the use of SOPF staff, premises and other shared resources. One-twelfth the preceding year's invoice is however paid on a provisional basis by the Rail Fund to the SOPF at the end of each month, with the actual amount being adjusted at the end of the fiscal year. One of the key elements of the calculation is the proportion of staff time spent on each fund over the relevant fiscal year. In order to be able to establish this proportion, the Administrator of the SOPF has implemented time sheets for staff to report on time spent on the Rail Fund.

This fiscal year was the third year of operation of the MOU. With the increased level of activity of both Funds, the constant movement of staff, consultants and students and the related rotations of workstations, the MOU is becoming increasingly demanding management-wise. A revised iteration will come into play on April 1, 2019. Based on the time sheets of the human resources directly involved in program delivery, this revised MOU should allow for a greater accuracy in the cost allocation while reducing the administrative burden.

**CHALLENGES AND OPPORTUNITIES**

**Bill C-86's new roles for the Fund and the Administrator, and consequent upgrade of the MOU with TC.**

An MOU between the Administrator and Transport Canada (TC) details the corporate interface between the two entities, notably with respect to the accounting services provided by TC to the Administrator to process payments to and from the Fund - which is a special account in Canada's Consolidated Revenue Fund. The legislator granted additional roles to the Fund and the Administrator via Bill C-86, which will entail some additional interface with TC:

- Emergency funding of the Department of Fisheries & Oceans in case of a major spill incident (see section 1.2, above);
- Inquiry and enforcement with respect to contributors' reporting obligations (section 1.3).

The MOU with TC is therefore being reviewed to provide for these new types of interface and to incorporate any elements necessary for the proper operationalization of the new statutory provisions.

**Managing further growth.** The Fund has been in a growth mode for the past three years, yet effort is still being deployed to increase its relevancy for the Canadian public. Management policies and processes have succeeded so far in accompanying and supporting the increase of internal and external resources needed to deliver more and better, while keeping overall expenses in check. Finding and implementing lean and agile ways to adjust to an increasing workload, while relying on an engaged, professional and happy office team, is an ongoing and stimulating challenge.

## 1.6. REPORTING AND COMMUNICATIONS

In addition to the Administrator's activities in 2018-2019 that have already been reported above, the Office of the Administrator has also carried out a number of outreach activities.

**Outreach as a strategic orientation.** Outreach activities have been systematized and intensified in 2018-2019, as it had become obvious that the Fund could not fully meet its access to justice mandate if potential claimants were not aware of its very existence. Based on an annual outreach calendar, the Office of the Administrator has reached out systematically to priority stakeholders province by province or territory across Canada: relevant departments of provincial or territorial governments, provincial or territorial associations of municipalities, provincial associations of municipal administrators, ports, and also maritime lawyers and insurers associations and other industry groups. In order to maximize the use of resources dedicated to this outreach effort, the two Funds (SOPF and Rail Fund) have reached out jointly to their common stakeholders (see summary of these efforts in the boxes below).

The Office of the Administrator delivered ten webinars to various groups of stakeholders (mainly potential claimants) throughout the year, including one joint webinar with the Rail Fund.

**Increased engagement with Indigenous groups.** As noted in last year's annual report, a notable proportion of SOPF claims are generated by incidents that occurred near Indigenous communities, however the Fund has not yet paid any claims to claimants from Indigenous communities. The Administrator is committed to continue conducting outreach initiatives to help make more Indigenous Peoples aware that they can be compensated for costs incurred resulting from incidents in their areas. The Administrator retained a resource this year to structure and manage outreach to Indigenous communities and to organize webinars on how to file a claim.

**Revising communication material and tools for claimants.** Bill C-86 introduced a number of changes to the compensation regime and to the Administrator's mandate (including the fast track small claims process based on an attestation from the claimant). It also clarified intent of the legislator with respect to the compensation of pure economic loss. The timing is perfect, not only for updating communication material and tools for claimants to reflect MLA amendments in C-86, but also for reviewing such communication material and tools with a view to simplifying the language and improving readability and accessibility for readers/users.

**Using social media to accelerate outreach.** The Office of the Administrator is now using LinkedIn and Twitter to improve and accelerate outreach. We should be able to report next year on the metrics of media coverage of SOPF activities (including social media coverage), using 2018-2019 as a baseline year.

**Leveraging the 30<sup>th</sup> anniversary year to increase outreach.** The Administrator has decided to leverage the 30<sup>th</sup> anniversary year to increase outreach and engagement and to accelerate the deployment of a number of strategic initiatives that will ensure the positioning of the SOPF as a relevant way to access justice for the victims of ship-source oil pollution. An anniversary conference will be held in Ottawa on May 28, with the main partners and stakeholders of the Fund, replicating the one-day conference which was held in 1989 upon the creation of the Fund. This anniversary conference will be webcast to assure accessibility and transparency. This event will however be only one of the outreach elements of the 2019 anniversary year. It will be complemented by a number of publications and other communication initiatives.

**Challenges and opportunities: beyond the 30<sup>th</sup> anniversary, a long-term plan.** The 30<sup>th</sup> anniversary year provides a momentum for accelerating the outreach and communications efforts. This effort will hopefully help remedy the awareness gap that currently exists between the Fund and its key stakeholders. This is not a one-time effort, though, as this acceleration is to blend into a strategic stakeholder communications and engagement plan. This is a long-term commitment in terms of orientation as well as human and financial resources.

