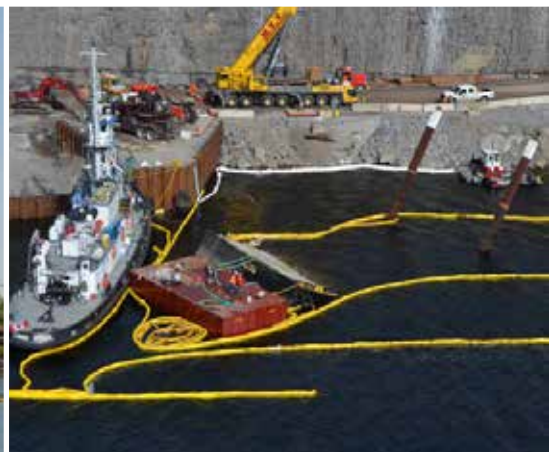
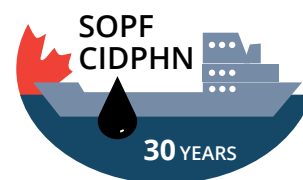


SHIP-SOURCE OIL POLLUTION FUND



The Administrator's Annual Report

2019-2020

Canada 

Cover Image:

Cormorant

Kathryn Spirit ("Capsized Ship - Beauharnois – Canada"/Shutterstock.com)

Pitts Carillon (Canadian Coast Guard)

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*, 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, 2020.

Yours sincerely,

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

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

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INTRODUCTION

The Ship-source Oil Pollution Fund (the Fund), a special purpose account in the accounts of Canada, is established under Part 7 of the *Marine Liability Act* (MLA). The Fund compensates victims of oil pollution damage caused by any type of oil, from any type of ship or boat, anywhere in Canadian waters.

Canada's compensation regime is based on the principle that the shipowner is responsible for oil pollution damage caused by the ship or boat – that is, the polluter pays principle.

Those who suffer damages can submit a claim directly to the Fund. The Administrator assesses and offers compensation for eligible claims. Once the claimant receives payment, the Administrator takes all reasonable measures to recover from the shipowner or other responsible person.

Alternatively, those who suffer damages (including costs incurred to prevent, mitigate or remedy oil pollution damage) can also choose to negotiate with the shipowner directly, or sue. If a claimant commences a lawsuit, the Administrator becomes party to the lawsuit, providing an extra layer of protection to the claimant.

Canada's national Fund covers all classes of ships or boats that discharge persistent and non-persistent oil, including "mystery spills" (oil spills from unknown sources).

Any incident caused by an oil tanker carrying persistent oil as cargo in bulk would also be covered under the international regime (www.iopcfunds.org).

This annual report on the operations of the Fund covers the fiscal year ending March 31, 2020.

This is the 31st annual report of the Fund, which turned 30 on April 24, 2019.

2019-2020 AT A GLANCE

- ▶ Accumulated surplus: close to **\$410M**
- ▶ **37** new claims received (over \$1.8M in total)
- ▶ 79% of claims received were below **\$50K**, 68% below \$35K
- ▶ No claim submitted under the Expedited Process for Small Claims
- ▶ 92% of claims came from **Coast Guard**
- ▶ Two claims came from **Indigenous groups**
- ▶ Most claims were from **British Columbia**
- ▶ Most claims are generated by **wrecks, derelict or abandoned vessels**
- ▶ **69% of assessments** were performed in less than three months
- ▶ Amount offered: about **70% of what was claimed** (on average)
- ▶ About **\$2.7M** paid to Canadian claimants
- ▶ **\$554,235** paid to the international funds who would come into play in the event of a spill from a tanker
- ▶ The Fund was involved in **24** court cases
- ▶ The Administrator is named as defendant in the *Kathryn Spirit* court case (over **\$25M**)
- ▶ **79** files in recovery action against shipowners, over **\$1M** recovered
- ▶ **\$2.6M** in operating expenses
- ▶ Over **\$5M** collected in interest

1. ACTIVITY REPORT

THE FUND'S FISCAL YEAR 2019-2020 WAS MARKED BY THE FOLLOWING EVENTS:

30 years of compensating victims of oil pollution

The Fund has never before been as actively engaged. In its 30th anniversary year, the Fund reached out to an unprecedented number of stakeholders, by organizing various important events and publishing numerous articles and communications products.

New tools available to help claimants

A series of manuals, guides and forms were published to help claimants submit their claims. A webinar that accompanied the launch of these tools drew a record attendance of some 100 stakeholders from across Canada.

Increased awareness efforts towards the fishing sectors

Over the past 30 years, the Fund has received very few claims from the fishing sectors: less than 1% of the total amount paid from the Fund. The launch of our new *Compensation Handbook for Fishers, Aquaculturists, and All Involved in Related Activities* is a starting point to inform these sectors across Canada.



Record year for the number of claims received

With a total of 37 new claims received this year, the Fund broke the record set in 2017-2018, when it received 32 new claims.

Successful outreach throughout Canada

The goal of reaching all provinces and territories was achieved in the wake of the 30th anniversary year. This is part of the Administrator's strategic plan aimed at ensuring that the Fund provides an effective means of obtaining access to justice.

The polluter pays principle in action

With its new in-house legal unit, the Fund had an exceptional year in terms of recovery against shipowners and their insurers. Over \$1 million was recovered across 11 settlements, making 2019-2020 the second most successful year for total amount recovered. It was also the best year, tied with 2018-2019, in terms of the number of files (11) from which amounts were recovered.

Second workshop on preparedness for transboundary spills

As co-organizer of the second *Transboundary Oil Spill Liability and Compensation Workshop*, the Fund strengthened its collaboration with key stakeholders and payers, and discussed challenges and possible solutions to facilitate compensation for victims and access to justice, in the event of a transboundary oil spill.



A full portfolio of court cases

The Administrator managed 24 legal proceedings in 2019-2020. This includes a claim by the Canadian Coast Guard for over \$25 million in respect of the *Kathryn Spirit*, a vessel abandoned by its owner near Beauharnois, Quebec.

The highest payment ever made to a local government

The Fund paid approximately \$400,000 to Prince Edward County, Ontario, following the sinking of the barge *Pitts Carillon* in 2017. This amount is the highest ever paid by the Fund to a local government.

Modernization of the Fund's management model

The Fund is transitioning to a new management model – the Fund 3.0. New responsibilities have been given to the senior counsel who heads the Fund's in-house legal unit and manages its portfolio of incident files. This allows the Administrator to focus more on strategic orientations, policies and guidelines, while remaining the ultimate decision-maker.

Although these developments had a direct impact on the operations of the Fund during the 2019-2020 fiscal year, the main driver of the Administrator's activities was the administration of her statutory mandate under Part 7 of the MLA, i.e.:

- Administering claims for oil pollution from a ship-source in Canadian waters (Section 1.1);
- Providing emergency funding to the Minister of Fisheries and Oceans in cases of major incidents, as directed by the Minister of Transport (Section 1.2);
- Contributing to administrative monetary penalties to be issued against contributors in case of lack of compliance of their reporting obligations (Section 1.3);
- Contributing to the International Oil Pollution Compensation Funds (IOPC 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); and
- Causing the financial statements of the Fund to be audited (Section 2).

1.1. CLAIMS AND INCIDENT REPORTS FOR CANADIAN OIL SPILL INCIDENTS

The Administrator dealt with a portfolio of 103 active files during the 2019-2020 fiscal year (compared with 89 files the preceding year). The details of the 2019-2020 active files can be found in the Appendix. This portfolio includes:

- 87 claims files, vs. 70 claims files in 2018-2019 (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
- 16 incident files, vs. 90 incident files in 2018-2019 (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). This number does not include the incident files that turned into claims during the year.

While the Administrator continues to proactively monitor oil spill incidents, a new policy was adopted in 2019 regarding the opening of incident reports. Now, these files are opened only if:

- they are likely to have an impact on the Fund, or
- if resources are deployed to
 - investigate the incident;
 - assess the Fund's exposure; and
 - protect the Fund's interest in case of any potential future claims.

Following a review of the open report files, a significant number deemed not to meet these criteria were closed.

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.

MAP OF THE FUND'S ACTIVE PORTFOLIO IN 2019-2020

The map shows the geographical spread of the Fund's 2019-2020 portfolio.

Number of new claims in 2019-2020 for each province and territory

- 0
- 1 to 11
- 11 to 20
- 21 and more

Information about the provincial or territorial portfolio

- new claims submitted in 2019-2020
- new incident files opened in 2019-2020, and for which no claims have been submitted
- total amount paid in the province or in the territory in 2019-2020
- total number of active files, which includes any file worked on in 2019-2020 and files from previous years



NUNAVUT

- 0 new claim
- 0 new incident file
- \$ 0
- 1 active file

NEWFOUNDLAND AND LABRADOR

- 11 new claims
- 2 new incident files
- \$ 159,128
- 19 active files

QUEBEC

- 2 new claims
- 0 new incident file
- \$ 21,716
- 6 active files

PRINCE EDWARD ISLAND

NOVA SCOTIA

- 1 new claim
- 1 new incident file
- \$ 925,380
- 12 active files

NEW BRUNSWICK

- 0 new claim
- 0 new incident file
- \$ 0
- 1 active file

ONTARIO

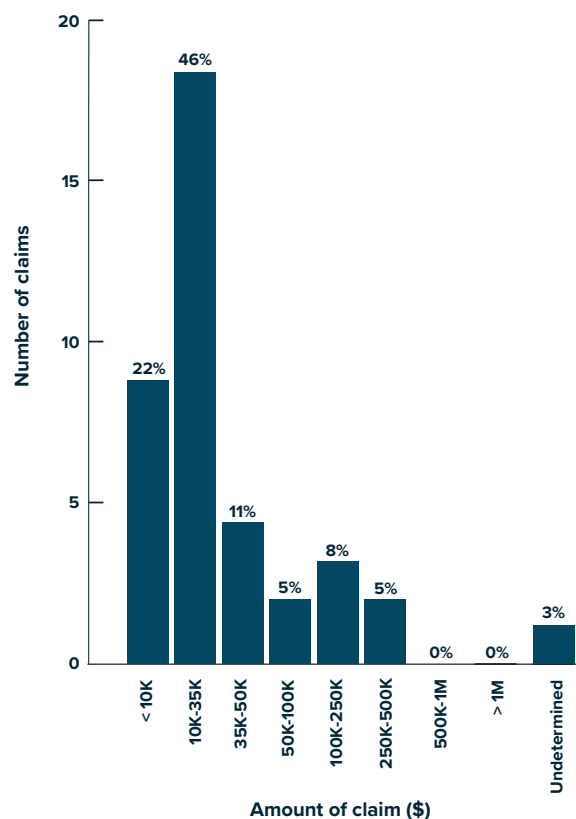
- 1 new claim
- 0 new incident file
- \$ 396,740
- 6 active files

1.1.1. 2019-2020 CLAIMS PORTFOLIO OVERVIEW

A new record of number of claims received in the history of the Fund. 37 claims were submitted during the fiscal year, compared with 25 claims the previous year with 14 claims per year on average over the history of the Fund. This number of submitted claims is the highest ever on record in the history of the Fund. The claims submitted in 2019-2020 ranged from \$4,575 to \$381,296 for a total of \$1,816,845 (2018-2019: \$4,262,618, with the highest claim received at \$1,857,314). Despite being a record in terms of number of claims submitted, it is the sixth largest in terms of total amount claimed for any fiscal year since the inception of the Fund in 1989. It should be noted that a potentially very large claim submission received under s. 107 of the MLA was neither quantified nor determined eligible under that provision by the end of the fiscal year.

Most claims still below \$50,000. The average value per claim is \$50,468 this fiscal year, less than the third of the average of last fiscal year (2018-2019: \$170,505) with 79% of the claims below \$50,000. 68% of the claims submitted were for amounts lower than \$35,000 and would have fit under the statutory small claims scheme.

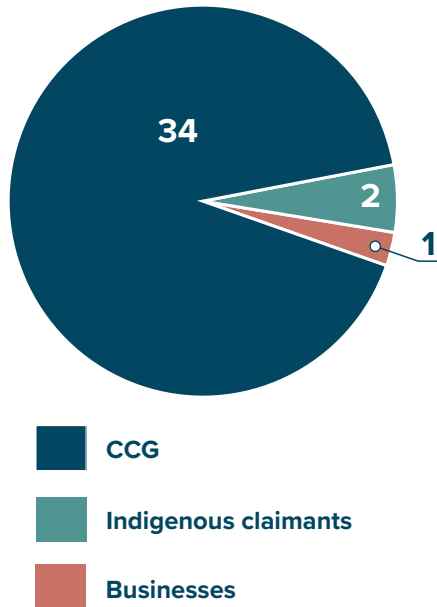
Table 1: Spread by amounts of the 37 claims submitted in 2019-2020



Over three out of four claims submitted in 2019-2020 are for amounts lower than \$50,000.

The Canadian Coast Guard (CCG) is still the main claimant. The CCG was the claimant in 34 out of the 37 claims submitted in 2019-2020, representing 92% of the number of claims submitted and around 99% of the total amount claimed during the year (2018-2019: 42%). The large difference between this year and last year’s percentages is due to two important claims submitted by non-CCG claimants in 2018-2019. In 2019-2020, the three remaining claimants were respectively two Indigenous groups and one private business. No claims were submitted by local governments or by ports or harbours. Despite the outreach efforts, the diversity in claimants in 2019-2020 remains almost unchanged from the previous year.

