



**WESTERN NEWFOUNDLAND & LABRADOR OFFSHORE AREA
STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) UPDATE
COMMENTS ON THE DRAFT REPORT**

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1. Context

The C-NLOPB (Canada-Newfoundland and Labrador Offshore Petroleum Board) has undertaken an updating of the strategic environmental assessment (SEA) it completed in 2005 (amended in 2007) in the part of the Gulf of St. Lawrence under its jurisdiction (approx. 17% of the Gulf).

The SEA is an umbrella environmental assessment (not project-specific) that has the following main objectives:

- update the bio-physical portrait of the Gulf of St. Lawrence and of the potential impacts of oil and gas activities;
- inform the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) on the suitability of issuing new offshore exploration licenses in the part of the Gulf under its jurisdiction;
- inform the Board of mitigation measures to adopt if permits are eventually issued.

The C-NLOPB has mandated a 17-person interprovincial working group (from the five Gulf provinces) to oversee the completion of the SEA. During the Fall of 2012, public consultation sessions were held in ten localities around the Gulf. In both cases (interprovincial working group and public consultations), the fact that five provinces were invited to participate in the process is an implicit admission of the vast concerns surrounding the issues, and also of the wide and interprovincial impact that the offshore oil and gas industry could have.

In addition to the public sessions, a total of 81 written submissions were sent in the Fall of 2012 by citizens, environmental groups, municipalities, First Nation communities, fishermen associations, etc.¹ The vast majority of these submissions show major apprehensions concerning the presence of an oil and gas industry in the Gulf of St. Lawrence.

A draft SEA report has been released on June 21st, both in English and French versions and is now open for comments. This exercise is extremely important because it will give tools to the C-NLOPB to evaluate if exploration licenses should be issued in the Gulf of St. Lawrence and if so,

¹ <http://www.cnlopb.nl.ca/wnlsea.shtml>

what mitigation measures should be required of proponents. It is thus important that the conclusions of the SEA report reflect adequately the biological sensitivity of the Gulf of St. Lawrence as well as the lack of social acceptability that has been shown throughout the process.

2. Identification of sensitive or biologically important zones

An important part of the SEA draft report is devoted to identify sensitive or biologically important zones within the Newfoundland part of the Gulf. A careful reading of the report makes one realize that a great portion, if not all, of the Newfoundland part of the Gulf could be labelled as “sensitive” or “biologically important”:

- Huge sectors of importance for marine mammals (sect. 5.3.3.2)
- Sectors unique and essential for cod, redfish, plaice (spawning, juveniles, migration) (sect. 4.2.1.7)
- Unique winter refuges for herring and capelin (sect. 4.2.1.7)
- Important sites for lobster, krill, etc. (sect. 4.2.1.8)
- West Coast Atlas of sensitive zones show that the vast majority of the Newfoundland West Coast could be qualified as sensitive (sect. 4.2.1.1).

Unfortunately, the draft SEA report shows no synthesis map of all the sensitive or biologically important zones. Such a map would have helped us realize that nearly all of the Western Newfoundland offshore could be qualified as biologically important or sensitive. Only sectorial maps are presented, which do not have the same visual and analytical impact.

3. Socio-economic importance of the Gulf

The report elaborates at length on the importance of fishing activities (including First Nations fisheries) in the Newfoundland part of the Gulf. The report states that fishing is occurring almost in the totality of the studied sector and during most of the year. According to AMEC this fact poses a major challenge for the cohabitation of fishing and oil activities in the Gulf.

Even if it is missing many vital details, the draft SEA report still insists on the importance of tourism activities on the West Coast of Newfoundland. It says that fisheries and tourism could be affected directly by oil and gas activities, but could also be indirectly affected by negative perceptions of the public following a spill (sect. 5.4.1). This aspect is fundamental, and shows that even a spill of limited extent could have important impacts on a regional scale.

4. Knowledge gaps

Even if the draft report confirms that we have a relatively good overall biophysical knowledge of the Gulf, it insists heavily on the persistence of certain great gaps in biological knowledge.

Examples of knowledge gaps are numerous. According to the SEA draft report, the migration patterns of cod, redfish, salmon, halibut, etc. are badly known, as well as the coral occurring zones. We are missing a lot of data on coastal areas. Knowledge on zooplankton is incomplete, even though it is a crucial group of organisms at the base of the food chain. The establishment of ecologically and biologically significant areas (EBSAs) is based on incomplete data. Knowledge on birds of the Newfoundland West Coast are deficient since last inventories date more than 25 years.

In addition, the SEA draft report says that impacts of seismic surveys on fishes (adults, juveniles, larvae), as well as on marine mammals, are still poorly known.

5. Risks

The draft report often makes reference to the known impacts of offshore oil and gas operations (seismic surveys, drilling mud, oil spills, etc.). It clearly says that impacts on fisheries and tourism can be direct, or indirect because of people's changing perception following an oil spill.

