

North Atlantic Producers Organization

Północnoatlantycka Organizacja Producentów sp. z o.o.

Warsaw, April 11, 2014

Elizabeth Young

Environmental Assessment Officer

Canada-Newfoundland and Labrador Offshore Petroleum Board

Subject: **Comments on the Draft Eastern Newfoundland Strategic Environmental Assessment Report**

Dear Ms. Young,

Thank you very much for your email of March 5, 2014 and for the Eastern Newfoundland Strategic Environmental Assessment Draft Report.

It is our understanding that the Eastern Newfoundland SEA Study Area is in large part outside of the EEZ of Canada. Therefore any plans to explore oil and gas reserves in this part must be treated as part of exploitation of natural resources of the continental shelf under Article 77 of the UN Convention on the Law of the Sea (UNCLOS). According to UNCLOS Article 78, **the exercise of the rights of Canada over the continental shelf must not infringe or result in any unjustifiable interference with navigation and other rights and freedoms of other States, including the right to fish on the high seas** (UNCLOS Article 116), as specified by the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries (NAFO Convention).

The North Atlantic Producers Organization is an organization of companies which are engaged in commercial fisheries in the area covered by the Eastern Newfoundland SEA Study Area. We are concerned about adverse interference of offshore oil drilling activities with fishery. We need to know how these activities will influence the state of living resources of the water column beyond the EEZ of Canada.

Having analyzed the EN SEA Draft Report, we have found it incomplete in the areas related to fishery. For us, the most important issues inherent in offshore oil and gas operations are the following: environmental issues and loss of access to fishing grounds.

At the same time we declare that we support the responses given by the European Commission and by NAFO.

1. Environmental issues

From the perspective of fishermen, the most important issue is state of fish stocks available in the NAFO Regulatory Area overlapping the EN SEA Study Area. **We need to know how our fishing will be affected by offshore oil and gas operations** in the Study Area.

From the data made available by NAFO in their response, it is clear that there is a close relationship between commercial fish stocks and Vulnerable Marine Ecosystems (VMEs). NAFO's data shows that 50% of all fishing takes place within 10 km of VME protection areas and 80% of fishing – within 50 km of them.

As of now there is limited knowledge what exactly is the nature of this relationship. **It is important that the final version of the EN SEA attempts to answer this question.**

2. Closure of VME protection areas to oil and gas operations

The increase of marine traffic, noise associated with seismic surveys and extracting operations will most certainly have negative effects on the environment and the extent of such effects is now difficult to foresee.

This calls for a deeper analysis and understanding – and at the same time for precautionary approach since it is possible that damage to VMEs can cause collapse of fishing resources and such collapse can be irreversible.

Since environmental protection is a priority, **consideration should be given to the issue whether any oil and gas operations should be allowed in the VME protection areas. If not, we submit that C-NLOPB should also consider closing areas in a certain range from the borders of the VME protection areas.**

3. Marine monitoring system

Given that the risks associated with offshore drillings are substantial and inherent in oil and gas operations, we think that it is advisable to consider **setting up of a monitoring system** to constantly monitor the state of environment and of fishing resources.

A monitoring system would greatly increase the knowledge about the state of sea water and of marine fauna. It would also help to determine the actual influence of oil and gas operations on the state of environment. At the same time a system like this would provide more accurate and readily available environmental data, thus facilitating prompt response to mitigate damage and ascertaining its actual scope.

On the issue of monitoring, the draft SEA reads:

Operators may develop and implement operational monitoring programs (...) which would, over time, also contribute to an expanded information and

knowledge base regarding the presence, abundance and spatial and temporal distribution of marine biota in the SEA Study Area. (p. 441)

Our understanding of this paragraph is, that it only relates to monitoring activities connected to offshore exploration and drilling. We submit that **fishing vessels can be made a part of such a monitoring system**. Since fishing vessels are constantly present in the EN SEA Study Area, their inclusion to the system of monitoring might enhance the quality and quantity of data gathered.

Please let us know whether C-NLOPB considers creating and operation of environmental monitoring systems in the EN SEA Study Area and on what conditions will it be based.

Should such system be set up, our organization declares its readiness to participate.

4. Loss of access to fishing grounds

Another important issue with an adverse effect on fisheries, is the **loss of access to fishing grounds** due to setting up of oil extracting structures. For safety reasons, fishing operations must be prohibited within a certain radius from drilling platforms.

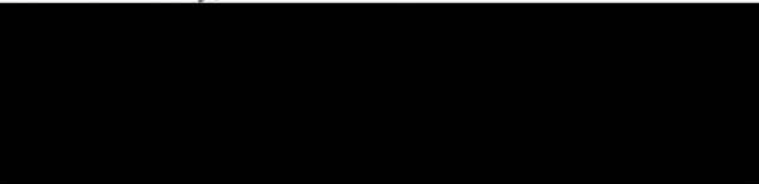
Statistical data gathered over many years by NAFO secretariat shows that fishing activity concentrates in certain areas. Any oil and gas operations in these areas cause a loss of access to established fishing grounds. Such loss causes disproportionate economic loss to fishing operations.

We think it is essential to asses the economical losses caused to fishing industry by loss of access to fishing grounds in the final version of the EN SEA.

Deterioration of environment and loss of access are inherent in oil and gas operations and they will cause economical losses to the fishing industry. Therefore please let us know what financial compensation system is considered to address such losses.

As representatives of fishermen, we are wiling to participate in further discussions concerning the EN SEA. If you plan to set up expert panels to deeper investigate the issues concerning fishing, especially the suggested monitoring system or the issue of loss of access to fishing grounds, we are also willing to participate and delegate our members to such panels.

Yours sincerely,

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President