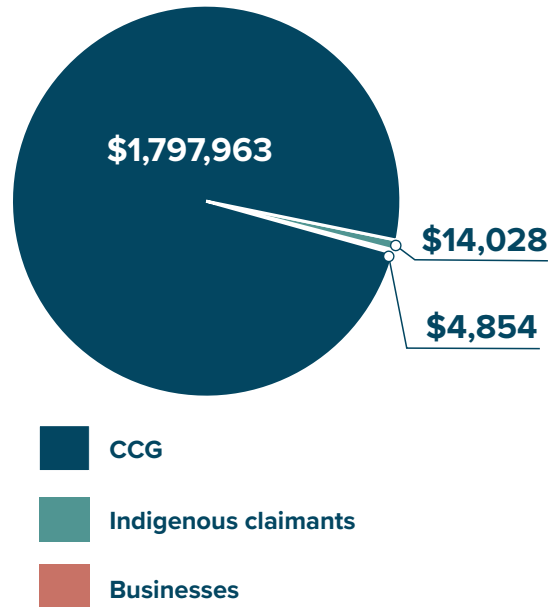
Table 2.1.: Number of claims submitted by type of claimants in 2019-2020



92% of the number of claims submitted to the Fund in 2019-2020 were made by the CCG.

Most claims still come from British Columbia. The claims received during the fiscal year have come primarily out of British Columbia (22), followed by Newfoundland & Labrador (11), Quebec (2), Nova Scotia (1), and Ontario (1). 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.

Table 2.2.: Amount claimed by type of claimants in 2019-2020*



*Note: based on 36 claims.

Out of the total amount claimed in 2019-2020, the CCG claims represented 99% of that amount: \$1,797,963 out of \$1,816,845.

Fishing vessels generate the highest number of claims, and represent almost half of the total amount claimed. 13 claims were submitted in 2019-2020 for fishing vessels, representing 43% of the total amount claimed. In comparison, only three claims were submitted for incidents involving tugs and barges, for 10% of the total amount claimed. The claims received during the fiscal year can be regrouped by vessel type as described in Table 3. It is worth noting that, this year again, no claims were received for tanker incidents.

Table 3: Types of vessels involved in the claims submitted in 2019-2020

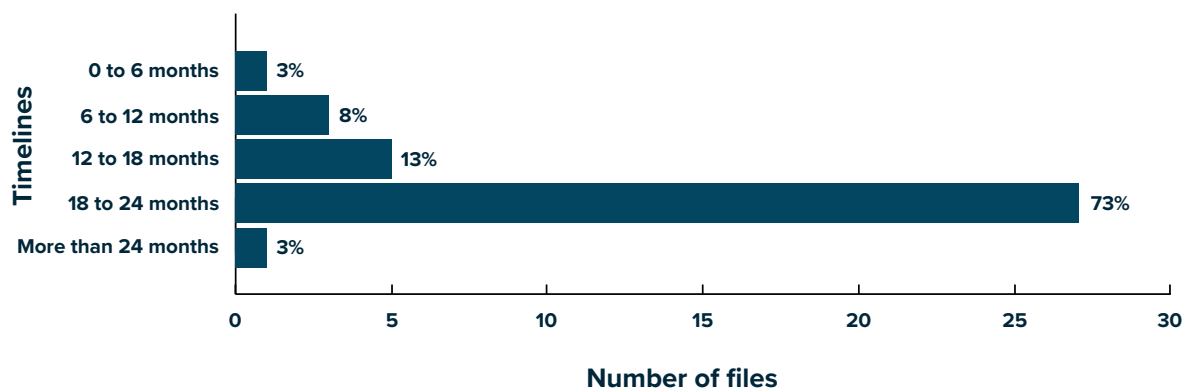
TYPE OF VESSEL	NUMBER OF CLAIMS	PERCENTAGE OF TOTAL (%)	TOTAL AMOUNT (\$)	PERCENTAGE OF TOTAL (%)	AVERAGE AMOUNT PER CLAIM (\$)
Tankers	0	0	0	0	0
Cargo, container, and passenger vessels	3	8	34,939	2	11,646
Tugs and barges	3	8	171,760	10	57,253
Fishing vessels	13	36	784,712	43	60,362
Pleasure crafts	10	28	353,761	19	35,376
Ex-fishing vessels	7	20	471,673	26	67,382
Other	0	0	0	0	0
Mystery spills	0	0	0	0	0
TOTAL	36	100	1,816,845	100	50,468

43% of the amount claimed to the Fund was for incidents involving fishing vessels.

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 73% of claims were submitted between 18 and 24 months following the date of the incident, compared to 56% in the previous fiscal year.

Historically, 54% of the claims received in the last five fiscal years (inclusive of 2019-2020) were filed with a delay of between 18-24 months. The number of claims submitted within one year of the pollution incident was at 11%. Only 3% of the claims received were filed within the first six months.

Table 4: Amount of time before claimants submit claims in 2019-2020



The majority of claims were submitted 18 months after an incident and only 3% of the claims were submitted within the first six months.

High number of assessments performed. Over the fiscal year, the Administrator finalized the assessment of 32 claims (2018-2019: 25). As of March 31, 2020, 12 out of the 37 claims received in fiscal year 2019-2020 were still being assessed. The assessment of the CCG claim in the *Farley Mowat* file received in 2017-2018 was finalized. A \$872,107.92 offer was made which was the highest made by the Administrator in 2019-2020.

69% of claims were processed in less than three months, and 94% of the claims were processed in less than 6 months. The time it takes the Administrator to complete the assessment of claims, and to make an offer, are summarized in Table 5. The time it takes to assess a claim varies based on the complexity and the claims documentation. However, generally, the smaller the claim, the faster the assessment. Only two claims took longer than one year to assess as they were both large (over \$500,000), and complex.

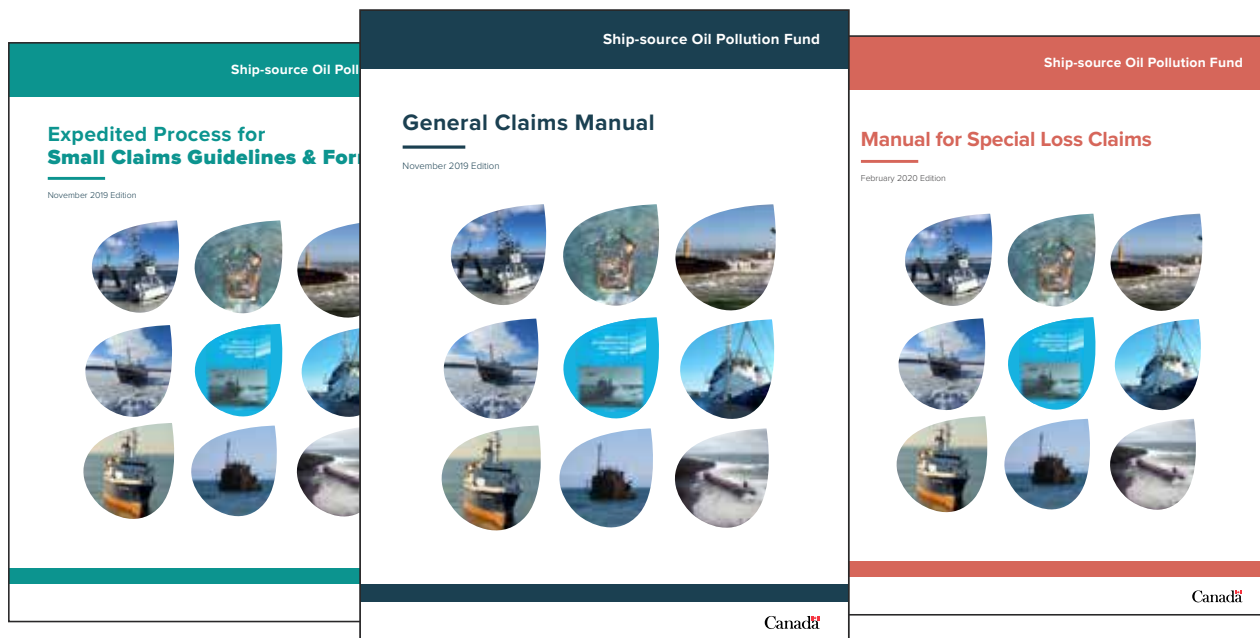
No use of the draft offer mechanism. In past years, a formal policy was established on when an offer of compensation could be provided in draft form, so as to invite comment by a claimant before a formal (statutory)

offer was advanced. According to the policy, a draft offer could be made if a claim raised a novel issue, or as a result of other exceptional circumstances. No draft offers were issued by the Administrator during fiscal 2019-2020.

Proactive approach with new claims resources. The Administrator expanded efforts to proactively address issues which might arise in the investigation and assessment process. These efforts included:

- the “Compensation 101: Ship-source Oil Pollution” webinar;
- the publication of three new claims manuals (the General Claims Manual, Expedited Process for Small Claims: Guidelines and Forms, and the Manual for Special Loss Claims);
- communications materials and graphics about the claims process, and;
- a Compensation Handbook for Fishers, Aquaculturists, and All Involved in Related Activities.

It is hoped that these efforts will help to increase the use of the Fund and claimants’ success rate.



Submission received under section 107 of the MLA.

On October 10, 2019, the Administrator received a submission from representatives of the Heiltsuk peoples with respect to fisheries losses arising from an incident involving the vessel *Nathan E. Stewart* that occurred on October 13, 2016. The submission was expressly made under section 107 of the MLA and seeks compensation for any damages that are not found to be compensable by the shipowner in parallel legal proceedings before both the Supreme Court of British Columbia and the Federal Court of Canada. The submission is the first under s. 107 of the MLA in the Fund's history, and remained under review by the Administrator at the end of the fiscal year.

No claims submitted under the Expedited Process for Small Claims. This new process for claims not exceeding \$35,000 was added to the MLA in December 2018, making 2019-2020 the first full fiscal year in which claims could be received under this process. While 25 claims submitted to the

Administrator (68% of all claims submitted) during the fiscal year sought compensation of \$35,000 or less, none of these were submitted under the Small Claims Process.

Claims submitted under the Small Claims Process must be made within one year of the incident giving rise to the claim. Of the 25 claims that sought \$35,000 or less, only two were submitted to the Administrator within one year of the underlying incident.

In summary, 92% of the claims received by the Administrator that fell within the monetary limits of the Small Claims Process were submitted too late to be eligible for it. The Administrator has published a manual dedicated to the Small Claims Process, including claims forms, to guide claimants. However, the data from this fiscal year suggests that future use of the Small Claims Process may be limited, due in large part to its compressed submissions timeline.

Table 5: Average time to assess claims based on the value of the claims submitted in 2019-2020



Amount of claim (\$) and (number of claims)	Average time to assess (in months)
0 - 35 k (19)	→ 2
35 k - 100 k (9)	→ 2
100 k - 500 k (2)	→ 3
500 k - 1 M (1)	→ 14
More than 1 M (1)	→ 18

94% of the claims assessed were under \$500,000 and were processed in less than 6 months. In general, the higher the amount of the claim, the more complex and time-consuming it is to assess.

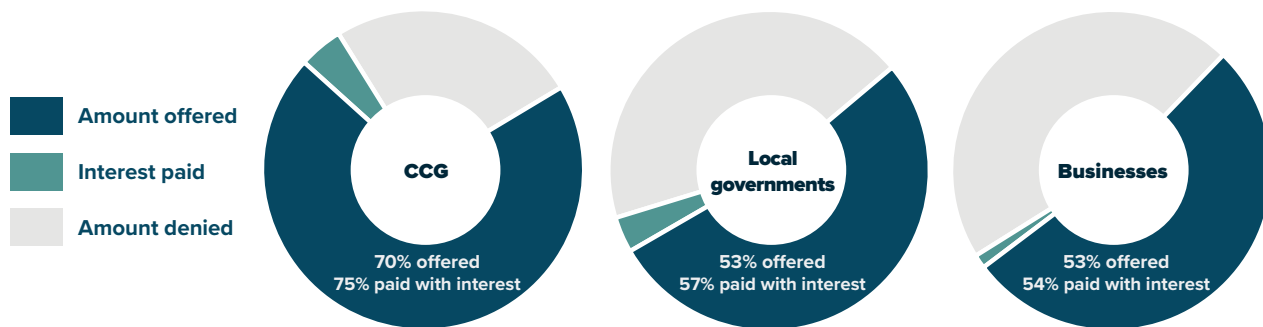
Many claimants are compensated less than 80% of the amount claimed. In 2019-2020, more than half of offers issued (56%) granted less than 80% of the amount claimed. As compared with the previous fiscal year, this represents a 20% increase of claims being compensated for less than 80% of the amount sought. In 2019-2020, overall, the Administrator offered 69% of the amount claimed by all claimants. The overall ratio of amount offered compared to amount claimed continues to decline, which is likely due to an increase in claims for responses that are not covered by the Fund's oil pollution mandate.

Dismantlement of ships is the prominent cause for deductions in CCG claims. 18 CCG claims involving the deconstruction of vessels were paid this fiscal year with an average success rate of 73% of the amounts claimed. This is compared to an average success rate of 92% for the 9 CCG claims that did not involve the deconstruction of vessels.

Files paid during the fiscal year: the confirmation of an upward trend. 30 claims were paid for a total of \$2,671,902, or \$89,063 per claim on average (2018-2019: 25 claims paid, for a total of \$8,137,253, or \$239,423 per claim on average). This is consistent with the upward trend noted since 2016.

Largest single payment ever made to a local government. \$394,110 in compensation, including interest, was paid to Prince Edward County in September 2019, for the costs and expenses incurred as a result of the sinking of the barge *Pitts Carillon*, in Picton Bay, Prince Edward County, Ontario. Many of the costs and expenses compensated related to ensuring the safety of the County's water supply.

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



When statutory entities respond to an incident, the scope of their response sometimes must be broader than what is covered by the Fund's oil pollution mandate. This mismatch of scope, as well as repairs effectively improving affected infrastructure, can lead to recoveries being less than amounts claimed.

