

Appendix 1 - Report on Industry, Agency and Community Consultations

Introduction

Consultations for this Strategic Environmental Assessment (SEA) report were undertaken with relevant agencies and SEA area stakeholder groups during May and June 2009. Meetings were held in Port aux Basques, Burgeo, Marystown, St. Bride's and St. John's. These consultations were organized and coordinated by Canning & Pitt Associates, Inc., with additional assistance from the Mountain Marine Zonal Board, the Schooner Regional Development Board, the Burgeo Town Council, and fisher representatives in Burgeo, Marystown and St. Bride's. Information and background data pertaining to the SEA were sent via email to various agency representatives and potential participants prior to face-to-face meetings and/or follow-up telephone interviews.

A representative of the C-NLOPB and a member of LGL's Study Team attended area-level meetings scheduled in various SEA area communities. At each meeting, following general introductions and a short discussion of the purpose of the consultations, the Board's representative, Elizabeth Young, presented an overview outlining the C-NLOPB's role and mandate, the purpose and scope of the SEA process and a review of the various environmental components to be addressed in the SEA Report. Other information provided by the consultants was then presented and reviewed.

Following these presentations, there was a general round-table discussion that included comments and questions from participants concerning various aspects of the SEA process, potential offshore exploration and development activities, and issues and concerns about the fisheries and marine environmental components. All of the comments, questions and issues raised by participants were noted and recorded.

Appendix 1 contains a complete list of the agencies, individuals and groups who participated in the consultation meetings or else received SEA background documents and other related information for their review and comment.

Issues and Concerns

The following sections provide a summary of the topics and issues discussed at each consultation meeting, or with other stakeholders via telephone and/or email communication.

Fisheries and Oceans. DFO representatives provided a detailed description of the department's ongoing Large Ocean Management Area (LOMA) processes, and the various initiatives and research efforts associated with identifying Ecologically and Biologically Significant Areas (EBSAs) within a specific LOMA located within the SEA Area (the Placentia Bay/Grand Banks LOMA).

The consultants asked how the LOMA process might relate to the SEA process; for example, will some of the significant areas within a particular LOMA eventually be "off limits" to oil and gas exploration? DFO's Ocean Governance Co-ordinator noted. the LOMA process is in its early stages and specific management measures have not yet been identified for EBSAs. There are a suite of potential management measures that may be established, not just strict protection. It was further suggested that, in a call for bids process, the C-NLOPB should be aware of the ecological or biological significance of EBSAs. It was also noted that, if a MPA was designated, there could potentially be relevant conditions attached to that MPA vis-à-vis any potential restrictions on oil and gas exploration activities with that area.

In future, then, the presence of an EBSA might be expected to give industry proponents, or the C-NLOPB, a "heads up" about some offshore areas. In other words, although DFO managers cannot yet say with certainty that a particular offshore area would be "off limits" to oil and gas exploration activities, at present the EBSA process at least serves to raise a "red flag" to the industry regarding the significance of such areas.

Following a review of the draft SEA report, DFO managers offered further comments on EBSAs, and some of the concerns raised by the fishing industry regarding future policy for these areas. DFO managers noted: "There appears to be some confusion and apprehension regarding some of the tools and approaches that Fisheries and Oceans (DFO) utilizes for the protection of fish, fish habitat, and ecological areas. The identification of Ecologically and Biologically Significant Areas (EBSAs) is not a general strategy for protecting all habitats and marine communities that have some ecological significance. Rather, it is a tool for highlighting an area that has particularly high ecological or biological significance and to facilitate provision of a greater-than-usual degree of risk aversion in the management of activities in these areas of high ecological and biological significance.

Just because an area is identified as an EBSA, does not give it any special legal status. In terms of restrictions or special protection measures, the identification simply provides guidance on the standard of management that is considered to be appropriate.

