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Dear Mr. Hayes,

First of all we would like to thank you for the hospitality your company showed us last Friday by kindly receiving us in your office in Burlington. It gave us a good opportunity to further explain the concerns we have regarding the current practices of sending toxic end of life ships to developing countries and the roles and responsibilities of shipowners in preventing a further environmental and health crisis in those countries.

During the meeting your colleagues informed us about the steps taken by your company since 2003/2004 with regard to shipbreaking. These include the development of green passports for ships that are going up for sale, an overall program to reduce waste amounts on ships and removal of certain materials like plastics, industrial cleaning chemicals from ships that are going up for sale. We very much welcome these measures.

Regarding the Ferbec, a ship built in 1966 and that has been under your control and ownership since 1977, you informed us of the following:

- a green passport was produced prior to the sale of the ship for shipbreaking;
- the ship was sold around two months ago;
- during the sales process your company learnt that the ship would go for demolition in India;
- Transport Canada who inspected the ship before the sales and before the ship left the port of Montreal likely knew that the ship was going for demolition. In addition the ship had a certificate onboard to be able to pass through Suez on it's likely way to the shipbreaking beaches in India;
- the ship had been sold to a company in Liberia and the ship was flagged form the Canadian flag to the flag of Mongolia.

Although Greenpeace considers the development of a green passport a valuable and basic step, the green passport, an inventory of hazards, will not prevent negative environmental and health effects in the shipbreaking yard. The green passport would have helped you to decontaminate the ship prior to its departure from Canada for breaking. Most importantly though the development of a green passport accompanying an end of life vessel does not lift you from your obligation as a ship owner and exporter of the waste to fulfill your obligations under international law, the Basel Convention.

Greenpeace is extremely worried that hazardous substances onboard the Ferbec, as documented in the green passport, will cause severe damage to the environment as well as to the health of the workers in the shipbreaking yard and surrounding communities when being broken. As witnessed and documented by Greenpeace and other concerned stakeholders over the past several years, the current practice of sending toxic old ships to developing countries is a carefully disguised form of the hazardous waste trade.

The Basel Convention Conference of Parties decision of 163 countries in October 2004 confirmed that ships can be considered waste under the Convention and that Parties are obligated to fulfil their Basel Convention obligations with respect to ships. VII/21 on the Environmentally Sound Management of ship dismantling states: "The Conference of the Parties ....Reminds the Parties to fulfil their obligations under the Basel Convention where applicable, in particular obligations with respect to prior informed consent, their minimization of transboundary movements of hazardous wastes and the principles of environmentally sound management;" (see appendix 1).

Under the obligations of the Basel Convention, CSL should have informed the competent authority of Canada of the intent to dispose of the ship and to fill out the necessary forms indicating what the waste is, where it is going etc. See Article 6 and Annexed forms of the Basel Convention. CSL has not done this. Therefore the export of the Ferbec can be considered illegal traffic and a criminal act under the Convention.

It is not too late to take action, however. As the ship is presumably on its way to a shipbreaking yard now, we urge you to remedy the situation as soon as possible. Please inform us as soon as possible what actions you will take to ensure that the export of the Ferbec will meet the provisions under the Basel Convention. Is CSL willing to take back the ship and follow all procedures legally required under the Basel Convention?

In addition to the above question, we would also like to repeat our request for a copy of the Green Passport accompanying the Ferbec and the details of the new owner. With respect to the other ships that are being operated/owned by CSL we would like to know from you whether the company is committing itself to follow the required procedures under the Basel Convention. Will CSL notify the competent authority of Canada for the next ships being disposed of?

Finally, during the meeting we gave you a copy of a new report commissioned by Greenpeace on the possibilities of setting up an eco dismantling fund for end of life ships. A fund fed by the ship owners. This can be an opportunity for CSL to positively engage in the solution to the problems associated with shipbreaking. We would like to hear from you whether you will support the fund concept and will assist in further developing the set up of an international eco dismantling fund and whether you will be the first shipowner to voluntarily donate to such a fund.

We look forward to hearing from you soon.

Sincerely,



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