Increased efforts to recover from polluters the amounts paid to claimants. The Fund had 79 active recovery files in the 2019-2020 fiscal year. At the end of the fiscal year, 54 of those files remained active – a new record for the Fund. Files in active recovery can be at many stages:

- locating or identifying liable persons;
- issuing demand letters, engaging in settlement discussions;
- initiating and prosecuting court actions, and
- collecting on judgments.

In total, the Administrator was able to recover some \$1,051,004 in this fiscal year. This amount is the second highest on record, following 2018-2019 with \$2,234,411 recovered.

The majority of claims received by the Administrator arise from incidents involving derelict or abandoned vessels. With few exceptions, it is difficult to make any recovery from the owners of such vessels.

A new positive development is the coming into force of the *Wrecked, Abandoned or Hazardous Vessels Act* (WAHVA). WAHVA clarified the Canadian legislative scheme around wrecked, abandoned, and derelict vessels. The Administrator is eager to see an incident involving the new insurance requirement for wreck removal, which came into force on July 1, 2019. So far, this new statutory requirement has not had any impact on the Administrator's portfolio. The incidents that generated claims happened prior to the entry into force of the new requirements, or/and the tonnage of the ships in question was below the threshold for mandatory wreck removal insurance.

In incidents involving well-financed shipowners or their insurers, recovery rates are higher. This year, 11 settlements were reached, similar to the number for the previous fiscal year (11).

At the close of the fiscal year, as compared to previous years, there were few files remaining in the Fund's recovery inventory that have both a high value and good prospects for recovery. The Administrator has put infrastructure in place to allow an increased number of lower value claims to be economically pursued for monetary recovery.

Second appeal of an offer from the Administrator in the history of the Fund was dropped by the claimant-appellant. The 2018-2019 annual report included a description of an appeal of the decision of the Administrator by the CCG, in the file *Ocean Eagle / ZB 335*. That appeal, the second in the history of the Fund, was expected to be heard this fiscal year. However, the appellant abandoned its appeal before a hearing. The matter is now closed.

CHALLENGES AND OPPORTUNITIES WITH RESPECT TO CLAIMS MANAGEMENT

The previous annual report identified a number of challenges and opportunities with respect to claims management. These challenges and opportunities have continued in 2019-2020:

- **The Fund as an access to justice tool for claimants.** As indicated below in section 1.6, this 30th anniversary year has been leveraged to accelerate outreach and develop a suite of tools for claimants as a way to improve access to justice. The next steps will be to redesign the website, and to map out the indemnification process, including in case of a major oil spill involving multiple payers and where various options would be available to a broad range of potential claimants. This scenario would potentially involve having a joint claims office. Although this type of event is unlikely to happen (and has not happened in Canada over the past few decades), the Administrator and her potential partners in indemnification should be ready to manage such a situation in the most efficient way from a claimant's perspective.

- **Publishing decisions of the Administrator.** In this fiscal year, the Administrator’s compensatory decisions, encompassed in letters of offer, were drafted in a new format designed to allow for their eventual publication. This effort involves enhancing descriptions of the underlying events within the decision, including adding excerpts of evidence to the body of the decision. Decisions from the 2019-2020 year are expected to begin being published on the Fund’s website starting early in the 2020-2021 fiscal year.
- **Readiness for the indemnification of large spills.** In 2016, the Administrator undertook pre-planning collaboration with international partners (International Group of P&I Clubs (P&I Clubs) and IOPC) in claimant indemnification in case of a large oil spill in Canadian waters. This initial work was suspended pending legislative amendments, which passed in December 2018. This fiscal year, the Administrator resumed her work with the P&I Clubs to develop a Memorandum of Understanding (MOU) concerning all ship-source oil pollution incidents in Canada. The Administrator continued to develop processes and expertise that would come into play in the event of a spill. This collaboration aims at facilitating the flow of payments between

international payers, the Fund and claimants. The Administrator expects to finalize this MOU in 2020-2021, after which she will resume her trilateral work with the P&I Clubs and the IOPC Funds on claimant indemnification in case of a large tanker spill in Canadian waters.

- **Readiness for the indemnification of border spills.** Building on the three-day Transboundary Oil Spill Liability and Compensation workshop held in Ottawa in November 2017, the Administrator, the US Oil Spill Liability Trust Fund (OSLTF) and other partners held a second workshop in Portland, Maine from September 10 to 12, 2019. This new edition reflects the strong appetite from all our partners to work together towards the fluid compensation of claims. Our International partners in compensation (the IOPC, the P&I Clubs and the International Tanker Owners Pollution Federation (ITOPF)) were also in attendance, as well as the Canadian and US Coast Guards and TC – International Marine Policy. This exercise was used to strengthen collaboration with other key players and payers which would be involved in the liability and compensation, in the event of a transboundary oil spill from a ship. A number of follow-up action items will be carried before the next workshop, which is foreseen for 2021.



- **Compensation of claims arising out of an Incident Command System deployment.** In 2017-2018, 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. In 2019-2020, after all claimants had accepted their compensation offers, the Administrator's office started to reflect on the potential use of some elements of the ICS documentation (developed during the deployment of response operations) for claims documentation purposes. Draft guidelines for claimants are intended to be developed as well as holding a workshop with relevant stakeholders.
- **Claims for the dismantlement of ships: bilateral workshop and publication of policy statement.** The 2019-2020 fiscal year saw 20 of the 34 CCG claims submitted during the year include a claim for compensation for the deconstruction of smaller, usually wooden vessels. As well, this year saw the commencement of a court action, the *Kathryn Spirit* matter, in which the Administrator is named as a defendant and the claim by the Crown is principally for the costs of deconstructing a large, steel-hulled vessel. Deconstruction claims tend to be costly, regardless of the size and type of vessel deconstructed, and they have long attracted lower than average offers of compensation. Seeing a persistent trend, the Administrator devoted considerable resources to developing a clear policy statement on the matter and offered early in the fiscal year to organize and lead a bilateral workshop. The workshop was

to focus on vessel deconstruction, but would extend to cover broader claims issues too. The CCG agreed.

In November of 2019, a delegation of six from the Fund, including four marine consultants and two in-house lawyers, met with almost 20 CCG personnel, representing each of the regions and Ottawa. The session was productive and illuminating for both sets of participants, who agreed that it would serve as a useful model for future bilateral workshops, one of which entered the planning phase toward the end of the fiscal year. The document that served as the centrepiece of the workshop, the Administrator's "Guidelines for Claims Involving Vessel Deconstruction", was later published as a policy statement on the Fund's website. While the CCG is the primary intended audience of this document, it provides broad insight into the Administrator's assessment process and the concept of reasonableness that will be beneficial to all potential claimants, regardless of what kind of costs or other damages are claimed.

- **Restructuring in-house legal services.** The number of claims submitted to the Administrator continued to rise in 2019-2020. The average value of a claim remains at approximately \$50,000, while 72% of claims have a value of \$35,000 or less. The increasing volume of claim submissions means increased staffing requirements to assist the Administrator with the investigation, assessment, and offer letters. The modest amount of most claims submitted can make it uneconomical to pursue recovery against an owner using external legal resources – even when the vessel owner is thought to have some realizable assets. To address both issues, the Administrator has established the new permanent position of Lead Counsel, and is in the process of making permanent an additional Counsel position. Both positions are tasked with supervising the assessment and

investigation of claims to the Fund and carrying out recovery efforts. This includes filing court actions and managing recovery litigation using in-house resources, to the extent possible, so as to minimize legal costs and expand the scope of cases in which economic recovery can be made.

- **The value of vessel insurance.** This fiscal year, a summer student presented a survey of historical subrogated recovery where vessels that were the subject of claims carried third-party liability insurance and compared it to historical subrogated recovery against uninsured vessels. Claims arising from mystery spills and unidentified vessels were excluded from the data analyzed. The results of the survey were striking, particularly because the vast majority of claims to the Fund involve uninsured vessels. On such files, over \$18 million has been paid to claimants, with just over 2% of this amount ultimately recovered from vessel owners via subrogation. In contrast, historically, less than \$4 million has been paid in claims where an insurer was in the picture, but subrogated Administrators have recovered over 85% of this amount. Historically, it was unusual for the Administrators to be directly engaged when an insured vessel causes an oil pollution incident, but when the Administrators were so engaged, they were virtually certain to recover the majority of the compensation paid to claimants. That said, 2019-2020 saw a continued deviation from this historic norm, as the Administrator has increasingly received claims where the subject vessel is insured.
- **Claims filed for incidents involving insured ships.** The 2019-2020 fiscal year saw a growing number of claims to the Administrator involving ships which were either insured or whose owner had the means and willingness to pay. Two

years ago, such claims began being regularly submitted to the Administrator. This year saw eight such claims: *Eyelanders*, *Arch's Pride*, *Alouette Spirit & Wilf Seymour*, *Avalon Princess*, *Kavo Manali*, *Lady Elizabeth I*, *Mary Shauna*, and *Nordika Desgagnés*.

1.1.2. 2019-2020 INCIDENT REPORTS OVERVIEW

Few new incident files. Five new incident files were opened this fiscal year, two of them were for vessels for which the Administrator had already paid claims in the past years. Eighteen incident files that had been carried over from the previous year became claim files in 2019-2020. In addition to these incident files, the Administrator followed further eight incidents during the fiscal year, but upon investigation it was ultimately decided that none of them were likely to have a significant impact on the Fund, so official incident files were not opened for these incidents.

Financial security obtained. In 2019-2020, the Administrator obtained financial security for one of the new incident files, compared to two cases in 2018-2019. The Administrator had a total of six Letters of Undertaking for incident report files in fiscal year 2019-2020. As in the previous fiscal year, the Administrator did not arrest any ship or any sistership in order to secure a financial guarantee.

COURT CASES IN 2019-2020

The Administrator managed a portfolio of some 24 court cases in 2019-2020. This includes entering new appearances in nine legal proceedings during the fiscal year, in which the Administrator is involved in a variety of capacities:

- as a defendant to a limitation action initiated by a shipowner to limit claims against the shipowner, wherein the Administrator possessed two subrogated claims against the shipowner (*Pitts Carillon*);
- as a subrogated plaintiff in a recovery action initiated by external counsel against a shipowner (*Central Isle, Barges King Arthur and SL 104, Blue Pacific No. 1, Lucas & Rebecca, and Sea-Que*);
- as a defendant to a claim advanced by Her Majesty the Queen of Canada who claims for \$25,731,208.24 to dismantle a vessel abandoned near Montreal (*Kathryn Spirit*);
- as a defendant to a counterclaim brought by a First Nation, who itself is a defendant to a limitation action brought by a shipowner to limit its liability (*Nathan E. Stewart*); and
- as a subrogated plaintiff in the first action initiated and managed directly by the Administrator's in-house legal team (*Salerosa*).

COURT CASES DEVELOPMENTS AND OUTCOMES

The Administrator was a party to several notable legal developments and court decisions during the 2019-2020 fiscal year:

- Prevailed in an appeal by British Columbia against a decision which imposed liability upon the Province for an incident (*Chilcotin Princess*);
- An appeal against a compensatory decision rendered by the Administrator was abandoned before a hearing by the claimant-appellant (*Ocean Eagle / ZB 335*);
- The Administrator successfully prevented the sale of a vessel under arrest in an action where ownership, and thus liability, had not yet been established (*Cormorant*);
- Secured a consent judgment or entered into an enforceable settlement with a shipowner (*Matterhorn, Chilcotin Princess, Command Performance, Pitts Carillon* and *Cormorant*);
- Attended the mediation of a limitation action brought by a shipowner before the Court, and secured a recovery of \$283,500, constituting 56.7% percent of all available funds, having entered the mediation with only 29.7% of all claims against that limitation fund (*Pitts Carillon*);
- Secured an order compelling a judgment debtor shipowner to attend and be questioned about his income and assets before the Federal Court, shortly followed by a bankruptcy filing by the shipowner which led to the Administrator making a claim in the bankruptcy proceeding and vigorously pursuing the shipowner in that proceeding (*Elf*); and
- Discontinued a sistership claim, on a without costs basis, after securing evidence through the discovery process. This evidence was important, in part because it showed the sistership was of limited value (*Viking I*).

As a result of the coronavirus disease (COVID-19) pandemic, the Federal Court of Canada issued a practice direction suspending all non-urgent proceedings. The Administrator was in the midst of preparing or had completed materials in preparation for motions seeking judgment in five additional court files: *Central Isle, Viking I, Blue Pacific No. 1, Sea-Que, and Lucas & Rebecca*. It is expected that those matters will proceed to judgment in the new fiscal year, although the timeline is currently unclear.

The Administrator entered into final settlement agreements in several pre-litigation recovery files, avoiding legal expenses (*Arch's Pride, Sundowner, Marathassa, Dawn Marie, Kavo Manali, Dispatch I, Feelin' Free, and Eyelander*).

When the pre-litigation settlements which resulted in payments are added to the consent judgments within litigation which resulted in monies recovered, the Administrator successfully recovered money on 11 separate recovery files this fiscal year: *Pitts Carillon, Arch's Pride, Sundowner, Kavo Manali, Feelin' Free, Chilcotin Princess, Command Performance, Dawn Marie, Dispatch II, Marathassa, and Matterhorn*.

DETAILS OF NOTABLE COURT CASE OUTCOMES

***Canada (Ship-Source Oil Pollution Fund) v. Cormorant (Ship)*, 2019 FC 977: Administrator blocks *pendente lite* judicial sale of derelict vessel in absence of “good reason” for Court to allow it.**

The alleged owners of a polluting vessel, which was under arrest within a broader proceeding, attempted to have the vessel sold via judicial sale prior to the Court’s determination of its ownership. Their stated basis for seeking the motion was unpaid wharfage charges. The Administrator opposed the motion. The Federal Court refused to grant the order sought. Within two months of the defeat of this motion, the alleged owners consented to a judgment in the amount of \$375,000 in favour of the Administrator and agreed as between the parties to admit they owned the vessel at the time it polluted.