The report mentions that a major oil spill in the Gulf of St. Lawrence has the potential to affect a vast territory because, among others, of the dynamic character of currents in the Gulf and the mobility of species. According to the report, coastal areas could be hit (sect. 5.4.1). It should be noted that this is in flagrant contrast with the Old Harry oil spill simulation presented by Corridor Resources according to which the oil slick would be less than 20 km across.

The draft report insists on the presence of ice in the Gulf and on the major problems that could occur in the event of a winter oil spill.

The report evaluates the probabilities of offshore spills. Even if it admits that consequences of a major spill would be real and important, the report explains that probabilities of occurrence are extremely small. Throughout the report, AMEC repeats at numerous times that chances of occurrence of a spill are so small, they almost should be neglected, while omitting to point out that if an accident was to happen, consequences could be incalculable. This repeated insistence on the low probabilities of occurrence is inappropriate in such a report.

6. Hydraulic fracturing

Drilling projects on the West Coast of Newfoundland plan on using hydraulic fracturing, in onshore-to-offshore operations, to extract shale oil from underneath the seabed. The offshore portion of the operation falls under the jurisdiction of the C-NLOPB.

This technology was not addressed in the original 2005 SEA for the simple reason that there were no hydraulic fracturing projects at the time. Things have now changed and a formal project has been tabled to the C-NLOPB. Intense concerns and public pressure on the West Coast during the Fall 2012 public consultation needs to be addressed in the SEA and the hydraulic fracturing issue has to be fully considered.

After a very short and incomplete review of techniques and potential impacts, AMEC concludes that public concerns are sufficiently high in Newfoundland to justify more consultations and discussions before allowing the introduction of this new technique (sect. 5.4.2).

7. Mitigation measures

The report presents numerous mitigation measures designed to minimize environmental impacts of oil and gas activities on various species or on fishing activities (sect. 5). These mitigation measures often are simply:

- Respect rules and regulations already in place;
- Avoid sensitive zones or crucial periods of the year for fishing activities or for fauna;
- Improve communications with fishermen;
- Implement various technical measures;

- Ensure preparedness, response procedures, spill prevention and spill containment. No further details are given by AMEC.

It is interesting to read in the SEA draft report that efficiency of numerous mitigation measures is poorly known (sect. 5.3.5), for example in the case of seismic surveys.

8. Public consultation report (Fall 2012)

In Appendix A to the draft SEA report we find a report on public consultations held in the Fall 2012 in 10 localities around the Gulf of St. Lawrence. To these sessions were added meetings with First Nation communities in Gesgapegiag (Mi'gmaqs) and Ekuanitshit (Innus), both communities being in Quebec.

This 80-pages consultation report lists the commentaries made by citizens as well as by local stakeholders during these sessions. The vast majority of comments, in all provinces including Newfoundland, show strong apprehensions regarding offshore drilling in the Gulf or hydraulic fracturing on the West Coast. In addition, a total of 81 briefs were submitted last Fall, briefs which are available on the C-NLOPB web site².

Unfortunately, it is very difficult to evaluate to which degree AMEC considered the hundreds of verbal comments or written submissions in the writing of its draft report. It would have been helpful, like it is the usual procedure, to present a table of comments and the way AMEC addressed the issue. Table 2.2 presented by AMEC is much too synthetic to be truly helpful. It is almost impossible to see how individual public comments were integrated or addressed in the draft report.

Table 2.2 is supposed to show how various public concerns were addressed in the draft report. However, on close scrutiny, we can find that Table 2.2 is somewhat misleading. Some of the references given to sections of the draft report do not address at all the specific concerns. For example:

“Use of oil spill dispersants and their potential effects (sect. 3.1, 3.2, 5.1 to 5.5)”

The listed sections do not contain any information about dispersants. As a matter of fact, the draft report itself does not address oil spill dispersants.

The draft SEA report sets the table very well by displaying a large number of public comments, the majority of them very concerned about the oil and gas issue. However, the report does not go one step further by insisting more on the atmosphere in the various public sessions. It avoids making any statement on the evident lack of social acceptability for oil and gas projects in the Gulf of St. Lawrence.

9. Absence of « Conclusions and Recommendations » section in the AMEC report

Apart from the proposed mitigation measures, the AMEC report does not contain any recommendations or conclusions on, for example, the relevance of issuing new exploration licenses or on sensitive zones to protect. Strangely, AMEC has left blank the « Summary and conclusion » section and the C-NLOPB has inserted a note that almost reads like a legal notice:

² <http://www.cnlopb.nl.ca/wnlsea.shtml>

6 STRATEGIC ENVIRONMENTAL ASSESSMENT UPDATE: SUMMARY AND CONCLUSIONS

C-NLOPB Note: The Draft SEA Update Report has identified sensitive areas, data gaps and planning considerations for the SEA Update Area. Following the conclusion of the regulatory and public comment period for the draft SEA Update, recommendations and conclusions regarding the issuance of rights and any requirement on the restriction of offshore oil and gas activities in the SEA Update Area will be finalized for inclusion in the Western Newfoundland and Labrador Offshore Area SEA Update Report.