## OUTREACH TO SOPF MAIN STAKEHOLDERS

- **Transport Canada**, through meetings and communications at various levels
- The **Canadian Coast Guard** (as main user of the Fund), through meetings and communications at various levels
- The **marine insurance industry**, through attendance at the Annual Conference of the Canadian Board of Marine Underwriters (CBMU) in May 2018, meetings with British Columbia Marine Underwriters, and Pacific Coast Mutual Insurance in June 2018, and through attendance at various marine industry events
- The **maritime legal community**, notably through the activities of the Canadian Maritime Law Association (CMLA), including attendance at the CMLA Annual General Meeting and Seminar in Vancouver, in June 2018
- The **shipping industry**, through attendance at industry events, and a presentation at the 14<sup>th</sup> Arctic Shipping Summit in Montreal, Quebec, in March 2018
- The SOPF **international partners**, notably the IOPC Funds' Secretariat, the International Group of P&I Clubs, ITOPF, the US Oil Spill Trust Fund, through attendance to the IOPC Fund meetings in London, UK, and preparation of the 2<sup>nd</sup> edition of the Transboundary Liability and Compensation Workshop
- **Environmental Response** professionals and industry, through attendance and participation at the response organizations' events, such as the Arctic and Marine Oilspill Program (AMOP) 41<sup>st</sup> Technical Seminar on Environmental Contamination and Response, and through familiarization meetings with Atlantic Emergency Response Team (ALERT) in New Brunswick in September 2018
- **The media**, through a number of interviews and answers to queries:
  - Featured in Canadian Sailings October 2018 *“Creating public awareness of federal accident compensation funds is an endless challenge”*
- **Elected officials**, by testifying before the Senate Committee on Transportation and Communications on Bill C-86 on November 20<sup>th</sup>, 2018
- **Academics**, by delivering guest lectures for university students at Dalhousie University (November 2018) and Queen's University (February 2019)
- **Indigenous Communities**, through familiarization meetings, notably with Indigenous Services Canada (ISC), the Inuvialuit Regional Corporation (IRC), and the delivery of informative webinars
- **Canada port authorities**, through attendance at the Association of Canadian Port Authorities Conference in September 2018, and through familiarization meetings with the Port of Halifax, Saint John Port Authority, St. John's Port Authority, Port de Montreal, Nanaimo Harbour, Greater Victoria Harbour Authority, and Ladysmith Harbour
- **Canadian provinces & territories**, through outreach missions from coast to coast (British Columbia, Alberta, Northwest Territories, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland & Labrador)
- **Canadian municipalities and municipal administrators**, through introductory meetings with province specific municipal associations, exhibition at the Federation of Canadian Municipalities Annual Conference and Trade Show (May 2018), and face to face familiarization meeting with the Canadian Association of Municipal Administrators (CAMA) in Fredericton in September 2018
- **Fishermen**, through participation in the Canadian Marine Advisory Council (CMAC) meetings and familiarization meetings with the Fundy North Fishermen Association in St. Andrews, New Brunswick, in September 2018
- **Marinas**, through a familiarization meeting with the BC Boating Association in British Columbia, in June 2018

## SOPF & FRAIDG JOINT OUTREACH ACTIVITIES

**May**

**Halifax, Nova Scotia**

2018

- Exhibition at Federation of Canadian Municipalities (FCM) Annual Conference and Trade Show
- Meetings & presentations to several Nova Scotia provincial government departments, Nova Scotia Offshore Petroleum Board, and the Port of Halifax

**June**

**Newfoundland and Labrador**

- Introductory meeting with St. John's Port Authority
- Familiarization meetings with several Newfoundland and Labrador provincial government departments
- Presentation to Newfoundland and Labrador Offshore Petroleum Board

**Corunna, Ontario**

- Attendance at Eastern Canada Response Corporation (ECRC) on ICS "Inland Response" Conference

**September**

**Saint John, New Brunswick**

- Attendance and exhibition at Association of Canadian Port Authorities (ACPA) 2018 Annual Conference
- Familiarization meeting with Port of Saint John, Atlantic Environmental Response Team (ALERT), Irving Oil, Canadian Association of Municipal Administrators (CAMA), and several New Brunswick provincial government departments

**October**

**Edmonton, Alberta**

- Familiarization meetings with several Alberta provincial government departments, Alberta municipal associations, and municipal administration associations

**February**

**Montréal, Québec**

2019

- Meetings with Montréal Port Authority

**Québec City, Québec**

- Familiarization meetings with the Fédération québécoise des municipalités (FQM), Corporation des officiers municipaux agréés du Québec (COMAQ), and Société de développement économique du Saint-Laurent (SODES)

**Toronto, Ontario**

- Familiarization meetings with Ontario provincial government departments and Ontario municipal associations

**March**

**Québec City, Québec**

- Familiarization meeting with Transports Québec

**Montréal, Québec**

- Familiarization meeting with Union des municipalités du Québec (UMQ)

**Abbotsford, British Columbia**

- Attendance at the 2<sup>nd</sup> Annual Multi-Industry Preparedness and Response Symposium

34

Meetings with stakeholders

10

Industry events attended

9

Provinces & territories reached

3

Tables at trade shows

## 2. FINANCIAL REPORT

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During the fiscal year, the Fund collected \$8,084,636 in interest (2017-2018: \$6,179,165). It also recovered \$2,234,411 from shipowners responsible for pollution, or from their insurers (2017-2018: \$258,691). Therefore, the Fund was credited for a total of \$10,319,047 over the year (2017-2018: \$6,437,856).

During that period, the Fund's expenses rose to \$7,892,658 (vs. \$5,530,398 in 2017-2018) of which \$2,108,465 were for operating expenses (compared to \$1,464,318 the previous year), \$491,838 for

contributions to International Funds (compared to \$1,335,314 the previous year) and \$8,137,253 for Canadian claims. The amount for Canadian claims was \$763,708 the previous year.

At the end of the fiscal year, the Fund had an accumulated surplus of \$408,035,420 (compared to \$405,609,031 at the end of the previous fiscal year).

The Auditor's Report is included in the attached Financial Statements.

**SHIP-SOURCE OIL POLLUTION FUND**

FINANCIAL STATEMENTS

MARCH 31, 2019

## SHIP-SOURCE OIL POLLUTION FUND

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## INDEPENDENT AUDITOR'S REPORT

To the Administrator of  
Ship-source Oil Pollution Fund

### *Opinion*

We have audited the financial statements of the Ship-source Oil Pollution Fund (the Fund), which comprise the statement of financial position as at March 31, 2019, the statements of operations, change in net financial assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019, and the results of its operations and its cashflows for the year then ended, in accordance with Public Sector Accounting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditor's Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Emphasis of Matter*

As explained in Note 10 to the financial statements, budget figures are not disclosed in the financial statements, although it is required according to Public Sector Accounting Standards. Our opinion is not modified in respect of this matter.