***Kirby Offshore Marine Pacific LLC v. Heiltsuk*, 2019 FC 1009: Shipowner can use the limitation action mechanism to stay some, but not all, of a First Nation’s claims proceeding before a provincial superior court.**

The Heiltsuk commenced a claim in the Supreme Court of British Columbia against the owners of the vessel *Nathan E. Stewart* as well as Her Majesty the Queen in right of Canada, advancing various claims arising out of aboriginal title and constitutional rights, including with respect to fisheries resources. The Administrator and the IOPC Funds have entered appearances in that action as parties by statute.

The owners of the *Nathan E. Stewart* moved before the Federal Court of Canada to establish a limitation fund, by which they would limit their liability and stay all other proceedings arising out of the incident. This would, potentially, halt the proceedings before the Supreme Court of British Columbia until the proceedings before the Federal Court were finally resolved.

On July 26, 2019, the Federal Court granted the shipowner’s claim, in part. The Heiltsuk were permitted to proceed with their separate claims to aboriginal title, as well as other claims not captured by the scope of the Federal Court proceedings. However, they were ordered to cease pursuing claims against the shipowners before the British Columbia Supreme Court pending determination of the limitation action in the Federal Court. The Heiltsuk then issued a counterclaim within the Federal Court action against various parties, including the Administrator.

***British Columbia v. The Administrator of the Ship-source Oil Pollution Fund*, 2019 BCCA 232: Appellate Court declines to allow Province to retroactively evade liability under the MLA as owner of vessel whose corporate owner had been forcibly dissolved under provincial corporate law prior to an oil pollution incident.**

On June 26, 2019, the Court of Appeal for British Columbia dismissed British Columbia’s appeal. The reasons for dismissal noted that even if the corporation were reinstated, that would not change the fact the Province was the legal owner of the *Chilcotin Princess* at the time of the incident. The Court also suggested that Part 6 of the MLA may not represent a “polluter pays” regime. The dismissal of British Columbia’s appeal quickly led to the settlement of the Administrator’s claim against the Province, both in this file and in the *Command Performance*.

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 in 2018 allow the Minister of Transport to direct, at the request of the Minister of Fisheries and Oceans 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 the Minister of Fisheries and Oceans 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 Fund within two years through an *Appropriation Act*, less any amount claimed as damage by the Minister of Fisheries and Oceans 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 Fund has not been used for this purpose during the fiscal year. However, the Administrator had discussions with TC (Transport Canada) during this fiscal year on the administrative and financial processes (including reimbursement) involved in the activation of these emergency funding provisions.

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. However, in the context of the update of their Memorandum of Understanding (see 1.5 below) the Administrator and TC discussed their respective roles in the investigation (Administrator) and enforcement (TC with the collaboration of the Administrator) of contributors' data reporting obligations.

1.4. CONTRIBUTION TO THE INTERNATIONAL OIL POLLUTION COMPENSATION FUNDS

Attendance at the IOPC Funds 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 (117 member States, from 116 the former year) provides some \$393 million in compensation per incident, while the Supplementary Fund (32 member States, from 31 the former year) provides an additional layer of compensation of over \$1 billion, for a total of some \$1,452 billion (based on March 31, 2020 exchange rates). Canada is a member of both Funds.

The Administrator attended the Spring and Fall 2019 meetings of the IOPC Funds in London. The Spring 2019 meeting paid tribute to the passing of the Chairman of the Funds' Joint Audit Body, the Canadian Jerry Rysanek, who had passed away in January 2019.

- Mr. Rysanek was Chairman of the 1992 Fund Executive Committee from 2002 to 2004 and Chairman of the 1992 Fund Assembly from 2005 to 2011. The Chairman of the 1992 Fund Executive Committee and the Director of the IOPC Funds Secretariat came over to Ottawa from Norway and the U.K. respectively, for the funeral of Mr. Rysanek. In November 2017, Mr. Rysanek was also retained by the Administrator of the Fund to moderate the first Canada-US Transboundary Liability and Compensation workshop in Ottawa.

As a matter of policy, the Administrator applies to the assessment of all Fund 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.

- 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 third year the filing of the Canadian receivers' reports was done through a new web interface.

Payment of the Canadian contribution to the IOPC Funds.

On the basis of the Canadian data provided by the Fund in the Spring of 2019 and of the IOPC Funds financing needs agreed at the November 2019 London meetings, the Fund paid this year a Canadian contribution of \$554,235 (£319,221) to the IOPC Funds (2018-2019: \$491,838). This contribution includes Canada's share for the General Fund 2019 and payments for major claims (the *Nesa R3* incident and the *Agia Zoni II* incidents). Over its 31 years of existence, the Fund has therefore paid a total of some \$57.5 million to the IOPC Funds.

Key topics of discussion and decision for the Fund during the IOPC Funds' 2019 sessions included notably:

- **Steps towards the final payments by the 1992 Fund of two important and long standing cases, the *Hebei Spirit*** (a 2007 tanker collision in South Korea which generated over 127,000 claims) and the *Prestige* (the breaking and sinking of a tanker off Spain in 2002, which caused damages in Spain, Portugal and France and generated over 1,300 claims over these three countries). Of particular interest for the Fund's purposes was the decision of the Supreme Court of Spain, which confirmed that the 1992 Fund would not be liable for pure environmental and moral damages. The relevant international conventions clearly provided that compensation for impairment of the environment should be limited to the costs of reasonable measures of reinstatement actually undertaken or to be undertaken. The IOPC Funds Assembly, in a resolution in 1980, had decided that compensation could not be paid based on theoretical models.
- **Developments in two major incidents, the *Nesa R3*** (a 2013 tanker sinking in Oman) and the *Agia Zoni II* (a 2017 tanker sinking in Greece) for which compensation is ongoing, and additional contributions are required from member countries to cover for these payments.
- **Developments in the *Nathan E. Stewart* case** (a 2016 articulated tug-barge grounding in Canada). Although the IOPC Funds have not received any claims in relation to this incident, they were served (in addition to the Administrator of the Fund) 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. This legal action was filed in the Supreme Court of British Columbia shortly before the Fall 2018 session of the IOPC Funds, however too little relevant information was known to support any discussion by member States at that time. In 2019, the IOPC Funds (in addition to the Administrator of the Fund) were also added as parties by statute to the limitation action brought by the shipowner before the Federal Court of Canada. Although it seems uncertain that the subject ships will trigger the jurisdiction of the IOPC Funds, these Funds have not been definitively ruled off the case. At the October 2019 meeting, the Administrator took the floor and explained the role of the Fund to the other delegations.
- **Report of the Joint Audit Body**, reviewing risks arising from incidents involving the IOPC Funds, where ships are insured by insurers that are not members of the International Group of P&I Clubs Association. These insurers have been less reliable in fulfilling their role, leaving the International Funds exposed – and therefore exposing the Funds' contributors. Collective reflection on this issue is ongoing.

The 2010 HNS Convention and HNS Fund. In 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.

The purpose of the 2010 HNS Convention is to provide adequate, prompt and effective compensation for loss or damage to persons, property and the environment arising from the carriage of HNS by sea. The Convention covers both pollution damage and damage caused by other risks, e.g. fire or explosion. Under the 2010 HNS Convention, the shipowner is liable for the loss or damage up to a certain amount, which is covered by insurance (1st tier). An international compensation fund (the HNS Fund) will provide additional compensation when the victims do not obtain full compensation from the shipowner or its insurer (2nd tier). The HNS Fund will be funded by those companies and other entities which receive HNS after sea transport in a Member State in excess of the thresholds laid down in the Convention.

The owner of a ship that carries HNS is required to take out insurance to cover his liability under the 2010 HNS Convention. Claims for compensation may be brought directly against the insurer. The HNS Fund will “top up” compensation when the shipowner or his insurer cannot meet in full the loss or damage arising from an incident. Claimants may therefore access up to some \$481 million per accident (at the exchange rate of March 31, 2020) when the Convention enters into force.

The HNS Fund, when fully operational, will have four accounts, including an Oil account. Each account will meet the cost of compensation payments arising from damage caused by substances contributing to that account, i.e. there will be no cross-subsidization.

With respect to oil pollution damages, the 2010 HNS Convention covers pollution damage not already covered by the existing international regime and International Funds. More information on the 2010 HNS Convention can be found on the Convention’s website (<https://www.hnsconvention.org>).

As far as Canada is concerned, the MLA provides that the Administrator will provide to the HNS Fund Secretariat the Canadian data on oil imports by water (persistent and non-persistent oil). The Administrator will also pay the contribution for the Oil account out of the Fund to the HNS Fund for the Canadian contributors. In case of an oil spill from ship-source not covered by the existing international regime, Canadian claimants will therefore have access to this new Fund. In addition, the Fund will remain available for any excess liability. Alternatively, when a claimant chooses to file a claim with the Administrator rather than with the shipowner, the Administrator will be able to revert to a ship insurer and/or to the HNS Fund to recover the amounts paid to the claimant.

In 2019, South Africa became the fifth State to ratify or accede to the 2010 HNS Protocol. It joins Canada, Denmark, Norway and Turkey, who have already deposited instruments of ratification. Delegations from the Netherlands, France, Sweden, Finland and the Philippines informed the IOPC Funds Assembly during the Fall 2019 meeting that they were progressing towards ratification of the HNS Convention. With the progress being done, the 2010 HNS Convention could enter into force in the next 3 to 4 years.

1.5. OFFICE MANAGEMENT AND CONTROLS

Human Resources renewal, expansion and management. The ongoing development of the Fund's claims portfolio and communication and outreach efforts led to the opening of new positions (Lead in-house Counsel, Communications and Stakeholder Engagement Officer, Research and Program Support Officer), filled through competitions, as well as the need for temporary additional help to support the 30th anniversary year initiatives and activities. Maternity leaves also brought new replacement staff, also through competitions. Four new students were hired over the year through the student program. In addition to staff, a number of consultants have been supporting the office's activities, either remotely or through a physical presence in the office. Their number grew during this anniversary year, due to the number of special projects deployed.

Office renovations to accommodate growing needs of the two Funds. The Administrator's office has been hosting the Fund for Railway Accidents Involving Designated Goods (Rail Fund) since it was created in 2016. The Administrator and Deputy Administrator have been cross-appointed to lead both Funds. In order to be able to accelerate the deployment of the Rail Fund's readiness plan and ensure continuity in the relevant in-house expertise, the Administrator staffed and structured the Rail Fund related staff on a more permanent basis. This involved the recruitment of three staff (a Director, a lawyer and an analyst) through competitions. These additional recruitments on the rail side, as well as the need for a number of closed offices, led to major office refits to accommodate new workstations and a number of closed offices. The related costs have been shared 50/50 between the two Funds.

Upgraded governance model for both Funds.

The very flat model under which the Fund and Rail Fund have been managed jointly, has been stretched to its limits. The Administrator and Deputy Administrator therefore transitioned to a new model based on three pillars: the Fund Claims team led by the Lead-in house Counsel, Maritime; the Rail Fund team led by a Director, Railway Fund; and the shared administrative and professional corporate services, led by the Director, Corporate Services. This reduces the number of consultants and staff reporting directly to the Administrators. The Administrator and Deputy Administrator can therefore focus on strategic orientations, policies and guidelines, while remaining the ultimate decision makers.

New employee retention strategies. In 2019-2020 the Administrator introduced a Wellness Spending Account to employees of the Fund. This benefit provided to employees focuses on getting employees engaged in leading healthy and productive lifestyles and will help stimulate an environment for mental and physical wellbeing.

The Fund's student program saw its most active year to date. A total of five students worked for the Fund over the course of the fiscal year. Four of these were law students, while a fifth was engaged on information management special projects. Two of the law students completed their Law Society of Ontario articles during the fiscal year, and a third completed a summer internship with the Fund. An additional Law Society of Ontario articling student joined the Fund late in the fiscal year. At the Fund, the law students are exposed to a wide array of practice areas, including marine, administrative, corporate, and civil litigation. Generally, and in addition to supervised carriage of various and diverse files, each student is assigned at least one core research project over the course of his or her term with the Fund.

File management processes. This year was marked by the implementation of a number of new policies and procedures related to the management of data, files, records, and information due to the:

- growing needs for data to support decision-making;
- management processes;
- outreach;
- new needs arising from the development and undertakings of the in-house legal team; and
- an increasing number of employees and consultants working for the Fund.

These new processes help ensure the accuracy of the data through quality-control processes and data capturing. It also improves tracking and representation of the Administrator's incident and claims portfolio, protect sensitive information, and better capture, organize, access, and retrieve information in office records.

Review of the Office's library. This ongoing project began to review the Office's library, with the goal of developing a well-managed library containing relevant and useful information resources to support the Fund's operations. Outdated information resources are being declared surplus, and policies and procedures are being developed for acquiring, cataloguing, and weeding library resources. A student intern with a background in library science was hired to assist with this project.

New requirements of the *Access to Information Act (AIA)*. As a result of amendments to the AIA, following the enactment of *An Act to amend the Access to Information Act and the Privacy Act and to make consequential amendments to other Acts* (Bill C-58) in June 2019, the Office of the Administrator made adjustments to certain procedures in order to comply with new statutory requirements, including the monthly proactive disclosure of hospitality and travel expenses. These new requirements ensure greater transparency from the Office of the Administrator.