It is worrying to learn that recommendations will be known only late next Fall, when the final SEA report will be released. Indeed the public will have no opportunity to comment on these recommendations, potentially very important for the future of the Gulf, since no other specific consultation period is planned.

10. Conclusions

AMEC's final report will be a tool for the C-NLOPB to evaluate if they should or not go ahead in issuing offshore exploration licenses in the Gulf of St. Lawrence (including the offshore portion of onshore-to-offshore drilling operations) and if so, what mitigation measures should be required. It is thus important to realize that:

- 1) AMEC's report contains numerous elements demonstrating that oil and gas activities should not be allowed in Newfoundland's part of the Gulf of St. Lawrence:
 - a. The draft report shows a complete lack of social acceptability in all five Gulf provinces;
 - b. Newfoundland's part of the Gulf has many sensitive and unique sectors, vital to the Gulf ecosystem's health;
 - c. Knowledge gaps are important;
 - d. Fisheries and tourism are very important and show that cohabitation with oil and gas activities would be very difficult;
 - e. The draft report says that the efficiency of proposed mitigation measures is often not proven.
- 2) Notwithstanding the preceding points, AMEC's report is weak in many aspects and is not adequate to serve as a decision tool for the C-NLOPB:
 - a. Comments and briefs presented by the public in the Fall 2012 were not correctly addressed and integrated in the draft report;
 - b. Impacts and risks of offshore oil and gas activities as well as hydraulic fracturing have been minimized throughout the report;
 - c. Economic importance of fisheries and tourism are greater than shown in the draft report;
 - d. Mitigation measures proposed by AMEC are weak and intervention capacity in case of oil spill is still clearly inadequate.

11. Recommendations

The St. Lawrence Coalition makes the following recommendations to the C-NLOPB.

WHEREAS the Western Newfoundland offshore SEA draft report clearly establishes the following points:

- Biological importance and sensitivity of Newfoundland's offshore area in the Gulf;
- Importance of fisheries and tourism;
- Huge gaps concerning biological knowledge and impact of oil and gas activities;
- Uncertainties concerning the efficiency of mitigation measures;
- Real and enormous impacts of any oil spill, despite the fact that the draft report minimizes the probabilities of occurrence;
- Very little social acceptability in all five Gulf provinces.

WHEREAS intervention capacity in the Gulf of St. Lawrence is inadequate as has been shown by the Commissioner to the Environment and Sustainable Development;

WHEREAS the liability limit for oil companies is still limited at \$30 million dollars (this limit could be increased to \$1 billion according to minister Oliver, an amount which remains small compared to potential costs of a major spill – costs which surpasses \$42 billion in the Gulf of Mexico);

WHEREAS any major spill could negatively affect all five Gulf provinces;

WHEREAS an integrated environmental review of oil activities in the complete Gulf of St. Lawrence has still not been conducted;

WHEREAS the final Quebec SEA for the Gulf corroborated some of the Western Newfoundland offshore SEA draft report key points (biological importance of many areas of the Quebec part of the Gulf; huge gaps in our knowledge; uncertainties about the efficiency of mitigation measures and; little social acceptability);

The St. Lawrence Coalition recommends to the Canada-Newfoundland and Labrador Offshore Petroleum Board:

- To refrain from issuing of any new exploration licenses in the Newfoundland offshore area;
- To cancel the call for bids issued on May 16th 2013 for four parcels in the Newfoundland offshore area;
- To refrain from giving authorizations to projects currently submitted in the Gulf of St. Lawrence, including Corridor Resources' Old Harry project or Shoal Point Energy and Black Spruce Exploration's Western Newfoundland drilling program.
- To incorporate and integrate key findings and recommendations stemming from the Quebec SEA into the Western Newfoundland offshore SEA
- To submit to public scrutiny the recommendations and conclusions of the final SEA report.

St. Lawrence Coalition

September 27th 2013

About the St. Lawrence Coalition

The [St. Lawrence Coalition](#) has been dedicated, for nearly three years, to oil and gas issues in the Gulf of St. Lawrence. We represent over 80 groups from a wide spectrum of activities and over 4700 citizens from all five provinces. While not specifically opposed to the industry, we believe that conditions are not met, for the time being, to open the Gulf of St. Lawrence to oil and gas activities. As a result, the St. Lawrence Coalition was created to convince authorities to call, without delay, for a moratorium on oil and gas exploration/exploitation for the entire Gulf of St. Lawrence. The Coalition's goal is to rally the communities that live around the Gulf of St. Lawrence, and depend on its various renewable natural resources, around this common position.

We are working to ensure coherent environmental assessments, as well as adequate and meaningful public consultations at all levels of planning. The Gulf of St. Lawrence being a small body of water shared between five provinces, we are also striving for inter-provincial collaboration, particularly in the field of environmental assessments.