



## **OFFER LETTER**

Ottawa, 8 August 2021  
*SOPF File:* 120-891-C1  
*CCG File:* n/a

### **BY EMAIL**

Manager, Response Services and Planning  
Canadian Coast Guard  
200 Kent Street (Stn 5N167)  
Ottawa, Ontario K1A 0E6

**RE: *M/V Réjane* – Rapides du Cheval Blanc, Montréal (Rivières-des-Prairies),  
Québec - Incident date: 10 October 2020**

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### **SUMMARY AND OFFER**

[1] This letter responds to a submission from the Canadian Coast Guard (the “CCG”) with respect to the motor vessel *Réjane* (the “Vessel”). The Vessel, a tugboat, which was involved in an incident on 10 October 2020 near the Rapides du Cheval Blanc, in the City of Montréal, in the Province of Québec (the “Incident”).

[2] On 13 April 2021, the office of the Administrator of the Ship-source Oil Pollution Fund (the “SOPF”) received a submission from the CCG on behalf of the Administrator. The submission advanced claims totaling \$3,428.93 for costs and expenses arising from measures taken by the CCG to respond to the Incident.

[3] The submission has been reviewed and a determination with respect to its claims has been made. This letter advances an offer of compensation to the CCG pursuant to sections 105 and 106 of the *Marine Liability Act* (the “MLA”). Also provided in this letter are a description of the CCG’s submission and an explanation of the findings.

[4] The claim is allowed. The amount of \$3,441.79 (the “Offer”), plus statutory interest to be calculated at the time the Offer is paid and in accordance with s. 116 of the MLA, is offered with respect to this claim.

[5] The reasons for the Offer are set forth below.

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## THE SUBMISSION RECEIVED

[6] The submission includes a narrative that describes events relating to the Incident. It also includes a summary of the costs and expenses that the CCG claims and corroborating documents. To the extent that the narrative and documents are relevant to determinations, they are reviewed below.

### The narrative

[7] On 10 October 2020 at 11:47, a member of the public contacted the CCG to advise that a tug had grounded the previous day after striking a buoy. There was a considerable amount of debris in the water as a result of the collision. The vessel had approximately 600L of diesel aboard.

*Figure 1 - A photograph of the Réjane while it was stranded on a rock, taken from the CCG submission*

[8] At the time of the incident the Vessel was pulling a barge. No information is available about the barge save that it apparently sank. It does not appear that any of the costs or expenses related to this incident arose from efforts with respect to the barge. For the purposes of this decision letter, the barge is considered to be irrelevant.

[9] CCG response efforts were initially hampered by the fact that the Vessel had no known owner. It does not seem to have been registered with Transport Canada, at least under the name *Réjane* – although it does bear a license number (C254 88QC). Eventually an employee of Interlag Construction contacted the CCG. It appears that Interlag Construction was the owner of the Vessel. It was related to the CCG that Interlag was taking responsibility for the Incident and would take measures with respect to the Vessel.

[10] At 14:30 that day, the CCG issued an order prohibiting the tug from being moved – although the stated reason for this order was the risk of putting debris in the water, rather than oil. There were concerns about oil pollution, however. The specific concern was that the vessel might shift off of its current position and then strike rocks downstream, triggering a release. The CCG suggested removing the diesel from the vessel.

[11] Over the next 33 days, the CCG created projections of what a spill would do, communicated with the owner about plans for the Vessel and liaised with other stakeholders.

[12] On 10 November 2020, the owner successfully removed the vessel from where it had grounded. The CCG was informed the next day.

[13] It does not appear any pollution was ever discharged.





[19] Accordingly, the submission presents claims that are potentially eligible for compensation under s. 103 of the MLA.

*The facts presented by the CCG are generally accepted*

[20] The submission provided by the CCG is comprehensive. The narrative is fulsome and details not only what steps were taken by the CCG and when, but why decisions were made.

[21] The facts as described in the narrative are accepted as accurate. They establish that the CCG response to the Incident was a successful one, carried out at minimal cost to the public. The claims advanced are amply supported by the evidence included in the submission.

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**CLAIM AND OFFER DETAILS**

[22] The CCG submission breaks down the claim for costs and expenses into several categories. This section of the offer letter reviews each of those categories in detail and provides reasons as to why portions of the claim have been allowed or disallowed.