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Independent firm affiliated to

**MOORE STEPHENS**

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Marci L. Saville

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
April 11, 2019

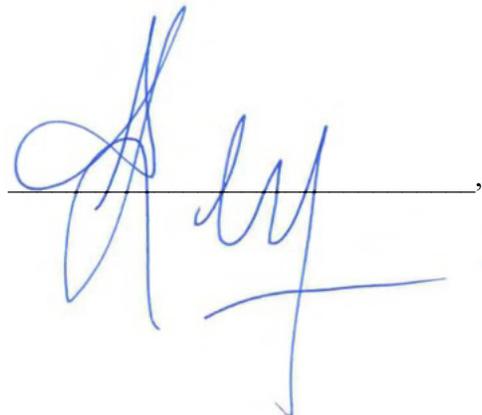
# SHIP-SOURCE OIL POLLUTION FUND

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

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	2019	2018
<b>FINANCIAL ASSETS</b>		
Balance of the account with Receiver General for Canada (Note 3)	\$ 411,464,720	\$ 411,738,432
Accrued interest receivable	517,206	664,101
Recoveries of previously awarded settlements receivable	-	57,000
<b>TOTAL FINANCIAL ASSETS</b>	<b>411,981,926</b>	<b>412,459,533</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	253,627	304,972
Provision for claims under review (Note 4)	3,831,722	6,676,620
<b>TOTAL LIABILITIES</b>	<b>4,085,349</b>	<b>6,981,592</b>
<b>NET FINANCIAL ASSETS</b>	<b>407,896,577</b>	<b>405,477,941</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 5)	138,843	131,090
<b>ACCUMULATED SURPLUS</b>	<b>\$ 408,035,420</b>	<b>\$ 405,609,031</b>

  
\_\_\_\_\_, Administrator

# SHIP-SOURCE OIL POLLUTION FUND

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
<b>REVENUE</b>		
Interest	\$ 8,084,636	\$ 6,179,165
Recoveries related to previously awarded settlements	2,234,411	258,691
	<b>10,319,047</b>	<b>6,437,856</b>
<b>CLAIMS</b>		
Payments made towards Canadian claims	8,137,253	763,708
Increase (decrease) of provision for claims under review	(2,844,898)	1,967,658
International Oil Pollution Compensation Funds		
Contributions (Note 6)	491,838	1,335,314
	<b>5,784,193</b>	<b>4,066,680</b>
	<b>4,534,854</b>	<b>2,371,176</b>
<b>OPERATING EXPENSES</b>		
Administrative services, salaries and office expenses (Schedule A)	705,350	531,847
Legal fees	490,083	261,877
Consulting fees (Schedule B)	448,502	308,922
Rent	128,121	159,499
Administrator and deputy administrator's fees	175,206	98,450
Travel	85,896	49,027
Audit fees	16,272	16,046
Amortization of capital assets	59,035	38,650
	<b>2,108,465</b>	<b>1,464,318</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>2,426,389</b>	<b>906,858</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>405,609,031</b>	<b>404,702,173</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 408,035,420</b>	<b>\$ 405,609,031</b>

## SHIP-SOURCE OIL POLLUTION FUND

### STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 2,426,389</b>	<b>\$ 906,858</b>
Acquisition of capital assets	(66,788)	(108,180)
Amortization of capital assets	59,035	38,650
	(7,753)	(69,530)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>2,418,636</b>	<b>837,328</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>405,477,941</b>	<b>404,640,613</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 407,896,577</b>	<b>\$ 405,477,941</b>

# SHIP-SOURCE OIL POLLUTION FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 2,426,389	\$ 906,858
<b>Adjustment for:</b>		
Amortization of capital assets	59,035	38,650
	<b>2,485,424</b>	<b>945,508</b>
<b>Net change in non-cash working capital items:</b>		
Accrued interest receivable	146,895	(282,228)
Recoveries of previously awarded settlement receivable	57,000	(57,000)
Advances to the Fund for Railway Accidents Involving Designated Goods	-	32,531
Accounts payable and accrued liabilities	(51,345)	61,330
Provision for claims under review	(2,844,898)	1,967,658
	<b>(2,692,348)</b>	<b>1,722,291</b>
<b>INVESTING ACTIVITY</b>		
Acquisition of capital assets	(66,788)	(108,180)
<b>INCREASE (DECREASE) IN BALANCE OF THE ACCOUNT WITH THE RECEIVER GENERAL FOR CANADA</b>		
	(273,712)	2,559,619
<b>BALANCE, BEGINNING OF YEAR</b>	<b>411,738,432</b>	<b>409,178,813</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 411,464,720</b>	<b>\$ 411,738,432</b>

# SHIP-SOURCE OIL POLLUTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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### 1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Ship-source Oil Pollution Fund (the Fund) was created on April 24, 1989 by amendments to the *Canada Shipping Act* and succeeded the Maritime Pollution Claims Fund. The Fund is governed by Part 7 of the *Marine Liability Act* (MLA) as modified by Statutes of Canada, 2009, Chapter 21.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The financial statements are prepared in accordance with Treasury Board accounting policies which are consistent with Public Sector Accounting Standards.

#### Accounting estimates

The preparation of financial statements in accordance with Treasury Board Secretariat accounting policies, which are consistent with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses for the periods covered. The primary estimate relate to the valuation of provision for claims under review. Actual amounts could differ from the estimates.

#### Revenue recognition

Interest income is recognized as revenue when it is earned. Recoveries related to previously awarded settlements are recognized when they are received.

#### Capital assets

Capital assets are recorded at cost. Capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

Computer equipment	3 years
Furniture and equipment	10 years
Leasehold improvements	Remaining term of lease

#### Recognition of the provision for claims under review

Provisions for indemnification claims are estimated and recognized when a formal claim is submitted by the claimant and is duly received by the Fund.

