



**ECRC ~ SIMEC**

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Subject: Upcoming Transition to a Consolidated Bulk Oil Cargo Fee Rate

I am reaching out to share an important update regarding the Bulk Oil Cargo Fee Rate (BOCF) structure that supports marine oil spill response preparedness across Eastern Canada Response Corporation's (ECRC) Geographic Area of Response (GAR).

As you know, ECRC is a certified Response Organization under the *Canada Shipping Act*, providing oil spill response services to oil handling facilities (OHFs) and vessels operating in Canadian waters south of 60°N latitude. The Bulk Oil Cargo Fee (BOCF)—charged per tonne of oil loaded or unloaded—is the primary funding mechanism for our operations, representing approximately 80% of our annual budget.

Currently, ECRC applies three regional fee rates, this regional model has led to imbalanced cost distribution whereby preparedness costs are not aligned with oil volumes handled across regions. To address this, ECRC's Board of Directors has approved a transition to a single consolidated BOCF rate, effective January 2026, estimated at 28.64/tonne.

This change will:

- Create a fairer and more proportional cost-sharing model across ECRC-SIMEC's GAR.
- Ensure that preparedness costs are distributed based on actual oil throughput, not geographic boundaries.

The consolidated model ensures that all partners contribute equitably to maintaining a robust and responsive spill preparedness system.

We are committed to supporting a smooth transition and will continue to engage with stakeholders to provide clarity and guidance throughout the process.

Thank you for your continued partnership and commitment to marine environmental protection.

Sincerely,

Tanya Alvaro  
President and General Manager  
ECRC-SIMEC