



**Ship and Rail
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Ship Fund

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OFFER LETTER

Ottawa, 10 June 2025
SOPF File: 120-1029-C1

BY EMAIL

Director, Sécurité publique et service de sécurité incendie
Service de sécurité incendie de la Communauté maritime
Municipalité des Îles-de-la-Madeleine
460 chemin Principal
Cap-aux-Meules, Quebec G4T 1A1

Via email to smary@muniles.ca

RE: *Unknown Name* – Grande-Entrée, Les Îles-de-la-Madeleine, Quebec
Incident date: 2024-06-30

SUMMARY AND OFFER

- [1] This letter responds to a submission from the Municipalité des Îles-de-la-Madeleine Community Fire Department (the “Municipality”) for an incident involving five lobster fishing vessels. The source of the oil pollution is attributed to multiple fishing vessels that caught fire and sank (“Incident”).
- [2] On 27 November 2024, the Office of the Administrator of the Ship-source Oil Pollution Fund (“Fund”) received a submission from the Municipalité des Îles-de-la-Madeleine Community Fire Department. The submission advanced a claim totaling \$37,005.69 for costs and expenses arising from measures taken by the municipality’s fire services (the “Fire Services”) 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 Municipality pursuant to sections 105 and 106 of the *Marine Liability Act*, SC 2001, c 6 (“MLA”).
- [4] The amount of **\$32,526.26** (“Offer”), plus statutory interest calculated at the time the Offer is paid, and in accordance with section 116 of the MLA, is offered with respect to this claim.
- [5] The reasons for the Offer are set forth below, along with a description of the relevant portions of the submission.

THE SUBMISSION RECEIVED

- [6] The Municipality's submission includes detailed intervention reports in support of their claimed costs. The table below presents a detailed summary of the claimed costs.

Item and Description	Costs Claimed
1. Fire Services Response Efforts	\$17,695.45
2. Wharf Opening	\$12,834.66
3. Boat Rental	\$1,293.47
4. Fuel for Equipment	\$597.65
5. Cleaning of Responders' Work Clothes	\$105.03
6. Equipment Damaged During Response	\$4,479.43
TOTAL	\$37,005.69

Table 1: Summary of amounts claimed.

- [7] The paragraphs that follow summarize the relevant factual findings made with respect to the Incident and the Municipality's response thereto. Those findings are based on the documentation originally submitted with the claim as well as on further submissions from the Municipality and some additional investigatory work.

DETERMINATIONS AND FINDINGS

Summary of the lobster boat fire and the Municipality's response thereto

- [8] On 30 June 2024, five lobster fishing boats, *Dickson's Dream*, *Saltwater Bandit*, *Jonah M*, *Kaylee Jean*, and *Shell and Scales*, caught fire near the Grand-Entrée harbour in Les Iles de la Madeleine. All five vessels eventually sank.
- [9] On 30 June, a call was made to 911, which was dispatched to Fire Services.
- [10] Fire Services attended the incident site with eleven major assets and several responders. The major assets included were self-pumping fire trucks, ladders, tank pumps, and emergency units.
- [11] Upon arrival, there were hydrocarbons in the water. It was estimated that each vessel could contain up to five hundred gallons of diesel, hydraulic oils, and pollutants. Aerial observation estimated 18-220 litres of pollution. The response area was a hot zone.
- [12] Fire Services used Class B foam to extinguish the fire. However, one of the sunk vessels spread fuel under the dock. The fire reignited. The fire spread to the wharf pillars and beams.

- [13] Fire Services fought the vessel fires from 03:32 to 23:59. Fire Services returned to their base at 23:59.
- [14] On 1 July, the police advised Fire Services that the fire had reignited on the wharf. Fire services responded with five major assets and several responders. The five major assets deployed included self-pumping trucks and tank pumps. Fire Services provided on-scene coverage from 01:26 to 23:59.
- [15] On 2 July, Fire Services responded with three major assets and six responders to smoking on a fishing vessel. Fire Services completed an external evaluation of the dock. Oil pollution was visible within the boomed area near the wharf.
- [16] On 3 July, Fire Services responded overnight. There was smoke escaping from the wharf's hot spots. The Canadian Coast Guard (the "CCG") placed an additional boom to prevent pollution from continuing to infiltrate under the wharf areas. The CCG recovered fifty litres of oily water.
- [17] On 5 July, Fire Services responded with two self-pumping trucks and eleven responders. There was fire and smoke visible on the wharf. Eleven responders were at the incident site for approximately 2.5 hours.
- [18] Between 11-13 July, the fire Department, in collaboration with the CCG and the company *Les Constructions des Îles*, extinguished the fire. On those days, Fire Services used two major assets, and six responders went to the incident site.

The claim submission is admissible

- [19] The Municipality is an eligible claimant, and its claim was submitted within the applicable limitation period. The vessels on fire posed a risk of pollution because the pollutants onboard were released into the water, and the incident occurred within the territorial sea or internal waters of Canada.
- [20] A portion of the amounts sought by the Municipality represents costs associated with responding to a ship-source oil pollution incident. Such amounts may be eligible for compensation. In particular, this case involved oil actually being discharged into the water, along with a fire which appears to have spread, at least in part, as a result of oil contamination igniting. In the circumstances, the firefighting effort is itself accepted as an oil pollution response measure.
- [21] Therefore, the claim is admissible under section 103 of the MLA, subject to determinations that the claimed costs were reasonably incurred for the purpose of mitigating oil pollution damage.