#### Recognition of the Contributions to the International Oil Pollution Compensation Funds

The Fund recognizes its contributions to the International Oil Pollution Compensation Funds when the contributions are determined and requested by the International Oil Pollution Compensation Funds.

#### Foreign currency translation

Transactions involving foreign currencies are translated into Canadian dollars using rates of exchange in effect at the time of these transactions.

# SHIP-SOURCE OIL POLLUTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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### 3. BALANCE OF THE ACCOUNT WITH THE RECEIVER GENERAL FOR CANADA

The cash balance of the Fund is held within the Consolidated Specified Purpose Accounts of the Government of Canada. Public Works and Government Services Canada acts as the custodian of this cash balance and Transport Canada performs the various transactions on behalf of the Fund. Interest is credited to the account in accordance with the provisions of the MLA at a rate based on a 5-year Government of Canada bond interest rate, calculated monthly. The interest rates varied between 1.48% and 2.29% during the year (2018: 0.89% and 2.00%). The average interest rate for the year ended March 31, 2019 was 1.97% (2018: 1.51%).

### 4. MEASUREMENT UNCERTAINTY

Due to uncertainties inherent to the claims review process, it is possible that the provision for claims under review is insufficient. Accordingly, a provision of \$3,831,722 for claims received prior to March 31, 2019 (2018: \$6,676,620) but not completely reviewed by that date has been calculated and recorded in the books. This provision is based on management's estimate and supported by claims payment historical data. All subsequent adjustments due to further investigation will be recognized in the year in which the claims are reviewed.

### 5. CAPITAL ASSETS

	2019		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 206,046	\$ 157,201	\$ 48,845
Furniture and equipment	235,291	172,574	62,717
Leasehold improvements	530,176	502,895	27,281
	<b>\$ 971,513</b>	<b>\$ 832,670</b>	<b>\$ 138,843</b>

	2018		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 170,382	\$ 159,980	\$ 10,402
Furniture and equipment	235,291	151,248	84,043
Leasehold improvements	530,176	493,531	36,645
	<b>\$ 935,849</b>	<b>\$ 804,759</b>	<b>\$ 131,090</b>

# SHIP-SOURCE OIL POLLUTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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### 6. CONTINGENCIES

The Ship-source Oil Pollution Fund may be required to make contributions to the International Oil Pollution Compensation Funds, for which the amount owing is determined by the International Oil Pollution Compensation Funds. The amounts contributed are used to pay compensation for claims arising under the jurisdiction of the contracting states to the International Oil Pollution Compensation Funds. The size of the contribution is contingent on the number of claims received by the International Oil Pollution Compensation Funds, resulting in varying levels of contributions from year to year. Given this volatility, it has been determined that this contribution cannot be reasonably estimated from year to year. The amount of the contribution is paid and recorded by the Ship-source Oil Pollution Fund once the contribution is determined and requested by the International Oil Pollution Compensation Funds. During the year ended March 31, 2019, the Fund has contributed \$491,838 (2018: \$1,335,314) to the International Oil Pollution Compensation Funds.

Starting December 18, 2018, the Ship-source Oil Pollution Fund no longer has a liability limit per claim. For 2019, the liability of the Ship-source Oil Pollution Fund for any claim is unlimited (2018: \$174,611,294 – limit before December 17, 2018). Furthermore, as of April 1, 2019, the Minister of Transport has the statutory power to impose a levy of 53.58 cents (2018: 52.38 cents) per metric tonne of “contributing oil” imported into or shipped from a place in Canada in bulk as cargo in a ship. Both the maximum liability and the levy are indexed annually to the consumer price index. No levy has been imposed since 1976.

In the normal course of its operations, the Fund may receive information about incidents that have occurred but for which no claims have been received. It is not possible for the Fund to determine the likeliness of a claim for any of these reported incidents. The Fund is also not able to assess the financial value of any such claims should they materialize. No provision related to these incidents is recognized in the financial statements. A provision is recognized when a claim is effectively received.

### 7. INFORMATION INCLUDED IN OPERATIONS

	2019	2018
Foreign exchange loss included in the International Oil Pollution Compensation Funds contributions	\$ (1,232)	\$ (71,034)

# SHIP-SOURCE OIL POLLUTION FUND

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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### 8. RELATED PARTY TRANSACTIONS

The Fund is related, as a component of the accounting framework of the Government of Canada, to all Government of Canada departments, agencies and Crown Corporations.

#### Rent

During the year, the Fund has paid \$185,722 (2018: \$185,722) to Public Works and Government Services Canada (PWGSC) for the use of office spaces. The Fund is committed to pay an annual minimum rent of \$185,722 to PWGSC for the rental of premises under a lease agreement expiring March 31, 2023. As a tenant, the Fund is also responsible to pay its share of escalation costs annually.

#### Accounting services

During the year, the Fund has paid \$27,964 (2018: \$27,610) to Transport Canada for accounting services.

#### Other

During the year, the Fund recovered \$243,163 (2018: \$117,043) from the Fund for Railway Accidents Involving Designated Goods for the following operating expenses:

	2019	2018
Rent	\$ 57,601	\$ 26,223
Administrative services, salaries and office expenses	179,085	88,585
Consulting fees	6,477	2,235
	<b>\$ 243,163</b>	<b>\$ 117,043</b>

### 9. SUBSEQUENT EVENTS

The Fund recognizes a provision for an indemnification claim when a formal and duly prepared claim is submitted by the claimant and is effectively received by the Fund. All claims received before March 31, 2019 were provided for in the financial statements. During the period from April 1, 2019 to April 11, 2019, the Fund has received additional claims totalling \$14,231. These claims are not provided for in the financial statements.

### 10. BUDGET

The Ship-source Oil Pollution Fund does not prepare an annual budget due to the nature of its operations.

