

RE: LETTER FROM MS. CAROL BOOTHROYD WHICH APPEARED ON THE AGENDA FOR THE
JANUARY 29TH MEETING OF COUNCIL (ITEM 21)
BURNABY CITIZENS FOR ENVIRONMENTAL PROTECTION

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Planning & Building Inspection be adopted.

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TO: MUNICIPAL MANAGER 1990 February 21

FROM: DIRECTOR PLANNING & BUILDING INSPECTION Our File: 01.301

SUBJECT: LETTER TO COUNCIL FROM CAROL BOOTHROYD,
BURNABY CITIZENS FOR ENVIRONMENTAL PROTECTION
(1990 JANUARY 18)

PURPOSE: To respond to a letter from Carol Boothroyd of the Burnaby Citizens for Environmental Protection concerning hazardous industries in Burrard Inlet and their future growth.

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RECOMMENDATIONS:

1. THAT Council request the Honourable Lucien Bouchard, Minister of the Environment, to direct that an independent, comprehensive environmental and risk assessment of hazardous goods movement and storage in the Burrard Inlet basin be undertaken through EARP or a similar process.
2. THAT a U.B.C.M. Resolution leading to amendments to the Municipal Act that would allow local authorities to gain a greater degree of regulation over existing and new industries handling hazardous materials be prepared for Council's consideration.
3. THAT a copy of this report be forwarded to Carol Boothroyd, Burnaby Citizens for Environmental Protection, 5751 Highfield Drive, Burnaby, B.C. V5B 1E4.

SUMMARY

Concerns about the intensification of development in the Port of Vancouver and increased movements and storage of hazardous goods have led to requests to restrict the growth of hazardous industries in Burrard Inlet. Under the existing regulatory framework which involves multiple levels of jurisdiction, Municipalities have limited regulatory authority to control the volume or types of hazardous goods handled in the Port or within Municipalities or to require environmental assessments of these activities.

Recent and ongoing initiatives including special provincial and federal review processes and the Port of Vancouver/Liaison Committee are beginning to examine port activities in a regional context. Such initiatives as well as a possible U.B.C.M Resolution offer good opportunities to seriously address the issues related to the sustainable limits of Port development and limits to the growth of hazardous industries in Burrard Inlet.

ITEM 3
MANAGER'S REPORT NO. 15
COUNCIL MEETING 90/02/26

R E P O R T

1.0 INTRODUCTION

On 1990 January 18, Council received a letter from Carol Boothroyd on behalf of the Burnaby Citizens for Environmental Protection requesting that the Municipality establish bylaws similar to those of the District of North Vancouver restricting the growth of hazardous industries, specifically hazardous industries in Burrard Inlet. This report is written in response to Ms Boothroyd's letter.

The volume of crude petroleum products shipped through the Port of Vancouver has increased steadily in recent years and the use of tankers of 90,000 deadweight-tons or more is increasing. In early 1990 February, a 105,000 deadweight-ton tanker, the largest ever to navigate the Second Narrows, loaded crude oil at Westridge Terminal in Burnaby. Proposals for expanding existing facilities for handling petroleum products and constructing new facilities for handling new products (i.e. MTBE) have been developed.

Recent tanker accidents resulting in major oil spills have heightened public awareness of the risks associated with the marine transport of oil and other chemicals. The Municipalities bordering on the Port of Vancouver and their citizens are concerned that the Port is becoming a major concentration of hazardous materials without a full understanding of potential risks or benefits associated with such development. The intensification of port facilities handling petroleum products is of particular concern to Burnaby because Trans Mountain Pipe Line's (TMPL) Westridge Terminal and LPG facility, the Chevron and Shell refineries, and the Petro-Canada dock are located in the municipality. A spill occurring anywhere east of Second Narrows in Burrard Inlet could have severe impacts on the municipality.

Burnaby has regularly expressed its concerns about increased tanker traffic and transportation of dangerous goods in Burrard Inlet. Most recently (November 1989) Council filed its concerns about the need to establish a sustainable limit for the movement of crude oil and petroleum products in Burrard Inlet with Mr. David Brander-Smith, Chairman of the Public Review Panel on Tanker Safety.

2.0 TANKER TRAFFIC

In 1988 some 46.8 million metric tonnes of cargo consisting of coal and coke, grain, sulphur and petroleum products were moved through the Port of Vancouver. This included approximately 4.2 million metric tonnes of petroleum products (fuel oil, gasoline and crude oil). Total amounts of all types of cargo moved through the Port have increased in recent years. The tonnage of petroleum products moved increased 28 percent between 1985 and 1988.

ITEM 3
MANAGER'S REPORT NO. 15
COUNCIL MEETING 90/02/26

Trans Mountain Pipe Line is a major exporter of crude oil. Their exports since 1987 are as shown.