Review and upgrade of the MOU between TC and the Fund. An MOU between the Administrator and 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 MOU has been reviewed and upgraded to notably address the new roles of the Administrator and the Fund introduced via the December 2018 legislative amendments (see sections 1.2 and 1.3 above).

Alignment for the five-year Special Examination. Section 122 of the MLA provides that the Administrator shall cause a special examination to be carried out at least every five years. This examination is to determine if the systems and practices implemented in the Office provide reasonable assurance that the assets are safeguarded and controlled and that the financial, human and physical resources used are managed economically and efficiently. This Special Examination requirement was introduced in 2010. The first Special Examination Report in 2015 revealed that the Fund was being operated efficiently and in a cost-effective manner at the time. During fiscal year 2019-2020, concomitantly with the Human Resources and governance developments reported above:

- job descriptions of all positions have been either updated (for existing positions) or written down (for new positions);
- all positions have been classified by an external human resources firm and base salaries have been benchmarked against the Ottawa job market;
- the remuneration policies have been updated;
- all human resources policies have been updated and consolidated; and
- a delegation framework has been drafted.

CHALLENGES AND OPPORTUNITIES

COVID-19 and longer term impact on Office management. Although the Office of the Administrator was able to redeploy and operate remotely from mid March 2020, some tasks critical for compliance required physical attendance of a few staff, on a rotational basis. As filing and archiving are still largely paper-based, closing fiscal year books and operations and working with the Auditors required physical access to the premises. The payroll function also required physical presence in the office as this function is not set up to work remotely in a way that would adequately protect personal information. The COVID-19 crisis has provided a strong incentive to accelerate the transition to electronic filing and archiving. It has also provided the impetus for the accelerated learning of the various tools necessary for remote work, and especially remote team work. It will also trigger another review of the office and human resources management policies in light of the lessons learnt and of the new benchmarks developed in the public and private sectors.

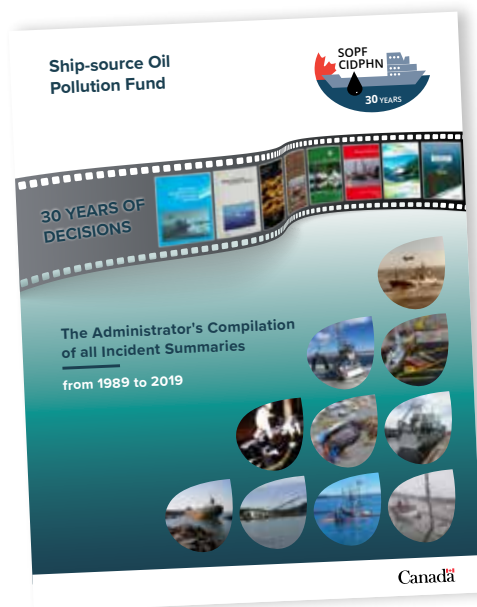
Taking ownership of information technology to increase efficiency. A more intensive use of information technology would provide a number of opportunities, such as increasing the resiliency of the organization in case of natural disaster or pandemic, streamlining work flows, better capturing information and facilitating reporting, facilitating research by key words, supporting work-from-home flexibility, freeing floor space from filing cabinets, and more. Introduction of new technologies and processes is always disruptive in some degree; however the Administrator's team has been supportive in moving in this direction and this effort will continue in the 2020-2021 fiscal year.

1.6. REPORTING AND OUTREACH & COMMUNICATIONS

In addition to the activities already reported above, the Office of the Administrator has also carried out a number of outreach activities in 2019-2020.

Leveraging the 30th anniversary year to increase outreach. An anniversary conference was held in Ottawa on May 28, 2019, 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 was webcast to assure accessibility and transparency (see section below for the description of the conference). This event was however only one of the outreach elements of the 2019-2020 anniversary year. It has been complemented by a number of publications and other communication initiatives.

Consolidated document of all the incident summaries in the Fund's history. The *30 Years of Decisions: the Administrator's Compilation of all Incident Summaries from 1989 to 2019* (expected to be published in May 2020) is part of that suite of tools for claimants and for the benefit of all Canadians. Considerable resources and staff time have been used for this publication, including the consultation of some of the Fund's archived files at Library and Archives Canada to add missing data.



Using online platforms to accelerate outreach.

- **Social media** – Since 2019, there has been a steady increase of the use of the LinkedIn and Twitter pages. As part of an online engagement strategy, the Fund’s social media presence helped reach, engage, and sustain strong relationships with stakeholders. From the publication of new material and media articles, to webinar alerts and the participation at events and trade shows, additional efforts are made to keep the public informed. As for this year’s social media metrics:
 - The LinkedIn page attracted 179 new followers over the past year, and has now 217 followers.
 - The Twitter page attracted 107 new followers over the past year, and has now 163 followers.
- **Webinars** – To facilitate the claim process for claimants, a Compensation 101 webinar accompanied the launch of the new editions of the Claims manuals. Over 100 people across the country registered to watch the webinar live or had access to the recording afterward. This webinar received the highest participation rate to date. A series of questions and answers was prepared to respond to over 30 questions asked by the audience. The recording and the associated documents are under the “Submit a Claim” section of the website.
- **Newsletter** – A monthly email newsletter is used to help the public keep up to date on the Fund’s latest news, publications, job postings, forthcoming events and other announcements. Over 389 people have subscribed to the newsletter.

Material was also provided for publication in stakeholders’ newsletters, such as:

- Union des municipalités du Québec
- Fisheries Council of Canada (FCC)
- Union of BC Municipalities (UBCM) – The Compass
- Union of the Municipalities of New Brunswick

Media as a way to increase the Fund’s profile and to accelerate outreach.

The Administrator’s office began to measure metrics of media coverage in April 2017. Since then, the overall hits have reached almost 400 publications: 2018-2019 being the highest (206), followed by 2019-2020 (130). Most articles were published online (366) versus print (33). The geographic breakdown of hits is primarily focused in British Columbia (190), followed by Ontario (57), National (49) and Nova Scotia (36). 2019-2020 has seen an increase of articles published in national media types: 118 out of 130. On the contrary, most publications from 2017 to 2019 were in local media types (232 out of 269).

Articles have been focused on either high profile ships, such as the *Marathassa*, *Farley Mowat*, *Pitts Carillon*, *Cormorant* and a number of abandoned and derelict vessels where the Fund was involved in the compensation or in the recovery process. Some publications were also focused on legislative changes and ministerial announcements related to the Fund.

The Administrator and Deputy Administrator hosted the first press conference of the Fund’s history at the Canadian Parliamentary Press Gallery on Parliament Hill on the day of its 30th anniversary. As part of the 30th anniversary promotion and to increase the Fund’s profile, there has been an increase of submissions and participation to editorials, articles and media interviews, such as the:

- Canadian Transport Lawyers Association Feature Article – April 2019 edition
- St. Lawrence Economic Development Council – Interview of the month – May 2019
- BC Shipping News – Industry Insight – May 2019
- Maritime Magazine – July 2019
- Corporation des officiers municipaux agréés du Québec (COMAQ) – August 2019
- Municipal World – November 2019
- Lighthouse Now and The Chronicle Herald (for multiple articles)
- 99.3 County FM radio – August 2019

In order to facilitate engagement with the media, the website now offers direct contact information for media enquiries to the Communications and Stakeholder Engagement Officer.

Plain language to ensure better communications.

Efforts were targeted at creating new communications products in simpler and clearer language. The information sheet “Key Facts about the Fund” is now widely shared.



A new roll-up banner maximizes the Fund’s visibility at events in which its representatives participate as exhibitors or presenters.



Continued engagement with Indigenous groups.

Efforts to reach Indigenous communities continued, as well as discussions on claims management issues having impacts on these communities. This year, as part of its commitment, the Administrator’s office held meetings with various groups, including the Assembly of First Nations (AFN) and the Assembly of Manitoba Chiefs (AMC), in order to ensure that the Fund is ready to respond to Indigenous claimants, if an incident occurs in their area. At the Fund’s 30th anniversary conference, an entire panel was devoted to equality, diversity and inclusion. Several Indigenous panelists

were invited to share their experiences for the benefit of all participants. The Fund's staff also took part in a training workshop on engaging with Inuit communities.

The Administrator continues to collaborate with federal departments, such as Indigenous Services Canada (ISC), Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and TC. Conversations have started to clarify and optimize roles regarding Indigenous engagement initiatives.

Also, under Recommendation 15 of the (then) National Energy Board's review of the Trans Mountain pipeline project, TC has been tasked to:

“review the federal marine oil spill compensation regimes with regards to compensation for non-use values, for Indigenous and non-Indigenous communities, including any non-coastal communities that may be impacted as a result of a marine oil spill”.

TC has launched a public consultation process to improve Canada's marine liability and compensation system. Information about the Fund was included in TC's consultation documentation.

This year, the Administrator confirmed that damage to Indigenous commercial and food fisheries are compensable by the Fund. In case a type of fish used for ceremonial purposes is no longer available due to ship-source oil contamination, the cost of obtaining an alternative supply of fish may also be compensated.

Area of focus: Fisheries sectors and Ports and Harbours. In 2019-2020, a particular attention has been paid to certain types of stakeholders.

- **Fisheries sectors** – Over the past 30 years, the Fund has received very few claims from the fishing sectors: less than 1% of the total amount paid from the Fund. Therefore, outreach efforts

have increased to reach a broad audience across the fishing sectors, including workers and business-owners, Indigenous communities, and those pursuing commercial and non-commercial activities, both in fresh and salt water. This includes activities such as:

- Meeting with national and provincial fishing organizations;
- Meeting with provincial Departments of Fisheries and Aquaculture;
- Participation at the Fish Canada – Workboat Canada Trade Show with high foot traffic and side discussions with a number of fishers; and
- Launch of the Compensation Handbook for Fishers, Aquaculturists, and All Involved in Related Activities, and invites sent to over 200 organizations and individuals in the Fishing sector for the webinar.



- **Ports and Harbours** – The Administrators have cultivated a relationship with ports, harbours, terminals, marinas and related associations over the years. Some additional efforts have been made to keep alive the awareness of that community. This includes activities such as:
 - A webinar targeted to the members of the Association of Canadian Port Authorities (ACPA); and
 - The publication of a research project called: Analysis of the 30 Years of History of Incidents and Compensation to Ports and Harbours.

CHALLENGES AND OPPORTUNITIES

Beyond the 30th anniversary, a long-term plan. The outreach efforts mobilized over this anniversary year to remedy the awareness gap between the Fund and potential claimants will blend into a strategic stakeholder communications and engagement plan. This is a long-term commitment and a key orientation for both human and financial resources. In order to interact more effectively with these different stakeholders, the Administrator is in the process of entering into a service agreement with the provider of a stakeholder management software.

Impact of COVID-19 on the Administrator’s outreach plan. A number of engagements were canceled or postponed due to COVID-19, such as the:

- Extraordinary Meeting of the IOPC Funds
- Meeting with a delegation from the Université de Sherbrooke

- Presentation at the Annual Convention of the Association of Vancouver Island and Coastal Communities (AVICC)
- Presentation to different committees at the Spring 2020 meetings of the National Canadian Marine Advisory Council (CMAC).

Following Public Health’s recommendations, the Fund also suspended participation to all external events until further notice. All events organized by the Fund, including webinars, were also postponed:















- This includes the Introduction to Compensation for Fishers, Aquaculturists, and All Involved in Related Activities, which was planned for March 2020.

Stakeholders were encouraged to continue engaging with the Office staff working remotely by sending comments and questions via email.

FUND OUTREACH ACTIVITIES IN 2019-2020

Engagement highlights:

- **44 meetings** with key or new stakeholders
- **18 presentations** at local, national or international conferences and committees
- **9 provinces & territories** reached
- **3 webinars available** to participants across the country
- **3 exhibitions at** provincial and national trade shows with high foot traffic
- **2 guest lectures** for university students
- The Fund continues to do joint outreach with the Rail Fund when appropriate.

LEGEND FOR THE TYPE OF STAKEHOLDERS			
	Federal government		Maritime legal community
	Provincial and territorial governments		Local governments, municipalities and related associations
	Indigenous engagement		Ports, harbours, terminals, marinas and related associations
	International partners		Fishing sectors
	Shipping and boating industry		Marine insurance industry
	Environmental response professionals and industry		Academics
	Media		Oil & gas Industry

* Recurring meetings with CCG and TC are not listed below.

