

for damages caused in Canada from pollution from tankers transporting oil from the Trans-Alaska pipeline to USA west coast ports. There are no bilateral or multilateral agreements in force as between Canada and the USA providing for liability and compensation to Canadian residents in the event of an oil spill. The rights and obligations of the two Governments are governed by general principles of international law, which are in a process of evolution. Specific remedies and procedures are to be found, in the first instance, under domestic laws of the two countries.

27. In the course of these consultations, Canada has taken the view that the transportation of Trans-Alaskan pipeline oil will create a significant risk of injury to Canada and Canadian residents with no corresponding benefits. It is, accordingly, a special situation subject to special considerations calling for the establishment by the USA of procedures to ensure prompt and adequate compensation for any damages incurred in Canada.

28. By passage of the Trans-Alaska Pipeline Authorization Act (TAPA Act), the USA has recognized these special considerations and has created a specific régime of liability and compensation for victims of oil pollution on a basis of strict liability without regard to fault. The Act provides for a fund of \$100 million for payment of claims "for all damages, including clean-up costs, sustained by any person or entity, public or private, including residents of Canada, as the result of discharges of oil