# SHIP-SOURCE OIL POLLUTION FUND

## ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
<b>SCHEDULE A - Administrative services, salaries and office expenses</b>		
Salaries and benefits	\$ 511,725	\$ 294,113
Information technology services	14,675	36,890
Office expenses	50,379	36,162
Telecommunications	6,682	8,699
Other administrative services	121,889	155,983
	<b>\$ 705,350</b>	<b>\$ 531,847</b>
<b>SCHEDULE B – Consulting fees</b>		
Claims consultants and investigators	\$ 191,079	\$ 187,096
Special projects – management and expertise services	184,152	-
Database and information management	33,993	57,201
Graphic and multimedia services	39,278	64,625
	<b>\$ 448,502</b>	<b>\$ 308,922</b>

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# CANADIAN INCIDENTS PORTFOLIO MAP

The map shows the geographical spread of the SOPF 2018-2019 portfolio. The number of active files indicated for each province or region includes both claim files and incident reports.

- “Active files” means any file worked on as part of the 2018-2019 portfolio
- “Claims” means the SOPF received a claim for an incident
- “Reports” means any active files for incidents that have occurred, but for which no claims have been filed
- The dark colours indicate an area in which more incidents occurred
- The light colours indicate an area in which less incidents occurred

## BRITISH COLUMBIA

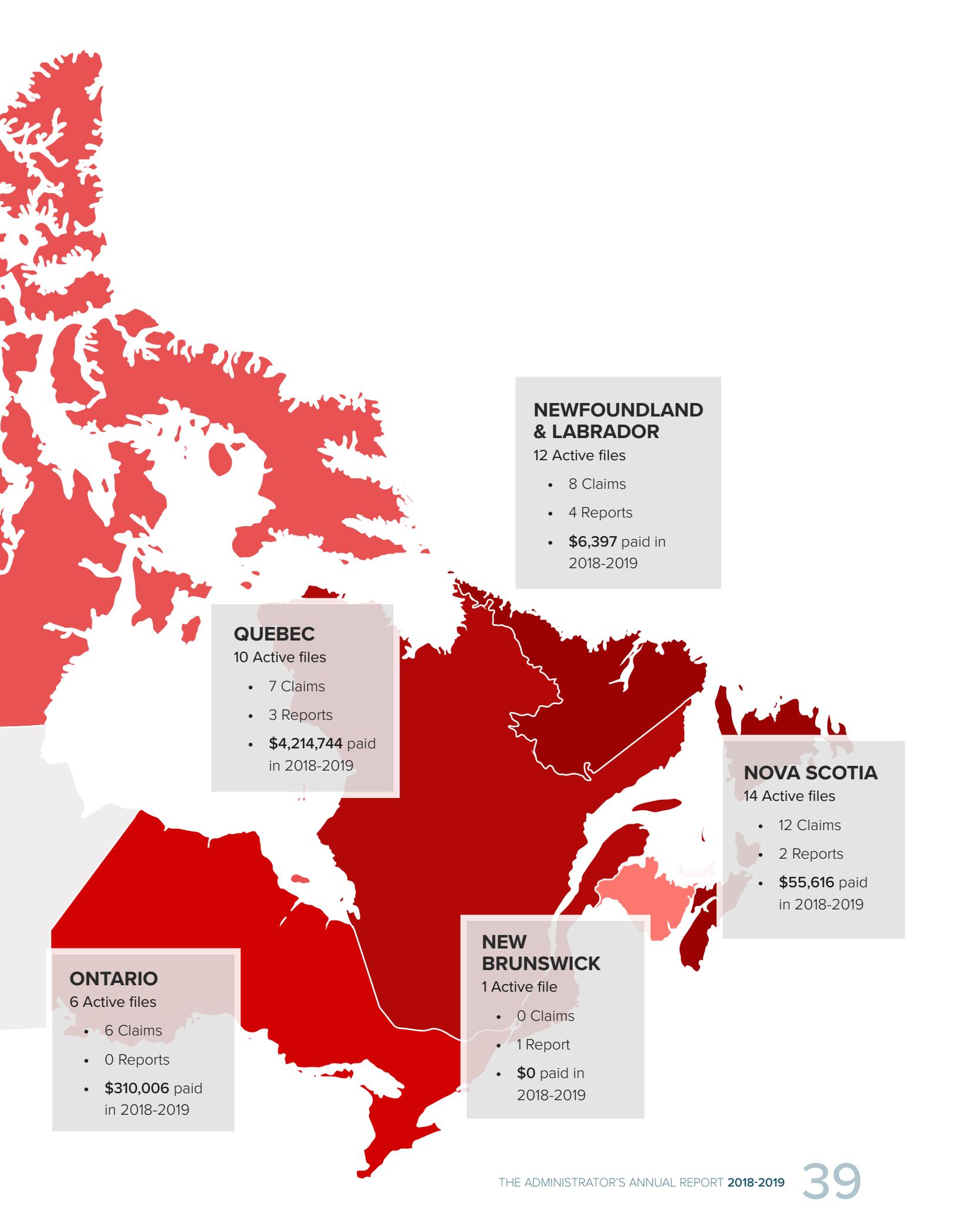
43 Active files

- 38 Claims
- 5 Reports
- **\$1,522,549** paid in 2018-2019

## ARCTIC WATERS

3 Active files

- 1 Claim
- 2 Reports
- **\$0** paid in 2018-2019



**ONTARIO**  
6 Active files

- 6 Claims
- 0 Reports
- **\$310,006** paid in 2018-2019

**QUEBEC**  
10 Active files

- 7 Claims
- 3 Reports
- **\$4,214,744** paid in 2018-2019

**NEWFOUNDLAND & LABRADOR**  
12 Active files

- 8 Claims
- 4 Reports
- **\$6,397** paid in 2018-2019

**NOVA SCOTIA**  
14 Active files

- 12 Claims
- 2 Reports
- **\$55,616** paid in 2018-2019

**NEW BRUNSWICK**  
1 Active file

- 0 Claims
- 1 Report
- **\$0** paid in 2018-2019

# APPENDIX

The index of cases which is found below provides additional information on each of the cases of the 2018-2019 files portfolio.

