

Vessel Recycling in British Columbia: A Sea of Resources

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BERNARD

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MARITIME
BUSINESS
LITIGATION

Marine Transport, Sustainability and the Circular Economy

- A sustainable marine transport industry means meeting present needs without compromising our ability to meet future needs.
- Global emissions from vessels worldwide account for about 3% of total green house gas emissions each year.
- The steel industry is a top three producer of carbon dioxide in the world.
- Decarbonization can be achieved not just by reducing vessel emissions but also by recycling and reusing steel from end-of-life vessels

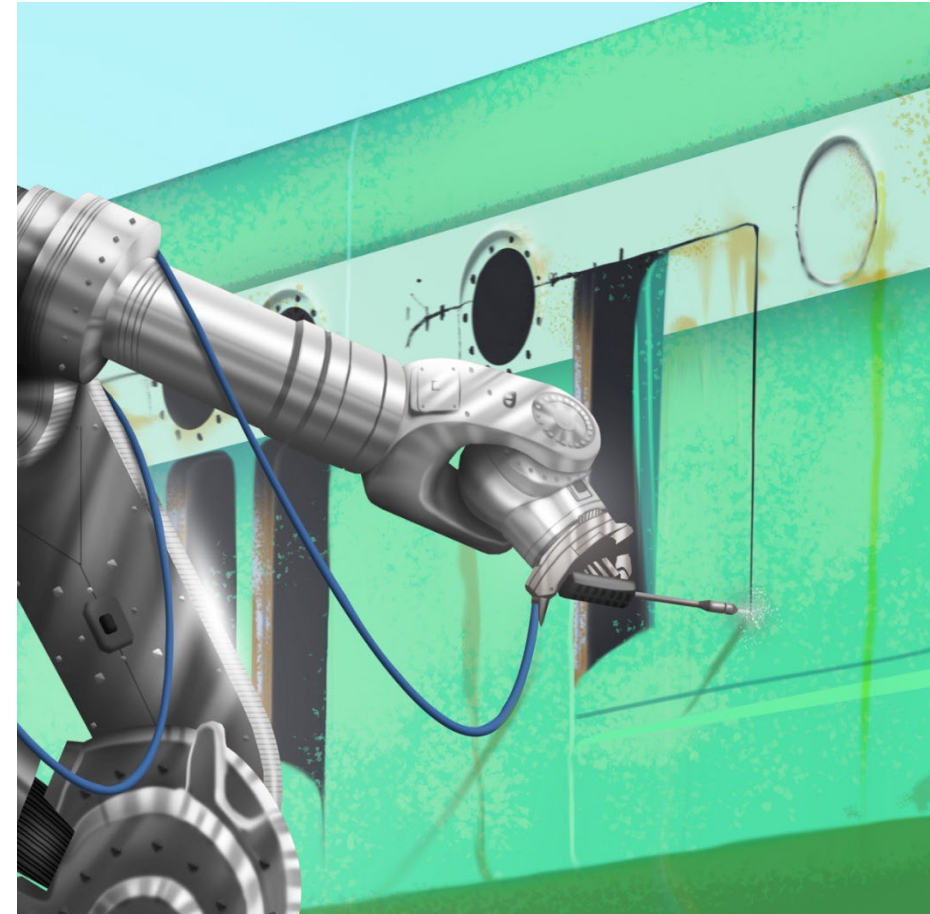
The Legal Framework of Ship Recycling in B.C.

- International Conventions
 - Federal Legislation
 - Provincial Legislation
 - Municipal Legislation
 - First Nations Consultation and/or Decision Making
-



Ship Recycling Worldwide

The Baltic and International Maritime Council estimates that over the next ten years more than 15,000 ships with deadweight capacity of more than 600 million tonnes are expected to be recycled worldwide.



Ship Recycling is Business



The global ship recycling market was valued at \$9.2 billion in 2022 and will reach \$11.5 billion by 2028

During the last 5 years 96% of the world's deadweight capacity and 77% of all ships have been recycled in India, Bangladesh, Pakistan and Turkey

Global Markets

Shipowners opted to use these yards because of the reduced cost of ship recycling – the true costs of poor labour and environmental practices were externalized.