[23] According to s. 51, 71, and 77 of the MLA, both the measures taken to respond to an oil pollution incident and the resulting costs must be reasonable in order to trigger eligibility for compensation. In each portion of the CCG claim below, it will be discussed whether that has been established.

**Schedule 4 – Salaries: Full Time Personnel** **Claim: \$1,581.92**

[24] The submission includes a claim for hours worked by six salaried CCG officers. This portion of the claim is supported by both the narrative and spreadsheets which identify what activities were undertaken by each employee. The rates claimed are consistent with Treasury Board contracts.

[25] The hours worked by the CCG in respect of this claim were reasonable and prudent in the circumstances. The effort to keep all stakeholders informed was significant, and important. While the Incident was eventually resolved with no release of hydrocarbons, the potential for such a release was real, immediate and potentially significant given the location of municipal water intakes.

**The salaries portion of the submission is allowed in its entirety in the amount of \$1,581.92.**

**Schedule 5 – Overtime: Full Time Personnel**

**Claim: \$1,820.77**

[26] The submission includes a claim for overtime expenses for five employees, spread over 33 days. The documentation includes a spreadsheet identifying the activities carried out by each CCG officer. The rates claimed are consistent with Treasury Board contracts.

[27] It is determined that overtime expenses were unavoidable in the circumstances, and in any event were sensibly and prudently incurred. The time was spent to ensure all stakeholders were kept informed, particularly as water levels were rising and plans were culminating in the refloating of the Vessel.

**The overtime portion of the submission is allowed in its entirety in the amount of \$1,820.77.**

**Schedule 13 – Administration**

**Claim: \$26.24**

[28] Pursuant to an agreement, the administrator has allowed an administration rate of 3.09% on particular CCG expenses, included salaried time. This is to account for CCG administrative expenses.

[29] Within the administrative rate calculation, the claim as submitted uses a 16.6% rate to account for the employees benefit plan. The rate normally applied by the CCG is 20%. The 20% rate has been applied and results in a higher than claimed result.

**The administrative costs portion of the submission is allowed in the amount of \$39.10.**

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**OFFER SUMMARY AND CLOSING**

[30] The following table summarizes the claimed and allowed expenses with respect to the CCG claim regarding the Vessel:

<b>Item</b>	<b>Claim \$</b>	<b>Offer \$</b>
Salary	1,581.92	1,581.92
Overtime	1,820.77	1,820.77
Administration	26.24	39.10
<b>Total</b>	<b>3,428.93</b>	<b>3,441.79</b>

*Table 1 - Summary of claims made and allowed*

[31] Costs and expenses in the amount of \$3,441.79 are accepted and will be paid together with statutory interest calculated at the date of payment if the Offer is accepted.

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[32] In considering this Offer, please observe the following options and time limits that arise from section 106 of the MLA.

[33] You have 60 days upon receipt of this Offer to notify the undersigned whether you accept it. You may tender your acceptance by any means of communication by 16:30 Eastern Time on the final day allowed. If you accept this Offer, payment will be directed to you without delay.

[34] Alternatively, you have 60 days upon receipt of this Offer to appeal its adequacy to the Federal Court. If you wish to appeal the adequacy of the Offer, pursuant to Rules 335(c), 337, and 338 of the *Federal Courts Rules*, SOR/98-106 you may do so by filing a Notice of Appeal in Form 337. You must serve it upon the Administrator, who shall be the named Respondent. Pursuant to Rules 317 and 350 of the *Federal Courts Rules*, you may request a copy of the Certified Tribunal Record.

[35] The MLA provides that if no notification is received by the end of the 60-day period, you will be deemed to have refused the Offer. No further offer will issue.

[36] Finally, where a claimant accepts an offer of compensation from the Fund, the Fund becomes subrogated to the claimant's rights with respect to the subject matter of the claim. The claimant must thereafter cease any effort to recover for its claim, and further it must cooperate with the Fund in its subrogation efforts.

Yours sincerely,

Mark A.M. Gauthier, B.A., LL.B  
Deputy Administrator, Ship-source Oil Pollution Fund