Some of the measures taken by the Municipality are accepted as compensable

Item 1 – Fire Services Response Efforts

Claimed: \$17,695.45

- [22] The evidence presented by the Municipality focused on the response efforts of Fire Services on 30 June, 01 July, 02 July, 05 July, 11 July, and 13 July. The claimed costs for Fire Services Response efforts total \$17,695.45.
- [23] The submitted costs are for the hours worked by responders, the use of equipment, and meal expenses.
- [24] Responders from Fire Services spent a total of 626.15 hours at the incident site. The evidence did not identify individual salary rates of pay. The average hourly rate was calculated at \$27.41 an hour. The decision to have responders at the incident site was reasonable. Pollutants were released into the water, vessels sank, and hydrocarbon pollutants drifted under the wharf, and the fire extended onto wooden beams and pilings of the wharf.
- [25] The evidence identified the equipment used and the hours of use. Fire Services provided detailed daily intervention reports. The equipment used included: self-pumping trucks, major fire trucks, a tank truck, a ladder unit, an emergency unit, and a service truck.
- [26] Fire Services incurred \$531.16 in meal costs. Meals were provided to responders throughout the response. The evidence provided supports the fact that this was a reasonable expense.
- [27] The total amount of \$17,695.45 is accepted in full.

Item 2 – Wharf Opening

Claimed: \$12,834.66

- [28] The claimed costs for the wharf opening total \$12,834.66.
- [29] Fire Services required access to the beams and pilings of the wharf because they contained slow-burning areas. Fire Services hired *Les Constructions des Îles* on three separate occasions. *Les Constructions des Îles* opened cement slabs on the wharf that gave Fire Services access to the hot spots on the structure.
- [30] The costs incurred are reasonable because it was necessary to complete the work of limiting property damage and ensuring that the fire was completely extinguished.
- [31] The total amount of \$12,834.66 is accepted in full.

Item 3 – Boat Rental

Claimed: \$1,293.47

- [32] The Fire Services rented a fishing vessel at the cost of \$1,293.47.

- [33] Fire Services used the rented fishing vessel for a total of 7.5 hours to determine the extent to which the underside of the wharf was subject to fire damage. An invoice from Enterprise Heavy D Inc. supported the cost. The Fire Services' decision to rent a fishing vessel is accepted as a reasonable measure from the perspective of oil pollution mitigation. The boat rental portion of the submission is allowed in full in the amount of \$1,293.47.

Item 4 – Fuel for Equipment

Claimed: \$597.65

- [34] These costs are for the fuel that the Fire Services used for their equipment. The costs are assessed based on a review of the equipment used at the incident site and the hours worked each day.
- [35] To respond to the incident, Fire Services assigned significant equipment resources due to the nature of the oil pollution risk, thus, incurring fuel costs. Throughout the response, Fire Services used a self-pumping truck, a major fire truck, a tank truck, a ladder unit, an emergency unit, and a service truck. The fuel costs identified were both reasonable and necessary.
- [36] The total amount of \$598.15 is accepted in full.

Item 5 – Cleaning of Responders' Work Clothes

Claimed: \$105.03

- [37] Responders' work clothes cleaning costs were incurred via Nettoyeur Arsenault for \$41.05 and a second invoice for \$63.98. The invoices were for the cleaning of work items and miscellaneous items.
- [38] The total amount of \$105.03 is accepted in full.

Item 6 – Equipment Damaged During Response

Claimed: \$4,479.43

- [39] The submission advances a claim for costs for damaged gear and the cleaning of equipment used during the response.
- [40] The claim lacks sufficient documentation to solidify the costs. There was no invoice or photographs to establish this portion of the claim. The damaged gear and the cleaning of equipment costs are disallowed on the basis that they have not been established.

OFFER SUMMARY AND CLOSING

- [41] The following table summarizes the claimed and offered expenses:

Item	Costs Claimed	Offered
Fire Services Response Efforts	\$17,695.45	\$17,695.45
Wharf Opening	\$12,834.66	\$12,834.66

Item	Costs Claimed	Offered
Boat Rental	\$1,293.47	\$1,293.47
Fuel for Equipment	\$597.65	\$597.65
Cleaning of Responders' Work Clothes	\$105.03	\$105.03
Equipment Damaged During Response	\$4,479.43	\$00.00
TOTAL	\$37,005.69	\$32,526.26

Table 2: Summary of amounts claimed and accepted.

- [42] Costs and expenses in the amount of **\$32,526.26** are accepted and will be paid together with statutory interest calculated at the date of payment if the Offer is accepted.
- [43] In considering this Offer, please observe the following options and time limits that arise from section 106 of the MLA.
- [44] 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.
- [45] 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 on 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.
- [46] 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 be issued.
- [47] Finally, when a claimant accepts an offer of compensation, the Administrator 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 its claim, and further, it must cooperate with the Ship Fund in its subrogation efforts.

Yours sincerely,

Caroline Healey, LL.B., J.D., MBA
Administrator of the Ship-source Oil Pollution Fund
Ship and Rail Compensation Canada – Ship Fund