2019

APRIL



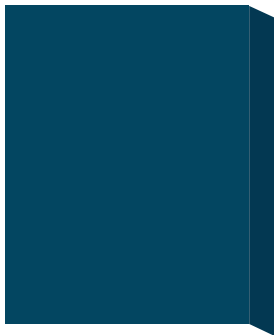
London, United Kingdom




- Participation in the Canadian delegation to the IOPC Funds' governing bodies and meetings with international partners

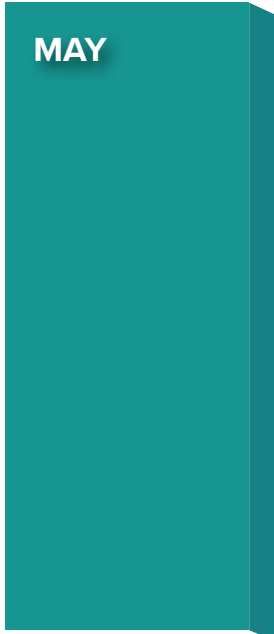


- Guest Lecture at the Center for Transnational Legal Studies of King's College, London



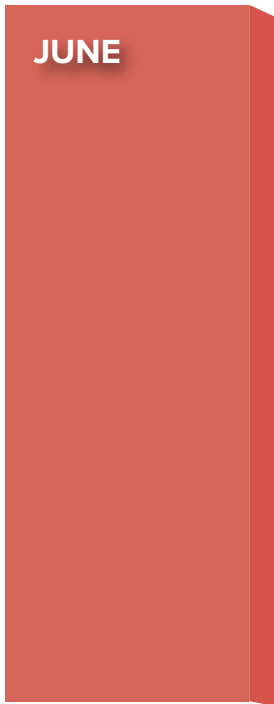


	Ottawa, Ontario <ul style="list-style-type: none"> • Meeting with the Assembly of First Nations
	<ul style="list-style-type: none"> • The Fund's first press conference at the Canadian Parliamentary Press Gallery on Parliament Hill
	Montreal, Quebec <ul style="list-style-type: none"> • Presentation at the Lunch and Learn of the Women's International Shipping & Trading Association of Canada (WISTA)



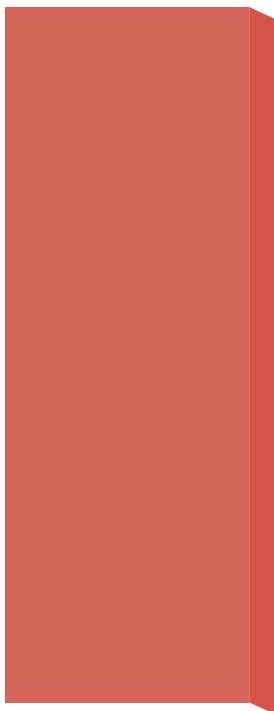
MAY

	Austin, United States <ul style="list-style-type: none"> • Presentation at the Transportation Lawyers Association (TLA) Annual Conference and the Canadian Transport Lawyers Association (CTLA) Midyear Meeting
	Ottawa, Ontario <ul style="list-style-type: none"> • The Fund's 30th Anniversary Conference (intended for all types of stakeholders) • Visit of the IOPC Funds Director of the Fund's office
	Quebec City, Quebec <ul style="list-style-type: none"> • Presentation at the meeting of the Oil Spill Regional Advisory Council, Quebec Region (OSRAC)



JUNE

	Halifax, Nova Scotia <ul style="list-style-type: none"> • Presentation at the 42nd AMOP technical seminar on environmental contamination and response
	Huntsville, Ontario <ul style="list-style-type: none"> • Participation as exhibitor at the trade show at the Annual conference of the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO)
	Saint John, New Brunswick <ul style="list-style-type: none"> • Attendance at the Canadian/United States Atlantic (CANUSLANT) Joint Marine Pollution Contingency Plan
	Ottawa, Ontario <ul style="list-style-type: none"> • Presentation at the Operations Committee of the Association of Canadian Port Authorities (ACPA)
	<ul style="list-style-type: none"> • Attendance at the Cost-Benefit Analysis Community of Practice meeting organized by the Office of the Community of Federal Regulators



Quebec City, Quebec

- Presentation at the Annual conference of the Canadian Maritime Law Association (CMLA)



Regina, Saskatchewan

- Meeting with the Saskatchewan:
 - Ministry of Environment
 - Ministry of Energy and Resources



Winnipeg, Manitoba

- Meeting with the Manitoba:
 - Department of Agriculture and Resource Development – Petroleum Branch
 - Department of Infrastructure and the Emergency Measures Organization



- Meeting with the Assembly of Manitoba Chiefs

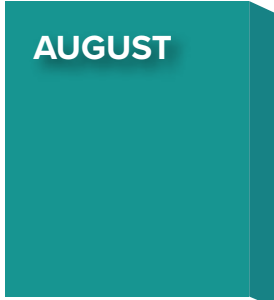


JULY



Ottawa, Ontario

- Host of a Webinar for the Association of Canadian Port Authorities (ACPA)



AUGUST



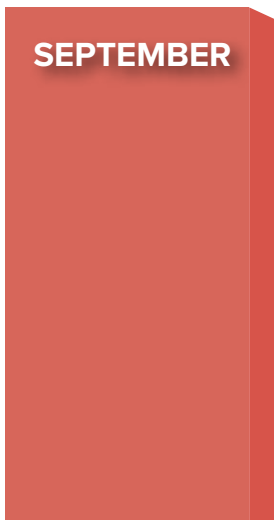
Victoria, British Columbia

- Meeting with members of the maritime legal community



Ottawa, Ontario

- Presentation of Research Project “Impact of Insurers on Recovery Prospects” to key federal partners
- Meeting with Fisheries Council of Canada



SEPTEMBER



Portland, United States

- Co-organizing and presenting at the Transboundary Oil Spill Liability and Compensation Workshop (TLC)



Winnipeg, Manitoba

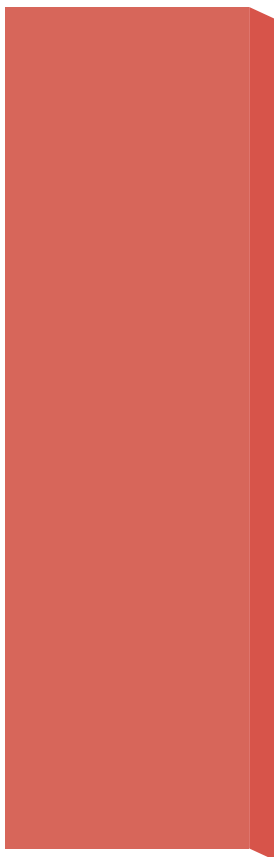
- Presentation at the Canadian Transport Lawyers Association (CTLA) Annual General Meeting & Educational Conference



Îles-de-la-Madeleine, Quebec

- Presentation to members of the Centre d’expertise en gestion des risques d’incidents maritimes (CEGRIM) and other local key stakeholders





Vancouver, British Columbia

- Presentation with Sheila Malcolmson (MLA and Parliamentary Secretary for Environment), Leonard Krog (Mayor of Nanaimo) and Rodney Grounds (Nanaimo Port Authority) and participation as exhibitor at the trade show of the Union of BC Municipalities (UBCM) Annual Conference



- Meeting with the British Columbia:
 - Emergency Management BC (EMBC) of the Ministry of Public Safety and Solicitor General
 - Ministry of Environment and Climate Change Strategy (ENV)



- Meeting with Clear Seas: Centre for Responsible Marine Shipping in Canada



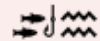
- Meeting with the Boating BC Association



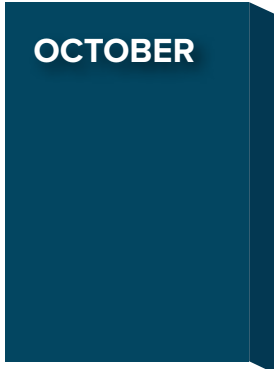
- Meeting with the Fire Chiefs' Association of British Columbia



- Meeting with the Council of Marine Carriers



- Meeting with the Pacific Coast Fishermen's Mutual Marine Insurance Company



OCTOBER



Ottawa, Ontario

- Presentation at the Master Mariners of Canada Symposium



London, United Kingdom

- Participation in the Canadian delegation to the IOPC Funds' governing bodies and meetings with international partners



NOVEMBER



Ottawa, Ontario

- CCG bilateral workshop on dismantlement of ships
- Attendance at the national meeting of the Canadian Marine Advisory Council (CMAC)

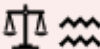

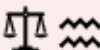


Lévis, Quebec

- Presentation at the Maritime Committee of the *Union des municipalités du Québec*



	<p>Ottawa, Ontario</p> <ul style="list-style-type: none"> • Meeting with the Department of Environment of the Government of Yukon
	<p>Charlottetown, Prince Edward Island</p> <ul style="list-style-type: none"> • Meeting with the Prince Edward Island: <ul style="list-style-type: none"> – Department of Environment, Water and Climate Change – Department of Fisheries and Communities
	<ul style="list-style-type: none"> • Meeting with the Association of Municipal Administrators of PEI (AMAPEI) and the Federation of Prince Edward Island Municipalities
	
	
	<p>Montreal, Quebec</p> <ul style="list-style-type: none"> • Presentation at the luncheon of the St. Lawrence Economic Development Council
	<p>Ottawa, Ontario</p> <ul style="list-style-type: none"> • The Fund hosted the Compensation 101: Ship-source Oil Pollution Webinar (intended for all types of stakeholders)

DECEMBER		<p>Montreal, Quebec</p> <ul style="list-style-type: none"> • Presentation at the Borden Ladner Gervais (BLG) Maritime Annual Law Seminar 	
		<ul style="list-style-type: none"> • Attendance at the 85th Annual Grunt Club Dinner 	

2020

JANUARY		<p>Ottawa, Ontario</p> <ul style="list-style-type: none"> • Conference call presentation to the Association of Vancouver Island and Coastal Communities Executive • Meeting on Indigenous engagement with TC (Marine Policy), Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)
		



Fredericton, New Brunswick

- Meeting with the New Brunswick:
 - Department of Transportation and Infrastructure
 - Emergency Measures Organization
 - Department of Agriculture, Aquaculture and Fisheries
 - Department of Environment and Local Government



- Meeting with the Association of Municipal Administrators of New Brunswick (AMANB)



Moncton, New Brunswick

- Presentation and participation as exhibitor at the trade show of the Fish Canada – Workboat Canada Conference
- Meeting with Fisheries Council of Canada



FEBRUARY



Ottawa, Ontario

- Conference call with the Canadian Association of Municipal Administrators (CAMA)
- Meeting with the Chamber of Marine Commerce
- Conference call with the Union of the Municipalities of New Brunswick (UMNB)
- Teleconference with the BC Parliamentary Secretary for Environment, Sheila Malcolmson, the Mayor of Ladysmith, Aaron Stone and a representative from TC
- Attendance at the Annual Hill Reception of the Chamber of Marine Commerce



Montreal, Quebec

- Guest lecture in a Maritime Law Class at McGill University
- Meeting with Énergie Valero



CELEBRATING 30 YEARS OF THE FUND

To mark the Fund's 30th anniversary, a conference was held in Ottawa on May 28, 2019. The presentations and the recording of the conference are available on the Fund's website.

The conference was well attended by representatives of the oil and shipping industries, response organizations, officials from TC, the CCG, Fisheries and Oceans Canada, Justice Canada, Environment and Climate Change Canada, non-profit organizations, companies and international partners, as well as Indigenous representatives, academics and members of the CMLA.

The Associate Deputy Minister of TC, Thao Pham, opened the conference by acknowledging that the Fund brought considerable benefits to Canadians and continues to do so.

The conference was divided in five different expert panels:



- **Panel 1 – Drilling data: what story do they tell?**

- Anne Legars, the Administrator, provided an overview of the Fund's data from the past 30 years. For instance, the Fund:
 - has received over 405 claims;
 - compensated approximately \$25 million to claimants;
 - received \$358 million in interest.

- **Panel 2 – Canada's role in improving Civil Liability for Oil Pollution Damage: An International Perspective**

- Alfred Popp, former Administrator, discussed the history and progression of the Fund.
- José Maura, Director of the IOPC Funds, acknowledged Canada and the Fund as key contributors to the international regime.
- David Baker, from the IGP&I, noted that Canada has one of the most comprehensive regimes and applauded the cooperation between the Fund, IOPC Funds and IGP&I.



- As part of the theme of the 2019 World Maritime Day, the lunch guest speaker Vanessa Rochester, President of the Women’s International Shipping & Trading Association of Canada, gave tips to advance gender equality in the maritime sector by encouraging women empowerment and by supporting inclusive leadership.
- **Panel 3 – Polluter Pays Principle: Jurisprudence and Lessons Learned**
 - David Côté, Legal Counsel of the Fund, presented on the polluter pays principle using jurisprudence involving the Fund and key examples of complex recovery actions through the court system.
 - The Mayor of the Town of Shelburne, Karen Mattatall, presented on the *Farley Mowat* incident.



- **Panel 4 – What are the impacts of the recent legislative changes on the Fund?**
 - François Marier, Manager and Senior Policy Advisor in the International Marine Policy Division at TC, presented on the impacts of legislative changes to the MLA and WAHVA.
 - A discussion panel followed with François Marier, David Côté and Martin Blouin, Superintendent at CCG. They discussed the notion of response powers, emergency funding and factors that constitute a “significant” incident.
- **Panel 5 – Equality, diversity and inclusion: How to advance access to justice for victims of oil pollution**
 - A discussion panel was held with Richard Thomas, Chief of Lyackson First Nation, Travis Hall, representing the Association of Vancouver Island and Coastal Communities, Mayor Karen Mattatall of Shelburne, NS, and

Scott Peters, Environmental Assessment Officer for the Mohawk Council of Akwesasne. Panellists discussed the access to justice and inclusion of communities, local governments and Indigenous groups into the compensation process. Each member commented on their appreciation of the Fund's continuous efforts in reaching out to smaller, diverse communities.

In his closing remarks, the Minister of Transport, Marc Garneau, said the following: "the Fund's work might not be well known outside of the industry, but its benefit – protecting our oceans – has global impacts."



We want to thank all our attendees from coast to coast, from overseas, in person or via the web, speakers, partners, moderators, organizers for celebrating with us 30 years of compensation!



Celebration of the Fund's 30th anniversary: summaries of dimensions and outcomes

An exceptional year in terms of level of activity and outcomes in each activity stream:

Compensation of claimants: the number of claims continued to increase. At the same time, efforts are being made to emphasize the Fund's relevance over time.

Recovery: recovery efforts continued and bore fruit. These efforts will be maintained over time.

Communications and outreach: a great many special events were held, and considerable efforts were made to catch up; activities to promote stakeholder engagement will continue over time.

Development of the team: considerable resources were committed specifically to 30th anniversary projects; the Fund enhanced its ongoing internal capacity with regard to compensation and recovery, as well as corporate services. Renovations were made to accommodate the growth of the team.

