

1351

BRITISH COLUMBIA

Political Environment and Government Priorities

Premier Gordon Campbell's Liberal party holds 77 seats in the provincial legislature. The remaining two seats are held by the NDP. The BC government is one of the few provincial governments that did not face an election in 2003. Under the, *Constitution (Fixed Election Dates) Amendment Act*, provincial elections in British Columbia will now be held in May every four years. Elected on May 14, 2001, the BC government is embarking on the second half of its mandate.

This period is critical for the government as the way forward on a number of its key initiatives, and whether or not several electoral commitments can be met, will become clearer. It is expected that the economic picture will continue to be challenging with the combined impact of softwood lumber, the forest fires, and US economic performance. As well, the province's decision to institute a 25 percent personal income tax cut has resulted in significant foregone revenues for the province.

Many of the BC government's initiatives during the first part of its mandate prioritized urban initiatives. In its 2003 Speech from the Throne, the government announced a *Heartlands Economic Strategy* to open up opportunities for rural areas and First Nations. This strategy was aimed at assisting some of the groups left out of the first stage of the government's economic renewal strategy.

In seeking to rebuild the province's economy, Premier Campbell has sought to streamline the public service, and transform the role of the provincial government from one of activism to instead creating a "business-friendly" provincial investment framework. The pillars of this approach are reducing the regulatory burden on industries – including through eliminating regulations and shifting to outcome based-results – and promoting public-private partnerships (P3s) in areas previously only the purview of the public sector (e.g., transit, health care and infrastructure).

To date, the Government of BC has been publicly very positive about the level of cooperation with the Government of Canada, notably on such files as the Olympics and the operational assistance in fighting forest fires. This builds on Premier Campbell and the BC Liberal Party's 2001 election promise to have a more constructive relationship with the Government of Canada.

Economic Conditions

British Columbia has experienced several factors in 2003 that have contributed to a soft economic performance. The province's manufacturing industries and trade have been affected by the sluggish US economy and a strong Canadian dollar. In addition, the forestry sector was preoccupied during the summer with record forest fires in the Interior. Even with the ongoing softwood lumber dispute, the province hopes its major crises have now passed. The US economic recovery, now gaining momentum, will lead the province to an economic rebound in

2004. The service-producing industries will also benefit from an increase in tourism and continued strength in construction activity in 2004. As a result, the sluggish 1.2 per cent growth in real GDP in 2003 will give way to 2.9 per cent growth in 2004.

Conditions have been difficult for the manufacturing sector, which contracted in the first half of the year. With the revival of the US economy, the sector has begun its turnaround. Shipments of many manufactured products have shown improvement, including paper, transportation equipment and computer electronics. Pulp and paper shipments are expected to improve considerably in line with US economic revival in 2004.

The forestry sector is expected to post only modest growth in 2003 despite the strong housing market and the recent surge in demand for wood panel products. With weakening housing demand in both domestic and foreign markets in 2004, growth in the forest industry will remain flat next year. The outlook for forestry will be undermined by the ongoing softwood lumber trade dispute and the strong Canadian dollar.

British Columbia's first-quarter report forecasts a deficit of \$2.3 billion for 2003-04. Surpluses of \$70 million and \$140 million are expected in 2004-05 and 2005-06, respectively. Since April 1, 2002, the *Balanced Budget and Ministerial Accountability Act* holds cabinet ministers responsible for over-budget spending and requires that the government balance its budget by 2004-05 and each year thereafter.

Key Federal-Provincial Issues

Health: The province asserts that federal support to health care and other social programs has been declining. In particular, it asserts that provinces and territories are more committed to health spending than the federal government, noting that the federal share of over-all health spending has declined "from 50 per cent to just 14 percent."

Equalization: British Columbia identifies its Equalization entitlements as one of the main uncertainties in its revenue forecast, noting that the Equalization formula is sensitive to economic developments in other provinces, and that changes to the formula, or to revised population estimates based on the 2001 Census, could have significant effects on revenue. It also notes that these changes may be partially offset by CHST payments.

Economy: By 2010, the government aims to create an offshore oil and gas industry while doubling the size of the tourism industry. The government will also launch a new international marketing strategy to aggressively develop new markets.

First Nations: The government identifies the need "to reach settlements with First Nations and Canada over the next two to three years" under treaty negotiations, which may have an effect on the economic outlook and fiscal plan.

Other: The province will use infrastructure money available under the Canada-B.C. Partnership to invest in transportation corridors and infrastructure, particularly highway construction, as part



1353
of its Transportation Investment Plan. The government also notes the role of the federal government in helping to resolve the softwood lumber dispute, and in support of the 2010 Winter Olympic bid.

Natural Resource Issues

Softwood Lumber Dispute: There have been calls from pockets of the softwood industry, including the Free Trade Lumber Council and some firms in coastal British Columbia and Quebec, for the federal government to provide a loan assistance program to companies affected by the softwood lumber dispute with the US. The Canadian softwood industry has provided in excess of \$1.5 billion in cash deposits to the US Department of Commerce, creating cashflow problems for many firms. Other industry representatives, particularly in Atlantic Canada and many in BC, and federal colleagues at the Department of Foreign Affairs and International Trade and Industry Canada have argued that such a program would be seen by the US as a counteravailable subsidy and would negatively impact ongoing negotiations.

Mountain Pine Beetle: The mountain pine beetle (MPB) is the most serious insect pest of mature pine forests in western Canada and the US northwest. The current BC infestation is spread within an area of 8M ha (about the size of NB). The value of lumber in beetle-killed timber (not harvested to date) is estimated at \$3.2B or about 27% of the total value of Canadian softwood production. Due to the scale of MPB infestation and an abundance of mature lodgepole pine as a food source, complete MPB control or elimination is not feasible. Instead, an untimely cold weather spell is the vehicle that will bring the infestation under control.

NRCan has expertise in beetle infestation and impact models and beetle control options. In collaboration with the BC Ministry of Forests and the forest industry, this scientific expertise is integrated into forest operations. NRCan, through the CFS-Pacific Forestry Centre, collaborates with Parks Canada, DND and DIAND in conducting aerial surveys for MPB on federal lands and in providing advice on beetle control.

In October 2002, the Government announced NRCan would deliver a five-year, \$40M MPB Initiative. NRCan, in partnership with federal agencies, First Nations and non-industrial private forest landowner associations, is delivering a package of programs designed to reduce infestation impacts and the risk of future beetle infestations.

Special Relief Funds in Response to BC Forest Fires: This past summer, BC experienced forest fires throughout the interior of the province, causing an estimated \$550 million in damages. On October 25, 2003, the Minister of National Defence announced an advance payment of \$100 million under the Disaster Financial Assistance Agreement (DFAA), which will help offset BC's emergency response and recovery expenditures, and allow the province to continue with its reconstruction efforts. The announcement came with the assurance that more funding under the program would be forthcoming, although a specified amount was not identified.

1394

Oil and Gas: Federal review process underway to inform a decision by governments on whether to lift the moratorium on oil and gas activities for the Queen Charlotte Basin area offshore British Columbia. On March 28, 2003, the Government announced that it will proceed with a process to identify science gaps relating to possible oil and gas development offshore BC, and to hear the views of the public regarding whether or not the federal moratorium should be lifted for selected areas.

Britannia Centre for Mining Innovation Project: The Britannia Mine is located immediately adjacent to the "Sea to Sky" highway, approximately 35 kilometres north of Vancouver. The Sea to Sky highway is the only route from Vancouver to the resort community of Whistler and carries more than 2,000,000 people by the site on a yearly basis. The mine, a large underground copper mine last operated in 1974 by Anaconda Mining Company, was until very recently one of the biggest sources of metal pollution in North America. This pollution was a result of acid rock drainage from the mine, which flows into Britannia Creek and eventually Howe Sound. The site is now operated as a mining museum by the Britannia Beach Historical Society, and has been declared a National Historic Site. NRCan, in cooperation with industry, the University of BC, Parks Canada and other stakeholders, is investigating the feasibility of establishing a world-class mining related innovation and interpretive centre at Britannia mine site.

Renewable Energy: The Government of British Columbia released their energy plan, *Energy for Our Future: A Plan for BC*, on November 25, 2002. The energy plan identifies 26 policy actions centred around 4 key themes: low electricity rates and public ownership of BC Hydro; secure, reliable energy supply; more private sector opportunities; and environmental responsibility including no nuclear power sources.

Recent initiatives include:

- *Green Power Procurement*, to support the purchase of new generation from independent power producers;
- *Net Metering Program*, to support the development of distributed renewable technologies including: photo-voltaic, small scale hydro and wind generation; and
- *B.C. Transmission Corporation*, created to provide equal access to the provincial transmission system for all power producers. B.C. Hydro maintains responsibility for distribution and existing generation.



1255

**Meeting of the Honourable John Efford
Minister of Natural Resources Canada
with
the Honourable Richard Neufeld
Minister of Energy and Mines, British Columbia**

SCENARIO NOTE

Date: Sunday, January 25, 2004

Time: 5:30 p.m.

Place: Heron's Restaurant, Fairmont Waterfront Hotel

PARTICIPANTS

You will be accompanied at the meeting by:

- Lou McGuire, Chief of Staff Minister's Office,
- Caroline Trempe, Senior Policy Advisor Minister's Office
- Alexandra Muir, Director Communications
- Dr. Irwin Itzkovitch, ADM Earth Sciences
- Philip Jennings, Director, Frontier Lands Management Division, Energy Sector
- Kevin Lewis, Assistant Director, Western Issues, CPPCB, NRCan

CONTEXT

Minister Neufeld was appointed Minister of Energy and Mines on June 5, 2001. Minister Neufeld previously served as energy, mines and northern development critic for the Official Opposition. He has been a member of the B.C. Legislative Assembly since 1991. He has been involved in the oil and gas industry most of his life.

The primary purpose of your meeting with Minister Neufeld is to introduce yourself and gain a better understanding of the energy issues of importance to the B.C. government.

Our provincial counterparts have indicated that the main focus of the discussion will be the need to raise the economic performance of British Columbia and that the oil and gas industry holds the greatest potential. BC will be looking to engage the federal government in collaborative projects, including the promotion of inward investment into BC (such as the recent Houston oil conference) and R&D.

According to BC officials, the ongoing issues that Minister Neufeld will raise include:

- oil and gas moratorium review process;
- energy research and development; and
- oil and gas taxation.

Short summaries of these issues are below. Detailed briefing notes on the offshore moratorium and climate change (in the event that it is raised), follow this note.

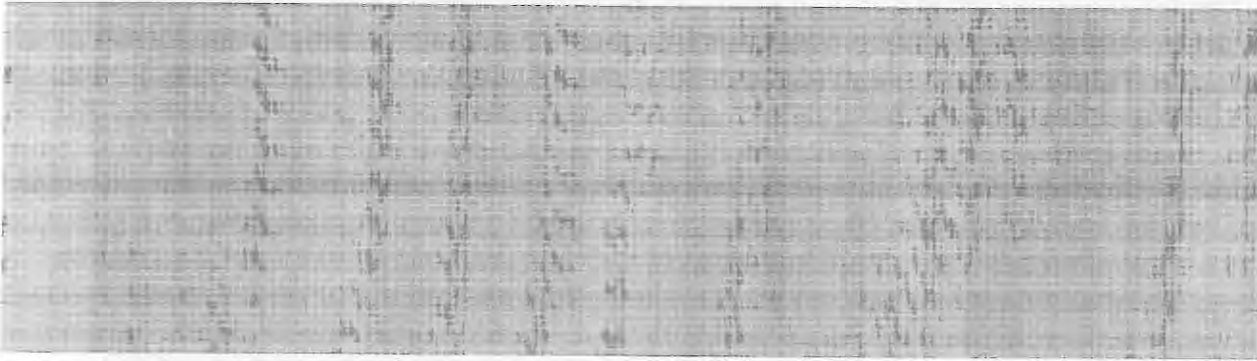
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Oil and Gas Moratorium in the BC Offshore

The most dominant energy issue at the moment is the federal review process to inform a decision on whether to lift the moratorium on oil and gas activities for the Queen Charlotte basin. The report and recommendations of the science review is expected to be submitted to you in mid-February. There is also a public hearing process and a separate First Nations engagement process.

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Key messages:

- The Government of Canada and Natural Resources Canada are committed to balancing environmental, social and economic needs when considering the development of our resources. We believe that the sustainable development of our natural resources contributes to a high quality of life for Canadians.
- The development of offshore oil and gas resources is an important issue for British Columbia and for Canada, and we will continue to work in partnership with the province to ensure that the public's best interest is served.
- The federal review process will provide a solid understanding of all the views of the public and all the possible impacts of oil and gas activities on coastal communities, on First Nations and on environmentally sensitive areas.
- The Process is now well underway with the completion of the science review workshops being conducted by the Royal Society of Canada on behalf of the Government of Canada. I expect to receive the final report in about a month's time.
- Later this month, in advance of the formal hearings process by the public review panel, planning sessions will take place in communities most likely to be affected by any future decision regarding the moratorium. These information sessions will help to identify issues for review, to inform the public about the scope of the public review, and to provide details of how interested parties can participate.
- The public hearings shall be conducted in an open, fair and effective manner, ensuring all interested parties are provided with the opportunity to voice their views and opinions, and receive a fair hearing. These are to commence in late March, after the science report of



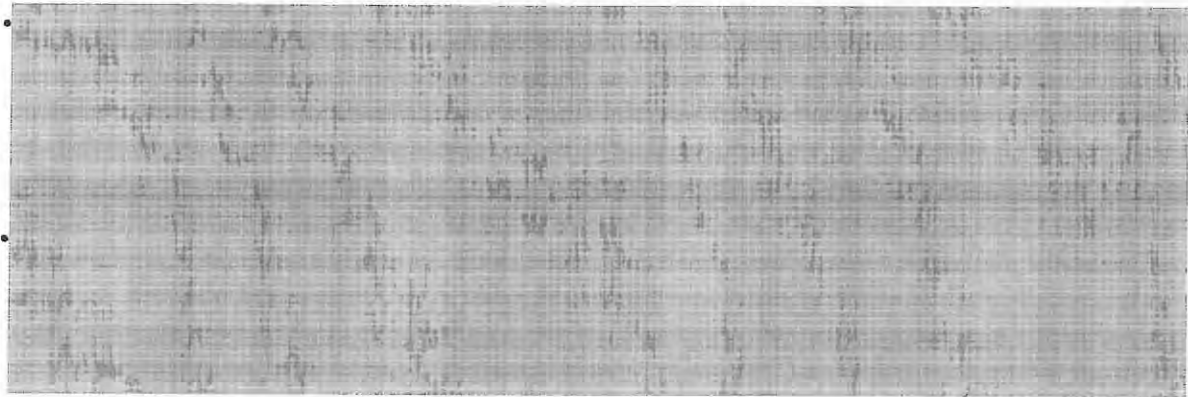
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the Royal Society has been in the public domain for a reasonable amount of time to allow for public scrutiny.

- Although First Nations will be encouraged to participate in all aspects of the review, the Government of Canada will also conduct a First Nations Engagement Process independent of, and supplemental to, the Science Review and Public Review hearings.

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- The federal review process is now firmly underway and recent dialogue between our officials at all levels has been more positive and productive than in the past. It is important that we keep open our lines of communication to ensure that this continues.

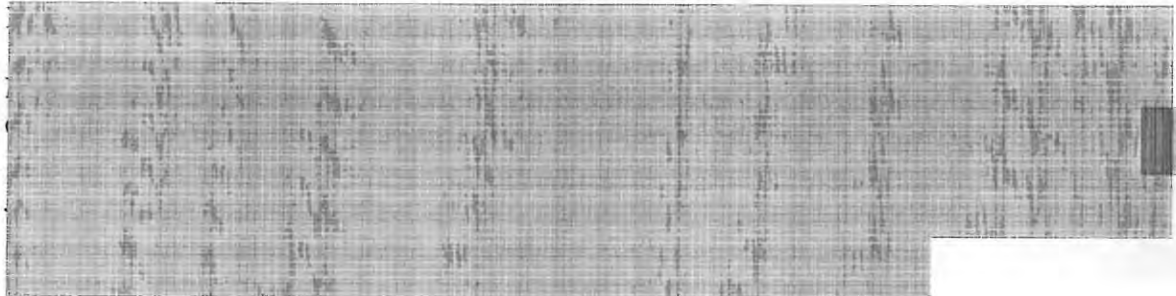
Research and Development

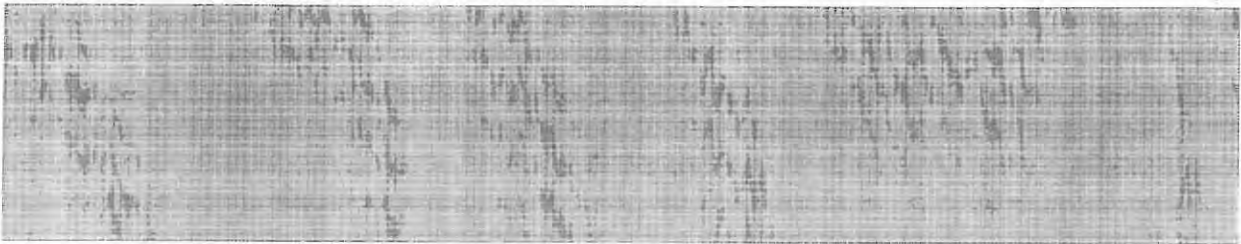
As with all provinces and territories, NRCan is interested in cooperative research and development (R&D) opportunities to maximize resources and knowledge. As you know, technology and innovation is a priority for Prime Minister Martin. Budget 2003 also provided considerable funding for innovation and technology investments.

There is multilateral work underway through the federal/provincial/territorial Climate Change Technology Working Group which is co-chaired by NRCan and Alberta. Areas of primary interest identified by BC include: low intensity oil and gas production, CO2 capture and storage, fuel cells, hydrogen, biofuels such as ethanol from wood waste, biomass and wind energy.

At the September 2003 CEM, Ministers agreed to the establishment of an energy technology working group. It has been somewhat slow to start, but we expect to have the first conference call this month.

Key message: You may wish to indicate strong support for continued R&D collaboration.

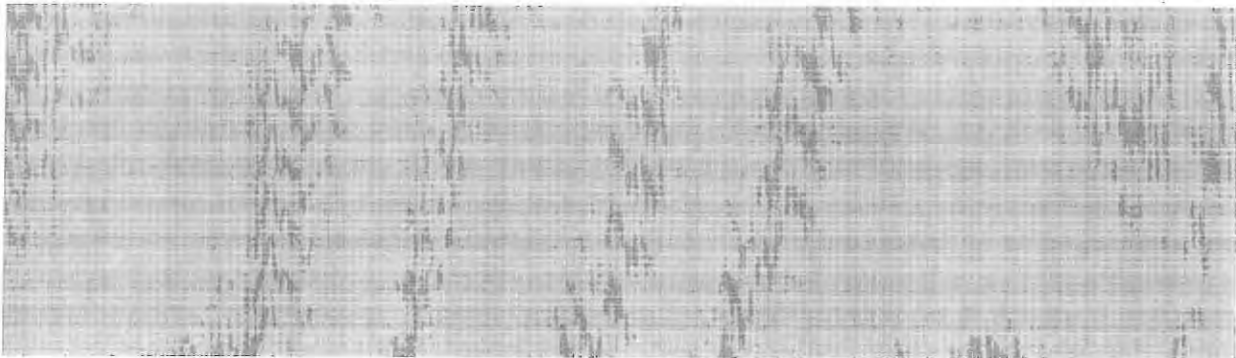




Moreover, unlike other provinces where the presence of comparatively low royalty rates can mean a higher provincial tax base following restructuring, B.C. has always used royalty deductibility as the basis for calculating provincial corporate income taxes in its oil & gas sector. Therefore, there will be no impact on the calculation of provincial corporate taxes as a result of the federal tax changes.

Key message: NRCan is interested in the perspectives of provinces and industry on tax issues, and we work closely with the Department of Finance to understand the impacts on the energy sector. Ultimately though, any changes to the tax regime would be made by the Minister of Finance.

Possible other issue - Climate Change



The federal government has been working very hard to rebuild its relationship with provinces and territories on climate change. One such initiative is the federal government's effort to pursue bilateral Memoranda of Understanding (MOUs) on climate change with interested provinces and territories. MOUs make explicit mutual priority areas for cooperation and provide an opportunity to organize the federal-provincial/territorial relationship with regards to climate change and to monitor activities over time. BC has indicated that it believes an MOU on climate change with the federal government would be a good vehicle to move things forward.

Key messages:



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- I am pleased that our governments are already working closely together. I understand that a Letter of Cooperation on Energy Efficiency between NRCan's Office of Energy Efficiency and the BC Ministry of Energy and Mines, to collaborate on energy efficiency programs, is close to completion. This is a good example of how we can move forward together.
 - On August 12, 2003 the Government of Canada outlined \$1 billion in new strategic investments. This is part of the \$2 billion committed to climate change in Budget 2003. There is potential for our governments to work together in many areas of mutual interest.
 - I understand that BC is interested in pursuing a bilateral Memorandum of Understanding on climate change with the Government of Canada and that discussions are expected to start in the near future. I look forward to the outcome of those discussions.

Other responsive talking points are provided in the attached briefing note on climate change.

1360

OIL AND GAS MORATORIUM OFFSHORE BRITISH COLUMBIA

ISSUE

A federal review process is underway to inform a decision by Government on whether to lift the federal moratorium on oil and gas activities for the Queen Charlotte Basin area offshore British Columbia. The Provincial government views the lifting of the federal moratorium as the single most important energy issue under your authority and Premier Campbell has recently written to you indicating this.

BACKGROUND

Both the federal and provincial governments imposed moratoria on oil and gas activities offshore B.C. in the early 1970's due to concerns about the environment. The Government of B.C. has made advancing its offshore oil and gas interests a key priority in its electoral mandate. The development of the Province's onshore resources has brought significant economic benefits, and offshore oil and gas development could bring benefits to coastal communities currently facing economic hardships. The Province has completed a scientific review and stakeholder consultations which it argues justify lifting the provincial, if not the federal, moratorium.

On March 28, 2003, the Government of Canada announced the federal review process to inform whether the federal moratorium should be lifted for the Queen Charlotte Sound area offshore B.C. The review does not include the total extent of the federal moratorium area.

There are three main elements to the federal review: a science review, a public hearing process and First Nations engagement.