<u>Year</u>	<u>Metric Tonnes of Oil</u>	<u>Number of Vessels</u>
1987	700,000	18 (7 barges, 11 tankers)
1988	1,100,000	34 (19 barges, 15 tankers)
1989	889,000	28 (15 barges, 13 tankers)
1990	1,240,000	30 (estimated)

Source: Public Review on Tanker Safety, Public Hearings, Vancouver, 1989 December 01

The National Energy Board has approved an expansion to the TMPL facilities at Westridge Terminal. This will increase the number of tankers loading crude oil at the terminal. TMPL projects that in 1991/92 approximately 1,970,000 tonnes of crude oil will be exported requiring 48 vessels (24 barges, 24 tankers).

Petro-Canada and Neste Oy have announced plans to produce MTBE, a gasoline additive to replace lead, at its Edmonton refinery and deliver the product by pipeline to Port Moody. MTBE will then be piped to Petro-Canada's dock in Burnaby and exported by tanker. An estimated 26 tanker trips per year will be required to export MTBE.

3.0 REGULATORY FRAMEWORK

3.1 National Energy Board Act

Interprovincial pipelines such as TMPL's pipeline between Edmonton and Burnaby and the facilities (i.e. tanks, etc.) used to handle the product shipped through the pipeline are federally regulated under authority granted by the BNA Act. The National Energy Board (NEB) Act regulates activities related to the TMPL pipeline such as expansions to TMPL facilities and tariffs charged for product carried in the pipeline.

3.2 Environmental Assessment Review Process

Under the Environmental Assessment Review Process (EARP) projects initiated by federal government agencies may be submitted to a public environmental assessment review process at the direction of the Federal Minister of the Environment if the project has potentially significant environmental or socioeconomic impacts. Crown Corporations may choose as a matter of policy whether or not to participate in EARP. The Port of Vancouver, a Ports Canada port, has chosen not to participate in EARP. Petro-Canada, a Crown Corporation, has also chosen not to participate in EARP, although the corporation conducts its own environmental assessments through an internally defined process which includes public consultation. (Trans Mountain Pipe Line is a private company and not subject to EARP).

The Chief Public Health Inspector recommended in a report to Council on 1989 November 23 that Mr. Lucien Bouchard, Minister of the Environment and Mr. F. McNaughton, C.E.O., Vancouver Port Corporation, be requested to direct the Petro-Canada and Neste Oy proposal to EARP for a full assessment. The City of Vancouver at its 1989 November 28 Council Meeting passed a resolution calling for an independent comprehensive environmental and risk assessment of oil tanker activity in the Port of Vancouver but did not specify whether or not the assessment should be conducted through EARP. Several other Municipalities have passed similar resolutions.

3.3 District of North Vancouver Bylaw

The District of North Vancouver has a bylaw which defines hazardous materials and restricts their handling to certain zones. The materials defined as hazardous in the bylaw are explosives (as per the Explosives Act), liquid chlorine and radioactive materials. Petroleum products are not included in the definition of hazardous materials. In addition, federally regulated activities such as the transport of petroleum products by pipeline are not subject to municipal bylaws.

Bylaws concerning the regulation of public nuisances such as noise, odour, etc. may be applied to existing businesses in a municipality. In our view, although such a bylaw might be effective in noise abatement or odour control, it would be of limited use in controlling the growth of hazardous industries in Burrard Inlet.

4.0 INITIATIVES ADDRESSING TANKER ACTIVITY IN THE PORT OF VANCOUVER

Tanker traffic and related concerns in the Port of Vancouver have been the subject of several recent and ongoing initiatives. These are described here.

4.1 Report to the Premier on Oil Transportation and Oil Spills, November 1989, David Anderson, Special Advisor

After the spill of the Exxon Valdez in Alaska, the premier appointed David Anderson to study the problem of oil transportation and oil spills. Anderson's report specifically addresses the issue of oil tanker traffic in the Port of Vancouver. He made the following recommendations:

- there should be no further development of export trade of crude oil from the Port of Vancouver;
- existing exports of crude oil from the Port of Vancouver should be phased out as a matter of environmental policy;
- no crude oil tanker should be permitted to load crude oil unless it has an approved contingency plan for oil spill response;

ITEM	3
MANAGER'S REPORT NO.	15
COUNCIL MEETING	90/02/26

- legislation should be amended to require companies handling crude oil to guarantee the costs of spill response in the event that a foreign purchaser of oil fails to cover costs related to a spill;
- laden tankers should be required to have appropriate emergency towing cables and related gear before being allowed to leave port;
- laden tankers should not be allowed to leave port without a tug escort and emergency response vessel;
- laden tankers should be required to carry a second pilot from Vancouver to Victoria.

Anderson made his recommendations without regard to questions of jurisdiction, and many of his recommendations are beyond provincial authority.