- Cases listed in the following pages are listed by province (or region, for the Arctic).
- The “Status” column at the end of the lines indicates whether the file is open or closed as of March 31, 2019.

- The type of oil is not always known or defined, especially at the incident report stage, i.e. before a claim is filed.

A summary of each of the cases listed below can be found on the SOPF website ([www.sopf.gc.ca](http://www.sopf.gc.ca), under Incidents and Claims Portfolio).

## 2018-2019 INCIDENT INDEX

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31	
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED		
<b>NEWFOUNDLAND AND LABRADOR</b>												
<b>Baby Leeyn</b> (formerly <b>Jana</b> ) Cape St. Mary's, NL	2017	Cargo vessel										Closed
<b>Baccalieu Endeavour</b> Musgrave Harbour, NL	2017	Fishing vessel				DFO/CCG 2018-01-03	5,146.31	2018-02-07	5,045.49 98.4%	5,345.75		Closed
<b>Baffin Sound</b> St Anthony, NL	2015	Fishing vessel (derelict)				DFO/CCG 2015-12-09	22,185.86	2016-02-25	22,185.86 100%			Open
<b>Floyd II</b> Happy Adventure, NL	2017	Fishing vessel				DFO/CCG 2017-11-03	10,471.05	2017-12-12	10,471.05 100%	5,250.00		Closed
<b>Françoise</b> Clarenville Harbour, NL	2017	Fishing vessel										Open
<b>Jana</b> Marystown, Mortimer Bay, NL	2014	Cargo vessel										Closed

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
<b>Joyce's Journey</b> Bay of Islands, NL	2016	Fishing vessel				DFO/CCG 2018-01-03	11,373.42	2018-01-31	11,373.42 100%		Closed
<b>Lucas &amp; Rebecca</b> Bay of Islands, NL	2017	Fishing vessel				DFO/CCG 2017-11-03	17,744.64	2017-12-13	17,744.64 100%		Open
<b>Matterhorn</b> Mount Carmel, NL	2014	Tug - abandoned	√	Diesel & waste oil		DFO/CCG 2016-08-09	172,751.64	2016-12-19	172,751.64 100%		Open
<b>Ronda</b> Embree, NL	2016	Fishing vessel				DFO/CCG 2018-11-26	98,858.83	2019-02-26	5,953.87 6%		Open
<b>Sikuk</b> Clareville Harbour, NL	2017	Fishing vessel				DFO/CCG 2018-03-01	195,109.00				Open
<b>Stelie II</b> Port Saunders, NL	2016	Fishing vessel									Open
<b>NOVA SCOTIA</b>											
<b>Arca</b> Sydney Mines, NS	2017	Bunkering tanker	√	Bunker Oil		DFO/CCG 2017-04-04	100,649.50	2018-01-25	54,998.13 54.64%	57,000.00	Closed
<b>Cormorant</b> Bridgewater, NS	2015	Derelict – wreck	√	Hydraulic Oil		DFO/CCG 2015-11-02	549,581.18	2016-03-29	515,267.25 93.76%		Open
<b>Farley Mowat</b> Shelburne, NS	2017	Derelict	√	Oily liquids		DFO/CCG 2017-10-10	1,176,126.41				Open
<b>Farley Mowat</b> Shelburne Harbour, NS	2015	Derelict	√			DFO/CCG 2016-01-18	814,815.05	2016-06-29	813,316.15 99.82%		Open
<b>Farley Mowat</b> Shelburne Harbour, NS	2015	Derelict	√			Town of Shelburne 2017-06-23	47,598.78	2017-07-18	43,641.94 91.69%		Open
<b>Ile d'Aix</b> Halifax Harbour, NS	2018	Other									Open
<b>Lady Young</b> Deming's Island, NS	2016	Pleasure craft	√	Diesel		DFO/CCG 2016-08-09	25,747.66	2016-11-23	25,598.67 99.42%		Open
<b>Mystery spill</b> Ingomar, NS	2018		√			DFO/CCG 2018-11-15	1,406.75	2018-12-12	1,406.75 100%		Closed
<b>No name</b> Sandy Cove, NS	2018	Fishing Vessel	√			DFO/CCG 2018-11-26	1,157.98	2019-02-07	1,157.98 100%		Open
<b>No name</b> Weymouth North, NS	2018	Fishing vessel	√			DFO/CCG 2018-10-18	33,606.49	2018-11-15	33,606.49 100%		Open

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
<b>Nordika Desgagnés</b> Cape Breton, NS	2018	Cargo ship									Closed
<b>Ryan Atlantic II (formerly Cape Rouge)</b> Bridgewater, NS	2014	Ex-fishing vessel	√			DFO/CCG 2014-06-30	362,575.38	2015-03-19	358,117.79 98.77%		Open
<b>Ryan Atlantic II</b> Bridgewater, NS	2017	Ex-fishing vessel	√	Motor Oil		DFO/CCG 2018-04-25	17,975.67	2018-05-09	17,645.78 98.1%		Closed
<b>Stephanie &amp; Darrel</b> Shelburne, NS	2007	Fishing vessel -abandoned	√	Fuel and hydraulics		DFO/CCG 2008-02-09	13,627.73	2008-05-13	13,627.73 100%		Open
<b>NEW BRUNSWICK</b>											
<b>SBI Carioca</b> Belledune, N.B.	2017	Bulk Carrier			√						Open
<b>QUEBEC</b>											
<b>Bayliner 2655</b> Rivière des Prairies, QC (Rapide du Cheval Blanc)	2013	Pleasure boat	√	Fuel and motor oil		DFO/CCG 2015-06-16	14,286.40	2015-08-27	14,286.40 100%		Closed
<b>BBC Maple Lea</b> Lac St-Louis, QC	2015	Cargo ship	√	Bunker		DFO/CCG 2017-12-15	1,329.54	2017-12-19	1,329.54 100%		Closed
<b>Chaulk Determination</b> Trois-Rivières QC	2014	Tug	√	Diesel		DFO/CCG 2016-12-09	4,585,963.68	2018-07-18	4,200,576.18 91.59%		Closed
<b>Kavo Manali</b> Québec Harbour, QC	2017		√	Lube oil	√						Open
<b>Louis Jolliet</b> St. Lawrence River, Quebec City, QC	2015	Cruise ship	√	Diesel							Open
<b>Mystery Spill (formerly Maccoa)</b> Quebec Port	2017		√			Québec Port Authority 2017-06-16	43,806.19	2017-09-15	43,806.19 100%		Closed
<b>Mystery Spill</b> Quebec Port	2017		√			DFO/CCG 2019-02-12	11,139.48				Open