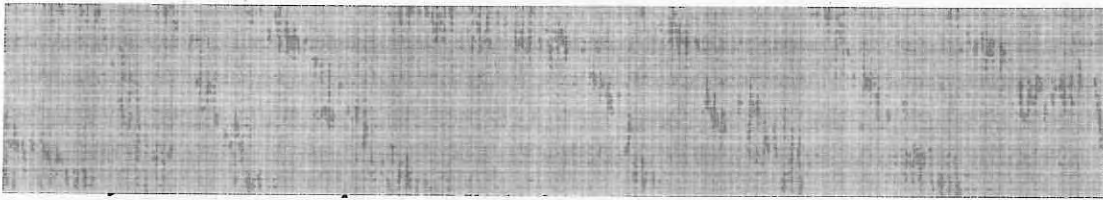
The science review is being conducted at arms-length from Government by the Royal Society of Canada (see Annex 1 for contract rationale). The Society's Expert Panel is tasked with identifying whether there are any science gaps which may need to be filled before a decision on lifting the moratorium can be made. It completed a three-part workshop series by end-October which has provided an open, fair and effective opportunity for a wide variety of science experts to present and identify science gaps. The resultant report and recommendations are likely to be submitted to you by mid-February, 2004.

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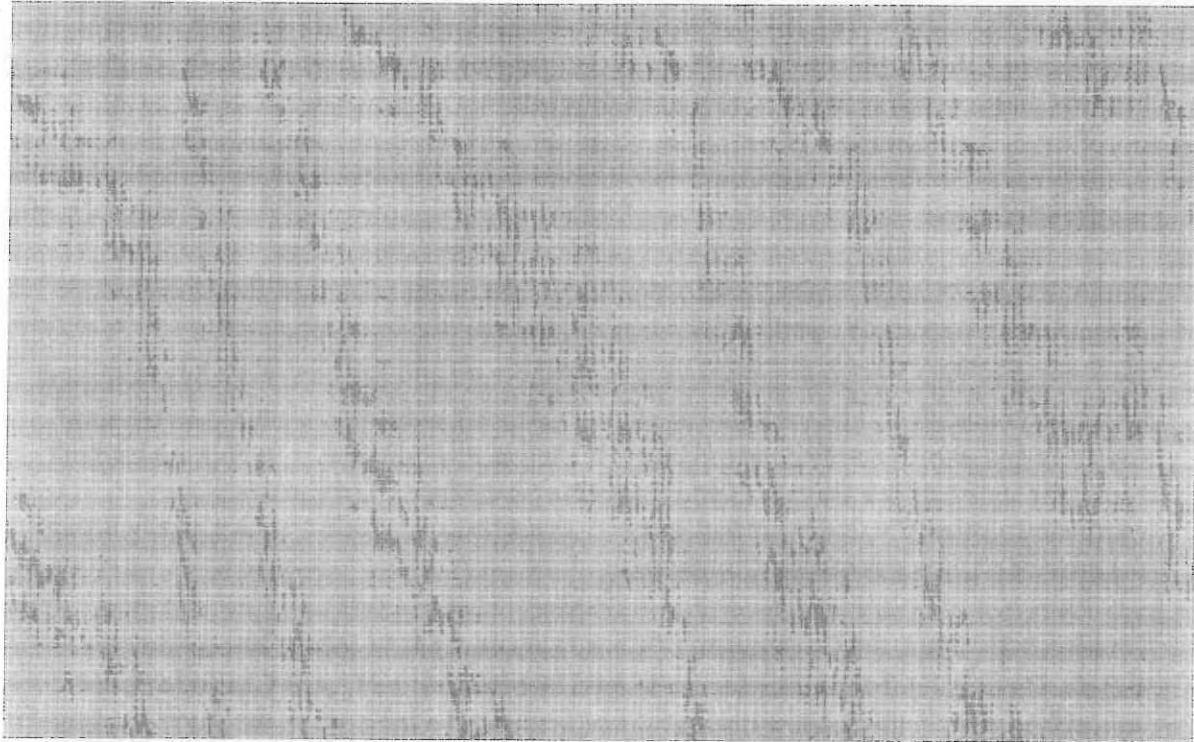
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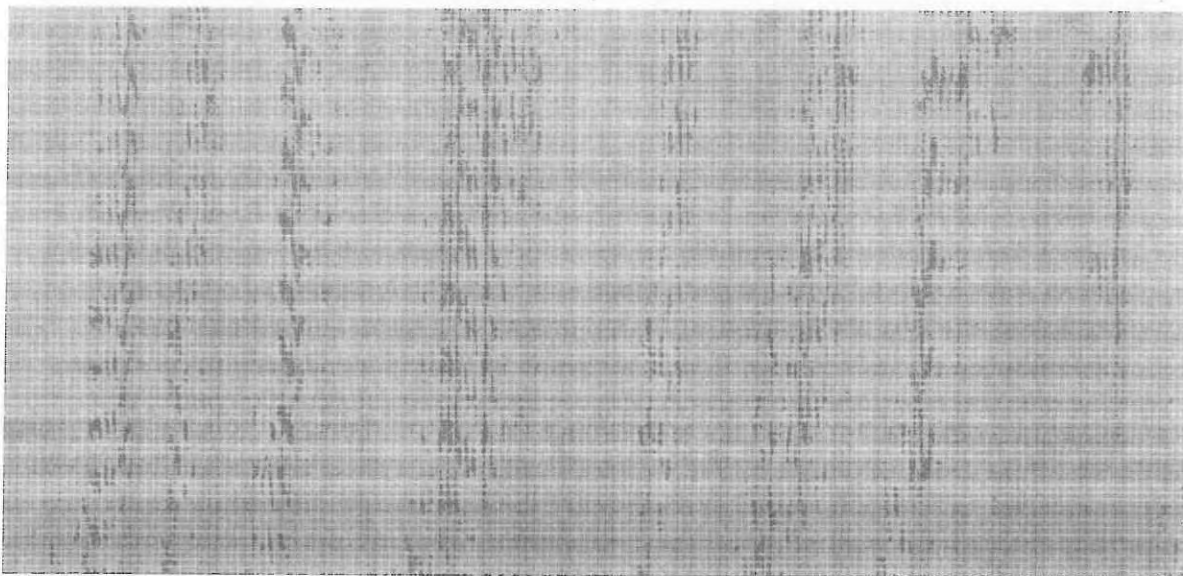


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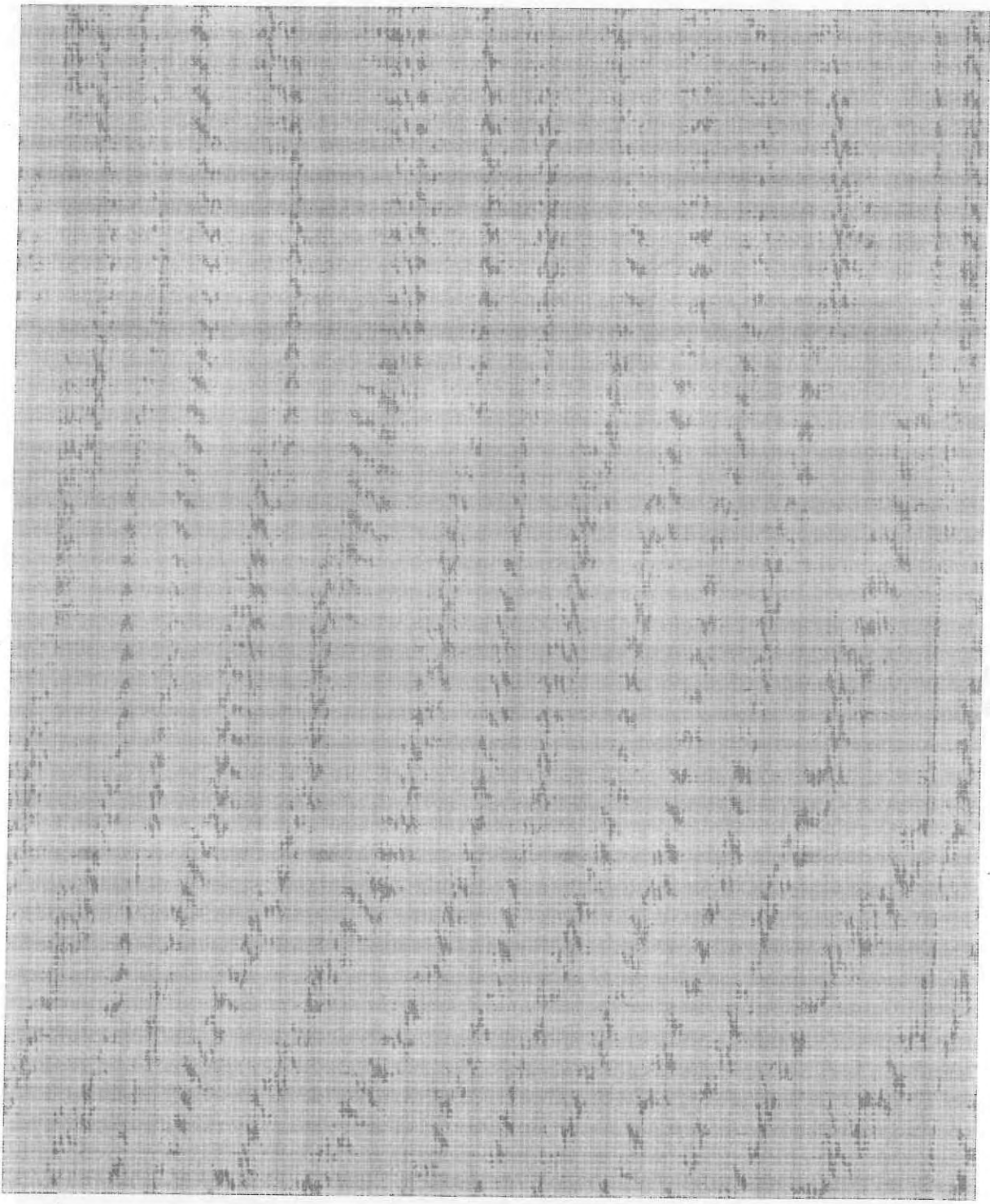


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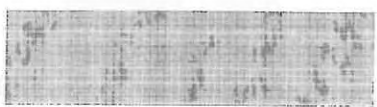


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Contact: Kristi Varangu, ES/FLMD, 992-4217



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ANNEX 1

In 2001, the government of British Columbia commissioned several studies to assess the potential impacts of offshore oil and gas activities. This was followed by a Scientific Panel review, also commissioned by B.C., which concluded in its January 15, 2002 report that "There is no inherent or fundamental inadequacy of science or technology, properly applied in appropriate regulatory framework, to justify a blanket moratorium on such activities".

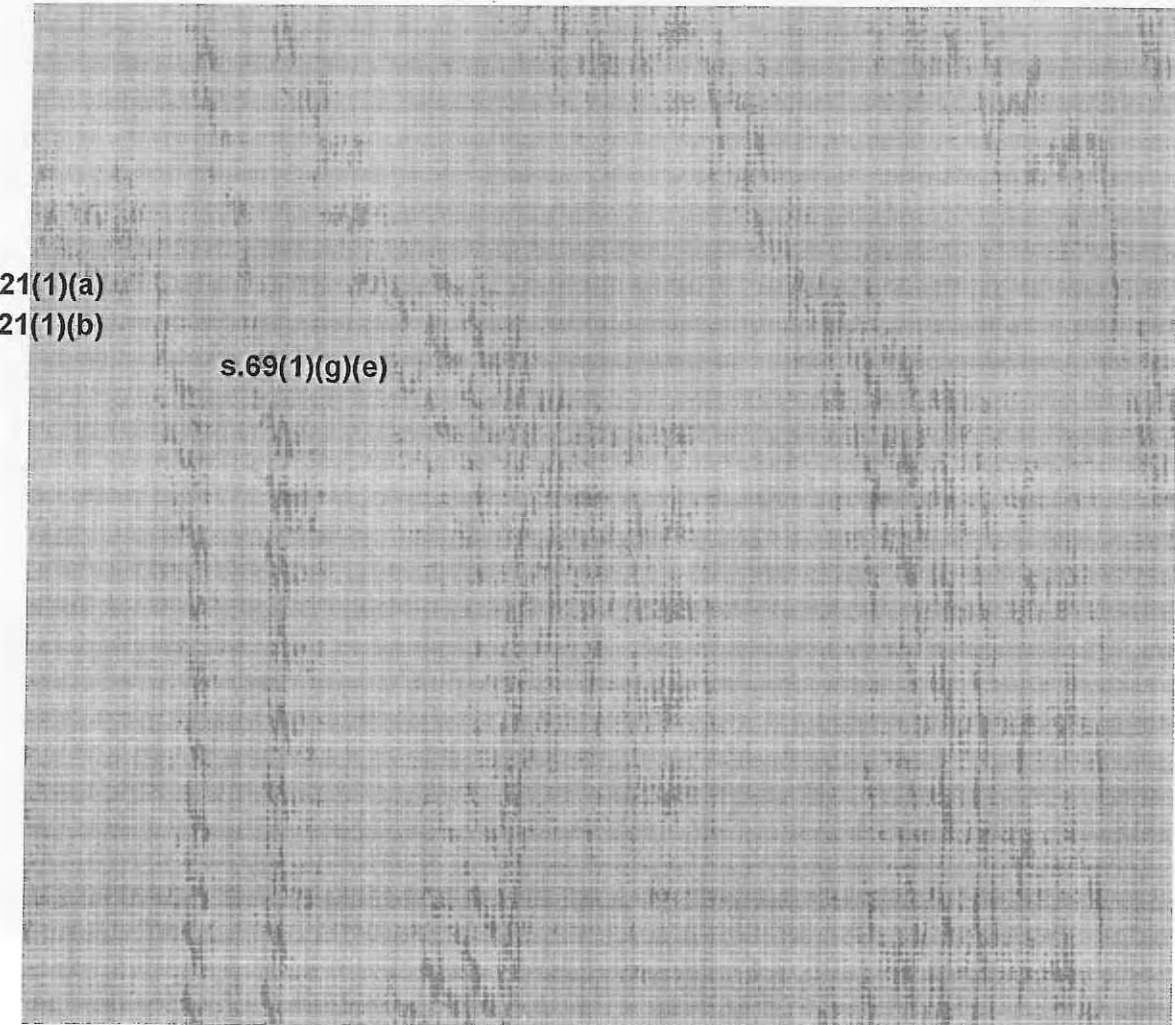
In 2002, the government of British Columbia provided copies of the studies and the Scientific Panel review report to the Government of Canada. It was at this time that they requested the Government of Canada consider lifting the federal moratorium on oil and gas activities.

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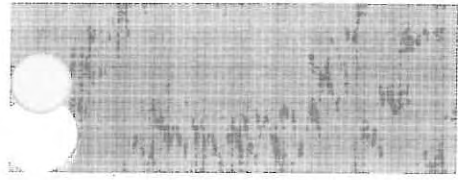
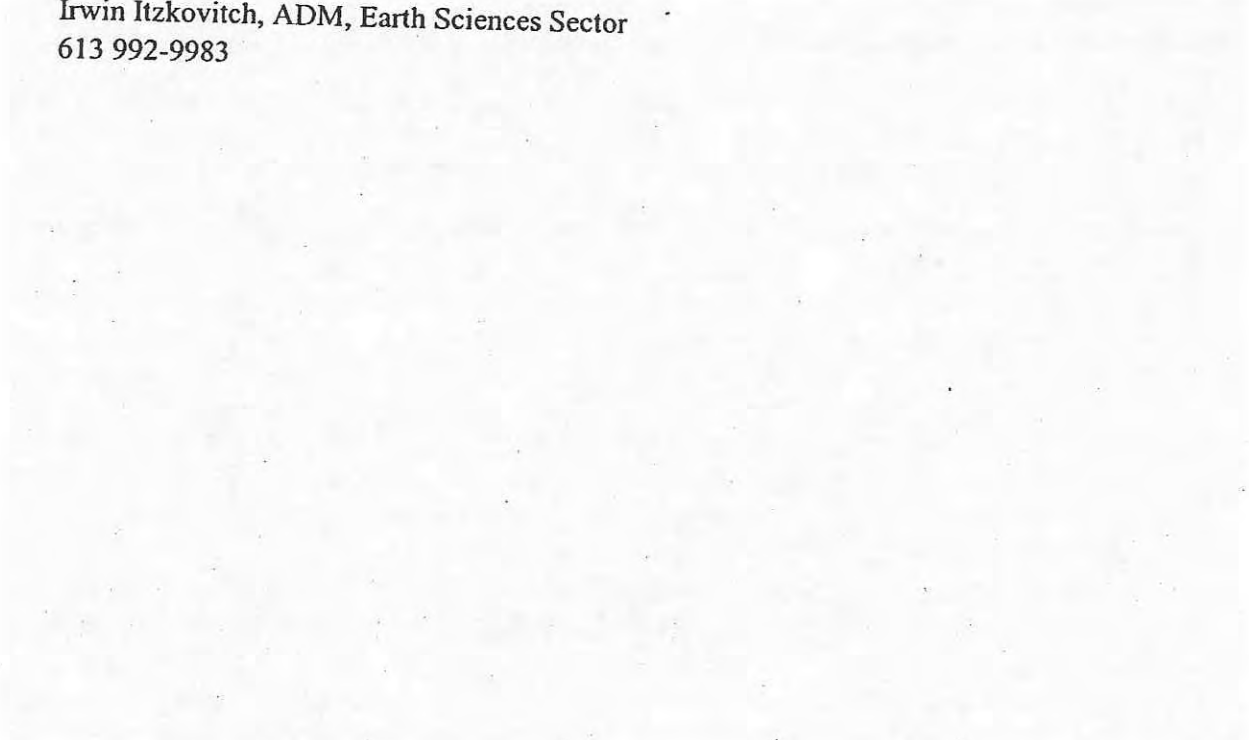


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Irwin Itzkovitch, ADM, Earth Sciences Sector
613 992-9983

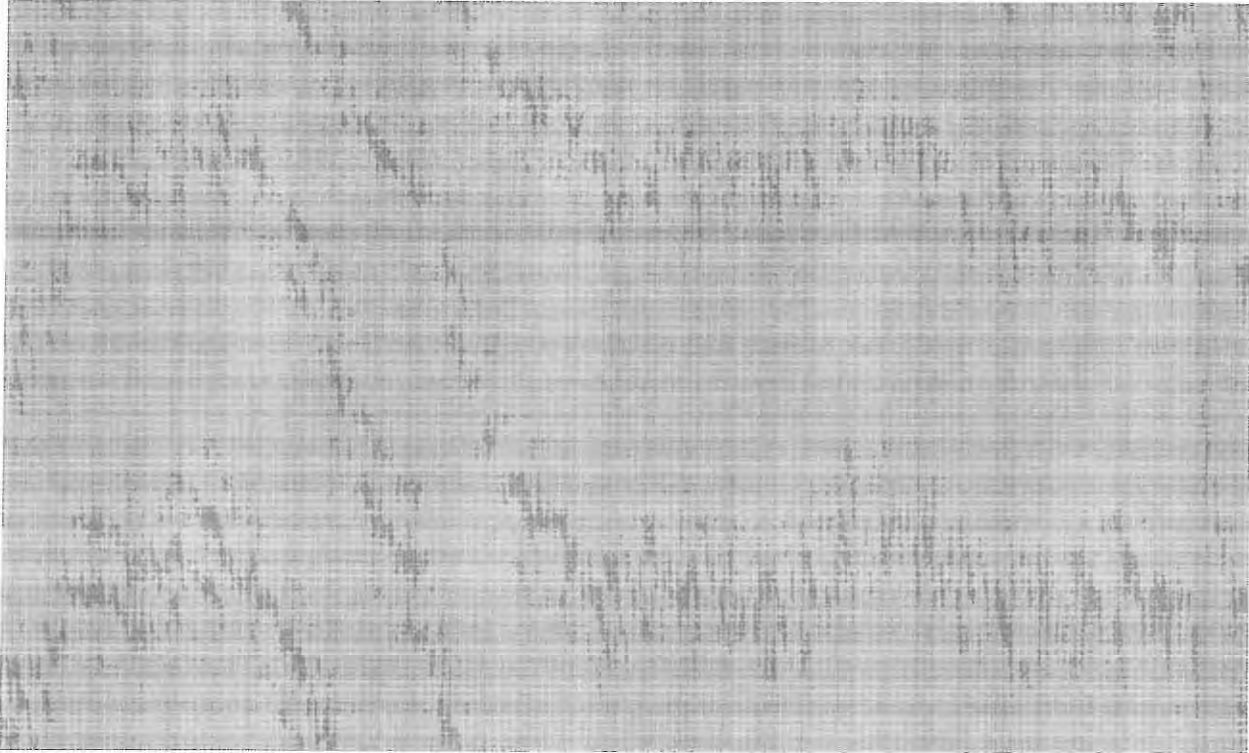


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PROTECTED AREA INITIATIVES AND IMPLICATIONS FOR OIL AND GAS
OFFSHORE BRITISH COLUMBIA

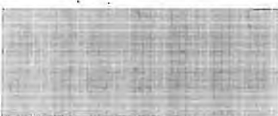
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A second initiative, led by Environment Canada (Wildlife Service), is underway to designate the Scott Group as Canada's first Marine Wildlife Area under the *Canada Wildlife Act*. The protected marine area would serve to safeguard the foraging area used by the seabirds that occupy the five islands that make up the Scott Islands. The first phase was a scientific assessment to document ecological values of the marine areas around the Scott Group Islands for migratory marine birds. Environment Canada has completed its data gathering, the resulting conclusions confirming these ecological values.

The process has now moved to the second phase of consultations with other agencies and stakeholder interests regarding the designation and management of the area. Representatives of the Canadian Wildlife Service will be hosting a series of public information sessions to provide information, and hear questions and comments regarding the wildlife values of the area and the proposed process for defining the boundaries and developing a cooperative management regime. These will be held in northern Vancouver Island communities, Vancouver and Victoria, starting on January 20, 2004. Environment Canada anticipates that the review process will be completed in about a year. Officials in the Province of British Columbia were only first informed of this process and invited to participate in the fall of 2003.