NGOs and regulatory authorities such as the International Maritime Organization advocated for change resulting in International Conventions in 1993 and 2009



Basel Convention

- The Basel Convention, was adopted in 1989 and entered into force in 1992.
- 191 parties, including Canada.
- Regulates the transboundary movement of hazardous waste and hazardous recyclable materials.
- Vessels contain environmentally hazardous substances including asbestos, PCBs, heavy metals and hydrocarbons.

The Ban Amendment - 2019



The Basel Ban Amendment prohibits the export of all waste defined as hazardous under the Convention when destined for final disposal and recycling and of from OECD members, the European Union and Lichtenstein having ratified the Ban Amendment to all other States.

Canada and the Basel Convention

- *Canadian Environmental Protection Act, 1999*, (CEPA), Environment and Climate Change Canada administers the Cross Border Movement of Hazardous Waste and Hazardous Recycle Material Regulations which control the transboundary movements of HW and HRM.
- Came into force in October 2021

CEPA and the Regulations

- an exporter of “hazardous waste” must apply to the Minister of Environment for an export permit;
- the Minister will consult with the destination state;
- upon approval by Canada and the destination state, the Minister will issue an export permit.



Hong Kong Convention - 2009

The HKC comes into force in 2025 and addresses:

- the design, construction, operation and preparation of ships, so as to facilitate safe and environmentally sound recycling without compromising the safety and operational efficiency of ships;
- the operation of ship recycling facilities in a safe and environmentally sound manner; and
- the establishment of an appropriate enforcement mechanism for ship recycling, incorporating certification and reporting requirements.

- The Convention places responsibilities and obligations on shipowners, ship building yards, ship recycling facilities, flag States, port States, recycling States.
- Inventory of Hazardous Materials throughout the life of a vessel.
- Ship recycling yards will be required to provide a “Ship Recycling Plan” specifying the manner in which each ship will be recycled, depending on its particulars and its inventory.



- 2011 Guidelines for the Development of the Ship Recycling Plan;
- 2012 Guidelines for Safe and Environmentally Sound Ship Recycling;
- 2012 Guidelines for the Authorization of Ship Recycling Facilities;
- 2012 Guidelines for the survey and certification of ships under the Hong Kong Convention;
- 2012 Guidelines for the inspection of ships under the Hong Kong Convention; and
- 2023 Guidelines for the development of the Inventory of the Hazardous Materials.

Other Federal Legislation

Some of the relevant statutes include:

- Canada Occupational Health and Safety Regulations;
- Canada Shipping Act, 2001;
- Canadian Environmental Protection Act, 1999;
- Ballast Water Regulations, SOR/2021-120;
- Regulations for the Prevention of Pollution from Ships and for Dangerous Chemicals; Fisheries Act;
- Species at Risk Act;
- Wrecked, Abandoned or Hazardous Vessels Act;

Provincial Legislation

- **The Land Act and the Foreshore**

To operate on the waterfront you need a lease with the provincial crown (unless it is within the VFPA's or other port's jurisdiction).

Each lease has a specific use or purpose clause and a well developed and clear "management plan" for the activities to be carried out within the leased area.

A grant of tenure by the Provincial Crown requires First Nation Consultation

Other Provincial Legislation

- Worker's Compensation Act, Occupational Health and Safety Regs.,
- OHS Policies and Worksafe Policies
- Environmental Management Act
- Contaminated Sites Regulations
- Riparian Areas Protection Act

Don't forget: Municipal Zoning and Licensing

What does this all mean?

Accountability and Certainty for Stakeholders:

1. the Recycler;
2. the Shipowner;
3. Governing Bodies; and
4. The Public



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A scenic view of a lake with a white boat, rocky islands, and mountains under a cloudy sky. The boat is a white cabin cruiser with blue accents, floating on the water. The background features dark, forested mountains and a cloudy sky. The word "Questions?" is overlaid in large white text in the center of the image.

Questions?