DFO NL Region has identified 11 EBSAs within the Placentia Bay Grand Banks Large Ocean Management Area (PBGB LOMA). Such areas may require some level of protection, which may be achieved by implementing a *Fisheries Act* closure, a Marine Protected Area, or perhaps may be addressed through some other avenue such as a National Marine Conservation Area, or a Marine Wildlife Area. The most appropriate form of protection will be determined in consultation with DFO Science and FAM, other federal or provincial departments with a mandate to establish marine conservation areas, as well as affected stakeholders.

As a result of informal discussion with key stakeholder groups, and the application of ecological and feasibility criteria, five of the 11 EBSAs were put forward for formal consultation with stakeholders. Of the five EBSAs put forward, for this formal consultation, three: the Southwest Shelf Edge and Slope; St. Pierre Bank; and the Laurentian Channel are located within or adjacent to the SEA area. Following consultations, DFO - NL Region will recommend one of the five EBSAs as the regional Area of Interest (AOI) for MPA designation by 2012.

There are also questions regarding activities that would be permitted within MPAs. The activities that take place within an *Oceans Act* MPA will depend on the conservation priorities set for each particular site. DFO Oceans will work with Fisheries and Aquaculture Management, Science, the Province, and stakeholders to identify activities that will be permitted within future MPAs. The level and types of activities permitted within a particular MPA may range from strict protection to multiple uses. The objective of a MPA is to conserve and protect the important aspects of marine ecosystems, species and their habitats. Management Plans for a specific MPA will be developed with involvement of local resource users and affected parties." (DFO Oceans, pers comm., July 2009).

Newfoundland and Labrador Department of Fisheries and Aquaculture (DFA)

DFA was contacted for an update on aquacultural operations in the western portion of the SEA area, i.e., the shoreline area between Grey River and Port aux Basques. Previous consultations (2006) had identified the location of a licenced cod grow-out operation at Venil's Island close to Burgeo. The department's Manager of Aquaculture Licencing and Inspections reports that this site is no longer operative and the licence has lapsed. However, he notes that the department has received applications for four salmonids sites in Bay de Vieux, just to the west of Grey River (T. Budgell, pers comm., July 2009).

Port aux Basques - Rose Blanche - Burgeo Fisher Meetings. In 2006, during consultations for the Sydney Basin SEA, fish harvesters operating in various fishing communities between Port aux Basques and Burgeo provided extensive comments about their region's fisheries resources as well as their concerns about future offshore oil exploration activities and potential interactions with their established fisheries.

Meetings for these same fishers were scheduled and advertised as part of the area-level consultations for this SEA report. But, for various reasons, fishers did not attend the meetings in Port aux Basques or Burgeo. However, the FFAW's Stewardship Advocate attended both meetings and provided some general comments on the area's fisheries milieu.

Port aux Basques Meeting. The Port aux Basques area meeting was organized with the assistance of the Marine Mountain Zone Corporation (MMZC), and was well attended by various Corporation Board members representing a range of local groups and agencies.

A number of general questions and comments were raised and discussed following the Study Team's presentation.

With respect to special or sensitive areas or resources within the region, it was noted that a large number of shipwreck sites have been identified, including a heritage wreck just off Isle aux Mort.

It was noted that a MPA is being considered for the region (in the Burgeo area), and someone asked if that area would be closed to exploration activities while it was being considered for a MPA. Another person asked if oil exploration activities would be detrimental to some of the marine resources within a MPA.

Concern was also raised that if an EBSA is declared this might act as an impediment to the development of the region's oil and gas resources. For example, it was suggested that an oil company might decide not to explore for oil in an EBSA because that area might be closed to oil-related operations in the future. It was also noted that all of these "environmental rules" were not in place when Hibernia was being developed, and that these new regulations, etc., would make it more difficult to get an offshore industry started in this region. There were a few questions about ELs, e.g. how many years does a company have before it has to drill a well, and how long might it take to get some oil development activity underway in the region.