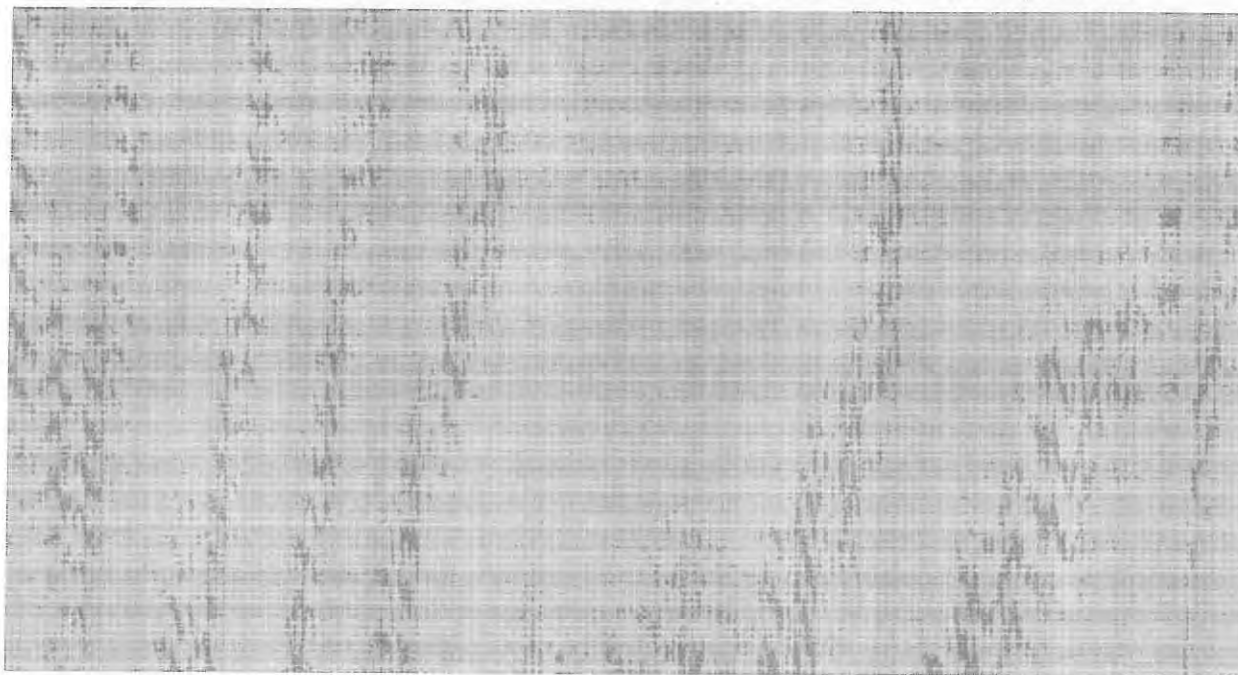
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CONSIDERATIONS

The advancement of these initiatives will have implications for future prospects for offshore oil and gas development, should the Government ultimately decide to lift the federal moratorium following conclusion of the ongoing federal review process. In addition, there are existing oil and gas permits – currently under the moratorium – within the study areas of both initiatives.

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SUGGESTED TALKING POINTS

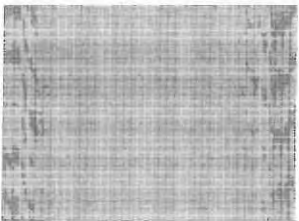
- Under the federal review process that will inform a decision regarding the moratorium on oil and gas activities, the Royal Society of Canada conducted a series of science workshops to identify science gaps. The workshops critically evaluated the impacts of oil and gas activities on sensitive environments identified by expert departments, including the Pacific sponge reefs and the Scott Islands. I am expecting to receive the science report from the Royal Society mid-February, 2004.
- The presence of unique marine habitats is most likely to affect the decisions relating to permissible activities – including possible oil and gas exploration and development -- that can be undertaken in the area. The federal review process on the offshore oil and gas moratorium will help provide factual scientific, socio-economic as well as environmental input to help inform any decisions concerning proposed protected areas offshore British Columbia.



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- NRCan officials are also participating directly in the processes underway assessing the various proposals for protected areas to ensure that the appropriate data and information, such as that concerning offshore resource potential and existing permits, are appropriately considered.

Contact: Kristi Varangu, ES/FLMD, 992-4217



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Loi sur l'accès à l'information

BRITISH COLUMBIA**QUICK FACTS:**

Premier: Gordon Campbell, Liberal,
MLA for Vancouver- Point Grey

Minister of Energy and Mines: Richard Neufeld, Liberal, MLA Peace River North
Acting Deputy Minister of Energy and Mines: Ross Curtis

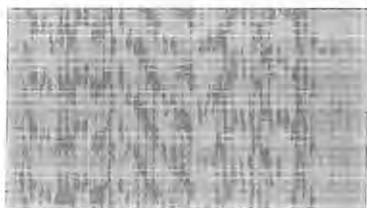
ENERGY POLICY

The government of British Columbia released their energy plan, *Energy for Our Future: A Plan for BC*, on November 25, 2002. The energy plan identifies 26 policy actions centred around 4 key themes: low electricity rates and public ownership of BC Hydro; secure, reliable energy supply; more private sector opportunities; and environmental responsibility and no nuclear power sources.

The government of British Columbia intends to maintain public ownership of BC Hydro power assets, and have the BC Utilities Commission regulate BC Hydro rates. Other electricity-related measures include the preservation of low-cost generation in a heritage contract, separating BC Hydro generation and distribution, and encouragement of private sector development of new power.

The plan also sets a voluntary goal for 50% of new electricity to come from clean energy resources (sources that are renewable and result in a net environmental improvement over existing generation), as well as new rate structures to encourage conservation and energy efficiency.

Finally, the government of British Columbia will pursue policies to encourage coalbed methane development, natural gas investment, and improve access to oil and gas resources. A new offshore oil and gas team will also be established to pursue opportunities and discussions with stakeholders in BC's offshore, and attempts to streamline regulatory processes in the province will be undertaken.



1376

ENERGY RESOURCES

Oil and Gas

British Columbia's oil and gas industry is a major sector of the provincial economy and a natural source of wealth and revenue. The value of annual oil and gas production is estimated at about \$2.1 billion (source: Ministry of Energy and Mines, 1999) and the provincial revenue of about \$669.7 million (source: 2000 British Columbia Financial and Economic Review, Revenue by Source Consolidated Revenue Fund).

British Columbia is the second-largest natural gas producer in Canada, and a major exporter to the United States. An extensive 24,000 kilometre pipeline network serves domestic and export markets. Over half the natural gas produced in B.C. is exported. B.C. is also a major supplier of gas to eastern Canada.

Hydroelectricity

More than 80% of electricity is produced by major hydroelectric generating stations on the Columbia and Peace rivers. Electricity is delivered through a network of more than 74,000 kilometres of transmission and distribution lines. There are 32 hydroelectric facilities run by BC Hydro. Small scale independent producers also contribute to British Columbia's hydroelectric grid.

Biomass

British Columbia's forest industry generates a large amount of wood waste such as wood chips, bark, sawdust and branches. Approximately 23 percent of all the energy used in British Columbia comes from wood wastes.

Coal

British Columbia's coal resources are estimated at more than 255 billion tonnes. Coalfields of varying quality, quantity and accessibility are distributed throughout the province. Coal provides a significant source of energy and revenue for the province. Coalbed methane potential is also present in many areas throughout the province of British Columbia, including parts of Vancouver Island, the interior of British Columbia, the northeast area of British Columbia and the southeast corner of British Columbia.

The exploration and development of coalbed methane in the province of British Columbia is being currently investigated by the Ministry of Energy and Mines staff to determine current and future reserves, economic impact, regulatory requirements and environmental impacts.



FEDERAL PROVINCIAL RELATIONS

British Columbia participates in several working groups established at the most recent Council of Energy Ministers' meeting including the Ethanol and Biofuels working group and the Renewable Energy working group. The province has also been involved in the pipeline jurisdiction task force.

Offshore Moratorium

Recent studies have found that there is no scientific basis for the continued moratoria on offshore drilling of the coast of British Columbia. The Government of Canada's position on this is in development.



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Kelly, Sandra

From: Pemberton, Martin
Sent: 23 February, 2004 09:49 AM
Cc: DMO.O CB
Subject: REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (February 13 - February 19, 2004)

REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (February 13 - February 19, 2004)

* This product is a compilation of media summaries available from Communication Canada.

ISSUE: Climate Change

Alberta: Gas tax top-up leaves mayor cold. Mayor Dave Bronconnier says the federal government needs to share existing fuel tax revenues with cash-strapped cities before increasing the burden on motorists. He was responding to Environment Minister David

Anderson's idea that the federal government consider an extra tax on gasoline to help meet the Kyoto protocol. There was also a suggestion by the Canadian Urban Transit Association to increase the gas tax by 1.5 cents a litre to pay for improvements to public transit. He and other mayors have been pushing the government to return five cents for every litre of fuel sold back to cities -- an

agreement similar to one between the Alberta government and municipalities. Officials with the City of Calgary have said the move would add about \$89 million to its capital budget. Bronconnier said cities could tackle concerns about the environment and public transit by receiving their share of the federal excise fuel tax. "We'll put it into things that help the environment -- like the LRT, like public transit," he said. "That would meet the federal government's objective in terms of the reduction of greenhouse gas emissions." Calgary Transit is facing a funding shortfall of about \$488 million to maintain, upgrade or expand the city's infrastructure and fleet over the next 10 years. Another \$1.6 billion is required to accommodate growth and maintenance until 2023. Ron Collins, a spokesman for Calgary Transit, said the federal government's share of the fuel tax "would go a long way" to addressing that infrastructure. (*Calgary Herald* B2; 2004.02.17)

Saskatchewan: Ethanol plant set for Lloyd. Husky Energy announced plans February 16 to have a major ethanol facility at the site of its Lloydminster upgrader operational by the end of 2005. The plant, slated to produce 130-million-litres a year, would help meet increased demand when Saskatchewan makes ethanol a mandatory component in gasoline. Saskatchewan currently has

only one ethanol-producing plant, in Lanigan, which produces about 12.5 million litres a year. But the Husky project and a 25-million-litre a year project at Weyburn each received a chunk of the \$68 million the federal government recently doled out as part of an initiative to increase ethanol production. (*Daily Herald (Prince Albert)* 1; 2004.02.17)

Saskatchewan: Ethanol projects get cash booster: Lloydminster, Weyburn get start-up funds from Ottawa. Ethanol projects in Weyburn and Lloydminster are getting a financial boost from the federal government, but the project at Belle Plaine, proposed by Broe Cos. of Denver and the provincial government, was shut out of the program aimed at pumping up Canadian ethanol production. NorAmara BioEnergy Corp. will get \$3.5 million in federal funds for a proposed facility that would produce 25 million litres of ethanol a year in Weyburn, while Husky Energy's Lloydminster proposal for a plant producing 130 million litres was allotted \$7.8 million. "We're making a major move forward today," said federal Finance Minister Ralph Goodale from Ottawa. "The ethanol enhancement program is fundamentally important because it will lead directly to shovels in the ground and ethanol plants going up." The funds for the two Saskatchewan projects are a part of \$78 million Ottawa doled out to seven companies February 13 as part of a three-year, \$100-million program to expand ethanol production. The 750 million litres of annual fuel ethanol capacity planned by the projects will more than quadruple current Canadian production. (*The StarPhoenix (Saskatoon)* A3; 2004.02.14)

Manitoba: Feds fire up Manitoba ethanol output; \$6.4-million grant to boost production 700% Manitoba's lone ethanol plant will soon produce 700 per cent more fuel, thanks to a multi-million-dollar boost from the federal government. The Husky Oil Marketing Company, which operates an ethanol plant in Minnedosa, was one of seven fuel companies countrywide that received grants February 13 under Ottawa's \$100-million Ethanol Expansion Program. Energy Minister Tim Sale said Manitoba requires at least two functioning ethanol plants to meet demand. Two energy companies -- Commercial Alcohols and Outlook Resources -- have expressed an interest in constructing their own ethanol plants in the province. But Commercial Alcohols was not approved for one of the federal grants handed out February 13. Sale said he was disappointed Ottawa did not fund the Commercial Alcohols proposal. He said the province will ask the federal government for clarification on why the application was denied, and why the company was granted \$18 million to establish an identical plant in Quebec instead. Outlook Resources did not apply for the money. (*Winnipeg Free Press* A3;

1377
2004.02.14)

Ontario: Ethanol funding brings 'comfort' to Brantford firm. Company has plans to build plant in Telephone City's northwest corner. The federal government's announcement of \$78 million for ethanol plants will likely allow the Integrated Grain Processors Co-operative to build an ethanol plant on 47 acres at the northwest corner of Brantford. The federal government announced it would invest money in the ethanol industry as part of its plan to combat climate change. Agriculture Minister Bob Speller said the ethanol plan is expected to reduce Canada's greenhouse emissions by 1.2 to 1.4 megatonnes. Canada needs to cut emissions by more than 240 megatonnes to meet its targets under the Kyoto protocol. (*Hamilton Spectator* A16; 2004.02.17)

Ontario: Fed cash fuels high hopes; locals cheer \$10.5 M for Seaway co-op's ethanol plant. Natural Resources Minister John Efford and Agriculture Minister Bob Speller announced Feb. 13 that Ottawa is awarding \$10.5-million to the Seaway Valley Farmers Energy Co-Operative to build an ethanol plant. Local Liberal MP Bob Kilger, who was credited for his help in brokering the deal, said the cash should solidify Seaway's plans. The Seaway cash was part of \$78 million handed out to seven projects across the country under the federal government's ethanol expansion program. The largest share -- \$22 million -- went to Suncor Energy Products Inc. of Sarnia. (*Ottawa Sun* 16; 2004.02.14)

Ontario: Ethanol plant to get \$22M; Ethanol produced at Suncor in Sarnia will be made with locally grown corn. The federal government is contributing \$22 million toward a \$120-million ethanol production facility to be built by Suncor Energy Products Inc. in Sarnia. The grant is the largest of seven announced across the country under Ottawa's ethanol expansion program. In all, \$78 million was allocated to ventures aimed at more than quadrupling Canadian annual production of ethanol to nearly one billion litres. The only other project announced in Ontario was a \$10.5-million grant to Seaway Grain Producers in Cornwall. Planning, design, environmental assessment and other steps and approvals are needed before building of the facility can start, likely in mid-2004 with completion two years later, the company said. The ethanol expansion program is part of a \$2-billion commitment to action on climate change the Liberal government made as part of its 2003 budget. (*London Free Press* B1; 2004.02.14)

Quebec: Développement éolien : La plupart des organismes de la Gaspésie et de la ville de Murdochville se sont dits favorables mais pas n'importe quel prix au développement de l'énergie éolienne sur leur territoire devant le Bureau des audiences publiques en environnement. La MRC Côte-de-Gaspé est préoccupée par les retombées économiques, surtout que le promoteur a confié au groupe danois Vestas un contrat clé en main, ce qui signifie qu'aucune composante ne sera construire au Québec. Les environnementalistes aussi sont inquiets de l'impact de la présence d'éoliennes sur le territoire. Une biologiste demande le report du projet 3C1 afin qu'il soit inclus dans l'appel d'offre éolien de 1000 mégawatts lancé au printemps par Hydro-Québec et la création d'un fonds régional avec les redevances payées par les promoteurs qui utilisent les terres publiques. (*L'Écho de la Baie*, 8 février 2004)

Nova Scotia: Energy ministers agree to co-operate: Future power requirements, climate changes among issues discussed. Energy ministers agreed to speak with one voice on a number of issues facing Atlantic Canada in the next few years. Nova Scotia's Energy Minister Cecil Clarke hosted the two-day meeting, attended by P.E.I. Energy and Environment Minister Jamie Ballem, Newfoundland and Labrador Mines and Energy Minister Ed Byrne and New Brunswick Energy Minister Bruce Fitch. The ministers discussed climate change; regional co-operation on electricity markets and generation; encouraging offshore exploration by eliminating tariffs on drilling rigs; addressing the uncertainties surrounding offshore boundaries in the Gulf of St. Lawrence; and building energy supply through liquid natural gas and compressed natural gas technologies. They jointly agreed to support Nova Scotia and Newfoundland and Labrador in their efforts to become the principal beneficiaries of their offshore resources. The ministers also see a need for clarity from the federal government with respect to further development of the federal climate change plan and how that plan will impact the respective jurisdictions. The ministers will request federal Environment Minister David Anderson join them at the Atlantic Energy roundtable - a federal-provincial partnership with industry and regulators on offshore oil and gas issues. (*Cape Breton Post* A1; 2004.02.17)

ISSUE: Offshore Development

British Columbia: Environment groups rip energy report: Impact of underwater seismic testing on sea life unknown, Sierra Club says. Scientists exploring the risks of offshore oil and gas exploration are playing down the environmental impact of seismic testing on wildlife, environmental groups said February 17. Such testing affects mammals such as whales and dolphins, and causes a decrease in fisheries as much as 18 nautical miles away from where shots are fired. Appointed by Ottawa, the Royal Society of examined what would be needed to lift a moratorium on oil and gas exploration in Hecate Strait. The organization said gaps exist in the science, but a proper regulatory framework is all that's needed to ensure safe drilling. David Fields of Greenpeace, said the report "fails to protect the ecosystem of the Queen Charlotte Basin." (*Vancouver*

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Sun A8; 2004.02.18)

British Columbia: Offshore oil search too risky for most: Anderson. A majority of British Columbians won't accept the risk of environmental catastrophe in order to tap into \$110 billion in potential energy wealth off the West Coast, Environment Minister David Anderson predicted February 17. Anderson questioned a new report that calls for the conditional lifting of the 33-year-old offshore oil and gas exploration ban in the North Coast. While he acknowledged the federally-commissioned study said there is only a tiny risk of a massive spill, he said calculating such odds is difficult and fails to take into account the potential for human mistakes. "If it takes another generation to get this right, I'm content to wait," Anderson said. The Royal Society report noted that waiting will only produce better technology and improve the safety of offshore drilling. He insisted that "knowledge gaps" must be closed before the ban is removed, and also remains Ottawa's view. The federal government is awaiting results of two other panels: one testing public opinion in the province and another consulting First Nations. (*Times Colonist (Victoria) A1*; 2004.02.18)

British Columbia: Predictions and warnings: offshore: Dale Marshall on employment opportunities in offshore oil and gas. Offshore oil and gas development is not going to help the North Coast tap into a well of job activity according to Dale Marshall of the Canadian Centre for Policy Alternatives. "The number of jobs created will be modest to non-existent in every phase of development," said Marshall, who spoke on behalf of the David Suzuki Foundation. During the first phase, exploration, contracted crews will be brought in from elsewhere, he said, construction of offshore rigs will likely take place in Asia where they have expertise, an established industry and cheap labour. Marshall added there are other areas of economic opportunity for energy development that will create many more jobs in the oil and gas sector. He pointed out the North Coast and West Coast of Vancouver Island have some of the highest potential in the world for wind farm development. (*The Daily News (Prince Rupert) 1*; 2004.02.13)

British Columbia: Science 'not a barrier to search for oil' A study commissioned by the federal government concludes there are no scientific barriers preventing oil and gas exploration off the province's North Coast, near the Queen Charlotte Islands. The Royal Society of Canada report does not call for lifting the federal moratorium on offshore oil and gas exploration in B.C., but does say the industry faces few hurdles. "Provided an adequate regulatory regime is put in place, there are no science gaps that need to be filled before lifting the moratoria," it reads. The report states development should not be "allowed to begin immediately," since "scientific gaps" still exist. (*The Province A12*; 2004.02.17)

Newfoundland and Labrador: Atlantic ministers plan future co-operation. Atlantic energy ministers agree Nova Scotia and Newfoundland and Labrador should be the primary beneficiaries of their offshore resources. On February 16, the four said they will speak with one voice on that, and a number of other issues facing them in the next few years. Cape Breton North MLA and Energy Minister Cecil Clarke hosted the two-day meeting attended by P.E.I. Energy and Environment Minister Jamie Ballem, Newfoundland and Labrador Mines and Energy Minister Ed Byrne and New Brunswick Energy Minister Bruce Fitch. The ministers talked about climate change, regional co-operation on electricity markets and generation; encouraging offshore exploration by eliminating tariffs on drilling rigs and addressing the uncertainties surrounding offshore boundaries in the Gulf of St. Lawrence; building energy supply through liquid natural gas and compressed natural gas technologies. They also jointly agreed to support Nova Scotia and Newfoundland and Labrador in their efforts to improve their offshore benefits. (*The Telegram (St. John's) D1*; 2004.02.17)

Nova Scotia: Seismic damage may not be obvious. Letter to the editor - In *The Inverness Oran*, Elizabeth May, Executive Director of the Sierra Club of Canada repudiates the assertions of the oil and gas industry that recent seismic testing did no damage to snow crab stocks. May contends that opponents to the blasting never claimed that snow crab were at risk of being killed outright, rather "that the larval stages of snow crab, snow crab eggs, the larval herring, the whales and many other life forms would be negatively impacted." May states that their arguments were based on official Department of Fisheries and Oceans advice to the Canada-Nova Scotia Offshore Petroleum Board that the study of the effects of seismic testing on "snow crab egg viability is incomplete and therefore does not meet the precondition set out by the board." (*Inverness Oran 8*; 2004.02.04)

Nova Scotia: Atlantic Canada's energy ministers meet in Sydney Mines. A regional approach to dealing with the powerful oil industry and Ottawa's stand on royalties will be discussed as energy ministers from the Atlantic provinces open a round of closed-door meetings on February 15. "Oil and gas issues and regional electricity issues will both share our time and significance," said Nova Scotia Energy Minister Cecil Clarke. Regulatory efficiency and streamlining energy matters will also be covered, the MLA for Cape Breton North added. The ministers will meet later with officials in Ottawa to find ways to cut red tape for companies seeking to develop waters between the provinces. Clarke is hosting the Atlantic Energy Ministers' Conference February 15 and 16 in Sydney Mines. The conference was established by the Council of Atlantic Premiers to have energy ministers look at areas where there can be increased co-operation. Clarke will be joined by Prince Edward Island Environment and Energy Minister Jamie Ballem (the meeting chairman), Newfoundland and Labrador Mines and Energy Minister Ed Byrne and New Brunswick Energy Minister Bruce Fitch. (*Cape Breton Post A1*; 2004.02.16)

1775

ISSUE: Softwood lumber

British Columbia: U.S. firms seek bigger wood duty: Research, aid to firms, workers target of review. In a new subsidy investigation into Canadian softwood lumber, the U.S. Department of Commerce has targeted Canadian research and aid programs provided to forest companies and workers. The action, part of the on-going lumber dispute, is being described in Canada as harassment while the American lumber industry described it as a logical legal step in the absence of a negotiated settlement. "This is what litigation is. Litigation isn't necessarily the most sensible way to solve all problems because it goes on and on and on," said John Ragosta, of the U.S. Coalition for Fair Lumber Imports. "Either Canadian companies will get a rebate or they will pay more," he said, given that parties on both sides of the border either want the duties increased or eliminated. Combined with a new investigation into "dumping" by Canadian companies, softwood duties could hit 40 to 45 per cent if the commerce investigation supports the lumber lobby's allegations, Ragosta said. Pierre Bechard, of the federal Department of Foreign Affairs and International Trade, said the Canadian government disputes the new allegations. (*Vancouver Sun* H1; 2004.02.14)

ISSUE: Science & Technology

Victoria: Science's Essential Stepping Stone: Federal research grants help University of Victoria researchers conduct basic research that often becomes a key building block in major scientific advances. Curiosity-driven research, done for the purpose of discovery and learning, is rarely in the spotlight, but it's often used as a vital stepping stone to far more glamorous discoveries. "It's what we call pure science," said Dr. George Mackie, a biology professor emeritus at the University of Victoria. "It's done just in order to find out more about the living world." Much of the research at UVic comes from the federal Natural Science and Engineering Research Council (NSERC). It funds support training of scientists and engineers who make the basic discoveries that advance knowledge and lay the foundation for new inventions and innovations. UVic has attracted more than \$100 million in NSERC funding in the last decade. (*Times Colonist (Victoria)* B1; 2004.02.16)

British Columbia: MD Robotics joins space race: The Richmond company will inspect rover and its payload. MD Robotics, a subsidiary of Richmond high-tech giant MacDonald, Dettwiler and Associates (MDA), has won a \$1.5-million contract to inspect a robotic rover and its science payload that is scheduled for Mars in 2009. MDA announced February 13 that its client, the European Space Agency, is undertaking a technology program that will lead to two missions to the "red planet" over the next decade. The company is also working on the U.S.-based North American Space Agency's Phoenix Mars mission, scheduled for 2007, and is positioning itself as a "key player" on other international Mars exploration missions. "The potential is there for larger contracts, if we get to build the robotic rover after we've [looked at the specifications]," said MacDonald Dettwiler representative Liza Aboud. Earlier this month, MDA said its involvement in a \$140-million Canadian Space Agency mission could propel the company into the upper echelons of a potential \$2-billion-a-year industry by the end of this decade. MDA is to lead the Canadian industrial team for Cassiope, a dual-purpose scientific and commercial mission to build a micro-satellite spacecraft platform, scheduled for launch in 2007. (*Vancouver Sun* D3; 2004.02.16)

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Kelly, Sandra

From: Pemberton, Martin
Sent: 16 February, 2004 10:37 AM
Cc: DMO.O CB
Subject: REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (February 6 - February 12, 2004)

REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (February 6 - February 12, 2004)

* This product is a compilation of media summaries available from Communication Canada.