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
<b>MSC Monica</b> Deschailions-sur-Saint-Laurent, QC	2016	Container ship	✓	Heavy Bunker and Diesel		DFO/CCG 2018-01-22	13,121.81	2018-07-04	13,121.81 100%	14,192.33	Closed
<b>Sarah Desgagnés</b> Salluit, QC	2015	Tanker	✓	Diesel oil (Ultra low sulphur)							Closed
<b>Sea Gypsy</b> Port de Québec, QC	2017	Pleasure craft (sailboat)	✓	Diesel		DFO/CCG 2019-03-27	7,278.30				Open
<b>ONTARIO</b>											
<b>Dispatch II</b> Sault Ste Marie, Ontario	2017	Tug boat	✓	Mixture of oil, diesel & water		DFO/CCG 2018-07-19	49,123.47	2018-08-28	48,716.67 99.1%		Open
<b>Michipicoten</b> Thunder Bay, Ontario - Lake Superior - Superior Terminals	2015	Motor vessel (wreck)	✓			DFO/CCG 2017-08-29	4,845.89	2017-10-25	4,745.46 97.93%	4,745.46	Closed
<b>Pitts Carillon</b> Picton Bay, Prince Edward County, ON	2017	Barge	✓	Residual oil		Prince Edward County 2018-05-08	597,396.70				Open
<b>Pitts Carillon</b> Picton Bay, Prince Edward County, ON	2017	Barge	✓	Residual oil		DFO/CCG 2018-11-22	77,347.18	2019-03-05	32,694.66 42.27%		Open
<b>Warren L II</b> Killarney Channel, Ontario	2015	Tug and barge	✓	Fuel Oil		Municipality of Killarney 2017-08-21	270,286.31	2018-07-04	209,575.43 77.54%	198,450	Closed
<b>Warren L II</b> Killarney Channel, Ontario	2015	Tug and barge	✓	Fuel Oil		DFO/CCG 2017-12-04	30,999.97	2018-03-21	28,059.11 90.51%	26,550	Closed
<b>BRITISH COLUMBIA</b>											
<b>Alaskan</b> Jenkins Island, BC	2016	Ex-fishing vessel (derelict)	✓			DFO/CCG 2018-06-11	37,723.18	2018-07-04	37,723.18 100%		Open
<b>Barges King Arthur &amp; SL 104</b> Mamquam Blind Channel, BC	2016	Barges				DFO/CCG 2018-04-04	819,134.67	2018-10-31	814,012.78 99.37%		Open

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
<b>Blue Pacific No.1</b> Saltspring Island, BC	2016	Ex-fishing Vessel	✓	Fuel Oil		DFO/CCG 2018-10-09	132,339.05	2019-01-23	114,129.56 86.24%		Open
<b>Central Isle</b> French Creek, B.C.	2016	Ex-fishing vessel				DFO/CCG 2018-02-20	25,035.02	2018-04-04	24,108.07 96.30%		Open
<b>Chilcotin Princess</b> Prince Rupert, BC	2015	Motor vessel	✓			DFO/CCG 2016-09-19	137,680.88	2016-11-02	137,680.88 100%		Open
<b>Command Performance</b> Ahousat, BC	2016	Fishing vessel	✓			DFO/CCG 2017-03-21	116,433.70	2017-06-07	114,047.53 97.95%		Open
<b>Crown Forest 84-6</b> Zeballos, BC	2014	Barge	✓			DFO/CCG 2016-09-19	67,348.81	2016-11-25	67,348.81 100%		Closed
<b>Dawn Marie</b> North End of Mayne Island, BC	2016	Fishing vessel	✓	Diesel		DFO/CCG 2017-11-21	11,372.23	2017-12-07	11,372.23 100%		Open
<b>Drifter</b> Gold River, BC	2016	Derelict fishing vessel				DFO/CCG 2018-08-23	24,076.66	2018-11-02	3,349.04 13.9%		Closed
<b>Elf</b> Squamish Harbour, BC; Point Atkinson, West Vancouver, BC	2014	Tug – Derelict	✓	Diesel, hydraulic & lube oil		DFO/CCG 2014-08-12	82,512.70	2014-12-18	82,512.70 100%		Open
<b>Elva M II</b> Steveston Harbour, Richmond, BC	2016	Fishing vessel	✓			Steveston Harbour Authority 2017-02-09	7,649.63	2017-02-22	7,649.63 100%	462.53	Open
<b>Elva M II</b> Steveston Harbour, Richmond, BC	2016	Fishing vessel	✓			DFO/CCG 2017-02-28	46,351.57	2017-03-31	46,351.57 100%	2,803.93	Open
<b>Feelin' Free</b> Port Neville, BC	2017	Fishing vessel	✓	Diesel & lube oil		DFO/CCG 2019-01-24	37,731.13				Open
<b>George H. Ledcor</b> Deering Island, Vancouver, BC	2018	Tugboat									Open
<b>Lady M. II</b> Ladysmith, BC	2017	Abandoned wood vessel	✓	Diesel		DFO/CCG 2019-02-07	32,388.76				Open
<b>Laurier II</b> Deep Bay, B.C.	2014	Motor Vessel				DFO/CCG 2018-01-22	384,365.01	2019-02-07	265,768.99 69.14%		Open