4.2 B.C./States Task Force on Oil Spills

B.C. and the states of Alaska, Washington, Oregon and California established a task force on oil spills after the spills of the Nestucca and Exxon Valdez. The task force is exploring mutual aid arrangements for responding to oil spills and undertaking a series of research studies on the risk of major tankers spills along the west coast, environmental sensitivities along the coast, and oil spill response technologies. The task force issued an interim report in 1989 December, and expects to publish its final report sometime in the summer of 1990. Although the task force is not focusing specifically on the Port of Vancouver, its findings will be relevant to the situation in the Port.

4.3 Public Review Panel on Tanker Safety and Marine Spills Response Capability

The Public Review Panel on Tanker Safety and Marine Spills Response Capability was appointed in 1989 June, by the Minister of the Environment in response to the Nestucca spill on Vancouver Island and the Exxon Valdez spill. The Panel's mandate is to review national legislation and international conventions that regulate tanker traffic in Canadian waters, review systems in place for navigational safety, evaluate Canada's state of emergency preparedness for spill response, and assess compensation regimes.

The Panel has held public hearings at coastal communities across the country. At the public hearings in Vancouver, citizens' groups including the Burnaby Citizens for Environmental Protection requested the Panel to address the issue of tanker traffic in Burrard Inlet and the need for a comprehensive environmental assessment of increased levels of tanker traffic. The Panel's report to the Minister is due on or before 1990 April 30.

4.4 Port of Vancouver/Liaison Committee

The Port of Vancouver/Liaison Committee consists of representatives of the Port, GVRD, and Lower Mainland Municipalities. They are working to improve relations between the port and neighbouring Municipalities. The committee has identified key issues concerning port planning and development which it will address in coming months. The issues Burnaby has provided to the committee are:

- coordinated approach to port planning, management and development based on involvement of all levels of government
- assessment and evaluation of proposed marine and foreshore developments using a standard evaluation process which includes a mechanism for conflict resolution
- compilation of baseline data for Burrard Inlet and adjacent foreshore
- determination of sustainable/maximum acceptable level of tanker traffic and hazardous goods transport in the Port using risk assessment analysis
- capability of transportation system to handle truck and rail traffic generated by Port activities

5.0 CONCLUSION

By themselves Municipalities have very limited authority to influence levels of tanker traffic or the transportation of dangerous goods in the Port of Vancouver. Recent initiatives to address the issues related to tanker traffic in the Port represent serious attempts to address growing concerns about activities in the Port at a regional level. Because these initiatives are relatively new, it is difficult to predict the outcome of their efforts. However, a situation now exists where all of the interested parties are sitting down to identify issues requiring discussion and more detailed study.

With population growth, the interface between port activities and adjacent areas has become more critical. Refineries, LPG storage tanks and terminals for shipment of LPG and crude oil are located on Burnaby's Burrard Inlet foreshore. The refining, storage and transportation of hazardous materials by rail, road, tanker and barge adjacent to heavily populated areas could have potentially adverse affects on the adjacent community. The development goals for the region encourage the continued population growth of our inner metropolitan areas to ensure a more efficient use of available infrastructure. As such, the community surrounding Burrard Inlet can be expected to experience additional population growth and a corresponding increase in the level and frequency of potential conflict with adjacent port/industrial uses. It has therefore been previously suggested by the Municipality that the locational relationship between terminals handling hazardous goods within metropolitan areas should be reviewed to determine whether or not in the long term they would be more appropriately situated outside metropolitan areas.

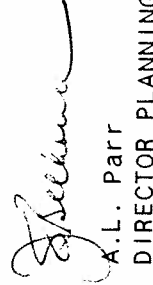
As a first major step in this evaluation process, it is recommended that Council request the Honourable Lucien Bouchard, Minister of the Environment, to direct that an independent, comprehensive environmental and risk assessment of hazardous goods movement and storage within the Burrard Inlet basin be undertaken through EARP or a similar process. The results of such an assessment would help direct in a more meaningful way, the preparation of a longer term land use study for the Port area and its hinterland.

Letter to Council from Carol Boothroyd,
Burnaby Citizens for Environmental Protection
1990 February 21 Page 7

ITEM 3
MANAGER'S REPORT NO. 15
COUNCIL MEETING 90/02/26

Port development and regulation are complex matters involving a number of jurisdictional levels. It is our view that a hazardous goods bylaw as enacted by the District of North Vancouver would have limited application and would not lead to a meaningful resolution of the issues facing Burnaby. Rather, it is believed that a comprehensive review and assessment of the movement and storage of hazardous goods is the best next step leading to a longer term strategy for Port management and development.

At the same time, staff intends to consider a possible U.B.C.M. Resolution leading to legislative amendments to the Municipal Act that would enable local authorities to gain a greater degree of regulation over existing and new industries handling hazardous materials.


A.L. Parr
DIRECTOR PLANNING &
BUILDING INSPECTION

SG/mcb

cc: Director Administrative & Community Services
Municipal Solicitor
Chief Public Health Inspector