ISSUE: Climate Change

Alberta: Province will consult oilpatch about royalties: Commitment to Kyoto could bring changes. Oil companies have been assured they will be consulted on any changes to Alberta royalties caused by climate-change policy. Provincial Energy Minister Murray Smith gave the assurance in a letter to the chairman of the Canadian Association of Petroleum Producers, Energy Department spokesman Gordon Vincent said February 8. The energy department sent its message to the petroleum producers after the association requested clarification of a January letter from Environment Minister Lorne Taylor and Intergovernmental Relations Minister Halvar Johnson. Taylor and Johnson raised alarm by warning the industry not to expect additional royalty breaks or tax credits if companies make separate deals with the federal government on implementing the Kyoto accord. Smith told the industry it will be premature even to speculate on any royalty programs, adjustments or tax credits until the new government of Prime Minister Paul Martin makes its intentions known. The province and the industry have yet to receive any new word on Kyoto from Ottawa beyond the Martin government's pledge in its Feb. 2 throne speech to keep trying to reduce greenhouse gas emissions. (*Edmonton Journal* A6; 2004.02.09)

Alberta: Alberta warns energy sector not to strike deals with Ottawa. The Alberta government has fired a shot across the bow of the province's multibillion-dollar resource industry, warning companies not to negotiate unilateral climate change agreements with Ottawa. In a confidential letter sent to industry leaders Jan. 13, Alberta's environment minister told the energy sector not to expect any tax credits or royalty breaks if companies back federal plans without consulting the province. "We strongly encourage you to carefully consider any suggested new federal-industry agreements," Lorne Taylor said in a letter obtained by the Calgary Herald. "We think it is only fair to advise you that costs related to a federal-only system will not be deductible for provincial royalty or income tax purposes." (*Lethbridge Herald* A2; 2004.02.08)

Alberta: Klein defends threatening letters to oilpatch. Premier Ralph Klein admits his government has sent mixed messages to the oil and gas sector, but insists it did not err in ordering them to stop holding private talks on greenhouse-gas emissions with Ottawa. "The federal government ought not to be holding bilateral discussions with industry without the (Alberta) government at the table," Klein said during a news conference February 11. "Basically, we're saying to the industry, look, don't talk to these guys until you can insist that we be at the table, because we (the province) own the resource." Environment Minister Lorne Taylor sent letters to industry leaders warning them to expect to be cut out of provincial tax breaks or royalty credits if they opt to negotiate directly with Ottawa. Alarmed, the industry turned to Energy Minister Murray Smith, who sent his own letter calling Taylor's threats premature. The confusion over the province's stance recently came to a head and Klein used the February 10 cabinet meeting to make clear the official position. (*Edmonton Journal* A7; 2004.02.12)

P.E.I.: Shift stalls plans for hydrogen energy project. A shift in federal power is stalling plans for a hydrogen energy project in west Prince County. Wayne MacQuarrie, CEO of the P.E.I. Energy Corporation, said the previous Industry Canada administration, under then-minister Allan Rock, had shown interest in the province's proposal for a wind-hydrogen village near the North Cape wind test site. But with a recent power shift and cabinet shuffle in Ottawa, its progress was slowed. However, MacQuarrie expects an update soon from Industry Canada. The wind-hydrogen project would require a five-year commitment and approximately \$15.5 million to become a reality. (*The Guardian (Charlottetown)* A4; 2004.02.10)

Yukon: Idling vehicles would burn far more fuel. Opinion: Idling running vehicles in the North is more serious as one might think, says a local resident, who responded to a recent comment by Whitehorse Councillor Doug White. According to White, if all the vehicles in Whitehorse idled 24 hours a day, the fuel consumed would be insignificant compared to the fuel consumed by Whitehorse Rapids power generators, which burns 60,000 litres a day. "The idea about idling all the vehicles in Whitehorse for 24 hours a day is unrealistic," resident Greg Brown said. "When added up, idling cars do have a significant impact on energy consumption," he says, citing numbers that indicate idling Whitehorse's vehicles for 3.2 hours would be sufficient to equal to 60,000 litres of diesel. Brown mentioned Natural Resources Canada's Web site, and suggested the city establish "idle-free" zones, to help improve the air quality and reduce energy. (*The WhiteHorse Star* 15;

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2004.02.06)

ISSUE: Offshore Development

British Columbia: Suzuki heads to Rupert for oil and gas. Potential impacts of oil and gas development off B.C.'s North Coast will be the subject of a discussion panel, hosted by the David Suzuki Foundation. "We are holding the event because the federal and provincial governments are considering lifting the moratorium on offshore oil and gas," said Margo Metcalfe of the David Suzuki Foundation. Dr. David Suzuki will be at the event to discuss the rich biodiversity of B.C., hope for a sustainable future and the critical choice of whether to drill for oil and gas. Dr. Stanley Rice, from the Alaskan-based U.S. National Oceanic and Atmospheric Association, will speak on the long term effects and chronic toxicity caused by the Exxon Valdez oil spill on salmon, otters and seabirds. The David Suzuki Foundation is one of an 85-member organization who belong to the so-called oil free coast campaign. (The Daily News (Prince Rupert) 5; 2004.02.04)

Newfoundland and Labrador: No plans yet for Hibernia share. Although there are plenty of rumours swirling, both Natural Resources Minister John Efford and Premier Danny Williams deny there is any plan in the works to transfer Ottawa's share of Hibernia revenues over to the province. Ottawa's 8.5 per cent stake in Hibernia could be worth approximately \$500 million during the life of the project. Several oil companies have expressed an interest in buying it from Ottawa. However, the province is hoping the federal government will just hand it over. But Efford said there has been no talk about doing anything with Ottawa's share of Hibernia and called it pure speculation. (St. John's Express 9; 2004.01.21)

Newfoundland and Labrador: Province, industry support decision. Provincial Energy Minister Ed Byrne welcomes John Efford's stand to keep the two existing boards in place. Minister Byrne said the provincial government was on record stating it was not interested in a merger of the Canda-Newfoundland and Labrador Offshore Petroleum Board (CNOBP) and the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB), as suggested by Efford's predecessor. "The establishment of the C-NOPB was granted under the Atlantic Accord and is protected by the supportive legislation. As such, this was not a unilateral decision for the federal minister nor the federal government. However, I am pleased that my federal colleague supports our position and has closed the door on this issue," said Minister Byrne. He said the government and industry can now direct their attention to addressing the concerns being raised by industry regarding the regulatory process that is now in place. (Grand Falls - Windsor Advertiser A9; 2004.01.26)

Nova Scotia: Reflagging of rig gets Regan's attention; Fisheries minister 'aware of issue'. The battle to use a rig offshore Nova Scotia this spring to drill a multimillion-dollar well is getting dirty and political. Federal Fisheries Minister Geoff Regan is being drawn into the controversial offshore dispute. "The minister has received correspondence from some of the parties involved and is aware of both sides of the issue," Todd Williams, an assistant of Mr. Regan's, said Monday from Ottawa. Mr. Williams would not say which company has contacted Mr. Regan about the two-month dispute. The fight between Marathon Oil of Houston and Norwegian rig owners Ocean Rig started in December. Ocean Rig is arguing that its rig, the Eirik Raude, should be given preference because its crew is Canadian and it was retrofitted in Halifax for about \$250 million. Ocean Rig is challenging Ottawa's decision to allow Transocean of Houston to bring its Deepwater Pathfinder rig to Nova Scotia to drill for Marathon Oil. Marathon claims using the Raude, the world's largest rig, would cost an extra \$10 million and that the rig is technically unsuitable. For two months, the two sides have been squabbling over the issue with the federal government through an extensive exchange of letters. Marathon Oil reiterated its claims in its latest letter, filed on February 6 to the Canadian Transport Agency. (The Chronicle Herald C1; 2004.02.10)

Nova Scotia: Clarke pledges to ease offshore regulations; Energy minister prepares to meet Newfoundland officials. Reducing red tape will be on the agenda when the province meets with officials in Newfoundland to figure out ways to boost offshore oil development. Provincial Energy Minister Cecil Clarke said the often time-consuming regulatory process now facing companies needs to be cut in order for this province to see offshore development like that in the Gulf of Mexico. Mr. Clarke will be meeting with officials in Newfoundland at the Atlantic Energy Ministers Conference and later with officials in Ottawa to find ways to cut red tape for companies seeking to develop waters between the provinces. Mr. Clarke said 2003 wasn't a great year for the industry, but he's confident things will change this year. Seismic activity off Cape Breton's western shore in December, which the Department of Fisheries and Oceans says has caused no damage to fish stocks, will likely mean faster offshore development there, rather than off Sydney where there's been no seismic activity. (The Chronicle Herald C11; 2004.02.07)

ISSUE: Softwood lumber

British Columbia: U.S. group urges Canada to keep up lumber trade fight. Representatives of U.S. softwood lumber consumers visited Ottawa February 5 to encourage Canada to keep pursuing its case against punitive tariffs with the American industry. Home Depot, the National Association of Home Builders and the National Lumber and Building

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Material Dealers' Association met with International Trade Minister Jim Peterson. The delegation was also set to meet with U.S. Ambassador Paul Celucci, Natural Resources Minister John Efford and other members of parliament and Canadian mayors. "(We) oppose tariffs, quotas and other restrictive border measures because they cause artificial price increases and volatile swings in the lumber market, both of which hurt housing affordability," said home builders president Bobby Rayburn. Canada rejected the latest proposal to resolve the bitter softwood trade dispute, a quota deal which would have set a duty-free cap on lumber imports below Canada's normal market share in the U.S. Some industry observers don't expect serious negotiations to resume until March 15, when a North American Free Trade Agreement panel is expected to rule on a key issue in the dispute. (*Prince George Citizen* 3; 2004.02.06)

British Columbia: Forestry remains protectionist victim. Economic experts and *Vancouver Sun* writers recently shared their views on prospects for B.C.'s economy on the Vancouver Sun/Financial Post Outlook 2004 panel, which indicated optimism for Canada's economy but pessimism for B.C.'s growth. Since B.C.'s economy is "dependent upon forestry" and 2004 is an election year in the United States, it is unlikely the province will rebound from ongoing softwood lumber disputes with the Americans. The panel also concluded Ontario and Alberta will continue to prosper, and better relations with the U.S. under PM Paul Martin will help the country economically. (*Vancouver Sun* H6; 2004.02.06)

ISSUE: Pipelines

Yukon: Northern railway concept on the right track. Opinion: A proposal to build a northern railway linking Alaska to the continental southern U.S. would mean "obvious military and economic benefits" for the North as well as B.C., a Watson Lake resident writes in a letter to PM Paul Martin. The U.S. passed a piece of legislation authorizing the establishment of a joint U.S.-Canada Commission, and provided \$6 million in funds. "Transport Canada, the British Columbia and Yukon governments, along with the private sector, undertook a great deal of research and discussion regarding this proposal," says Donald E. Taylor, who also criticized other components of the federal government for not acting swiftly to participate. The commission might also consider recommendations that accommodate one or more oil and gas pipelines, thereby complementing economic development and result in a reduction of overall environmental impact, Taylor says. "The practical and economic importance of the proposed Alaska-Canada rail link to both Alaska and Canada is worthy of your consideration." (*The WhiteHorse Star* 15; 2004.02.06)

ISSUE: Science & Technology

British Columbia: One giant leap for high-tech firm: MDA on \$140-million mission to build micro-orbiters. A \$140-million Canadian space mission could propel Richmond-based high-tech giant MacDonald Dettwiler and Associates into the upper reaches of a potential \$2 billion-a-year industry by the end of this decade. MDA will lead the Canadian industrial team for Cassiope, a dual-purpose scientific and commercial mission to build a micro-satellite spacecraft platform scheduled for launch in 2007, it was announced February 6. If the mission is successful, MDA will have proven its expertise in what the company expects to be a huge worldwide demand for smaller satellites. The mission is funded with \$63 million from the Canadian Space Agency and \$77.1 million from Technology Partnerships Canada. A payload program, called Cascade, could lead to the first commercial space-based digital courier service, which MDA could then develop for private customers. Cascade operates under Cassiope, a dual-purpose scientific and commercial mission to build a micro-satellite spacecraft platform scheduled for launch in 2007. As well, the Cassiope project will carry a space environmental suite called ePOP (Enhanced Polar Outflow Probe) which will study space weather phenomena in the Earth's upper atmosphere where the solar wind interacts with the magnetic field. (*Vancouver Sun* G1; 2004.02.07)

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Kelly, Sandra

From: Pemberton, Martin
Sent: 09 February, 2004 10:14 AM
Cc: DMO.O CB
Subject: REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (January 30 - February 5, 2004)

REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (January 30 - February 5, 2004)

* This product is a compilation of media summaries available from Communication Canada.

ISSUE: Climate Change

Alberta: Tempered approach to Kyoto buoys Taylor: Throne speech hinted at longer implementation. Global warming rated only a brief mention in the throne speech but it was enough to buoy Alberta's environment minister. "I think it was fairly positive because (it) talked about developing a national plan in conjunction with the provinces," Lorne Taylor said. The federal government said it will "respect its commitments to the Kyoto accord on climate change in a way that produces long-term results while maintaining a strong and growing economy." The throne speech made it clear that PM Paul Martin intends to keep the international commitment made by Jean Chretien. Taylor said this is another opportunity for Alberta to lead the country in developing a national plan along the lines of the province's climate change action plan. Alberta Premier Ralph Klein said Martin has "certainly given an undertaking that he will revisit the whole Kyoto situation and enter into meaningful consultations with Canadians. I would like to see the result of those consultations and if there's an opportunity for the Alberta plan to meld to the new Canadian plan, then we will take a look at that. But in the meantime we will continue with the Alberta plan." Klein added that the federal government should leave it up to Alberta to lead the way. The oilpatch was slightly reassured by the speech. It shows the government recognizes the economic implications of the Kyoto accord, said Pierre Alvarez, president of the Canadian Association of Petroleum Producers. There are still concerns about making sure the provinces and the federal government work together on a national plan, Alvarez said. Deputy prime minister Anne McLellan said she thinks the language on Kyoto is welcome because it speaks to Canada's will to live up to its commitments, but on a long-term basis that will not undermine the economy. (*Edmonton Journal* A8; 2004.02.04)

Ontario: Cornwall plant get feds' ear. A 10-year-old proposal for an ethanol plant in Cornwall is expected to be handed more than \$10 million in federal funding as part of a \$100-million ethanol expansion package when an official announcement is made in Ottawa on Feb. 13. If that's the case, the \$50-million project spearheaded by the Seaway Valley Farmers' Energy Co-operative will finally move forward, said co-op president Bud Atkins. (*Ottawa Sun* 10; 2004.02.05)

Ontario: City needs federal help on Kyoto: Holmes: 'If it's so keen on Kyoto, where are the programs?' Ottawa Councillor Diane Holmes condemned the federal government recently for not funding cities to reach Kyoto emissions standards. There is no federal money for cities in critical areas of municipal responsibility that affect Kyoto, Holmes said. Those include transit, home and building energy efficiency and gas emissions from landfills. Holmes went on to say that the federal government provides no money to transit and the province no longer funds capital projects for transit such as the transitway, buses and trains. The City of Ottawa does not have any money to meet the standards of the Kyoto accord, she said. At present, the municipality is attempting to cut \$109 million from its operating budget and \$50 million from its capital budget. (*Ottawa Citizen* C3; 2004.02.05)

Saskatchewan: Ethanol backers await word on funding. Proponents of a \$90-million ethanol project in southwestern Saskatchewan are hoping to soon hear from Ottawa on its application for funding under the federal ethanol expansion program. Cypress Agri Energy Inc. of Shaunavon announced plans to build a 150-million-litre-a-year ethanol plant in May 2002, as part of the province's ethanol strategy. In March 2002, the province announced plans which included eliminating the fuel tax on ethanol produced and consumed in Saskatchewan, mandating ethanol-blended gasoline and supporting the development of the ethanol industry in the province. Last October, the federal government announced a three-year, \$100-million program to expand ethanol production in Canada, starting with \$60 million to be awarded this year. Natural Resources Canada, which administers the program, said an announcement could be made shortly. Cypress Agri Energy submitted an application for funding under the program and hopes to hear good news soon from Natural Resources Canada. Salmon said the Cypress plant would be financed primarily by local investors and private financial institutions, but federal and provincial support would give the project a shot in the arm. (*The StarPhoenix (Saskatoon)* C1; 2004.02.05)

Quebec: Marmen : L'entreprise Marmen, de Trois-Rivières, a réservé un terrain à Matane pour la construction d'une usine reliée aux éoliennes. Cette entreprise spécialisée dans l'usinage de haute précision, la fabrication et l'assemblage mécanique de pièces de toutes dimensions prévoit un investissement de 15 millions \$. L'entreprise doit toutefois obtenir un contrat en sous-traitance à la suite d'un appel d'offres d'Hydro-Québec, qui exige que 40 % des composantes des 400 éoliennes qui seront implantées dans la région proviennent de la Gaspésie ou de la région de Matane. (*La Voix*

1301
gaspésienne, 28 janvier 2004)

ISSUE: Offshore Development

British Columbia: Offshore oil industry optimistic after speech. A 30-year moratorium placed on offshore oil and gas development off B.C.'s coast, could be lifted, an industry spokesperson is hoping. Russ Hellberg, chairman of the Pacific Offshore Energy Association, said he's encouraged by portions of the Speech from the Throne, outlining PM Paul Martin's plans for government in 2004. Among other features, Ottawa promised "increased emphasis on opportunities, to maximize the potential of our vast coastal and offshore areas through a new ocean action plan." Nanaimo could see significant economic benefits if oil and gas development proceeds off Vancouver Island. "We're not surprised as our understanding from (Paul) Martin's staff was the new government would look at the moratorium in a much different light than its predecessors," said Hellberg. "Martin has said he considers there to be great potential off our coast and we should be exploring how to use it." (*The Daily News (Nanaimo)* A3; 2004.02.05)

Quebec: Exploration gazière : Le comité de travail sur l'exploration gazière et pétrolière dans le golfe, composé de citoyens et de représentants de divers organismes de l'archipel, est devenu dernièrement une commission consultative. Cette décision est justifiée par l'information directe qu'elle fournit à la municipalité, ce qui s'avère important si une intervention auprès du gouvernement est nécessaire. Le mandat de la commission est double : cueillir le plus d'information possible et la transmettre au public. (*Le Radar*, 16 janvier 2004)

Newfoundland and Labrador: A step to the left? The throne speech is proof Ottawa is serious about making fishery and offshore issues top priorities, says Newfoundland and Labrador's representative in the federal cabinet. "The government will place increased emphasis on opportunities ... to maximize the potential of our vast coastal and offshore areas through a new oceans action plan," John Efford, quoting from the speech, told *The Telegram* on February 2. "That implies not only taking on the fishery issues, which Paul Martin has been very vocal about in the past, but also the offshore oil and gas developments. It's a plan for the future, which is what the throne speech is all about." Commitment to municipalities is another example of how Newfoundland and Labrador will benefit under Martin's leadership, said Efford. He said money will be there for small towns just as there was money for the St. John's harbour cleanup. (*The Telegram (St. John's)* A1; 2004.02.03)

Newfoundland and Labrador: Oil companies get passing environmental grade. Newfoundland's oil industry is getting praise from scientists who are monitoring its effect on fish. At the 2004 Canadian Conference for Fisheries Research held in St. John's recently, scientists were briefed on the potential impacts of the industry on the Grand Banks and told about the monitoring programs in place. The briefing came from Jerry Payne, a research scientist with the Department of Fisheries and Oceans who has studied the effects of oil development on fisheries around the world for more than 20 years. (*Harbour Breton Coaster* 16; 2004.01.20)

Newfoundland and Labrador: Grimes predicts transfer of Hibernia to province. Opposition leader Roger Grimes says he expects the federal government to transfer its 8.5 per cent share in the Hibernia project to the province within the next three months. "The signals which I am getting from federal party sources is that there is a political will to do something like this for the province," Grimes said. He believes that while the transfer of the federal shares in Hibernia will be beneficial for the province, those revenues will still be subject to the equalization clawback. (*Stephenville Georgian* A1; 2004.01.20)

ISSUE: Softwood Lumber

Quebec: Crise du bois d'œuvre : Commentant la décision de l'Organisation mondiale du commerce qui donne raison aux États-Unis dans le conflit du bois d'œuvre, le député bloquiste de Champlain, Marcel Gagnon, estime que le Canada doit contester et continuer de négocier avec prudence. Il affirme qu'Ottawa devrait soutenir les travailleurs et soutient que cette crise démontre que l'Ouest canadien a été pris à défaut dans sa façon d'attribuer des droits de coupe de bois, alors que le Québec semble fonctionner comme les États-Unis. (*L'Écho de La Tuque*, 24 janvier 2004)

ISSUE: Science & Technology

British Columbia: Towns agree to 'green' makeover: Industry, government academia launch 'smart-growth' project. Maple Ridge, Squamish and eight other B.C. communities will get makeovers for their downtowns or new "green" neighbourhoods as academics and smart-growth advocates team up with the real estate industry to bring green development principles into the mainstream. The project, called Smart Growth on the Ground, is expected to produce

