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Canada-NL Offshore Petroleum Board  
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St. John's, NL A1C 6H6

[information@cnlopb.nl.ca](mailto:information@cnlopb.nl.ca)

**Re: Draft Western NL Offshore Area Strategic  
Environmental Assessment Update Report**

We are writing concerning the proposed development of oil exploration by Shoal Point Energy Ltd. in the community of Sally's Cove within Gros Morne National Park. This is according to the recent submission (amendment) by SPE to use, in the Port-au-Port Bay / Peninsula, as well as at Sally's Cove, the controversial method of hydraulic fracturing known as fracking.

Believing in 1997 that the Gros Morne region would be protected from this type of industrial activity, we moved from Switzerland to Norris Point and built *Neddies Harbour Inn*, a brand new accommodation / conference complex. This high-end tourism business ( [HYPERLINK "http://www.theinn.ca" www.theinn.ca](http://www.theinn.ca)) offers visitors a first-class stay in our 15 room main building and 4 rental private seaside chalets/cottages overlooking beautiful Bonne Bay. To illustrate this point, even the Department of Tourism and other marketing agencies have used our inn as backdrop to the bay and the Tablelands (UNESCO World Heritage Site) feature in their promotional material.

As of today, our total investment is the excess **of 3.5 M**. We employ **15** full-time seasonal employees annually in addition to contributing in the local service sector with our purchases (materials, supplies and maintenance contracts).

Our occupancy rate for 2012 was: 2,200 room nights sold @ 2 person / room, for a total of 4,400 people, plus an additional 200 persons (usually families) for our chalets/cottages.

Our client base is composed of 80% from Ontario and 20% from international destinations. Interestingly enough, comments received recently (emails, phone conversations, social media) from our regular clients indicate that they **will not** return to Newfoundland should this exploration through fracking occur. People are adamant that the main reason they travel to the Gros Morne area is to witness what they were promised to see on the province promotional tourism videos: pristine nature, down-to-earth people with a smile and not an industrial development with burning flares. Also, from an economic development's perspective, we firmly believe that, should this fracking exploration be allowed, out-of-province investments in tourism such as ours will not be taking place in the future.

This is **very disturbing** for us as well as for the future of our business. Being from May to October, we feel that the season is short enough without adding an industrial development of this nature. This would not be appreciated by our guests, thus creating a very negative marketing image for our personal business and would not be well received by the tourism industry on the west coast of Newfoundland and the province as a whole. In short, we do not want our investment and source of revenue to be compromised and placed at risk.

As you are already aware, the technical side of fracking has been associated by the scientific community with air quality, surface water contamination, high level of commercial traffic on highways, noise and visual pollution. Indications from regional governments, business associations and citizen groups in the US, Quebec and Europe related to the litigation (Class Action) side of this, point to a **reduction** of 30% to 40% in real estate value for residential and business establishments close to an oil exploration (with fracking). In most cases, not only the real estate value has gone down, but people are not able to sell their properties / businesses. This proposed exploration here (land-to sea) is very different than on the east coast (platform drilling at sea). The impact of fracking on land close to communities and its negative consequences would be that much more direct and severe in this instance.

Furthermore, Commissioner of the Environment and Sustainable Development, Scott Vaughan, in his 2012 Fall Report (Office of the Auditor General Of Canada) identified the lack of regulatory framework covering hydraulic fracturing in Canada, the absence of adequate preparedness in Atlantic Canada in the case of oil spills, and the unknown nature of all of the chemicals being used by the industry, as well as the fact that "the oil & gas exploration activities are exempt from reporting to the NPRI (National Pollutant Releases Inventory –Dept of Env Canada-).

This leads us to conclude that the risks are real and present for our communities, the tourism industry in the Gros Morne area as well as for both levels of government in relation to their investment in the region.

In conclusion, we are requesting a precautionary and pragmatic approach to this particular oil exploration by adopting the following measures:

- 1) **An immediate oil exploration / hydraulic fracturing free-zone** around Gros Morne National Park and its 8 adjacent communities.
- 2) **A moratorium on oil exploration in the entire Gulf of St. Lawrence** in order to conduct, in partnership with the other 4 provinces, an integrated Strategic Environment Assessment with all stakeholders. This due diligence-process would allow all governments, communities, First Nations, researchers, business & tourism organizations, and groups to make an informed collective decision.
- 3) Establish **regulatory framework** around any future oil exploration / hydraulic fracturing.

Respectfully yours,

Bettina Lori

Herbert Schuhmacher

c.c. Hon. Joe Oliver, Minister of Natural Resources  
Hon. Tom Hedderson, Minister Environment & Conservation  
Mr. Scott Tessier, CEO-Chair, CNLOPB  
Mr. Paul Mills, Vice-Pres. ACOA NL  
[REDACTED] Hospitality NL [REDACTED]  
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