The Corporation's Executive Director, who is also a member of the SEA Working Group, noted that she would be reviewing the draft SEA report and distributing copies to various local agencies and stakeholders for their comments.

Burgeo Town Council. Discussions with Council representatives focused on the area's plans for establishing a NMCA, and on several concerns fishers have raised regarding the potential negative effects on fisheries resources from previous and future oil and gas exploration activities.

The Mayor explained the situation regarding the proposed NMCA initiative noting many of the same points he raised in previous consultations with the Board (Sydney Basin SEA, 2006), and reported that Council and other local groups have made very little progress on this matter in the past three years. He reiterated that the NMCA initiative was launched in 2003 under the auspices of the Burgeo Economic Diversification Board (BEDB), and that the project has the support and endorsement of many local groups and area fishers. If approved, the NMCA would cover a relatively large coastal and inshore zone, approximately from Grand Bruit to Francois out to about 15 km offshore. However, it seems that the project is being held up because the relevant federal and provincial agencies cannot agree how to proceed.

If an MCA is eventually declared, it remains unclear whether oil and gas exploration activities would be permitted within that area. Another Councilor asked if the designation of a MCA would affect Husky's exploration of its lease area in the Burgeo Bank area.

The Mayor also noted that local fishers remain concerned about the negative effects of oil and gas exploration activities. They have reported that a seismic vessel went through some crab grounds 80 km offshore three years ago and crab have since "disappeared" from that area. A Councilor, who is also a fisher representative, said that fishers report finding a significant increase in the number of lobsters close to shore and claim that offshore seismic operations had "driven these lobsters inshore". He went on to note that the western portion of the St. Pierre Bank is a relatively new crab fishing area, and fishers might be concerned if exploration activities were to take place in that zone. Another person asked if there have been any studies undertaken to assess the potential effects of seismic operations on crab. LGL's biologist responded to this question describing the research his firm had done on the effects of seismic on crab several years ago. Council members suggested that exploration companies should consult with fishers regarding the best time to conduct seismic surveys in this region.

In a final comment, one Council member said that, if any offshore exploration activities do take place in this area, the community would like to see Burgeo used as an onshore supply / service base for those activities.

Marystown Meeting. The Marystown meeting was organized with the assistance of the Schooner Regional Development Corporation. Most of the discussion at this meeting focused on the offshore harvesting activities within the SEA area by vessels operated by Ocean Choice International (OCI). The manager responsible for OCI's fleet spoke about his company's fisheries and how they relate to DFO's LOMA initiative, in particular the potential implications of the departmental identification of EBSAs. OCI's fleet manager, along with other industry agency representatives - e.g., GEAC - is a member of the stakeholder-based PB/GB LOMA Committee involved in the LOMA process.

Based on discussions within the DFO working group, the fishing industry's view is that DFO's long-term intention is to designate one or more MPAs and that the identification of EBSAs is an important part of the process of selecting an offshore area as a candidate for a MPA. As such, OCI and GEAC have indicated to the department which area the fishing industry would prefer to see designated as a MPA, if DFO proceeds to establish such an area (or areas).

OCI (and other offshore harvesting firms) would like certain specific offshore areas to be "off limits" for a MPA. These include the St. Pierre Bank area, which is an important cod fishing zone for OCI's fleet, and likewise the Burgeo Bank area which is one of the company's key redfish grounds. OCI has told DFO that the declaration of a MPA on the Southeast Shoal would result in a closure of the company's Marystown processing facility because that is where the company harvests its yellowtail.

As such, OCI has told DFO that, if a MPA is to be declared, it should be within the NAFO-designated Coral Protection Zone (CPZ), since OCI (or its predecessor company FPI) have never been overly dependent on that particular area, though it was noted that OCI continues to fish redfish in the CPZ using mid-water trawls which do not come in contact with the coral species in this zone.