1782

50,000 housing units, said University of B.C. landscape architect Patrick Condon, which constitutes more than 10 per cent of B.C.'s new housing over that period. He also hopes to demonstrate that "sustainable" development is not only better, but can also be cheaper. Condon would not reveal its budget, but the Smart Growth project is being funded by the Real Estate Foundation of B.C., VanCity, the Greater Vancouver regional district, Maple Ridge and the provincial and federal governments. Condon said the project's founders hope to engineer a fundamental break with development principles that have led to urban sprawl, traffic congestion and the loss of agricultural land and environmental features. (*Vancouver Sun* B1; 2004.01.30)

Ontario: City's science, tech sectors buoyed by throne speech. The federal government's pledge to invest in research and development, outlined in the throne speech, will mean good things for Kingston's science and technology sector, says Queen's University's associate vice-principal of research. Bruce Hutchinson said he was pleased to hear that the federal government plans to make it easier for firms to get financing that will help them turn science and technology innovations into successful businesses. "The benefits of commercialization here would likely be further investment in companies that would spin out of Queen's and, we hope, stay in the community," he said. The federal government has already made a \$13-billion investment in basic research since 1997, Hutchinson said. (*The Kingston Whig Standard* 5; 2004.02.05)

New Brunswick: Exhibits let children get safely lost in the wonders of the woods. For kids who have ever wanted to see moth larvae magnified in all it's gruesome glory, Science East is now the place to do it. Two new exhibits - Science Up Close and Personal, and The Great Canadian Forest Challenge - were unveiled at Science East in Fredericton on January 30. Both exhibits were provided by the Canadian Forest Service, a department within Natural Resources Canada. Representatives from the government agency along with Science East staff and MP Andy Scott got a peek at the new exhibits before students from George Street school kid-tested them. (*The New Brunswick Telegraph Journal* D4; 2004.01.31)

New Brunswick: Researcher studying potato-based fuel. Turning leftover potato waste into a renewable source of bioethanol fuel is an exciting prospect for the St. John River Valley, says a researcher studying the possibility. "This is something that can help the community, and the potential economic development in the area," says Kevin Shiell, a biotechnology instructor at NBCC Edmundston's Centre for Excellence in Agriculture and Biotechnology Sciences in Grand Falls. The centre has received \$54,750 in government funding to examine the feasibility of using culled potatoes and the potato matter processors don't use to create bioethanol. Tobique-Mactaquac MP Andy Savoy said the study complements his vision for the area, noting that an ethanol plant in the region could create jobs and boost the bottom line for some companies while improving the quality of the air we breathe and the water we drink. Agriculture and Agri-Food Canada and the Department of Agriculture, Fisheries and Aquaculture are contributing \$29,750. The New Brunswick Innovation Foundation is contributing \$25,000. (*The New Brunswick Telegraph Journal* D1; 2004.01.31)

N.W.T.: Feds say freeze the arsenic, DIAND plans to keep toxic dust underground at Giant Mine. If the federal government has its way, approximately 237,000 tonnes of arsenic trioxide will stay buried under Giant Mine forever, a federal measure of environmental cleanup. Giant Mine remediation co-ordinator Bill Mitchell told Yellowknifer that his department was given the green light February 3 by Ottawa to move ahead with a plan to keep the 50 year's worth of toxic dust at the mine frozen in perpetuity. "We won't be taking it out and creating another contaminated area," said Mitchell. He predicts the entire clean-up process will take 10-15 years and cost around \$200 million. The Department of Indian Affairs and Northern Development proposed two options last year: freeze the arsenic, or remove it and encapsulate it in cement. Governor General Adrienne Clarkson delivered the annual Speech from the Throne, in which PM Paul Martin pledged \$3.5 billion to environmental cleanups throughout the country. (*Yellowknifer* A5; 2004.02.04)

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1383

Kelly, Sandra

From: Pemberton, Martin
Sent: 02 February, 2004 09:26 AM
Subject: REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (January 23 - 29, 2004)

REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (January 23 - 29, 2004)

* This product is a compilation of media summaries available from Communication Canada.

ISSUE: Climate Change

Quebec : Centrale thermique : Le ministre provincial des Ressources naturelles, **Sam Hamad**, a annoncé la construction d'une centrale thermique à proximité du canal de Beauharnois. Le projet est évalué à 550 M\$ et créera 2 000 emplois. La centrale devrait être en opération en 2007. Un partenariat avec la MRC de Beauharnois-Salaberry et la Ville de Beauharnois a été établi. Le premier projet avait été rejeté par le Bureau d'audiences publiques sur l'environnement (BAPE) parce que jugé trop polluant et que les émissions de gaz à effet de serre de la centrale compromettrait les engagements de Québec en regard du protocole de Kyoto. Le président directeur général d'Hydro-Québec, André Caillé, a souligné que des modifications ont été apportées et qu'elles permettront de réduire de 8 % l'émission de gaz à effet de serre par rapport au premier projet. Hydro-Québec utilise une technologie développée par General Electric. Le député provincial de Beauharnois, **Serge Deslauriers**, est heureux de cette annonce, mais il trouve inadmissible qu'Hydro-Québec n'ait pas à retourner devant le BAPE pour soumettre sa version améliorée de la centrale du Suroît. Greenpeace et l'Association québécoise de lutte contre la pollution se sont prononcés contre. L'organisme Héritage Saint-Bernard considère que le projet n'a pas suffisamment changé pour rendre le projet moins polluant. Héritage Saint-Bernard privilégie le recours aux éoliennes. (*Journal Saint-François*, 20 janvier 2004)

ISSUE: Offshore Development

British Columbia: Peckford serves notice he'll speak his mind after walking from oil association. Since getting the Pacific Offshore Energy Association off the ground is done, former Newfoundland premier Brian Peckford said he wants to come clean with his personal thoughts. The process of lifting the moratorium on offshore exploration and development on the west coast is flawed, Peckford believes. He said **Ottawa's** undertaking to create a process for removing the prohibition on development should include both the province and B.C. First Nations groups. If all parties involved agreed to a process at the outset, problems would be less frequent, Peckford said, such as a provincial-federal accord laying out benefits like job creation. He said the current process of lifting the moratorium is "a federal government process only," which needs to include other parties by bringing "First Nations in on the ground floor." (*Parksville/Qualicum Beach News* 3; 2004.01.09)

British Columbia: Oil and gas sessions kick off Wednesday. Public hearings were held on B.C. offshore oil and gas moratorium, when a panel began a series of planning sessions Jan. 22. "We are asking for your input into how to do our job," said Roland Priddle, chair of the public review panel. If the moratorium placed in the 1980's on oil and gas development is lifted, North Coast communities will be the ones most directly affected, officials say. "We have division between provincial and federal issues," said Theresa Ryan, director of Fisheries for Tsimshian Tribal Council. "Will these processes be complimentary or are we setting ourselves up for adversarial confrontation?" Priddle indicated that it would be unlikely the scientific panel would make such a blanket determination, but rather "identify to what extent the information is complete and where there are gaps." (*The Daily News (Prince Rupert)* 1; 2004.01.22)

Newfoundland and Labrador: Laurentian sub-basin study complete: No exploration licences issued for area thought to be rich in oil, gas. An early stage environmental assessment of the Laurentian sub-basin -- an offshore patch south of Newfoundland thought to be rich in oil and gas -- is complete. Known as a strategic environmental assessment, it highlights information gaps that must be addressed in future assessments once companies apply to conduct seismic surveys, drill wells, or produce oil and gas in the Laurentian sub-basin. It was jointly conducted by the **Canada-Newfoundland Offshore Petroleum Board (CNOBPB)** and the **Canada-Nova Scotia Offshore Petroleum Board**. One information gap is the contents of a munitions dump on the eastern edge of the Newfoundland side of the sub-basin. "The munitions dump was indicated to us by the **Department of National Defence** ... but they couldn't give us any more information," said Kim Coady, environmental assessment officer for the CNOBPB. She says the department has yet to complete its own inventory of munitions dumps across the country. "If any activity -- physical disturbance of the area -- were to go on, then (the companies) would have to do what are called geological hazard surveys to find out more information on what's in the area," Coady said. More detailed environmental assessments are triggered once the oil companies apply to explore the deepwater offshore area. (*The Telegram (St. John's)* D1; 2004.01.27)

1284

Newfoundland and Labrador: NOIA happy with two regional boards. The Newfoundland Ocean Industries Association (NOIA) is pleased with federal Natural Resources Minister **John Efford's** decision to maintain offshore regulatory boards in Atlantic Canada. NOIA favours two boards in the region. "We are happy that the minister's decision is for the boards to remain as two regulatory bodies," said Leslie Galway, president and CEO of NOIA. The association is also happy Efford is considering changing regulations so offshore oil and gas projects can be approved faster. (*The Telegram* (St. John's) B9; 2004.01.24)

Newfoundland and Labrador: Byrne heartened by Efford's disinterest in merging offshore regulatory boards. Mines and Energy Minister Ed Byrne says he's pleased by federal Natural Resources Minister John Efford's lack of interest in pursuing a merger of the offshore oil and gas regulatory boards in Newfoundland and Labrador and Nova Scotia. Byrne said the provincial government is on record as stating it was not interested in a merger, as had been suggested by former Natural Resources Minister **Herb Dhaliwal**. (*The Western Star*(Corner Brook) 4; 2004.01.23)

Newfoundland and Labrador: Efford to address contentious regulatory issue. **John Efford** hasn't taken much time to rest since his appointment as Canada's natural resources minister. The Bonavista-Trinity-Conception MP attended a summit on natural gas transportation issues in Washington and is already preparing for a key announcement concerning the regulatory regime for offshore oil and gas companies in Atlantic Canada. (*Gander Beacon* A10; 2004.01.05)

Quebec/Newfoundland and Labrador: Province preparing for Quebec boundary case. Newfoundland should be ready to make a decision early in the New Year on how to handle a boundary dispute with Quebec involving offshore oil and gas resources in the Gulf of St. Lawrence, says Energy minister Ed Byrne. "The government appreciates that providing companies with jurisdictional certainty is key to attracting investment," Minister Byrne said to members of the Newfoundland Ocean Industries Association. "This government will approach this issue from a position that is non-confrontational ... We are hopeful that this matter can be resolved through respectful negotiations with the federal government and Quebec, and that will be our focus in the first instance." (*Port-Aux-Basques Gulf News* 9; 2004.01.05)

ISSUE: Softwood Lumber

British Columbia: Doman stands firm against log exports. B.C.'s economy is floundering, said Rick Doman, president and chief executive officer of Duncan-based Doman Industries Ltd. "We have failed to compete in the global economy," Doman said. "We need to ban log exports." Doman said his company has been "nickled and dimed" into a state of submission, due to punishing duties by the U.S. on Canadian softwood lumber. Companies exporting raw logs can avoid the 27.2 per cent duty, but he said that would "kill the economy of B.C." Doman has already paid \$60 million in tariffs because he has refused to export raw logs, and lose the byproducts of lumber production. He predicts B.C.'s job market will slump into one of low-paying jobs and unsustainable employment. Doman is looking to PM **Paul Martin** to develop a better relationship with the U.S. politicians to make exporting lumber more viable. (*Ladysmith-Chemainus Chronicle* 9; 2004.01.20)

ISSUE: Pipelines

N.W.T.: Pipeline schedule on track. Contrary to reports from CBC North and the *Globe and Mail*, a Mackenzie Valley Pipeline spokesperson said regulatory applications that could delay the project is old news. "In our opinion, it's a non-issue," said Hart Searle. "And our plan is still to file in 2004. There's no delay." Recent reports have suggested construction of the more than \$60-million project will be delayed, but Searle maintained the full suite of making the necessary applications was announced in June 2002. Chris Reid, former chief negotiator for the Deh Cho First Nation, blamed the **federal government** for holding up the project. Reid said the federal government's current **resource-revenue-sharing agreement** is below what B.C. and Alberta supply. Reid said the First Nation is also concerned about being left out of past **federal environmental review processes**, and wants communities impacted by development to get compensated by Ottawa. He said the relationship between private industry and the Deh Cho is getting better. (*Yellowknife News North* 26; 2004.01.12)

Yukon: Railway would pare pipeline's cost. Connecting Alaska to the rest of North America by railway is one step closer to realization after a meeting Jan. 15 in Juneau, which could cut costs of a proposed natural gas pipeline. Organizers of the meeting reach a consensus: the railway is achievable and beneficial to communities on both sides of the border, and is supported especially in western Canada. Yukon MP **Larry Bagnell** said the time had never been better for plans to advance forward. Another presenter said the historical costs of building a natural gas pipeline is 20-per-cent lower where a railroad is in place to bring in pipe and equipment. "I think that's certainly an interesting figure to consider in terms of constructing the Alaska Highway-route gas pipeline," said U.S.

1305

Senator John J. Cowdery. Speakers included Gov. Frank Murkowski, Yukon Premier Dennis Fentie and two members of the B.C. legislature.

(*The WhiteHorse Star* 6; 2004.01.22)

Yukon: Fentie optimistic but not excited. Word out of Alaska that a company owned by the second-richest man in the world wants to build a pipeline, has Yukon premier Dennis Fentie cautiously optimistic. Iowa-based MidAmerican Energy Holdings made the announcement in Alaska recently, to build the \$6.3 billion natural gas pipeline, dubbed the Alaska Highway project. "Our purpose now is to ensure that the (Canadian) **federal government** is also on top of this," said Fentie. "We'll be acting in that regard immediately and we'll await to see further developments." Fentie said **Ottawa** should support the Alaska Highway pipeline in the same way they have with the Mackenzie Valley project in the Northwest Territories. The Alaska Highway Aboriginal Pipeline Group (AHAPG) was formed in fall 2002 with a number of Yukon and B.C. First Nations, whose traditional territory the pipeline route goes through.

(*The WhiteHorse Star* 5; 2004.01.23)

Yukon: 'This project will move forward' Iowa-based MidAmerican Energy Holdings Co. wants to begin building the Alaska Highway gas pipeline within two or three years. MidAmerican chairman and CEO Dave Sokol told a number of Alaska and municipal dignitaries and representatives from a variety of companies the intent is to immediately begin working on permitting and design. Construction is to begin in 2006 or early 2007, with gas being shipped by Dec. 31, 2010, to supply the so-called lower 48 states. The pipeline would travel through the Yukon and British Columbia. (*The WhiteHorse Star* 4; 2004.01.23)

ISSUE: Science & Technology

Ontario: Ash-borer remedy tested in Michigan. Michigan State University entomologist Deb McCullough said insecticides injected into trees and soil or sprayed on the bark last year reduced emerald ash borer larvae by up to 90 per cent. A spray of the chemical imidacloprid could cost \$20 to \$200 per application and it is not yet registered in Canada. Ken Marchant of the **Canadian Food Inspection Agency** (CFIA) said the agency is in the process of applying for an emergency registration of the insecticide. The CFIA is planning to have 50,000 to 70,000 ash trees cut down in the Chatham-Kent area to try to stop the borer's spread. (*Windsor Star* A5; 2004.01.23)

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13806

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REGIONAL SNAPSHOTS / APERÇU RÉGIONAL (December 13 - 19, 2003)

* This product is a compilation of media summaries available from Communication Canada.

ISSUE: Climate Change

British Columbia: How the West was dealt: Anderson retains post. Victoria MP David Anderson has become Minister of Environment Canada, named by PM Paul Martin Dec. 12. He picked up added responsibilities that include federal parks and infrastructure. Anderson dispelled any suggestion the Martin government is abandoning the Kyoto Accord, despite objections raised by the automobile and energy sectors. Anderson also said he is holding fast to his position that there should be a moratorium on offshore oil and gas drilling in British Columbia. Stephen Owen, MP for Vancouver-Quadra, is now Minister of Public Works.

(*Times Colonist (Victoria) A1*; 2003.12.13)

Alberta: Wind, wind blow our way. In an editorial, the Lethbridge Herald's Dawn Sugimoto discusses the future of wind power in central Alberta. Sugimoto suggests that federal and provincial initiatives to reduce emissions from traditional non-renewable energy plants should assist municipalities in developing their own wind farms. (*Lethbridge Herald A6*; 2003.12.18)

Alberta: Kyoto foe maintains his post. The Alberta government is baffled David Anderson has been re-appointed as environment minister in Prime Minister Paul Martin's new cabinet. Alberta Intergovernmental Affairs Minister Halvar Jonson said Anderson's pro-Kyoto protocol stance is bothersome. "There's no question, up to this point in time, Mr. Anderson has been very difficult to deal with," Jonson said. "Hopefully, the prime minister will exercise some guidance with respect to his minister." (*The Calgary Sun 5*; 2003.12.13)

Alberta: Greenhouse conference a possibility in Hat. If winds blow the right way, there's a possibility Medicine Hat may host a conference on energy efficiency for greenhouses. Harold Wilson, executive director of the Economic Development Alliance of Southeast Alberta, attended a green energy conference in Toronto in November. "I had heard there was going to be a greenhouse energy workshop taking place in Niagara Falls in February," Wilson said. "What my role was, was to entice them to add another date. If they're going to be in Niagara Falls, as far as I'm concerned they're in the neighbourhood. And they're very interested in that." The workshop was sponsored by Environment Canada and the Dutch consulate. Wilson is still working with the consulate and its representatives on when and if a conference can be held here. (*Medicine Hat News A2*; 2003.12.18)

Saskatchewan: New policy sets 25% saving goal. Saskatchewan will have the most aggressive energy conservation policy in Canada, by requiring that all new government buildings improve the national building code by 25 per cent. "We want to make sure that the construction industry understands we're looking for two things: energy conservation, and to keep costs fixed," said David Forbes, minister responsible for energy conservation. Meeting the standard will also mean renovation projects and new buildings could qualify for federal government incentives equal to double the annual energy savings, up to a maximum \$60,000 for commercial buildings and \$80,000 for industrial buildings. Forbes said making buildings more energy efficient doesn't cost more, as long as new technology and better building practices are part of the initial design. Fifteen renovation projects in Saskatchewan have already achieved the energy-reduction goal, saving \$4,000 to \$103,000 in annual energy costs. (*The Leader Post (Regina) A6*; 2003.12.16)

Saskatchewan: City goes green as council vows to reduce emissions. Saskatoon city council adopted a target Dec. 15 to cut greenhouse gas emissions, dropping at least six per cent below 1990 levels, to help Canada meet the terms of the Kyoto Accord. Buying cleaner-burning buses, enforcing more energy-efficient building standards and encouraging motorists not to idle vehicles could all be part of creating a more environmentally friendly city. "It's a very positive step," said Roger Peters, an outgoing member of the Saskatoon environmental advisory committee. Even if the Kyoto accord dies, Russia has not ratified it, the city is committed to reducing emissions, said utility services manager Bill Hewitt. Prime Minister Paul Martin is expected to emphasize reductions regardless of the accord's fate. (*The StarPhoenix (Saskatoon) A1*; 2003.12.16)

New Brunswick: N.B. school to get windmill power. With a federal grant already in place and a new, Belgium-made turbine scheduled to arrive next summer, Dorchester Consolidated School is poised to become the first school in the country to be powered, at least partially, by a windmill. With the support of a grant from Sustainable Development

1387
Technology Canada, Marsha Lemos,

the Dorchester village councillor who is spearheading local efforts to bring renewable energy to the southeast, is hoping the estimated \$600,000 project being carried out jointly by the village, UNB, NB Power and Turbowinds, will be a catalyst for other schools and communities to do the same. Sustainable Development Canada is a funding organization mandated to foster the rapid development, demonstration and commercialization of innovative technological solutions that address climate change and air quality. The foundation is an initiative of the federal government, but operates as an independent, non-profit corporation. (*The New Brunswick Telegraph Journal* A3; 2003.12.17)

ISSUE: Offshore Development

Newfoundland and Labrador: A terrible irony. Editorial - In the Telegram, Roland Card notes that Newfoundland and Labrador is "... the No. 2 oil-producing province, behind Alberta, and oil production is growing rapidly." However, Mr. Card argues that "...except for local activity required to support and supply companies involved in the extraction process, the provincial economy will benefit only from the 30 per cent or so of royalty revenue it receives after the equalization clawback by the federal government." Mr. Card claims that Newfoundland and Labrador's share of the royalty pie, "... is in the order 75 cents per barrel versus Alberta's share at \$7.50 per barrel." He also points out that the province does not own or share any of its offshore developments, which means they'll receive approximately \$90 million in royalty revenues this year, which will be subject to clawback provisions, whereas Alberta's royalties would be in excess of \$900 million for the same volume of oil. Mr. Card contends that the answer to a viable future for the province, "... lies, at least in part, in the recommendations of the royal commission on our place in Canada," and that "... the commitment contained in the Atlantic Accord, that this province will be the principal beneficiary of its offshore oil resources, is realized." (*The Telegram (St. John's)* A6; 2003.12.18)

Newfoundland and Labrador: Ministerial debut: Offshore development high on priority list, Ed Byrne tells industry. In his first public speech as mines and energy minister, Ed Byrne says capitalizing on the province's offshore oil and gas potential figures prominently in the Conservative government's economic blueprint. Byrne called the Atlantic Accord "one of the most challenging and complex" issues facing the government, and promised it will be tackled in the early days of the Williams government's mandate. He says the government's goal is simple: make the 1987 accord live up to its intent that Newfoundland be the principal beneficiary of oil and gas developments off its coast. He also said the province is developing a strategy to persuade the federal government to enable the Atlantic Accord to do just that. The strategy will take the provincial government to the door of new federal Natural Resources Minister John Efford. Along with sending a congratulatory letter to Efford, Byrne asked for a meeting "at the earliest possible opportunity." He said Premier Danny Williams also raised the issue with Paul Martin before he became prime minister. (*The Telegram (St. John's)* D1; 2003.12.16)

Nova Scotia: Fishermen hold protest to stop seismic testing. With seismic blasting imminent off the west coast of Cape Breton, fishermen made one last attempt to show their opposition by protesting at the Canso Causeway, on December 15. More than 60 fishermen carrying signs with messages including "CNSOPB Fish Killers," and "Science not Seismic," lined the stretch of road leading into the rotary near the causeway, slowing eastbound traffic entering the island for a brief time during the early afternoon. With the seismic vessel GSI Admiral, contracted by Corridor Resources, already on site and awaiting a break in the weather before proceeding with the program, protesters knew there was likely little they could do to prevent it from going ahead. "It's a rally and show of support for the fishing industry," said Osborne Burke, spokesman for the North of Smokey Fishermen's Association. "We want to send a message to the provincial and federal levels of government that fishermen are still opposed to the blasting. We want to let them know the industry is not pleased." But because the testing hadn't begun yet, Burke said it may not be too late if levels of government decided to take up the cause. (*Cape Breton Post* A1; 2003.12.13)

Nova Scotia: Weather delays seismic testing. Corridor Resources is waiting for weather conditions to improve in the Gulf of St. Lawrence before starting seismic testing for natural gas off Cheticamp. Snow and rain driven by high winds buffeted the western side of the island on December 15. Corridor Resources, a junior exploration company based in Halifax, has faced opposition from fishermen and environmentalists who are against petroleum exploration in the rich fishery area. Company president Norm Miller said he understands the opposition because it has been ongoing for some years, but there are mitigating measures built into this seismic program that will allow the work to be done without significant impact on the fishery and the environment. (*Cape Breton Post* A3; 2003.12.16)