SHIP NAME AND LOCATION	YEAR OF INCIDENT	SHIP TYPE AND FLAG	SPILL	OIL TYPE	SECURITY	CLAIM(S) FILED		OFFER		RECOVERY STATUS	STATUS AS OF 2019-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
<b>Lightship LV76 (Queen of East Vancouver)</b> Mission, B.C. (Fraser River)	2017	Derelict – sunken ship									Open
<b>Malecite</b> Kits Point, English Bay, BC	2017	Pleasure craft (derelict)	✓	Fuel oil		DFO/CCG 2018-06-11	48,230.18	2018-07-11	48,230.18 100%		Open
<b>Marathassa</b> English Bay, Vancouver, BC	2015	Bulk carrier Korea	✓	Fuel Oil IFO 380	✓	DFO/CCG 2017-04-03	2,431,746.57	2018-03-29	1,855,627.75 76.31%	1,951,689.51	Closed
<b>Marathassa</b> English Bay, Vancouver, BC	2015	Bulk carrier Korea	✓	Fuel Oil IFO 380	✓	Vancouver Fraser Port Authority 2017-04-05	198,947.22	2018-02-14	158,800.49 79.82%	172,935.87	Closed
<b>Marathassa</b> English Bay, Vancouver, BC	2015	Bulk carrier Korea	✓	Fuel Oil IFO 380	✓	City of Vancouver 2017-04-10	569,053.13	2019-03-20	235,748.23 41.43%		Open
<b>Miss Universe</b> South Gillnet Floats Port Edward Harbour Auth., BC	2016	Fishing vessel	✓			Port Edward Harbour Authority 2017-07-12	19,911.85	2017-08-31	18,711.85 93.97%		Open
<b>Mistann</b> Prince Rupert, BC	2011	Fishing vessel	✓	Diesel		DFO/CCG 2012-04-26	113,787.48	2012-09-12	100,462.51 88.29%	18,080.42	Open
<b>Nathan E. Stewart</b> Seaforth Channel, Bella Bella, BC	2016	Tug	✓	Diesel fuel and lube oils	✓						Open
<b>Nika</b> Campbell River, BC	2017	Ex-fishing vessel	✓	Diesel		DFO/CCG 2019-03-26	23,646.38				Open
<b>No Name (Ship)</b> Wellington Point, Ladner River, BC	2017	Wooden tug	✓			DFO/CCG 2017-11-21	7,650.03	2017-11-30	7,650.03 100%		Closed
<b>No name (ferro cement sailboat)</b> Chatham Island, BC	2016	Ferro-cement sailboat	✓	Diesel fuel		DFO/CCG 2018-12-03	53,954.45				Open
<b>Norob</b> Degnan Bay, BC	2016	Fishing vessel	✓			DFO/CCG 2018-05-01	12,930.15	2018-05-09	12,930.15 100%		Open
<b>Ocean Eagle</b> Menzies Bay, BC	2016	Tug			✓	DFO/CCG 2018-03-13	156,632.65	2018-06-19	61,597.45 39.33%		Open

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<b>Persephone II</b> Deep Bay, BC	2017	Wooden ex-fishing vessel				DFO/CCG 2018-12-03	11,345.17	2019-02-07	11,345.17 100%		Open
<b>Salerosa</b> Oak Bay, BC	2017	Ferrocement sailboat	√	Diesel		DFO/CCG 2019-02-01	62,673.20				Open
<b>Sea C Strider</b> Gorge, BC	2015	Fishing vessel (wreck)	√			DFO/CCG 2017-11-21	35,972.56	2017-12-07	35,972.56 100%		Closed
<b>Seamee II</b> Cattermole Slough, Squamish, BC	2017	Wreck removal				DFO/CCG 2018-01-02	10,184.69	2018-01-25	10,184.69 100%		Closed
<b>Sea-Que</b> Sidney Marina, Sidney, BC	2016	Motor vessel				DFO/CCG 2018-08-02	18,730.67	2018-09-21	18,730.67 100%		Open
<b>Silver King</b> Deep Bay, BC	2014	Tug - wreck				DFO/CCG 2017-10-31	338,379.18	2018-04-11	107,941.32 31.90%		Open
<b>Simushir</b> Queen Charlotte Islands, BC	2014	Motor vessel			√						Open
<b>Spudnik</b> Howe Sound (Squamish), BC	2014	Derelict vessel	√			DFO/CCG 2016-04-28	149,043.60	2016-07-26	131,064.45 87.94%		Open
<b>Tempest</b> Ford Cove Hornby Island, BC	2016	Pleasure craft (wreck)	√			DFO/CCG 2018-01-02	15,136.08	2018-02-01	14,252.58 94.16%		Closed
<b>Viki Lyne II (ex Admiral Hardy &amp; Aberdeen)</b> Ladysmith, BC	2012	Motor vessel (wreck)				DFO/CCG 2017-06-15	1,267,926.71	2018-05-02	100,373.14 7.92%	20,000.00	Closed
<b>Viking I</b> Nanaimo, BC	2016	Fishing vessel	√	Oil & Potential Fuel		Nanaimo Port Authority 2017-05-03	31,458.19	2017-08-30	29,432.92 93.56%		Open
<b>Viking I</b> Nanaimo, BC	2016	Fishing vessel	√	Oil & Potential Fuel		DFO/CCG 2018-02-20	128,246.91	2018-04-24	128,246.91 100%		Open
<b>West Island 395</b> Haida Gwaii, BC	2018	Lodge barge	√			Haida Tourism Limited Partnership (Haico) 2019-01-14	1,857,314.06				Open
<b>Zidell Marine 277 &amp; Jake Shearer</b> Goose Island, B.C.	2017	Barge			√						Open

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<b>ARCTIC WATERS</b>												
<b>Akademik Ioffe</b> Kugaaruk, NU	2018	Passenger vessel			✓							Open
<b>Clipper Adventurer</b> Coronation Gulf, Western Arctic, Nunavut	2010	Cruise ship	✓		✓	DFO/CCG 2011-10-17	468,801.72					Closed
<b>Investigator</b> Toker Point, NWT	2016	Barge	✓	Fuel oil	✓							Open