



Western  
Environment  
Centre  
wecnl.ca

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To Steve Bonnell, AMEC,

The Western Environment Centre appreciates the opportunity to participate in the consultation process of the Strategic Environment Assessment (SEA) Update for the Western NL Offshore Area. We are a volunteer, member-based community organization in Corner Brook whose aim is to engage the west coast region of Newfoundland in discussions and action on environmental, social and economic sustainability. We fully support sustainable development in our region.

We see the potential value in the SEA for taking a long term view of planning and development and hope that this SEA will provide useful information to the Canada-Newfoundland and Labrador Offshore Petroleum Board (CNLOPB).

Members of the Western Environment Centre attended the Corner Brook consultation in early October, and met with staff of both AMEC and the CNLOPB. We thank both organizations for organizing the meeting and attempting to answer our questions to the best of their ability.

Please accept the following written comments as our submission to the SEA. We look forward to any follow up from the SEA, including a draft SEA report and any other relevant documentation.

#### Potential Environmental Impacts

The Western Environment Centre believes a precautionary approach should be taken to oil and gas development in western Newfoundland. In order to fully understand the impacts of oil and gas exploration (and potential development) on the coastal and marine environment, knowledge gaps identified in the previous SEA report (2005 and Amendment 2007) need to be addressed for the entire Gulf of St. Lawrence, regardless of

provincial boundaries. Oil and gas exploration and development in this unique body of water would be far different than on the Grand Banks, for example, and must therefore be treated very differently in terms of policy and regulation.

The shared nature of this “commons” and the interconnectedness of this unique ecosystem should require inter-provincial collaboration and consultations. Thorough assessment of environmental impacts is important to guide decision making on whether oil and gas development is allowed to proceed in the Gulf. This includes impacts associated with initial surveying efforts and exploratory drilling as well as construction, production and decommissioning phases.

Impacts include, but are not limited to: effects of industrial sound on marine life; disturbance of benthic habitat; water pollution; effects on marine species life cycle stages and migration patterns; effect on species at risk; and effects on migratory birds. In such a small semi-enclosed body of water, these impacts could potentially be much more devastating than in other more open areas. These risks should be comprehensively evaluated and articulated to the public.

In addition, risk assessment of potential accidents such as oil and chemical spills of varying magnitudes must be seriously considered as such events could cause irreversible ecosystem damage. Adverse environmental consequences could negatively impact marine life and also the livelihoods of individuals from all five provinces working in certain sectors such as fisheries and tourism.

Recently we have also been made aware of the potential development of three onshore to offshore drill sites by Shoal Point Energy on the west coast, including the possibility of hydraulic fracturing. As “fracking” is a contested practice across Canada with well-documented risks, we would like the SEA to also include information about its potential impacts on the west coast. In particular we are concerned about moving ahead with this project with the current lack of a regulatory framework in this province to guide development projects.

In the global context there is also a demonstrated need to reduce reliance on fossil fuels and find alternatives to oil and gas as energy sources. The Government of NL made a commitment in their 2011 Climate Change Action Plan to be a global leader in the arena of climate change which they indicate is “one of the greatest long-term challenges facing the planet”. In the bigger picture there is a necessary shift that must happen towards more sustainable and renewable forms of energy within a green economy. We would therefore like to see the SEA include information about the carbon footprint of potential exploration and development, as well as of the subsequent burning of the fossil fuels extracted.

## Socio-Economic Impacts

Although perhaps beyond the scope of the current SEA, we would like to draw attention to some of the socio-economic risks that could be associated with oil and gas development in western Newfoundland. We feel that these risks are intimately tied to the environmental impacts of any offshore oil development, and as such, should be included in a strategic environmental assessment. The previous SEA and Amendment did not adequately consider the human dimension of offshore oil exploration and development, and we would like to see this addressed in the upcoming SEA.

Although it is often believed that such developments are inherently good for society and the economy, much research shows that benefits are not guaranteed for much of the population affected by development. Often benefits are not distributed equitably which can widen the income gap. Oil spills and other environmental effects can also negatively impact coastal industries such as the fishery and tourism.