Nova Scotia: Seismic testing raising concerns among island fishermen. Seismic testing could mean the end for communities North of Smokey, according to veteran fisherman Robert MacLellan. Corridor Resources of Halifax has permission from the Canada-Nova Scotia Offshore Petroleum Board (CNOSPB) to undertake six days of undersea testing over 500 kilometres. The work is being done 15 kilometres off Cheticamp. Environmentalists, scientists and fishermen are concerned the seismic testing could harm marine life, especially the snow crab. MacLellan, who also serves as councillor for the Municipality of Victoria County, said the majority of people North of Smokey make their living from the crab fishery. Victoria The Lakes MLA Gerald Sampson, a former councillor and warden for Victoria County, echoed MacLellan's concerns. Provincial Energy Minister Cecil Clarke said the seismic

1388

program put forth by Corridor Resources was part of an exhaustive, two-year process with extensive public consultation and involvement. "The Department of Energy is listening to concerns from both fisheries and other interests to make sure we have better science. To have good science means we need to have monitors in place." Clarke said this is why his department is partnering with the Department of Fisheries and Oceans. The approval process for this has come forward through the CNOSPB that has reviewed all opinions. "This has been a joint provincial-federal approval process with extensive consultation. There has been a great deal of monitoring and a commitment to good science." (Cape Breton Post A11; 2003.12.15)

Nova Scotia: Judge turns down Mi'kmaq elder's bid to stop exploration. A Mi'kmaq elder bowed his head and wept on December 11 after learning his bid to head off imminent seismic blasting off the western coast of Cape Breton had failed. Albert Marshall of Eskasoni was comforted in a Port Hawkesbury courtroom by his lawyer and a friend after his application for an interim injunction against Corridor Resources and the Canada-Nova Scotia Offshore Petroleum Board to prevent the Halifax-based company from exploring for oil and gas in waters off Cheticamp, was dismissed. "I am devastated," Marshall said following the ruling. "As I told my friend, I am not crying for me because I've lost, I'm crying for the species that will be lost, that's what my tears are for." Nova Scotia Supreme Court Justice Simon MacDonald ruled that Marshall's application failed to meet any part of the three-pronged test that would have been necessary in order to grant the interim order - it failed to prove there was a serious issue to be tried, irreparable harm or a balance of convenience. (Cape Breton Post A1; 2003.12.12)

Nova Scotia: Does Efford better understand the Atlantic energy sector? In his business column, Roger Taylor remarks that Nova Scotia's energy sector was surprised when it was announced that John Efford of Newfoundland would hold the natural resources portfolio in the new cabinet of Prime Minister Paul Martin. One source Mr. Taylor spoke to says "... it could be good news for Nova Scotia, because Efford would be very much aware of the issues facing Newfoundland's energy sector, which has problems similar to those being dealt with in Nova Scotia." Mr. Taylor notes in particular, Nova Scotia's fight to obtain a larger portion of offshore revenues from the development of oil and gas prospects offshore, and he mentions that some people are hopeful Mr. Efford may have a better perspective on the issue as Newfoundland and Labrador is trying to negotiate the a better royalty sharing arrangement. (The Chronicle Herald C5; 2003.12.13)

Quebec : Exploration gazière : Le ministre québécois de l'Environnement, Thomas Mulcair, a annoncé qu'il reporte une date ultérieure la décision de permettre Geophysical Service Incorporated de faire des recherches géosismiques dans le golfe Saint-Laurent, entre les Îles-de-la-Madeleine et l'île d'Anticosti. « Jamais, a dit le ministre, je ne donnerai mon aval des travaux qui menacent la faune marine du golfe Saint-Laurent ». Le ministre des Ressources naturelles cherche quant à lui à trouver un équilibre entre les impacts sur l'environnement de ces activités de recherche, la volonté exprimée de la population et les retombées économiques sur le milieu. Enfin, Le Radar rapporte que Paul Martin semble plus ouvert que Jean Chrétien sur la question de l'exploration du site de Old Harry, qui pourrait contenir entre 1,5 et 2 milliards de barils de pétrole ou 4 à 5 billions de pieds cubes de gaz naturel. (Le Radar, 5 décembre 2003)

Quebec : Exploration du potentiel du golfe : Dans un texte non signé, Le Radar prend position dans le dossier concernant l'exploration pétrolière et gazière dans le golfe Sainte-Laurent. « L'intérêt public exige que l'on connaisse le potentiel en hydrocarbures du golfe Saint-Laurent, situé dans la même grande région que les formations géologiques découvertes au large de Terre-Neuve et de la Nouvelle-Écosse, qui bénéficient des importantes retombées de l'exploitation du pétrole et du gaz qu'on y a découvert. Le Québec est trop pauvre pour lever le nez sur les retombées qui pourraient découler des découvertes possibles dans le golfe ». (Le Radar, 5 décembre 2003)

ISSUE: Pipelines

Yukon: On track again for Alaska Highway gas and rail. PM Paul Martin's position on the Alaska Highway Gas Pipeline will indicate whether the proposal is viable or not. The Governor of Alaska strongly supports the Alaska Highway gas pipeline, and liked the idea of twining the project with a railway. Moreover, a map by CN Rail indicates that there is a relatively small amount of track that would have to be cut in the Yukon and B.C. to link an Alaska railway to the continental network. Using the Alaska Highway, the natural gas pipeline and the railway might become reality, which would be "a tremendous boost to the economy of the Yukon, northern B.C. and North America. (Fort Nelson News 4; 2003.12.03)

ISSUE: Softwood Lumber

British Columbia: More companies come out to back softwood deal. Northern Interior lumber remanufacturing firm East Fraser Fiber came out recently in support of the proposed softwood deal with the U.S. It joins Jackpine Forest Products in Williams Lake which has already said the deal is necessary for the company to survive; Brink Forest Products supports the deal conditionally. Canada's International Trade Minister Jim Peterson encouraged the provinces and industry to take a second look at the deal. "The softwood deal is a proposal that we could accept," said East Fraser Fiber president Jerry Deere. "Sure we'd like it to be a lot better, but we could accept the proposal." Deere believes given that Canada had its top negotiators at the table, this may well be the best deal the country can get. He said their position has been communicated to the provincial and federal governments. The governments of Alberta, Ontario and Quebec have said they don't like the

1339
deal, a position shared by their lumber sectors. The lumber industry in B.C. is split. (*Prince George Citizen* 3; 2003.12.18)

British Columbia: B.C. still sitting on fence over softwood deal. Alberta joined Ontario recently in panning a proposal to end the softwood lumber dispute, while B.C. politicians continued to sit on the fence and many worried the deal would die. "The B.C. government has got to start building consensus among the provinces and getting the players in line," said Gian Sandhu, president of Jackpine Forest Products, one of many small B.C. producers who say without a deal their companies won't survive another year. But Alberta's Minister of International Relations told the federal government it wants to hold out for a bigger share of the U.S. market than the 31.5 being offered to Canadian producers under the deal. For Jackpine and other small operations that would mean a cheque for millions of dollars and a new lease on life. With far fewer communities relying solely on the lumber business, Ontario and Alberta aren't as desperate as B.C. is under the crippling duties and don't see the need to compromise, Sandhu said. (*The Daily News (Nanaimo)* A5; 2003.12.17)

British Columbia: Softwood deal threatens north coast industry. The proposed deal with the U.S. to end the softwood lumber dispute would damage the development of the North Coast forest industry, said Prince Rupert mayor Herb Pond. He said council members are upset with the most recent proposal to end the Canadian softwood lumber dispute with the U.S. because it will block out North Coast involvement in the U.S. market. "If we are going to build a forest industry in the Northwest, we need flexibility to move any product into any market at any given time," he said. Pond said no quota is being set aside for new entrants to the market. New Skeena CEO Dan Veniez said the quota system will make the start up of the Terrace sawmill extremely difficult, if not impossible. (*The Daily News (Prince Rupert)* 1; 2003.12.12)

British Columbia: Gov'ts ponder lumber deal. The federal government did not finalize its decision Dec. 12, despite growing opposition to a recent deal with the U.S. to end the softwood lumber dispute. Canfor, Canada's largest lumber producer, decided recently not to support the proposition. "Does (Canfor's position) in itself mean that it's the end in terms of an overall proposed deal with the U.S.? Well, we're not sure," said spokesman Andre Lemay, for the Department of International Trade. Lemay said he expects Canada's decision to arrive shortly, but added that negotiation will not likely resume until after Christmas. B.C. forestry minister Mike De Jong has not made a formal statement addressing the province's official position. Paul Quinn, a paper and forest products analyst with Salman Partners, expects the deal to fail. (*Prince George Citizen* 3; 2003.12.13)

British Columbia: Softwood deal threatened by Canfor's stand. David Emerson president of Canfor Corp., Canada's top lumber producer and exporter, said Dec. 11 he would not support a deal to end the Canada-U.S. softwood lumber dispute. The proposal caps softwood exports below Canada's current U.S. market share and imposes quotas expected to force most exporters to cut production, which Emerson says is unfair to Canfor's employees and shareholders. Analyst Kevin Mason of Equity Research Associates says he regarded Canfor as the swing vote on the deal, given its size and dominance in the B.C. forest industry. "The fact they are swinging to the negative side, I think that puts the nail in the coffin on this thing," Mason said. "If the feds were to go ahead on this with Canfor and West Fraser and all the other small B.C. guys against it, plus Quebec and Ontario, that would be political suicide." Emerson said Canfor has informed International Trade Minister Pierre Pettigrew it does not intend to drop its legal challenge against the lumber duties, filing a notice of arbitration and statement of claim under the North American Free Trade Agreement. (*Vancouver Sun* A1; 2003.12.12)

Alberta: Alberta wants lumber pact axed. Alberta joined Ontario in panning a proposal to end the softwood lumber dispute, while B.C. politicians continued to sit on the fence and worry the deal will die. Alberta's Minister of International Relations told the federal government Alberta wants to hold out for a bigger share of the U.S. market than is being offered to Canadian producers under the deal. (*The Calgary Sun* 45; 2003.12.17)

ISSUE: Science & Technology

Newfoundland: NRC opens industry partnership facility and renames institute. St. John's now has a state-of-the-art facility to assist companies in developing new concepts in ocean technology. The National Research Council's (NRC) Industry Partnership Facility (IPF) was officially opened on October 23. The \$5.7 million facility will provide entrepreneurs with access to expertise and facilities to help develop, test and commercialize new ocean technologies. Funding for the 3,500 square metre building was announced by Industry Canada in October of 2001 as part of \$20 million to foster an ocean technology cluster for St. John's. Also on October 23 the NRC research institute in St. John's was renamed the Institute for Ocean Technology. (*St. John's Navigator* 47;

2003.12.01)

1390

Ontario: Bug war: Canada fights deadly beetle infestation. The maple leaf, an enduring symbol of the true north strong and free, is under attack from a foreign invader. Members of this insurgent force are clad in jet-black body armour with white spots on their backs. They proudly display striped antennae twice the length of their bodies and are known to have bluish tinged feet. Despite their outrageous appearance, these insidious pests managed to sneak into Canada unnoticed and are now tops on our "most unwanted" list. If they're not stopped, they'll eat our hardwood trees -- including the maple -- from the inside out, leaving a trail of dead wood in their wake. Officially identified as *anoplophora glabripennis*, you might recognize the intruder by its street name -- the Asian longhorned beetle. Although it measures only two to 3 1/2 centimetres, the notorious insect has no known predators in Canada. All three levels of government in the Toronto area -- federal, provincial and municipal -- are taking the threat seriously. The current infestation is limited to that area, but half of the country's natural wild forests are on the beetles' menu. "This could be a big problem if we don't eradicate this," says Howard Stanley of the Canadian Food Inspection Agency, who works as a bug detective of sorts. (*London Free Press* D8; 2003.12.15)

Quebec : Autobus hybride : Le gouvernement du Canada a confirmé qu'il participerait au tiers du montant requis au projet d'autobus hybride de la Société de transport de l'Outaouais. La STO a déjà un autre tiers versé par les fournisseurs, le dernier tiers revenant au gouvernement du Québec, qui n'a pas encore donné sa réponse. (*Le Régional Hull - Aylmer*, 3 décembre 2003)

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Marty Pemberton
Media Analyst
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Communications Branch-Direction des communications
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1391

**SECRET
FOR INFORMATION**

N04-55118

MEMORANDUM TO THE MINISTER

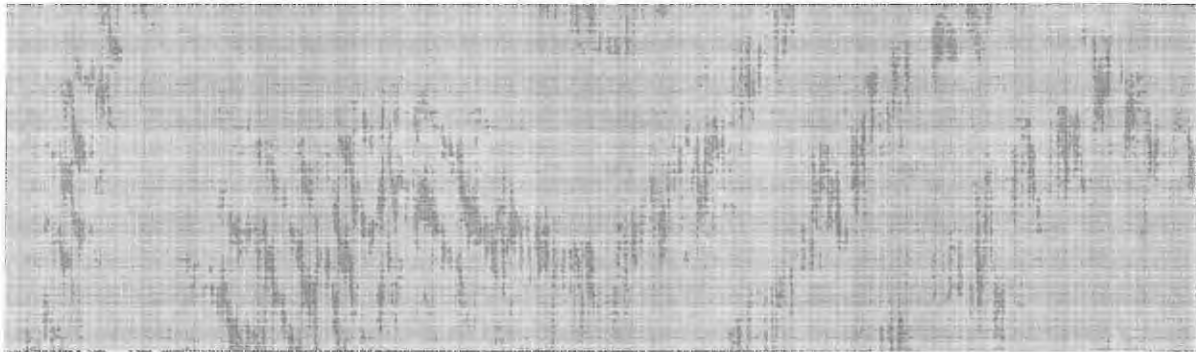
SUBJECT: Briefing Material for Vancouver Meetings, January 25-26, 2004

PURPOSE

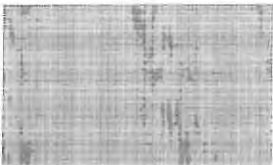
To provide you with briefing material in support of your meetings in Vancouver during the period, January 25-26, 2004.

BACKGROUND

The attached briefing book is provided in support of your Vancouver agenda. The book is structured around three main activities: your dinner meeting with the Hon. Richard Neufeld, BC Minister of Energy and Mines; your participation at the 2004 Mineral Exploration Roundup; and, your site visit to Ballard Power Systems.



Since being elected in May 2001, the primary focus for the Government of British Columbia has been economic recovery and diversification pursued largely through the creation of a 'business friendly' investment framework, regulatory reform and public service streamlining. In its 2003 Speech from the Throne, the British Columbia Government focussed on 'opening up' new opportunities in the province. The province is looking to the Government of Canada to be an active ingredient in British Columbia's economic resurgence.



1392

The Mineral Exploration Roundup is western Canada's premier mineral exploration event and is one of the largest exploration conferences in the world. This year's registration is anticipated to exceed 3,500 participants. This meeting provides an excellent opportunity for you to introduce yourself to a large part of the Canadian resource sector and to meet your provincial and territorial colleagues.

Roundup provides an opportunity for NRCan to provide information on ongoing geoscience projects to our industry and academic clients and to receive input from these clients on their interests and priorities related to mineral deposits research activities.

In conjunction with the Roundup, you will also be meeting with officials from the BC and Yukon Chamber of Mines. This meeting provides an early opportunity to establish a working relationship with key industry representatives. This is an informal introductory meeting where you will have the opportunity to hear directly about issues related to the industry in British Columbia and the Yukon and general concerns at both the domestic and international levels.

Your third Vancouver activity involves a site visit to Ballard Power Systems. The Government of Canada's long-standing association with Ballard Power Systems is an excellent example of a partnership that works. The Partnership was first initiated in 1983 through a research and development contract on fuel cells from the Department of National Defence. NRCan has been working with Ballard since 1985, shortly after the company began development of its fuel cell technology. Since the original project with the Department of National Defence in 1983, the federal government has invested \$59 million in the research, development and demonstration of Ballard's fuel cell technology and the resulting fuel cell products.

At Ballard, you will have the opportunity to meet with the Hydrogen Highway Steering Team. British Columbia's Hydrogen Highway is a coordinated, large-scale demonstration and deployment program intended to accelerate the commercialization of hydrogen and fuel cell technologies. The project was initiated in August of 2002 and is targeted for full implementation by the Whistler 2010 Olympics. The objective of the project is to form a consortium of organisations to design, build, operate, test and evaluate a hydrogen fuelling infrastructure or 'hydrogen highway' along a corridor between Vancouver and Whistler, with an extension of the corridor to Victoria. The project will attract international attention and be a showcase of sustainable transportation, creating a highway that will allow visitors to travel between the Vancouver Airport and Whistler for the 2010 Olympics.



17213

RECOMMENDATION

That you draw on the attached briefing material in support of your Vancouver agenda, January 25-26, 2004.

George Anderson

Attachment: (1)

Contacts: Frank Des Rosiers (947-1595), M. Parry, K. Lewis
Corporate Policy and Portfolio Coordination Branch / SIRAA



1794

Page(s) 00044 to / à 000490

is (are) not relevant
n'est(ne sont) pas pertinente(s)

1395



Natural Resources
Canada

Ressources naturelles
Canada

Assistant Deputy Minister
Energy Sector

Sous-ministre adjoint
Secteur de l'énergie

Ottawa, Canada
K1A 0E4

*File
BC offshore*

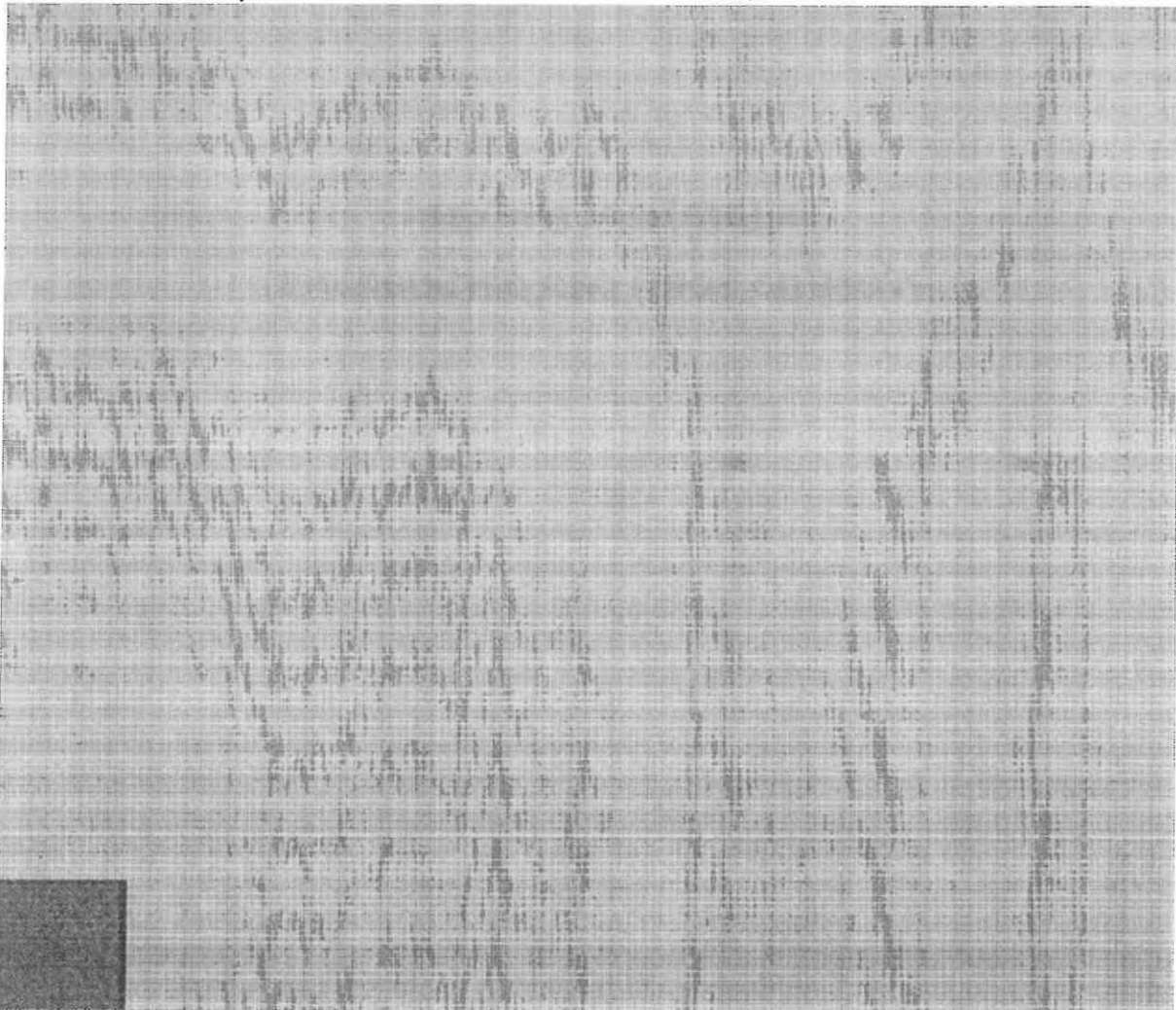
CONFIDENTIAL

Dr. Irwin Itzkovitch
Assistant Deputy Minister
Earth Sciences Sector
Natural Resources Canada
3rd floor, Room 325
588 Booth Street
Ottawa, Ontario K1A 0Y7

s.69(1)(g)(a)(c)

Dear Dr. Itzkovitch:

Irwin



Canada

000491

1396

A plan for moving forward with the Cabinet direction was discussed on June 13, 2002, at an assistant deputy minister committee meeting with departments that had met previously on this file. It was agreed that five working groups should be established to carry out the work over the summer of 2002. Additional departments were identified that need to be involved in this work, some of which will be asked to play a significant role.

Enclosure 1 provides a list of the proposed Issues Table working groups (the working group) and their members, along with either the designated or proposed chair. If you feel that your department should be represented on one of the working groups and is not mentioned, please feel free to indicate your desire to be involved. The working group will report to the ADMs' committee. To coordinate the activities in the region, we have asked Dr. Sandy Colvine, Director of GSC Pacific of NRCan, to chair a committee of the chairs of the B.C.-based working groups. The work of this group is already under way. Mr. John Watson, Regional Director General of Indian and Northern Affairs, is being asked to continue his role of coordinating the full group of federal departments in B.C. with an interest in this file.

Each working group will be asked to develop terms of reference and a work schedule for approval by the ADMs' committee.

Plans for these discussions should form part of the working group's work plan so that the ADMs' committee can coordinate this activity. We should expect to receive the reports of the working group by mid-September in order to be in a position to go back to Cabinet in early autumn.