By extension, in light of the above discussion, it is evident that OCI would also prefer that future oil and gas exploration activities avoid having any negative effects on the company's key, important fishing grounds in the offshore areas identified above, i.e., Burgeo Bank, St. Pierre Bank and the Southeast Shoal.

The meeting ended with a brief question from the Corporation's Executive Director concerning ConocoPhillips' plans to drill a well in the Laurentian Sub-Basin. The Corporation wanted to know the date the company needed to do this work in order to meet its lease obligations. It was also noted that area fishers are relatively pleased with the results of the ESRF-funded research undertaken to assess the potential negative effects of seismic operations on monkfish eggs.

St. Bride's Meeting. Together with several other enterprises from this community, fishers attending the meeting take a portion of their annual catch (crab, cod and other groundfish) within the SEA area, e.g. in 3PSF and 3PSn. They noted their concern that eventually, they might be excluded from fishing in the EBSAs that have been identified by DFO. The CPZ within 3O is a much better turbot fishing area compared to other 3PS fishing zones where this species is now taken.

They would prefer not to see any exploration activities in the St. Pierre Bank area, and suggest that the Halibut Channel should also be "off limits" to oil activities. They take a significant portion of their crab in this area. Grounds along the edge of the slope are also important areas for monkfish, cod and halibut, and the Easter and Wester Gullies – especially areas where water depths are between 450 – 750 fathoms – are important grounds for these and other 3PS fishers as well.

Conne River Band Council. During preparation of the Sydney Basin SEA report, in 2006, the SEA study team obtained detailed information on the type and location of fish harvesting activities that were under the jurisdiction of the Conne River Band Council ("the Council"). The SEA report presented a detailed description of those fisheries.

In the process of preparing the present SEA report, the consultants contacted the Council's fisheries resource manager for an update on the harvesting activities of Band members. The description prepared for the 2006 SEA report was sent to the Operations Manager for her comment and review. She subsequently reported that there have been no changes in the Band's communal/commercial fisheries operations since 2006 (J. Drake, pers comm., June 2009).

Environment Canada. Agency managers received relevant background information on the SEA process and study research. In response, the agency's EC's Environmental Assessment Coordinator indicated that he and his managers will be reviewing the draft SEA report and providing any written comments to the Board (G. Troke, pers comm., June 2009).

Fish Food and Allied Workers Union (FFAW) Meeting. Following a presentation by LGL's representative, there was a short discussion of the DFO LOMA process, and the designation of various EBSAs offshore. The FFAW's representative in this process has suggested to DFO that, if the department wants to create a Marine Protected Area, they should establish one within the existing NAFO CPZ.

Commenting on the various commercial fish species that LGL had identified as being economically important, it was noted that the economic value and importance of a particular species can vary greatly over time, depending on market conditions, product prices and resource abundance. As such, it was suggested that a 10-year perspective might not be long enough to identify which species are of economic importance to harvesters vis-a-vis future oil and gas exploration activities.

FFAW managers noted that fishers are becoming more and more concerned about the additional costs incurred in having to steam around the existing offshore production facilities located in the Jean d'Arc Basin area. Though it was acknowledged that this matter is not within the geographic scope of the present SEA study, it is nevertheless an issue which will become of greater concern to the fishing industry as exploration activities expand and as more oil fields come into production.

Concern was expressed about the potential negative effects on fisheries resources of seismic activities, and mention was made of fisher reports that seismic survey operations in the Laurentian Channel several years ago drove all of the crab away from established fishing grounds. FFAW managers reiterated their view regarding the need for long-term monitoring to assess any negative effects on fish and fisheries operations. It was also suggested that, during their regular exploration activities, oil companies could help fill data gaps in our knowledge of fisheries resources. For example, ROV operations associated with various exploration activities could be used to gather data to identify spawning areas.

One Ocean.