Management and governance: internal and human resources policies were updated, and the memorandum of understanding with TC was reviewed. Efforts to transition to a new model, the "Fund 3.0", along with a delegation framework, are continuing.

Emphasis on data and reporting: multiple data covering the last 30 years were compiled, updated and published. Decisions on claims made since April 1st, 2019 to be published.

2. FINANCIAL REPORT

During the fiscal year, the Fund collected \$5,196,197 in interest (compared to \$8,084,636 in 2018-2019). It also recovered \$1,051,004 from shipowners responsible for pollution, or from their insurers (compared to \$2,234,411 in 2018-2019). Therefore, the Fund was credited for a total of \$6,247,201 over the year (compared to \$10,319,047 in 2018-2019).

During that period, the Fund's expenses rose to \$4,311,447 (compared to \$7,892,658 in 2018-2019), of which \$2,623,236 were for operating expenses (compared to \$2,108,465 in 2018-2019), \$554,235 for contributions to the IOPC Funds (compared to \$491,838 in 2018-2019) and \$2,673,088 for Canadian claims (including \$165,066 paid in statutory interest). The amount for Canadian claims was \$8,137,253 the previous year (including \$696,208 paid in statutory interest).

- The provision for claims under review is an important element of the finances of the Fund. This provision decreased significantly this year - a variation of some \$1,539,112 over last year, due to a relatively smaller portfolio under review at the end of the fiscal year (see note 4 of the attached Financial Statements).
- The operating expenses rose by over \$500,000 this fiscal year, due in part to the special expenses incurred in relation to the 30th anniversary year and projects, and to the office refit. However, part of the efforts deployed during the 2019-2020 year will continue over the upcoming years, as illustrated in the graphic below.

At the end of the fiscal year, the Fund had an accumulated surplus of \$409,971,174 (compared to \$408,035,420 at the end of the previous fiscal year).

Note on financial impact of COVID-19 for fiscal year 2019-2020:

- Effective March 17, 2020, the staff started to work remotely, except for tasks necessary for compliance which required to come to the office: processing of pays and payments, closing of fiscal year. Staff who needed to come were requested to take their car (rather than public transit), and the Fund paid for their parking during work hours. These persons were also granted a 20% bonus (as additional vacation time) for their time spent in the office. Given that very few persons came to the office and that they provided corporate and administrative services for both Funds, the related costs were shared between the Funds and were minimal. Except for this, the Fund did not incur extra costs for deploying the staff remotely.

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

SHIP-SOURCE OIL POLLUTION FUND

FINANCIAL STATEMENTS

MARCH 31, 2020

SHIP-SOURCE OIL POLLUTION FUND

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Statement of Cash Flows	6
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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, 2020, 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, 2020, and the results of its operations and its cash flows 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.

Emphasis of Matter – Budget figures

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.

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.

Marcil Lavallée

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Chartered Professional Accountants

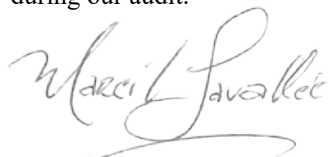
Cabinet indépendant affilié à
Independent firm affiliated to



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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 11, 2020


SHIP-SOURCE OIL POLLUTION FUND

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

3

	2020	2019
FINANCIAL ASSETS		
Balance of the account with Receiver General for Canada (Note 3)	\$ 411,993,318	\$ 411,464,720
Accrued interest receivable	212,863	517,206
Accounts receivable	10,812	-
Advances to the Fund for Railway Accidents Involving Designated Goods	45,151	-
TOTAL FINANCIAL ASSETS	412,262,144	411,981,926
LIABILITIES		
Accounts payable and accrued liabilities	186,886	253,627
Provision for claims under review (Note 4)	2,293,777	3,831,722
TOTAL LIABILITIES	2,480,663	4,085,349
NET FINANCIAL ASSETS	409,781,481	407,896,577
NON-FINANCIAL ASSETS		
Capital assets (Note 5)	189,693	138,843
ACCUMULATED SURPLUS	\$ 409,971,174	\$ 408,035,420

 , Administrator

SHIP-SOURCE OIL POLLUTION FUND

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2020

4

	2020	2019
REVENUE		
Interest	\$ 5,196,197	\$ 8,084,636
Recoveries related to previously awarded settlements	1,051,004	2,234,411
	6,247,201	10,319,047
CLAIMS		
Payments made towards Canadian claims	2,508,022	7,441,045
Interest on payments made towards Canadian claims	165,066	696,208
Decrease of provision for claims under review	(1,539,112)	(2,844,898)
International Oil Pollution Compensation Funds Contributions (Note 6)	554,235	491,838
	1,688,211	5,784,193
	4,558,990	4,534,854
OPERATING EXPENSES		
Administrative services, salaries and office expenses (Schedule A)	1,194,090	705,350
Legal fees	512,434	490,083
Consulting fees (Schedule B)	399,954	448,502
Administrator and deputy administrator's fees	160,556	175,206
Rent	156,726	128,121
Travel	93,018	85,896
Audit fees	20,397	16,272
Amortization of capital assets	86,061	59,035
	2,623,236	2,108,465
EXCESS OF REVENUE OVER EXPENSES	1,935,754	2,426,389
ACCUMULATED SURPLUS, BEGINNING OF YEAR	408,035,420	405,609,031
ACCUMULATED SURPLUS, END OF YEAR	\$ 409,971,174	\$ 408,035,420

SHIP-SOURCE OIL POLLUTION FUND

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED MARCH 31, 2020

5

	2020	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 1,935,754	\$ 2,426,389
Acquisition of capital assets	(136,911)	(66,788)
Amortization of capital assets	86,061	59,035
	(50,850)	(7,753)
INCREASE IN NET FINANCIAL ASSETS	1,884,904	2,418,636
NET FINANCIAL ASSETS, BEGINNING OF YEAR	407,896,577	405,477,941
NET FINANCIAL ASSETS, END OF YEAR	\$ 409,781,481	\$ 407,896,577

SHIP-SOURCE OIL POLLUTION FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

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	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,935,754	\$ 2,426,389
Adjustment for:		
Amortization of capital assets	86,061	59,035
	2,021,815	2,485,424
Net change in non-cash working capital items:		
Accrued interest receivable	304,343	146,895
Accounts receivable	(10,812)	-
Recoveries of previously awarded settlement receivable	-	57,000
Advances to the Fund for Railway Accidents Involving Designated Goods	(45,151)	-
Accounts payable and accrued liabilities	(66,741)	(51,345)
Provision for claims under review	(1,537,945)	(2,844,898)
	(1,356,306)	(2,692,348)
INVESTING ACTIVITY		
Acquisition of capital assets	(136,911)	(66,788)
INCREASE (DECREASE) IN BALANCE OF THE ACCOUNT WITH THE RECEIVER GENERAL FOR CANADA		
	528,598	(273,712)
BALANCE, BEGINNING OF YEAR	411,464,720	411,738,432
BALANCE, END OF YEAR	\$ 411,993,318	\$ 411,464,720

SHIP-SOURCE OIL POLLUTION FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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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 relates 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, 2020

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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 0.61% and 1.49% during the year (2019: 1.48% and 2.29%). The average interest rate for the year ended March 31, 2020 was 1.26% (2019: 1.97%).

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 \$2,293,777 for claims received prior to March 31, 2020 (2019: \$3,381,722) 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.

Provision for claims under review

As of March 31, 2020, the provision for claims under review was as follow:

- \$16,816 (2019: \$563,115) which represents the amount offered through formal offers and provisioned for claims received and currently under review;
- \$2,276,961 (2019: \$3,268,607) which represents the amount provided for on claims received not yet processed.

SHIP-SOURCE OIL POLLUTION FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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5. CAPITAL ASSETS

	2020		
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 224,426	\$ 189,911	\$ 34,515
Furniture and equipment	233,130	182,335	50,795
Leasehold improvements	638,259	533,876	104,383
	\$ 1,095,815	\$ 906,122	\$ 189,693

	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
	\$ 971,513	\$ 832,670	\$ 138,843

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, 2020, the Fund has contributed \$554,235 (2019: \$491,838) 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. Furthermore, as of April 1, 2020, the Minister of Transport has the statutory power to impose a levy of 54.45 cents (2019: 53.58 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 likelihood 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.

SHIP-SOURCE OIL POLLUTION FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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7. INFORMATION INCLUDED IN OPERATIONS

	2020	2019
Foreign exchange loss included in the International Oil Pollution Compensation Funds contributions	\$ (7,438)	\$ (1,232)

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 (2019: \$185,722) to Public Works and Government Services Canada (PWGSC) for the use of office spaces of which a portion (\$28,997; 2019: \$57,601) is then charged to the Fund for Railway Accidents Involving Designated Goods. 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 \$27,797 (2019: \$27,964) to Transport Canada for accounting services.

Other

During the year, the Fund recovered \$207,637 (2019: \$243,163) from the Fund for Railway Accidents Involving Designated Goods for the following operating expenses:

	2020	2019
Rent	\$ 28,997	\$ 57,601
Administrative services, salaries and office expenses	178,640	179,085
Consulting fees	-	6,477
	\$ 207,637	\$ 243,163

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, 2020 were provided for in the financial statements. During the period from April 1, 2020 to May 11, 2020, the Fund has received no additional claims.

SHIP-SOURCE OIL POLLUTION FUND

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

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10. BUDGET

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

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current year's presentation.

SHIP-SOURCE OIL POLLUTION FUND

ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2020

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	2020	2019
SCHEDULE A - Administrative services, salaries and office expenses		
Salaries and benefits	\$ 815,393	\$ 511,725
Office expenses	127,200	50,379
Information technology services	67,893	43,934
Telecommunications	10,337	6,682
Other administrative services	173,267	92,630
	\$ 1,194,090	\$ 705,350
SCHEDULE B – Consulting fees		
Special projects – management and expertise services	\$ 205,342	\$ 184,152
Claims consultants and investigators	158,188	191,079
Graphic and multimedia services	36,424	39,278
Database and information management	-	33,993
	\$ 399,954	\$ 448,502

APPENDIX

The index of cases provides additional information on each of the cases of the 2019-2020 files portfolio.

- Cases are listed by province and territory.
- The “Status” column indicates whether the file is open or closed as of March 31, 2020.

- 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 Fund’s website (www.sopf.gc.ca, under Incidents and Claims Portfolio).