It is important that we manage expectations and ensure consistent messaging, especially given the diverse groups involved in this work. Again, the ADMs' committee will be the focus for communications, supported by NRCan's Communications Branch. Media lines will be developed for use by the chairs of each working group

I request that you designate your department's representatives to the working group. I remind you that there is a need to move this work forward over the summer, so your designated official should be in a position to participate during this time, or have appropriate arrangements for an alternate contact.



Meanwhile, if your designated officials have any questions about the working group or the work to be carried out over the summer, please contact Mr. Al Clark, Director of Frontier Lands Management Division. Mr. Clark may be reached at (613) 995-4535.

Thank you for your cooperation.

Yours sincerely,



Ric Cameron

Enclosure: (1)

Distribution

Ms. Judy Ferguson
Assistant Deputy Minister
Western Economic Diversification Canada

Mr. François Guimont
Assistant Secretary to the Cabinet
Economic and Regional Development Policy
Privy Council Office

Mr. Matthew W. King
Assistant Deputy Minister
Oceans Sector
Fisheries and Oceans Canada

Mr. Louis Lévesque
Deputy Secretary Office of the
Deputy Secretary (Intergovernmental Operations)
Privy Council Office

13918

Mr. John Sinclair
Senior Assistant Deputy Minister
Policy and Strategic Direction
Indian and Northern Affairs Canada

Norine Smith
Assistant Deputy Minister
Policy and Communications
Environment Canada

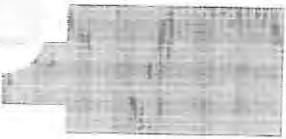
Mr. Andrew Treusch
Assistant Secretary
ES - Assistant Secretary's Office
Treasury Board of Canada Secretariat

Mr. Denis Gauthier
Assistant Deputy Minister - EDCF
Finance Canada

Ms. Carole Swan
Associate Secretary
Associate Secretary's Office
Treasury Board of Canada

Ms. Cynthia Williams
Assistant Deputy Minister
Human Resources Development Canada

Ms. Carolyn P. Kobernick
Deputy Head
Business and Regulatory Law Portfolio
Department of Justice



Mr. John M. Banigan
Assistant Deputy Minister
Industry Sector
Industry Canada

Ms. Donna Mitchell
Acting Assistant Deputy Minister
Rural Secretariat
Agriculture Canada

Dr. Irwin Itzkovitch
Assistant Deputy Minister
Earth Sciences Sector

Mr. Robert G. Connelly
Vice President
Canadian Environmental Assessment Agency

Mr. Warren Edmondson
Assistant Deputy Minister
Human Resources Development Canada

Department of National Defence (contact to follow)



1400

CONFIDENTIAL

Enclosure 1.

**Oil and Gas Activities Offshore British Columbia
Special Assistant Deputy Minister's Committee
Issues Table Working Group
Members**

1. **Science Table Working Group:**

**Natural Resources Canada, Earth Sciences Sector
Sandy Colvine, Chair (Tel: 250-363-6438)**

Department of Fisheries and Oceans
Department of the Environment
Canadian Environmental Assessment Agency
Heritage Canada - Parks Canada

2. **Oceans Strategy Working Group:**

**Department of Fisheries and Oceans
Camile Magean (Tel: 613-991-1285)/Peter Hale, Chair (Tel: 613-990-0308)**

Natural Resources Canada
Environment Canada
Canadian Environmental Assessment Agency
Heritage Canada - Parks Canada
Department of National Defence

3. **Social and Economic Working Group:**

**Western Diversification
Designated Chair**

Human Resources Development Canada
Natural Resources Canada
Department of Fisheries and Oceans
Industry Canada
Indian and Northern Affairs Canada

1401

4. **Legal and Aboriginal Working Group:**

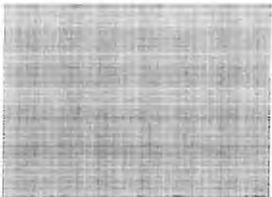
Department of Justice
Designated Chair

Indian and Northern Affairs Canada
Natural Resources Canada
Privy Council Office
Foreign Affairs and International Trade

5. **Management Regimes Working Group:**

Natural Resources Canada
Al Clark, Chair

Department of Justice
Department of Fisheries and Oceans
Indian and Northern Affairs Canada



1402

Colvine, Sandy

From: Couët, Paule
Sent: January 21, 2004 1:36 PM
To: Chenier, Michel; McDonald, June
Cc: Colvine, Sandy
Subject: FW: bcoffshore brief Minister

Importance: High

Michel, June

I was told to send this to you to you. Tthis is a briefing note on BC offshore for the Minister briefing book for his trip to BC next week.

ESS would like the annex to appear in the note and we added 2 ESS contacts for the science review panel. It has been approved by the ADM of ESS.

Paule Couët
Chief of Staff / Chef de Cabinet
Earth Sciences Sector/ Secteur des sciences de la Terre
ADM's Office/ Bureau du SMA
580 Rue Booth Street, 14th floor / 14ième étage
Ottawa, Ont, K1A 0E4
(613) 947-2789

-----Original Message-----

From: Lowe, Carmel
Sent: January 20, 2004 1:57 PM
To: Colvine, Sandy
Subject: bcoffshore brief

Sandy

I have added the annex to Kristi's brief as requested and referenced it appropriately.

Carmel



bcoffshore_mlni
ster briefing_R...

Carmel Lowe

Research Scientist, Pacific Division Geological Survey of Canada 9860 W. Saanich Road Sidney, BC V8L 4B2	Chercheur scientifique division du Pacifique Commission géologique du Canada 9860, chemin Saanich ouest Sidney, C.-B. V8L 4B2
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1403

OIL AND GAS MORATORIUM OFFSHORE BRITISH COLUMBIA

ISSUE

A federal review process is underway to inform a decision by Government on whether to lift the federal moratorium on oil and gas activities for the Queen Charlotte Basin area offshore British Columbia. The Provincial government views the lifting of the federal moratorium as the single most important energy issue under your authority and Premier Campbell has recently written to you indicating this.

BACKGROUND

Both the federal and provincial governments imposed moratoria on oil and gas activities offshore B.C. in the early 1970's due to concerns about the environment. The Government of B.C. has made advancing its offshore oil and gas interests a key priority in its electoral mandate. The development of the Province's onshore resources has brought significant economic benefits, and offshore oil and gas development could bring benefits to coastal communities currently facing economic hardships. The Province has completed a scientific review and stakeholder consultations which it argues justify lifting the provincial, if not the federal, moratorium.

On March 28, 2003, the Government of Canada announced the federal review process to inform whether the federal moratorium should be lifted for the Queen Charlotte Sound area offshore B.C. The review does not include the total extent of the federal moratorium area.

There are three main elements to the federal review: a science review, a public hearing process and First Nations engagement.

The science review is being conducted at arms-length from Government by the Royal Society of Canada (see Annex 1 for contract rationale). The Society's Expert Panel is tasked with identifying whether there are any science gaps which may need to be filled before a decision on lifting the moratorium can be made. It completed a three-part workshop series by end-October which has provided an open, fair and effective opportunity for a wide variety of science experts to present and identify science gaps. The resultant report and recommendations are likely to be submitted to you by mid-February, 2004.

An expanded Strategic Environmental Assessment, to include an assessment of socio-

1405

Colvine, Sandy

From: Lowe, Carmel
Sent: January 14, 2004 12:06 PM
To: Sim-Nadeau, Sue
Cc: Colvine, Sandy
Subject: ESS briefing of Minister Efford

Sue,

I understand that you are coordinating ESS briefing material for Minister Efford.

Sandy Colvine has requested that, as support for this briefing material, I provide you with a record of NRCan activities with respect to the western Canada offshore oil and gas moratorium.

This record can be found in the attached document. Please do not hesitate to contact either Sandy or myself should you require additional information.

Carmel Lowe



some input for
ministerial bri...

Carmel Lowe

Research Scientist, Pacific Division Geological Survey of Canada 9860 W. Saanich Road Sidney, BC V8L 4B2	Chercheur scientifique division du Pacifique Commission géologique du Canada 9860, chemin Saanich ouest Sidney, C.-B. V8L 4B2
--	---

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Web site/Site web: <http://www.nrcan.gc.ca/gsc/pacific/>



NRCan engagement in the western Canada Offshore moratorium review: 2002 to present

Background

In 2001, the government of British Columbia commissioned several studies to assess the potential impacts of offshore oil and gas activities. This was followed by a Scientific Panel review, also commissioned by B.C., which concluded in its January 15, 2002 report that "There is no inherent or fundamental inadequacy of science or technology, properly applied in appropriate regulatory framework, to justify a blanket moratorium on such activities".

In 2002, the government of British Columbia provided copies of the studies and the Scientific Panel review report to the Government of Canada and requested that the Government of Canada consider lifting the federal moratorium on oil and gas activities.

In March, 2002 PMO requested a presentation on science gaps respecting a moratorium decision. The presentation, which was delivered by NRCan on March 28, outlined the science gaps but did not specify when, or by whom, the gaps should be filled.

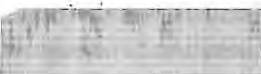


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interdepartmental working groups were struck to examine the issue, one of which was a science working group (SWG) chaired by NRCan. Other participating departments in the SWG were DFO, EC and PC, with input from CEPA. The SWG held several meetings over the following few months and submitted a final report to the ADM committee in September 2002. The report documented agreement between participating departments on the need to synthesize information and review experiences nationally and internationally (\$2 million). NRCan proposed to proceed with some baseline work (\$2 million). EC stated work totalling \$35 million would be required but that they were not in a position to undertake it. Subsequently, the Minister of EC stated at least \$100 million and industry would be responsible.

On March 28, 2003 the Minister of Natural Resources Canada announced that the Government of Canada would proceed with a moratorium review to:

- (a) identify science gaps related to possible oil and gas activity, offshore B.C. (Science Review);
- (b) hear the views of the public regarding whether or not the federal moratorium should be lifted for selected areas (public hearings); and,
- (c) consult with First Nations to ensure that issues of unique interest to First Nations are fully explored (First Nations engagement).



1407

The entire process was to be completed by July, 2004. The science review was to be completed first and the results made public before the public hearings and First Nations engagement were undertaken. The review was restricted to the Queen Charlotte Basin which has the highest estimated hydrocarbon resource potential.

On May 15, 2003, the Minister announced that Mr. Roland Priddle had been selected as head of the independent three-member review panel coordinating the public consultations.

On July 30, 2003, the Minister announced that the Royal Society of Canada would undertake the science component of the review on behalf of the government of Canada and that the science review panel would be chaired by Dr. Jeremy Hall from Memorial University, Newfoundland. NRCan was responsible for drafting the Terms of Reference (TOR) for review in consultations with other government departments. The TOR called for a small number of science workshops to be held that would allow qualified experts drawn from industry, academia, NGO's, First Nations, etc. to provide input.

A total of three science workshops were conducted during October, 2003. The first two, which were held in Vancouver focused on science gaps pertaining to the physical and biological environment in the Queen Charlotte Basin. The third workshop was held in Prince Rupert and was designed to capture local science knowledge.

A briefing note summarizing the workshops was submitted to the Minister in December, 2003.

The final report of the Royal Society of Canada is expected in three weeks.

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of the Access to Information
Loi sur l'accès à l'information

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Attachment 1.

BRIEFING NOTE FOR THE DEPUTY MINISTER

**Scientific Knowledge Base Needed for Decisions
on the British Columbia Offshore Moratorium**

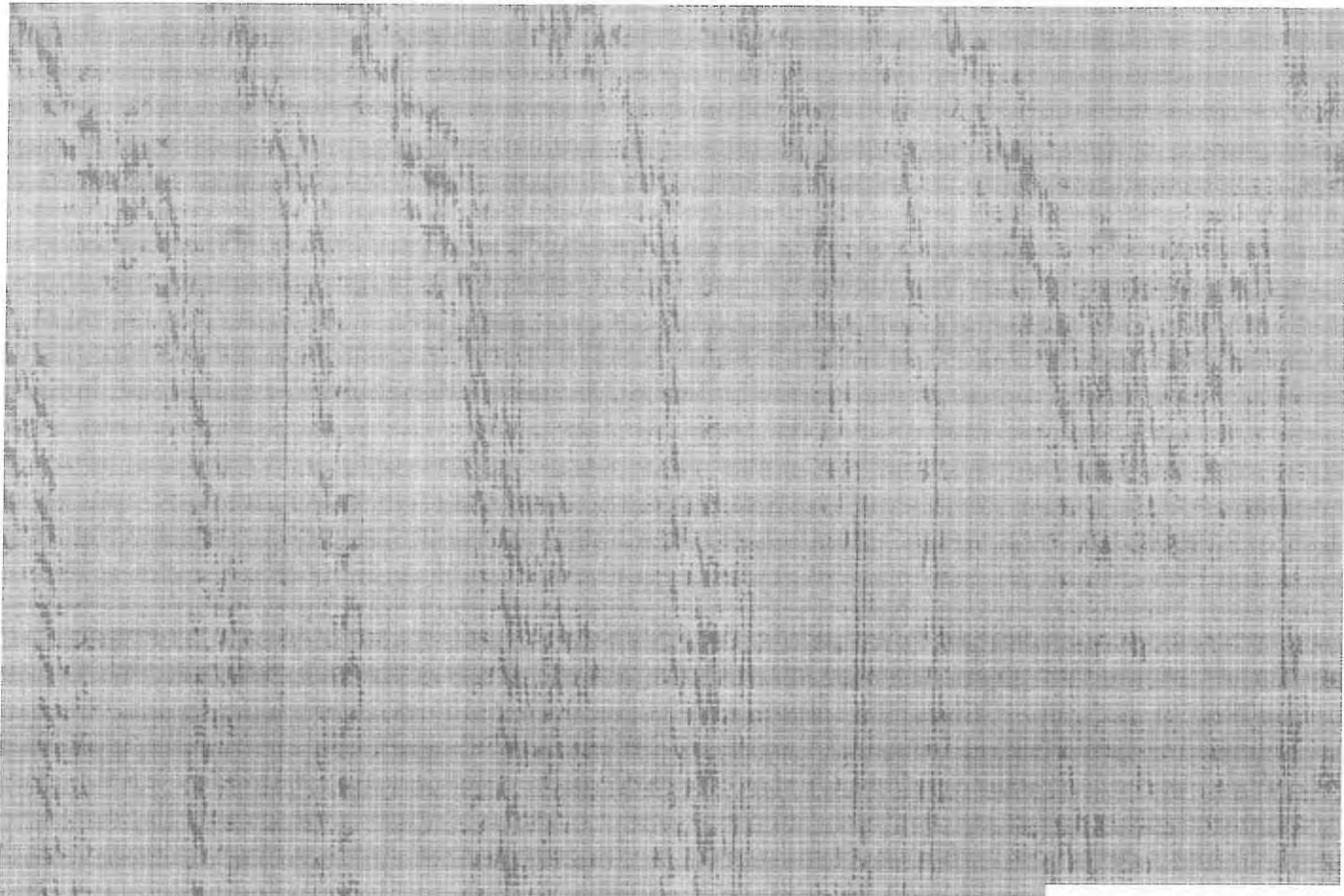
ISSUE

The Earth Sciences Sector (ESS) is conducting scientific work related to the West Coast offshore moratorium and is working with B.C. officials in this regard. At issue is how best to expedite progress on such scientific work.

BACKGROUND

Digital Library

In the fall of 2002, the federal interdepartmental Science Working Group agreed unanimously that a digital library of relevant scientific information would be a resource required to support a decision on the West Coast moratorium and any subsequent activity.



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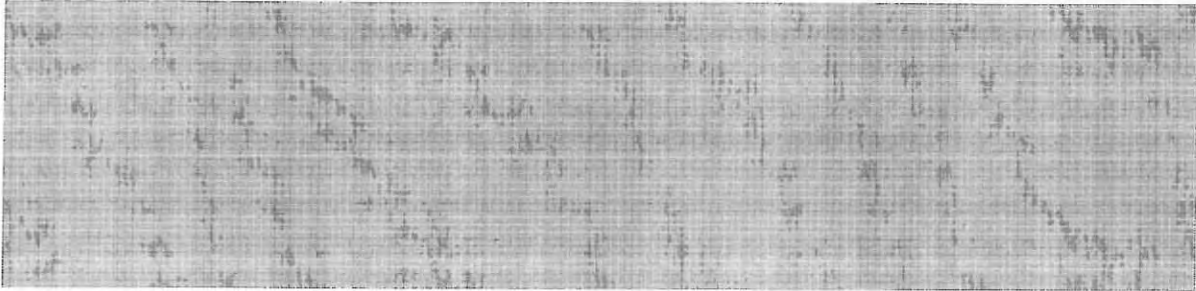
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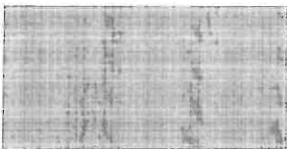
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Contact: Sandy Colvine, (250) 363-6438
Geological Survey of Canada, ESS



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Loi sur l'accès à l'information

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ESS - ADM. 14 B5

MEMORANDUM

NOTE DE SERVICE

xc: Sandy Colvane

EARTH SCIENCES SECTOR
MAR 10 2004
SECTEUR DES SCIENCES DE LA TERRE

AS

To / A

Mr. George Anderson
Deputy Minister
Natural Resources Canada

From / De

Assistant Deputy Minister
Energy Sector

Security Classification - Classification de sécurité	<i>File BC offshore</i>
Our File - Notre référence	N04-56731
Your File - Votre référence	
Date	08 MAR 2004

Subject / Objet

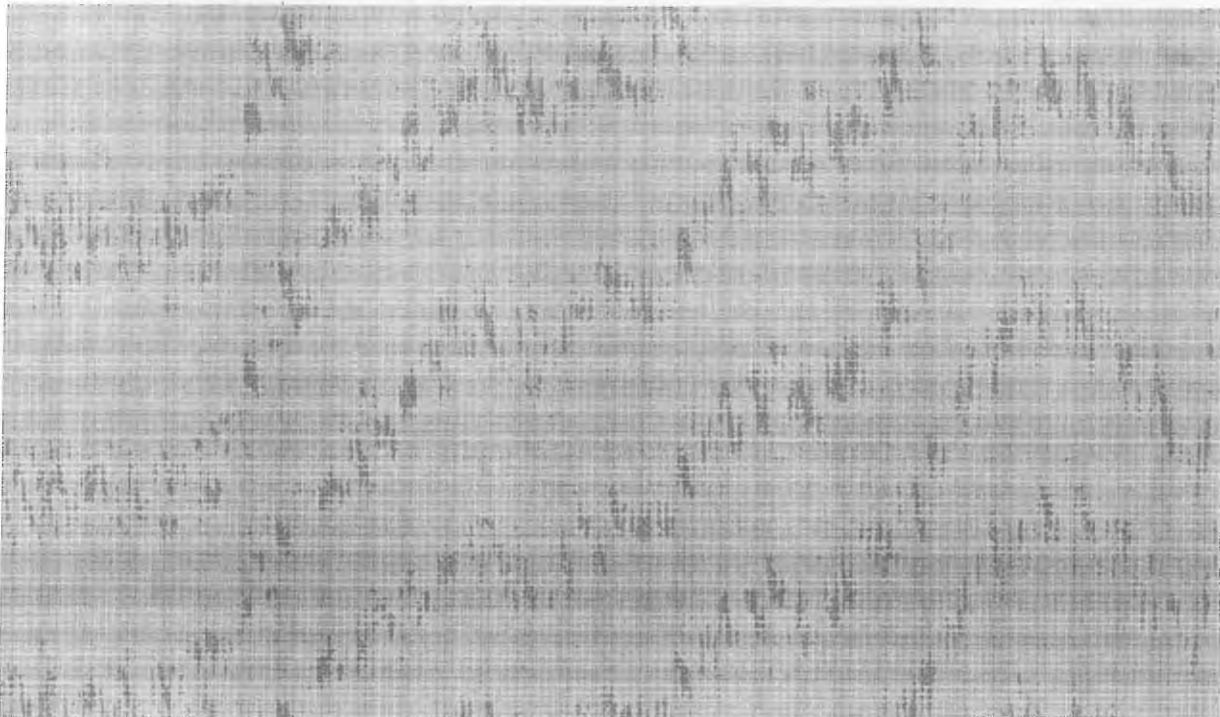
Meeting with Mr. Jack Ebbels, Deputy Minister, British Columbia Offshore Oil and Gas Team

PURPOSE

To provide you with briefing material (Attachment 1) for your meeting with Mr. Ebbels, scheduled for Tuesday, March 9, 2004, from 11:00-11:30 a.m.

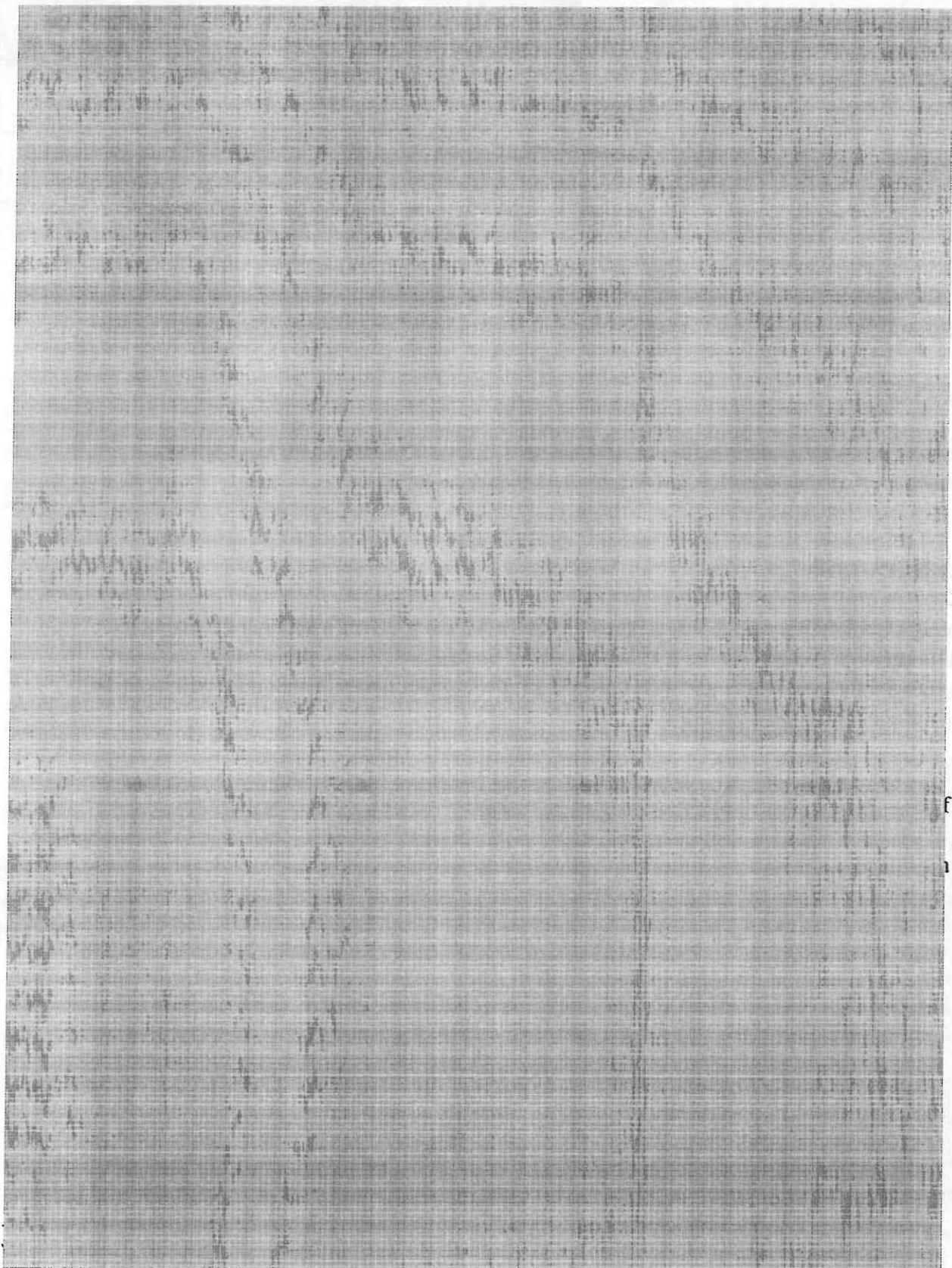
BACKGROUND

The attached briefing note that was prepared for the Minister Efford's upcoming meeting with the Honourable Richard Neufeld, B.C. Minister of Energy and Mines, provides the necessary background for your meeting with Mr. Ebbels (as the broader issues he will raise will likely be very similar). [REDACTED]



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Howard Brown

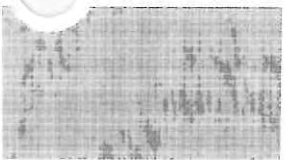
Attachment: (1)

**Contact: Kristi Varangu, 992-4217
Petroleum Resources Branch, ES**

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Attachment 1.

