Marine Protected Areas in the Atlantic Canada Offshore

Presentation to the National Advisory Panel on MPA Standards

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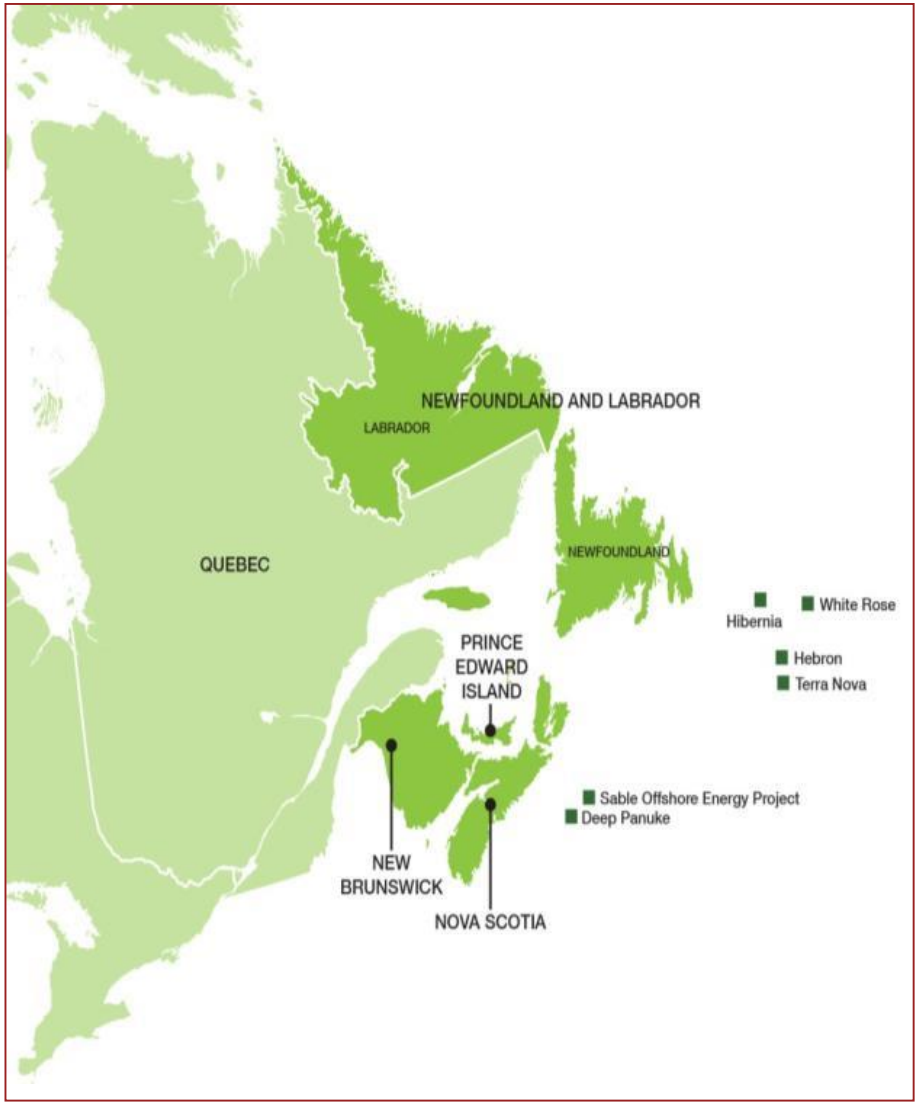
CAPP CANADA'S OIL & NATURAL GAS PRODUCERS

Canadian Association of Petroleum Producers (CAPP)

- **Represents Canadian oil & gas sector (~ 100 member companies)**
- **Members explore for, develop and produce natural gas, natural gas liquids, crude oil, and oil sands throughout Canada**
- **Members produce about 80 per cent of Canada's natural gas and crude oil**
- **Key focus areas:**
  - Education
  - Communications & outreach
  - Policy & regulatory advocacy
  - Industry performance

Overview of Atlantic Canada Offshore Oil and Gas Operations



- **Four oil producing projects: Hebron, Hibernia, Terra Nova, White Rose**
  - 25% of Canada's conventional light crude production; 5% of Canada's total crude oil production
- **Two natural gas producing projects: Sable and Deep Panuke**
- **Activity underway in 2018:**
  - Exploration drilling
  - Planned seismic activity
  - Multi-billion dollar tie-back projects/expansions under development
- **The Atlantic Canada region contributes significantly to Canada's overall oil and gas industry**
  - Directly employs more than 5,000 people and thousands more indirectly
  - Supports 600 local supply/service companies

Context

- **Canada's offshore operators are committed to safe and responsible development**
  - Exploration and production occurring in Atlantic Canada for decades
  - Canada has a stringent offshore regulatory regime
- **Before oil and gas activity occurs an Environmental Assessment is conducted to identify any sensitive areas and mitigations are put in place to avoid any negative impact**
  - Risk mitigation measures are considered and applied to protect marine environments
  - Environmental Effects Monitoring results show minimal localized impacts within predicted levels approved during EA processes
  - Since 2002, 42 EA's completed in NL and 4 Strategic EA's completed in NL
- **Considerable research and effects monitoring has been conducted nationally and internationally**
  - Resulting accepted scientific thresholds, best practices and guidelines that have been applied and demonstrated to be effective

