

B.4

4. Bylaw for Liability Insurance Requirements for Oil Tankers and Pipelines that could Spill into Burrard Inlet or the Fraser River

MOVER: Mayor Gregor Robertson

SECONDER: Councillor Andrea Reimer

WHEREAS

1. Kinder Morgan recently announced that it will seek approval to double the capacity of their pipeline and estimates tanker traffic will increase five-fold from the 2010 level of 71 tankers;
2. Kinder Morgan's pipeline would carry both conventional oil and diluted bitumen. Bitumen is a viscous, black, sticky tar-like substance extracted from Alberta's Tar Sands. To create a liquid that can travel through pipelines, bitumen is diluted by up to 50% with volatile solvents such as naphtha;
3. It is estimated that even larger tankers will be required to take the increased volume of oil to foreign market, increasing the risk of a large oil spill, and requiring extensive dredging of the Vancouver Harbour and/or Fraser River;
4. A tanker or pipeline mishap affecting Burrard Inlet, Vancouver Harbour or the Fraser River would cause immediate and long term harm to the marine environment and the Vancouver shoreline. If an accident occurred in a tanker or pipeline carrying diluted bitumen that risk would exponentially expand as a result of the potential toxic contamination of air, groundwater and soil, and risk to human health;
5. The impact on the existing local economy of a major oil spill in Burrard Inlet, Vancouver Harbour or the Fraser River would be enormous with direct impacts on major sectors of Vancouver's economy including tourism, development and fisheries. The reputational impact could have further and long term impacts on other existing economic activities;
6. The Federal Government announced on March 29th, 2012 that they are closing BC's command centre for emergency oil spills, and centralizing oil spill response in Quebec due to federal government budget constraints. This would further increase risk to Vancouver's shoreline as immediate response - the responsibility of the federal government in Vancouver Harbour and the Fraser River - would be hampered;

7. Vancouver taxpayers expect that the full cost of any oil tanker or pipeline mishap - emergency response, clean up, and offsetting any loss to existing economic activity resulting from a spill - would be borne by the industry as they are using the public resource of Burrard Inlet, Vancouver Harbour or the Fraser River.

THEREFORE BE IT RESOLVED

- A. THAT staff be directed to prepare a by-law that would require pipeline operators and oil tankers using Burrard Inlet, Vancouver Harbour and/or the Fraser River to indemnify the City of Vancouver and existing local industries through appropriate liability insurance at a level equal to the projected amount of clean up operation costs, and loss of business compensation for a worst case scenario oil spill.
- B. THAT, interim to a bylaw coming back to Council,
 - the Mayor write to Prime Minister Harper expressing the City of Vancouver's strenuous opposition to any increase in oil tanker traffic, or measures that lead to increased oil tanker traffic, as it poses an unacceptable and unmitigated risk to Vancouver's economy and environment;
 - this motion be communicated to the Metro Vancouver Port Cities Committee, and municipalities and First Nations in coastal British Columbia and the Fraser River Basin;
 - the Mayor convene a coordinated local government response as appropriate.

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