2019-2020 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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
NEWFOUNDLAND AND LABRADOR											
Arch's pride Bonavista	2018	Pleasure craft	✓			DFO/CCG 2019-07-25	12,183.57	2019-09-19	11,830.86 97.10%	12,230.27	Closed
Avalon Princess La Scie	2017	Fishing vessel	✓	Diesel		DFO/CCG 2019-05-01	8,486.10				Closed
Baffin Sound St Anthony	2015	Fishing vessel (derelict)				DFO/CCG 2015-12-09	22,185.86	2016-02-25	22,185.86 100%		Open
BBC Oregon Bay Bulls	2019	Cargo ship									Open
Beverly Gaie Summerside Marina	2018	Converted pleasure craft				DFO/CCG 2019-07-12	151,648.78	2019-10-31	9,614.71 6.34%		Open
Eylander Witless Bay	2017	Fishing vessel	✓		✓	DFO/CCG 2019-07-25	12,812.93	2019-10-17	10,272.68 80.20%		Open
Françoise Clarenville Harbour	2017	Fishing vessel				DFO/CCG 2019-09-12	381,296.28				Open
Jennifer Holly Main Brook	2019	Fishing vessel (derelict)	✓	Fuel, base oil, hydraulic oil		DFO/CCG 2019-10-28	76,171.64	2020-03-06	72,939.19 95.76%		Open
Lady Elizabeth I Woody Point	2018	Passenger/ Cargo vessel				DFO/CCG 2019-12-13	8,489.01	2020-03-11	1,620.37 19.09%		Open
Lucas & Rebecca Bay of Islands	2017	Fishing vessel				DFO/CCG 2017-11-03	17,744.64	2017-12-13	17,744.64 100%		Open
Mary Shauna Norris Point	2017	Fishing vessel				DFO/CCG 2019-05-01	5,389.77				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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
Matterhorn Mount Carmel	2014	Tug - abandoned	√	Diesel & waste oil		DFO/CCG 2016-08-09	172,751.64	2016-12-19	172,751.64 100%	135,000.00	Closed
Megan C Port aux Basques	2019	Fishing vessel (derelict)				DFO/CCG 2019-05-01	11,784.58	2019-06-12	8,170.82 69.33%		Open
Noble Mariner Nipper's Harbour	2018	Fishing vessel (derelict)	√	Diesel		DFO/CCG 2019-05-30	41,687.99	2019-07-11	36,601.67 87.80%		Open
Northern Ranger Lewisporte	2019	Passenger vessel (ferry)	√								Open
Northern Star Witless Point	2018	Fishing Vessel				DFO/CCG 2019-12-11	4,574.63		3,941.51 86.16%		Open
Ronda Embree	2016	Fishing vessel				DFO/CCG 2018-11-26	98,858.83	2019-02-26	5,953.87 6%		Closed
Sikuk Clarenville Harbour	2017	Fishing vessel				DFO/CCG 2019-03-01	195,109.00				Open
Stelie II Port Saunders	2016	Fishing vessel									Open
NOVA SCOTIA											
Cormorant Bridgewater	2015	Derelict – wreck	√	Hydraulic Oil		DFO/CCG 2015-11-02	549,581.18	2016-03-29	515,267.25 93.76%		Open
Cormorant Bridgewater	2019	Derelict – wreck									Open
Farley Mowat Shelburne Harbour	2017	Derelict	√	Oily liquids		DFO/CCG 2017-10-10	1,176,126.41	2019-04-15	872,107.92 74.15%		Closed
Farley Mowat Shelburne Harbour	2015	Derelict	√			DFO/CCG 2016-01-18	814,815.05	2016-06-29	813,316.15 99.82%		Open
Farley Mowat Shelburne Harbour	2015	Derelict	√			Town of Shelburne 2017-06-23	47,598.78	2017-07-18	43,641.94 91.69%		Open
Ile d'Aix Halifax Harbour	2018	Other									Open
Lady Young Deming's Island	2016	Pleasure craft	√	Diesel		DFO/CCG 2016-08-09	25,747.66	2016-11-23	25,598.67 99.42%		Closed
No name Sandy Cove	2018	Fishing Vessel (derelict)	√			DFO/CCG 2018-11-26	1,157.98	2019-02-07	1,157.98 100%		Closed
No name Weymouth North	2018	Fishing vessel	√			DFO/CCG 2018-10-18	33,606.49	2018-11-15	33,606.49 100%		Closed
Nordika Desgagnés Scatarie Island	2018	Cargo ship				DFO/CCG 2020-03-02	12,218.63				Open
Ryan Atlantic II (formerly Cape Rouge) Bridgewater	2014	Ex-fishing vessel	√			DFO/CCG 2014-06-30	362,575.38	2015-03-19	358,117.79 98.77%		Open
Stephanie & Darrel Shelburne	2007	Fishing vessel -abandoned	√	Fuel and hydraulics		DFO/CCG 2008-02-09	13,627.73	2008-05-13	13,627.73 100%		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 2020-03-31	
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED		
NEW BRUNSWICK												
SBI Carioca Belledune	2017	Bulk Carrier			✓							Open
QUEBEC												
Alouette Spirit and Wilf Seymour Lac Saint-Pierre	2017	Barge and tug	✓			DFO/CCG 2019-05-13	14,395.08	2019-08-06	44.38 0.30%			Closed
Kathryn Spirit Beauharnois area, St. Lawrence River (Lac St. Louis area)	2013	Wreck										Open
Kavo Manali Quebec Harbour	2017	Bulk carrier	✓	Lube oil	✓	DFO/CCG 2019-04-09	14,231.04	2019-05-23	13,293.87 93.41%	14,047.82		Closed
Louis Jolliet St. Lawrence River, Quebec City	2015	Cruise ship	✓	Diesel								Closed
Mystery Spill Port of Quebec	2017		✓			DFO/CCG 2019-02-12	11,139.48					Closed
Sea Gypsy Port of Quebec	2017	Pleasure craft (sailboat)	✓	Diesel		DFO/CCG 2019-03-27	7,278.30	2019-05-21	7,278.30 100%			Closed
ONTARIO												
Dispatch II Sault Ste Marie	2017	Tug boat	✓	Mixture of oil, diesel & water		DFO/CCG 2018-07-19	49,123.47	2018-08-28	48,716.67 99.1%	12,500.00		Closed
Margarethe Wolfe Island	2018	Pleasure craft				Dedicated Environmental Services Inc. 2019-05-22	4,854.41	2019-10-17	2,550.80 52.5%			Open
Pitts Carillon Picton Bay, Prince Edward County	2017	Barge	✓	Residual oil		Prince Edward County 2018-05-08	597,396.70	2019-07-26	380,714.53 63.73%	260,353.60		Open
Pitts Carillon Picton Bay, Prince Edward County	2017	Barge	✓	Residual oil		DFO/CCG 2018-11-22	77,347.18	2019-03-05	32,694.66 42.27%	23,146.41		Open
Warren L II Killarney Channel	2015	Tug and barge	✓	Fuel Oil		Municipality of Killarney 2017-08-21	270,286.31	2018-07-04	209,575.43 77.54%	198,450.00		Closed
Warren L II Killarney Channel	2015	Tug and barge	✓	Fuel Oil		DFO/CCG 2017-12-04	30,999.97	2018-03-21	28,059.11 90.51%	26,550.00		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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
BRITISH COLUMBIA											
Alaskan Jenkins Island	2016	Ex-fishing vessel (derelict)	✓			DFO/CCG 2018-06-11	37,723.18	2018-07-04	37,723.18 100%		Closed
Anapaya Ladysmith	2017	Abandoned wooden sailing vessel	✓	Diesel & Lube Oil		DFO/CCG 2019-09-10	311,073.37	2019-12-05	296,024.24 95.16%		Open
Barges King Arthur & SL 104 Mamquam Blind Channel	2016	Barges				DFO/CCG 2018-04-04	819,134.67	2018-10-31	814,012.78 99.37%		Open
Big Kahuna Port Hardy	2017	Abandoned fishing vessel				DFO/CCG 2019-09-30	9,016.06	2019-12-24	6,811.45 75.55%		Open
Blue Pacific No.1 Saltspring Island	2016	Ex-fishing Vessel	✓	Fuel Oil		DFO/CCG 2018-10-09	132,339.06	2019-01-23	114,129.56 86.24%		Open
Central Isle French Creek	2016	Ex-fishing vessel				DFO/CCG 2018-02-20	25,035.02	2018-04-04	24,108.07 96.30%		Open
Chilcotin Princess Prince Rupert	2015	Motor vessel	✓			DFO/CCG 2016-09-19	137,680.88	2016-11-02	137,680.88 100%	162,734.74	Closed
Command Performance Ahausat	2016	Fishing vessel	✓			DFO/CCG 2017-03-21	116,433.70	2017-06-07	114,047.53 97.95%	127,033.56	Closed
Dawn Marie North End of Mayne Island	2016	Fishing vessel	✓	Diesel		DFO/CCG 2017-11-21	11,372.23	2017-12-07	11,372.23 100%	9,000.00	Closed
Delphinus Gowlland Island	2018	Sailing vessel (derelict)				DFO/CCG 2020-02-05	25,579.91				Open
Elf Squamish Harbour, Point Atkinson, West Vancouver	2014	Tug – Derelict	✓	Diesel, hydraulic & lube oil		DFO/CCG 2014-08-12	82,512.70	2014-12-18	82,512.70 100%		Open
Elva M II Steveston Harbour, Richmond	2016	Fishing vessel	✓			Steveston Harbour Authority 2017-02-09	7,649.63	2017-02-22	7,649.63 100%	462.53	Open
Elva M II Steveston Harbour, Richmond	2016	Fishing vessel	✓			DFO/CCG 2017-02-28	46,351.57	2017-03-31	46,351.57 100%	2,803.93	Open
Feelin' Free Port Neville	2017	Fishing vessel	✓	Diesel & lube oil		DFO/CCG 2019-01-24	37,731.13	2019-05-01	21,224.15 56.25%	22,796.85	Closed
George H. Ledcor Deering Island, Vancouver	2018	Tugboat									Open
Hi Rose Ladysmith	2017	Pleasure craft	✓	Diesel & oil		DFO/CCG 2019-04-23	17,584.55	2019-05-24	16,243.83 92.37%		Closed
Jasper Deep Bay	2017	Fishing vessel				DFO/CCG 2019-04-23	36,490.94	2019-05-31	33,657.50 92.23%		Closed
Lady M. II Ladysmith	2017	Abandoned wood vessel	✓	Diesel		DFO/CCG 2019-02-07	32,388.76	2019-04-25	31,590.05 97.53%		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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
Laurier II Deep Bay	2014	Motor Vessel				DFO/CCG 2018-01-22	384,365.01	2019-02-07	265,768.99 69.14%		Open
Lightship LV76 (Queen of East Vancouver) Mission, (Fraser River)	2017	Derelict – sunken ship									Open
Malecite Kits Point, English Bay	2017	Pleasure craft (derelict)	✓	Fuel oil		DFO/CCG 2018-06-11	48,230.18	2018-07-11	48,230.18 100%		Closed
Marathassa English Bay, Vancouver	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%	236,070.59	Open
Melampus Goat Island, Ganges Bay	2017	Pleasure craft				DFO/CCG 2019-08-15	15,106.38	2019-12-24	6,522.62 43.18%		Open
Miss Universe South Gillnet Floats Port Edward Harbour Auth.	2016	Fishing vessel	✓			Port Edward Harbour Authority 2017-07-12	19,911.85	2017-08-31	18,711.85 93.97%		Closed
Mistann Prince Rupert	2011	Fishing vessel	✓	Diesel		DFO/CCG 2012-04-26	113,787.48	2012-09-12	100,462.51 88.29%	18,080.42	Open
Nathan E. Stewart Seaforth Channel, Bella Bella	2016	Tug	✓	Diesel fuel and lube oils	✓	Heiltsuk Tribal Council (HTC) 2019-10-11					Open
Nika Campbell River	2017	Ex-fishing vessel	✓	Diesel		DFO/CCG 2019-03-26	23,646.38	2019-05-01	22,720.29 96%		Open
No name (ferro cement sailboat) Chatham Island	2016	Ferro-cement sailboat	✓	Diesel fuel		DFO/CCG 2018-12-03	53,954.45	2019-04-25	10,563.98 19.58%		Closed
Norob Degnan Bay	2016	Fishing vessel	✓			DFO/CCG 2018-05-01	12,930.15	2018-05-09	12,930.15 100%		Closed
Ocean Eagle Menzies Bay	2016	Tug				DFO/CCG 2018-03-13	156,632.65	2018-06-19	61,597.45 39.33%		Closed
Pacific Fibre Barge No. 1 Port Mellon	2018	*****	**	*****		DFO/CCG 2018-01-31	121,187.55				Open
Persephone II Deep Bay	2017	Wooden ex-fishing vessel				DFO/CCG 2018-12-03	11,345.17	2019-02-07	11,345.17 100%		Closed
Salerosa Oak Bay	2017	Ferro cement sailboat	✓	Diesel		DFO/CCG 2019-02-01	62,673.20	2019-04-11	8,254.51 13.17%		Open
SC 170 Port McNeil	2017	Fishing vessel	✓			DFO/CCG 2019-06-04	11,606.93	2019-07-11	8,528.54 73.48		Open
Sea-Que Sidney Marina, Sidney	2016	Motor vessel				DFO/CCG 2018-08-02	18,730.67	2018-09-21	18,730.67 100%		Open
Severn Mist Alert Bay	2018	Fishing vessel (derelict)	✓	Diesel		DFO/CCG 2020-02-05	28,226.69				Open
Sheena M Gibsons	2019	Tug	✓	Fuel	✓						Open
Silver King Deep Bay	2014	Tug - wreck				DFO/CCG 2017-10-31	338,379.18	2018-04-11	107,941.32 31.90%		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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
Shimoiget Cowichan Bay	2017	Derelict				DFO/CCG 2019-09-24	43,078.26	2020-01-30	5,730.96 13.30%		Open
Simushir Queen Charlotte Islands	2014	Motor vessel			✓						Open
Spudnik Howe Sound (Squamish)	2014	Derelict vessel	✓			DFO/CCG 2016-04-28	149,043.60	2016-07-26	131,064.45 87.94%		Open
Spudnik Surrey	2020	Derelict vessel									Open
Sundowner Bella Coola	2017	Pleasure craft	✓	Diesel		DFO/CCG 2019-06-04	27,846.02	2019-07-25	27,761.32 99.69%	29,778.54	Closed
Tinker II Campbell River	2018	Pleasure craft				DFO/CCG 2018-01-20	8,979.14				Open
Tymac No. 20 Tsehum Harbour, Sydney	2017	Derelict tug	✓	Diesel		DFO/CCG 2019-07-09	36,177.31	2019-08-29	26,786.87 74.04%		Open
Unknown name (black gaff cutter) Comox Breakwater	2018	Pleasure craft				DFO/CCG 2019-12-17	30,993.43				Open
Unknown name (blue trawler) Campbell River	2017	Converted fishing trawler				DFO/CCG 2019-09-30	26,640.92				Open
Unknown name (sport fisher) Cowichan Bay	2018	Pleasure Craft	✓	Diesel		DFO/CCG 2019-12-27	29,705.45				Open
Vahine Moana Fernwood Point	2018	Sailing vessel (pleasure craft)				DFO/CCG 2020-03-19	14,473.00				Open
Viking I Nanaimo	2016	Fishing vessel	✓	Oil & Potential Fuel		Nanaimo Port Authority 2017-05-03	31,458.19	2017-08-30	29,432.92 93.56%		Open
Viking I Nanaimo	2016	Fishing vessel	✓	Oil & Potential Fuel		DFO/CCG 2018-02-20	128,246.91	2018-04-24	128,246.91 100%		Open
West Island 395 Haida Gwaii	2018	Lodge barge	✓		✓	Haida Tourism Limited Partnership (Haico) 2019-01-14	1,857,314.06				Open
White Orca Ladysmith	2017	Pleasure craft, Derelict and / or abandoned	✓			DFO/CCG 2019-09-24	63,404.86	2019-12-20	49,005.97 77.29%		Open
Widow Maker Ganges Bay	2017	Ex-fishing vessel	✓	Diesel		DFO/CCG 2019-09-12	8,959.25	2019-11-28	5,761.16 64.3%		Closed
Zidell Marine 277 & Jake Shearer Goose Island	2017	Tug and barge			✓						Open
Zodiac Light Kitimaat Village	2018	Fishing vessel	✓	Diesel		DFO/CCG 2020-01-15	176,462.73				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 2020-03-31
						CLAIMANT AND DATE OF CLAIM	AMOUNT \$	DATE	AMOUNT \$ %	\$ RECOVERED	
Zodiac Light Kitamaat Village	2018	Fishing vessel	√	Diesel		Haisla Nation Council 2020-02-12	14,028.00	2020-03-26	14,028.00 100%		Open
NUNAVUT											
Akademik Ioffe Kugaaruk	2018	Passenger vessel			√						Open
NORTHWEST TERRITORIES											
Investigator Toker Point	2016	Barge	√	Fuel oil	√						Open