Q1: What Practical Recommendations do you have for Creating Standards for Marine Protected Areas (MPAs)

- **Wide variety of tools available to develop MPA Standards including:**
  - International Oceans Policies developed by other jurisdictions such as Norway and the UK that have stringent environmental protection standards permitting drilling activities to occur
    - Example: DNV Guidelines for "Monitoring of Drilling Activities in Areas With Presence of Deep Water Corals"
  - Canada's *Species-at-Risk Act*
  - International Union for the Conservation of Nature (IUCN)
- **Offshore oil and gas exploration activities in the vicinity of MPAs should be allowed to proceed provided they do not have any harmful effects on sensitive habitats**
- **MPAs should permit recreational, harvesting, and industrial activities, depending on the potential risks of these activities to the ecological features being protected**

Q1: What Practical Recommendations do you have for Creating Standards for Marine Protected Areas (MPAs)

On what do you base these suggestions? Best available science, indigenous knowledge, ecosystem approach or something else?

- **Standards that are developed by national and provincial governments in conjunction with life-cycle regulators based on the best available, peer reviewed science alongside indigenous ecological knowledge studies and stakeholder consultation**
- **CAPP supports an approach that balances the protection of ecologically sensitive areas and sustainable development of Canada's ocean resources**

Q2: What Role Do Indigenous Approaches Play in Shaping Your Suggestions?

- **Indigenous approaches provide an opportunity to consider traditional knowledge alongside peer-reviewed science in the decision making process**
- **Suggestions must be respectful of Indigenous peoples rights and interests**

What kinds of guidelines will help Canada to honour its commitments to reconciliation and new relationships with Indigenous peoples?

- Canada's commitment to United Nations Declaration on the Rights of Aboriginal People
- Government commitments to reconciliation should not necessarily be driven by guidance; the relationship must be one of mutual respect, open, honest and transparent dialogue

Q3: What Do You See As The Strengths and Weaknesses of the IUCN Guidelines?

- **Strengths**
  - Recognized internationally
  - Provides guidance for developing conservation tools
- **Weaknesses**
  - 'Ecological' aims fall far short of the economic and social goals required for sustainable management
  - There is no recognition in the document that MPA networks are, from the perspective of resource users, intended to address both environmental and socio-economic needs
  - Certain industries such as oil and gas not referenced in IUCN guidance

Q4: Do the Guidelines Developed by the IUCN Work Well in the Canadian Context?

- As written IUCN falls short of providing guidance for the development of a multiple ocean use management plan
- IUCN Guidelines are a resource that Canada can draw upon but should not be the only resource used
- Guidelines should be based on principles, planning and management approaches that allow a balanced approach to managing Canada's oceans resources
- Socioeconomic benefits MUST be considered in decision making to ensure sustainable ocean resource management (as outlined on the next slide)

Example: Economic, Social Benefits of Sustainable Oceans Management – Offshore Oil and Gas

- **Canada's total Ocean Territory covers 5,750,000 km2**
- **In the fall of 2017 Canada surpassed its 2017 target of 5% with 445,900 km^2 of marine and coastal protected areas or 7.75%**
  - Very close to meeting the 2020 target of 10%
- **As an example, if an area like the Jeanne d'Arc Basin were designated towards Canada's MPA targets, this equates to enormous social and economic losses for the Province of NL based on four producing projects**
  - More than $20 billion in offshore royalties to date
  - 5,000 people working in the offshore
  - $42 billion in investment in NL O&G since 1995
  - 600 supply and service companies that support the industry
  - An area like the Jeanne d'Arc Basin which is approx. 16,000 km2 would contribute 0.28% towards Canada's MPA targets

Q5: Specific circumstances unique to Canada that pose challenges for the Use of the IUCN Guidelines?

- **The Offshore Boards, administer a robust and rigorous regulatory regime to ensure the safety of workers and protection of the environment is not recognized**
- **The offshore regulatory regime already takes into account global best practices and provides the basis for enforcement and compliance for offshore petroleum activities**
- **Current requirements for engagement with Indigenous communities, through the CEA Agency and the Offshore Boards, which require operators to engage and consult with Indigenous communities and representative organizations, through established and/or informal processes, as required and requested**
  - The specific nature, frequency, subject matter and format of such engagement and consultation will be determined in discussion with Indigenous organizations

Concluding Remarks - General

- **CAPP supports an approach that balances the protection of ecologically sensitive areas and the sustainable development of Canada's ocean resources**
- **Offshore oil and gas exploration activities in the vicinity of MPAs should be allowed to proceed provided they do not have any harmful effects on sensitive habitats**
- **MPAs should permit recreational, harvesting, and industrial activities, depending on the potential risks of these activities to the ecological features being protected**
- **IUCN does not work in the offshore context**
  - Socioeconomic benefits MUST be considered in decision making
  - Offshore drilling activities that are considered to result in environmental effects that are low in magnitude, geographic extent, frequency and duration, and are reversible as demonstrated in Environmental Effects Monitoring results in Atlantic Canada and other well-regulated offshore jurisdictions internationally

Thank You