In their submission to the Hebron Public Review Commission, the NL Federation of Labour points out that growth in the oil industry in this province can contribute to income inequality (NLFL 2011). It has been well documented that societies with more equal income distribution have higher rates of human development. Higher income gaps are associated with lower rates of human development. Ideally, we would like the SEA to include information on how this issue might be addressed in this province.

We are also concerned that there will be unrealistic expectations about the number of jobs that will be created in this region as a direct result of oil and gas development. Offshore oil production is capital, rather than labour intensive. Although the oil industry contributes a very large share of GDP in the province, it accounts for less than 5% of direct employment (NLFL 2011). Even the jobs that are created are not always the most attractive. As Cadigan (p. 76, 2012) points out, oil and gas development in the province has generally "...created a demand for far more low-paid service-sector workers than for better-paid highly skilled workers."

Low job creation based on oil and gas development is especially true for rural areas, as the NL Federation of Labour points out. Small communities are usually where resource extraction occurs (thereby bearing the brunt of the risk), but do not often see the majority of the economic or other benefit (NLFL 2011). We feel that very little benefit will be seen by those who actually live and work in the areas on the west coast that have the potential to be negatively affected. The socio-economic benefits of oil and gas development should be clearly outlined in an SEA.

Overall in Newfoundland and Labrador, most of the economic benefit accrues to corporations outside the province. As well known economist, Jim Stanford (2008) explains

*As a share of GDP, profits are higher in Newfoundland than any other province. An awfully large chunk of that money never sets foot in Newfoundland: it represents profits from offshore oil production...collected and repatriated back to the head offices of the companies producing that oil.*

As stated succinctly by Craig Wright of the Royal Bank of Canada "...the oil and gas industry...has limited trickle down effects" (In Cadigan 2012).

It is also quite clear that social and economic costs associated with an oil spill would be completely devastating to coastal communities in the western region who depend heavily on fishing and tourism. Oil spills models show that all five provinces have the potential to be impacted if there was a spill from the Old Harry site, as an example. Even without a spill, offshore oil development could potentially negatively affect the tourism industry if Newfoundland's image as a pristine wilderness was tarnished.

Although offshore oil developments certainly do have the potential to stimulate the economy, it is important to keep in mind that other forms of thoughtful community-based economic development can be much more beneficial without the associated risks. Rather than move ahead with the assumption that oil and gas development in the Gulf of St. Lawrence will guarantee benefits for the whole region, it is critical to take a step back to assess whether it is indeed worth the risks involved.

### Public Consultation Process

We would also like to take the time to comment on the process of the consultation itself. We feel there were a number of strengths in the process, but also some weaknesses that we would like to see addressed in future consultations. A presentation and a public dialogue, along with a drop-in session, would have been much more effective in creating a baseline understanding of the SEA update. Hearing the concerns of other members of the public and the answers of the consultants would focus the discussion on the key issues.

We appreciate that the format chosen gave opportunity for an informal conversation and to drop in, which accommodated those who were time-restricted. A combination of the two approaches would have been more appropriate, particularly for those who were looking to find more information. The format was not conducive to those who had very little prior knowledge of the SEA. We also noted that comments, concerns and recommendations made by the public during the consultations were not recorded by the consultants. This gave the impression that the specific comments made were not adequately retained to be included in the SEA. Preferably, we would have liked to see a transcription of the event, or at the minimum, a staff person taking notes.

Again we are grateful to have the opportunity to be a part of this process and appreciate the efforts made to organize the public meetings. We look forward to seeing a draft copy of the SEA report, and are interested to see how public comments will be incorporated into the document.

Please feel free to contact us if you require clarification on any of the above-mentioned points.

Sincerely,

Simon Jansen, Chair  
On behalf of the Western Environment Centre  
[info@wecnl.ca](mailto:info@wecnl.ca)

[REDACTED]

Cc'ed to:

Elizabeth Young, CNLOPB [REDACTED]

Honourable Tom Hedderson, Minister of Environment & Conservation

[REDACTED]

Honourable Jerome Kennedy, Minister of Natural Resources [REDACTED]

#### References

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