One Ocean's representative did not raise any specific environmental concerns or issues with respect to the SEA area. As a general comment, it was noted that there is a need for better/improved communications between the oil and gas industry and fisheries participants. It was suggested that the Union Forum would be one of the venues used to keep fishers up to date about ongoing fisheries environmental research and upcoming surveys and other exploration activities.

Natural History Society (NHS). Members of the NHS received relevant background information on the SEA process and the SEA environmental assessment report, but have not yet responded with any comments or concerns.

Association of Seafood Producer (ASP)

The consultants met with the Association's Executive Director to review and discuss the SEA process and the fisheries data to be included in the SEA report. The ASP had no major concerns or issues with respect to the proposed SEA Area, and the Executive Director noted that his group always appreciates the opportunity to review and comment on offshore oil and gas activities as they relate to the province's fisheries industry.

Ocean Choice International (OCI). OCI's Manager of Fleet Administration and Scheduling attended the Marystown meeting organized by the Schooner Regional Development Corporation. His comments are included in the report of that meeting, as discussed above.

Other Corporate Harvesting Firms and Agencies. Background information on the SEA area and on the SEA environmental assessment process were sent to relevant managers of Clearwater Seafoods Limited Partnership, Icewater Fisheries Ltd., and also to the Groundfish Enterprise Allocation Council. However, to date, none of these groups have responded with any comments or concerns.

Agencies and Persons Consulted

DFO

Jim Meade, Senior Regional Habitat Biologist
Geoff Coughlan, Oceans Governance Co-ordinator (Oceans Division)
Leon Slaney, Area Chief of Resource Management, Grand Bank Office

Newfoundland and Labrador Department of Fisheries and Aquaculture (DFA)

Todd Budgell, Manager, Aquaculture Licencing and Inspections (Grand Falls)

Environment Canada

Glenn Troke, Environmental Assessment Coordinator

Clearwater Seafoods Limited Partnership

Rik Scheffers, Director of Fleet Operations

Icewater Fisheries Ltd.

Michael O'Connor, Fish Harvesting Consultant
Tom Osbourne, Plant Manager, Arnold's Cove

Ocean Choice International (OCI)

Derek Fudge, Manager, Fleet Administration and Scheduling, OCI Marystown

Association of Seafood Producers

E. Derek Butler, Executive Director

One Ocean

Maureen Murphy, Manager of Operations

Groundfish Enterprise Allocation Council (Ottawa)

Bruce Chapman, Executive Director

Conne River Band Council

Joeleen Drake, Operations Manager, Communal/Commercial Fisheries

FFAW

Robyn Saunders, Petroleum Industry Liaison
Mildred Skinner, Inshore Council Executive Board Member
George Feltam, Vice-President, Inshore Council
Bill Broderick, Director of the Inshore Sector
John Boland, Staff Representative
Mandy Ryan, Stewardship Advocate

Port aux Basques Meeting - Mountain Marine Zonal Board (MMZB)

Debbie Munden, Executive Director, MMZB

Doreen Hardy, MMZB

Sherry Kinch, Chamber of Commerce

Gary White, Chamber of Commerce

Bruce Billard, MMZB / Town of Channel-Port aux Basques

Blandford Billard, MMZB / Town of Channel-Port aux Basques

Fonse Pittman, MMZB / College of the North Atlantic

Jan Peddle, College of the North Atlantic

Bryson Webb, Chair, Community and Business Development Corporation / MMZB

Baxter House, INTRD

Marystown Meeting

Paul McGinn, Executive Director, Schooner regional Development Corporation

June Petten, Area resident

Burgeo Town Council

George Reid, Mayor

June Hiscock, Councilor

Dave MacDonald, Councilor

Gerald MacDonald, Councilor

Blaine Marks, Town Manager (and Board Member, Long Range Regional Economic Development Board)

St. Bride's Fishers

Kevin McGrath, Fish Harvester

Clarence Foley, Fish Harvester

Natural History Society

Len Zedel, MUN