BRIEFING NOTE FOR THE MINISTER

Federal initiatives related to the B.C. offshore

ISSUE

At your recent meeting, the Honourable Richard Neufeld, 

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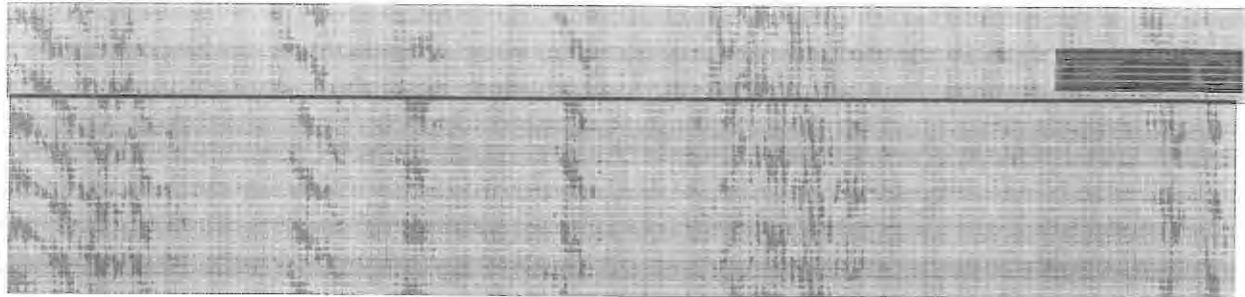


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BACKGROUND

There have been a number of significant advances in the federal oil and gas moratorium review process since your last meeting with Minister Neufeld. The Royal Society of Canada released its science report concluding firstly that, providing there is an adequate regulatory regime in place, there are no science gaps that need to be filled before lifting the moratorium. Secondly, it came to the conclusion that the present moratorium restricting tanker traffic in transit from entering the coastal zone should be continued. The Public Review Panel is entering its second work phase, with public meetings to commence April 5, 2004. This provides time for the public to digest the Royal Society's report should they wish to provide comments to the Public Review Panel on its substance.

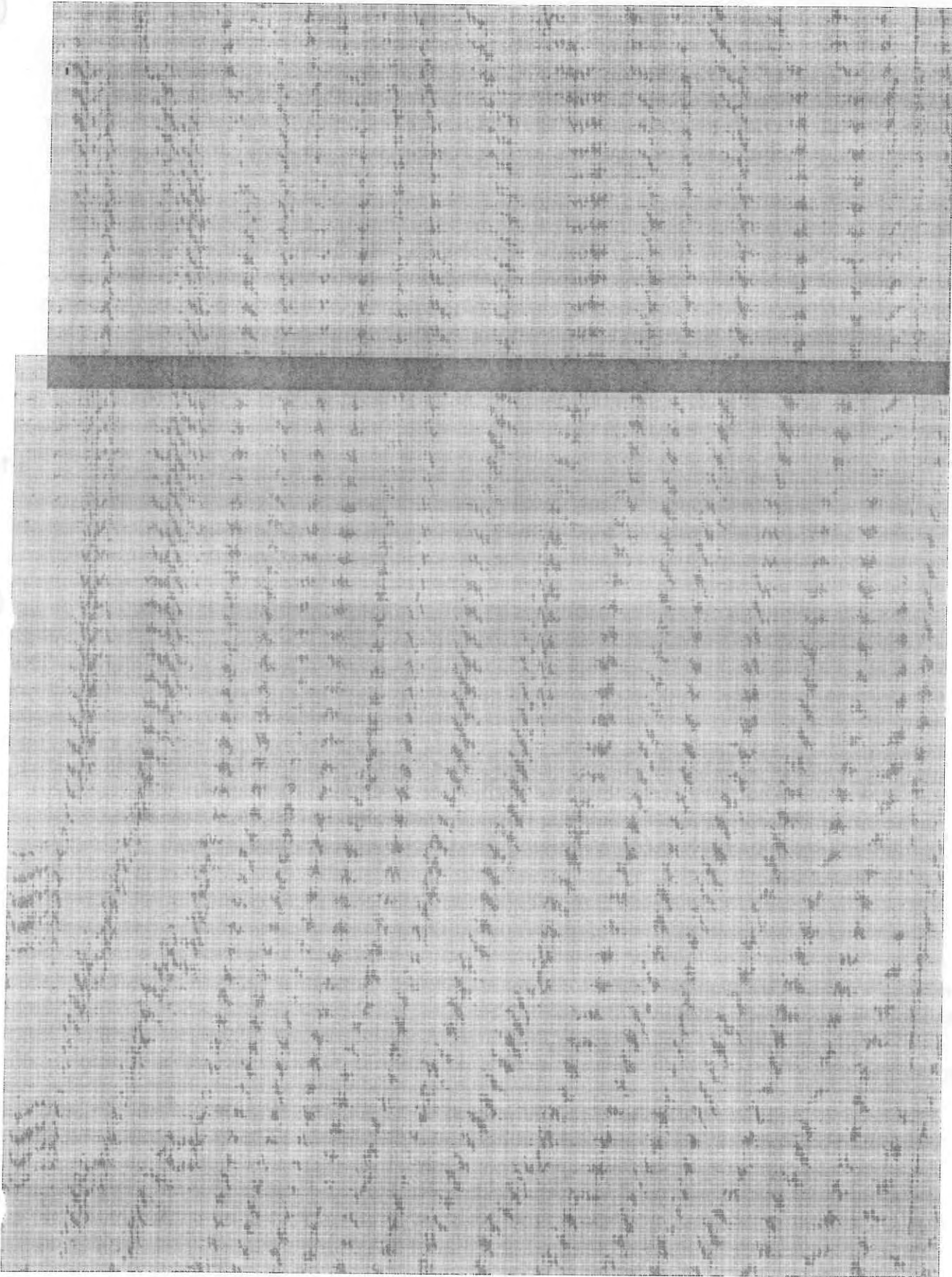
Further, you have appointed Ms. Cheryl Brooks to lead the First Nations engagement process and she will be visiting First Nations communities starting later in March 2004. The engagement process will follow a two-phased approach, beginning with informal sessions in numerous First Nations communities and followed by a second visit for larger group discussions. The target for completion of the public review and the First Nations engagement processes remains the end of June 2004 (to report to you). The timing will be more difficult to predict for the First Nations engagement, given the number of uncertainties about the extent and nature of participation of the First Nations groups.



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SUGGESTED TALKING POINTS

- The federal review of the offshore oil and gas moratorium is moving into an important new phase.
- The province is encouraged to present its views to the Public Review Panel, which is commencing its public meetings in Queen Charlotte area communities on April 5, 2004.
- Ms. Brooks, whom I appointed to lead the First Nations engagement process, is well respected in British Columbia, and I have full confidence in her ability to meet early with potentially affected First Nations groups and move the process forward in as timely a manner as possible.

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This will form a good basis for cooperation by ensuring that both development and environmental issues are addressed in any initiatives undertaken offshore B.C.

- 

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The federal moratorium review process will help provide factual, scientific, socio-economic and environmental input to help inform any decisions concerning proposed protected areas offshore B.C.

- I will continue to ensure that resource development considerations remain an important element of any decisions concerning the Pacific Coast offshore. This includes, for example, appropriate mineral and energy resource assessments by NRCan, if there is an intention to place any constraints upon non-renewable resource extraction in any protected areas.

Contacts: – Kristi Varangu, 992-4217
 Petroleum Resources Branch, ES
 – Sandy Colvine, (250) 363-6438
 GSC Pacific, ESS



February 14, 2003

→ P. Jennings for
attention
cc. I. Itzkowitz
FEB 20 2003
Info - Rep. Min
- R. Cameron
- P. McDowell
S. Paquin Feb. 19

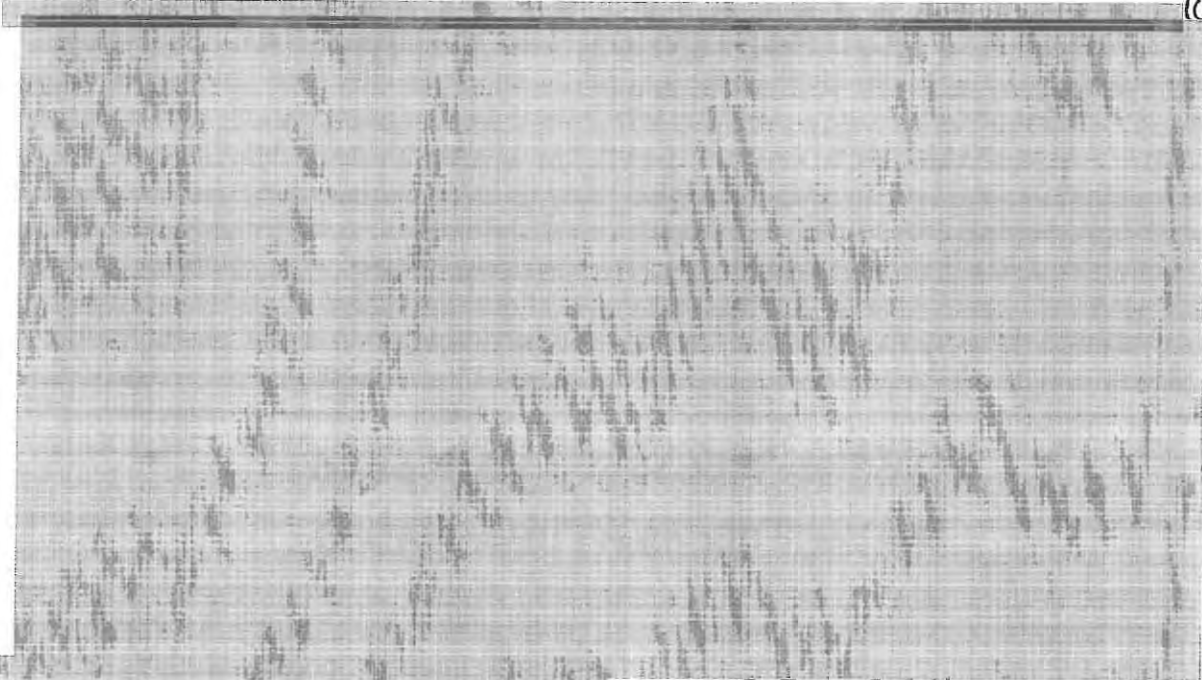
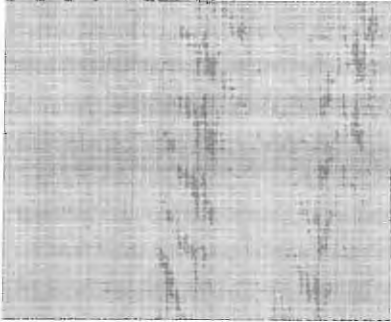
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IT'S OUR TIME TO SHINE

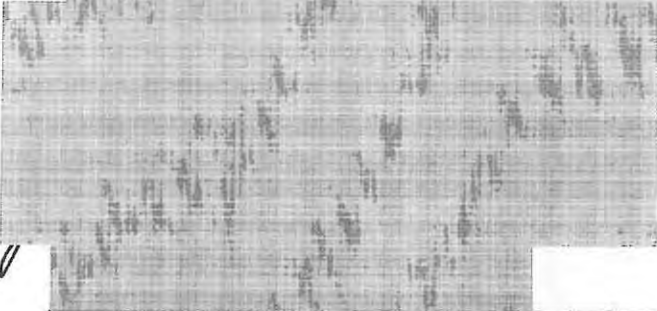
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DOCUMENTS



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Paula
Please get Sandy
to draft a briefing
note + a DM on
what we are going to
do + the discussion
going on with BC

Ministry of Energy and Mines

British Columbia
Offshore Oil and Gas
Team

Mailing Address:
PO Box 9312 Stn Prov Govt
Victoria, British Columbia
V8W 9N2

Location:
Ste 250, 1675 Douglas Street
Victoria, British Columbia
Phone: (250) 356-0510
Fax: (250) 356-0582

Web-site Address:
www.gov.bc.ca/em

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cc: RE
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Sent to Sandy
May 7.
pc.



British Columbia
Offshore Oil and Gas Team

FAX SHEET

7010 B1

→ BC offshore

TO: George Anderson **FAX:** 613-992-3828
Deputy Minister
Natural Resources Canada **DATE:** May 6, 2003

FROM: The Office of Patrick O'Rourke
Acting Deputy Minister
BC Offshore Oil and Gas Team

PHONE: (250) 356-0552

FAX #: (250) 356-0582

MAILING ADDRESS:

Offshore Oil and Gas Team
PO Box 9312, Stn Prov Govt
Victoria, BC V8W 9N2

LOCATION ADDRESS:

Offshore Oil and Gas Team
Suite 250, 1675 Douglas Street
Victoria, BC V8W 9N2

COMMENTS:

[Redacted comment area]

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NUMBER OF PAGES INCLUDING THIS COVERSHEET _____

CONFIDENTIAL: YES _____ NO _____

URGENT: YES _____ NO _____



1423

Colvine, Sandy

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: February 13, 2003 2:34 PM
To: Sandy Colvine (E-mail)
Cc: Lowe Carmel (E-mail); Ralph Currie (E-mail)
Subject: FW: Printable Story Detail.htm

FYI

Vancouver Sun, Page C05, 13-Feb-2003

B.C.'s offshore schedule challenged

By Peter O'Neil

OTTAWA - A simmering dispute within the federal cabinet burst into public view Wednesday when Environment Minister David Anderson called the B.C. government overly optimistic in promising British Columbians a booming offshore energy industry by 2010.

Anderson poured cold water on any likelihood of a quick lifting of the federal moratorium just moments after Natural Resources Minister Herb Dhaliwal told reporters it could be removed as early as July.

He said Canada's oil patch, which has shown limited interest in B.C.'s offshore, would have to spend years doing environmental assessment work -- at a cost of at least \$100 million to \$120 million -- before Ottawa would consider lifting the drilling ban.

Anderson challenged a projection in the B.C. government's throne speech this week, which dangled the prospect of "an offshore oil and gas industry that is up and running, environmentally sound, and booming with job creation" by 2010.

"I think the expectations in the throne speech are perhaps a trifle exuberant," the MP from Victoria said in an interview.

Premier Gordon Campbell's Liberal government is "talking about a definite industry being established by 2010, and to do that you have to do the exploratory work to find out whether there is in fact any oil and gas in the area."

Moments earlier Dhaliwal, who has been battling with Anderson within cabinet on the issue, said he stands by his promise last summer that a decision would be made within 12 to 18 months. However, he refused to say whether he shares Campbell's enthusiasm for a booming offshore industry in seven years.

"That's something that will depend on the industry. I think we have to move one step at a time," Dhaliwal (Vancouver South-Burnaby) said.

Dhaliwal wants cabinet to consider the establishment of a three-person panel of experts to study the

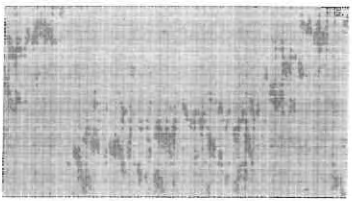


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issue and come up with a recommendation to government.

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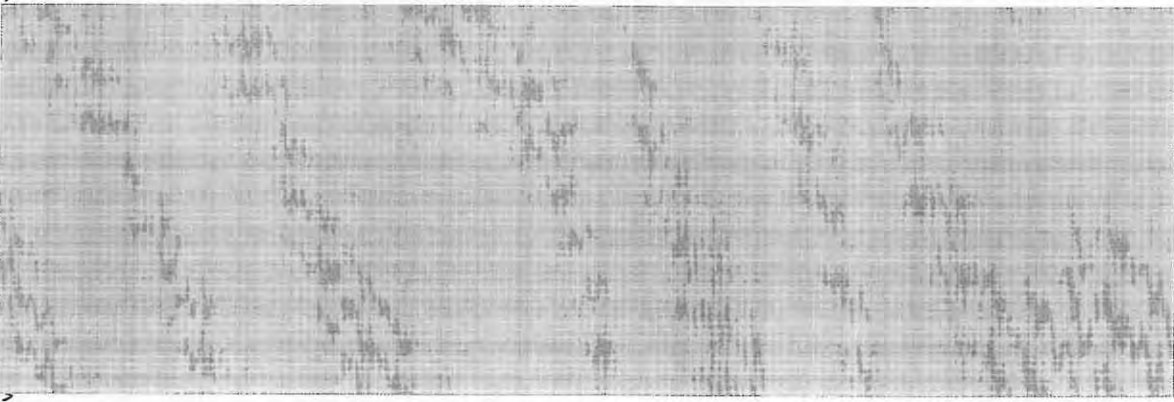
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Colvine, Sandy

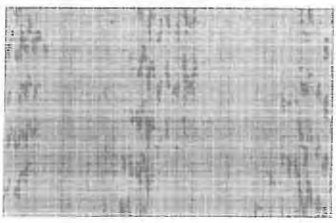
From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: March 4, 2003 4:30 PM
To: Smyth, Ron EM:EX; 'Lowe Carmel (E-mail)'; 'Ralph Currie (E-mail)'; 'Sandy Colvine (E-mail)'; Lefebure, Dave EM:EX; Brown, Derek EM:EX; Hofmeyr, Hally SRM:EX; Howes, Don SRM:EX; 'Browne (E-mail)'
Subject: [REDACTED]



> -----Original Message-----
> From: Smyth, Ron EM:EX
> Sent: Monday, March 03, 2003 1:49 PM
> To: Lowe Carmel (E-mail); Ralph Currie (E-mail); Sandy Colvine (E-mail);
> Lefebure, Dave EM:EX; Brown, Derek EM:EX; Hofmeyr, Hally SRM:EX; Howes,
> Don SRM:EX
> Subject: [REDACTED]



>
>
> Ron Smyth, Ph.D.
> Chief Science Officer,
> BC Offshore Oil and Gas Team,
> Phone (250)-952-0547
> Fax (250)-356-0582
> Cell (250) 812-1845
> Office location: Suite 250-1675 Douglas Street, Victoria
>



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Colvine, Sandy

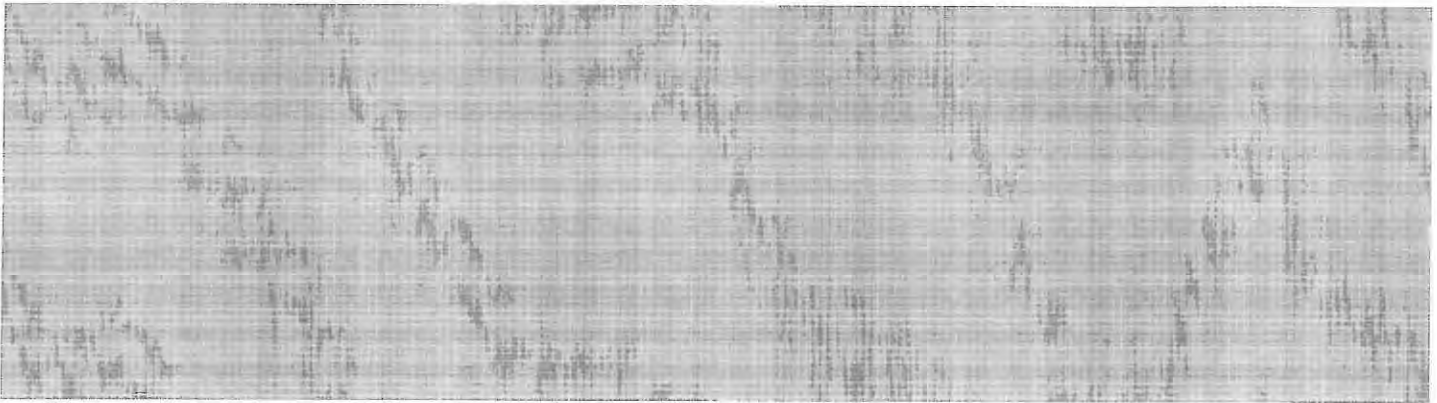
From: Colvine, Sandy
Sent: March 6, 2003 12:22 PM
To: Couet, Paule
Subject: FW: Offshore Briefing Note for DM

Paule,
I am forwarding this so you have the file there ([redacted])
Irwin got it yesterday and will be calling me after 4.00 today to discuss.
Sandy

s.19(1)

From: Colvine, Sandy
Sent: Wednesday, March 05, 2003 11:06 AM
To: Itzkovitch, Irwin
Cc: Lowe, Carmel; Currie, Ralph; Boon, Jan
Subject: Offshore Briefing Note for DM

Irwin, s.19(1)
Pasted in below is a draft of the briefing note which you requested for the DM s.21(1)(b)
following his receipt of the letter from Jack Ebbels.



Should I send a modified version of the attached?

Sandy

Jan,
I am copying you to keep you in the loop as the request for the briefing note on the resource assessment went through you.



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NOTE CONTAINS
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ESS ACTIVITIES: WEST COAST OFFSHORE MORATORIUM

ISSUE

To update you on the status of the scientific work which ESS is conducting related to west coast offshore

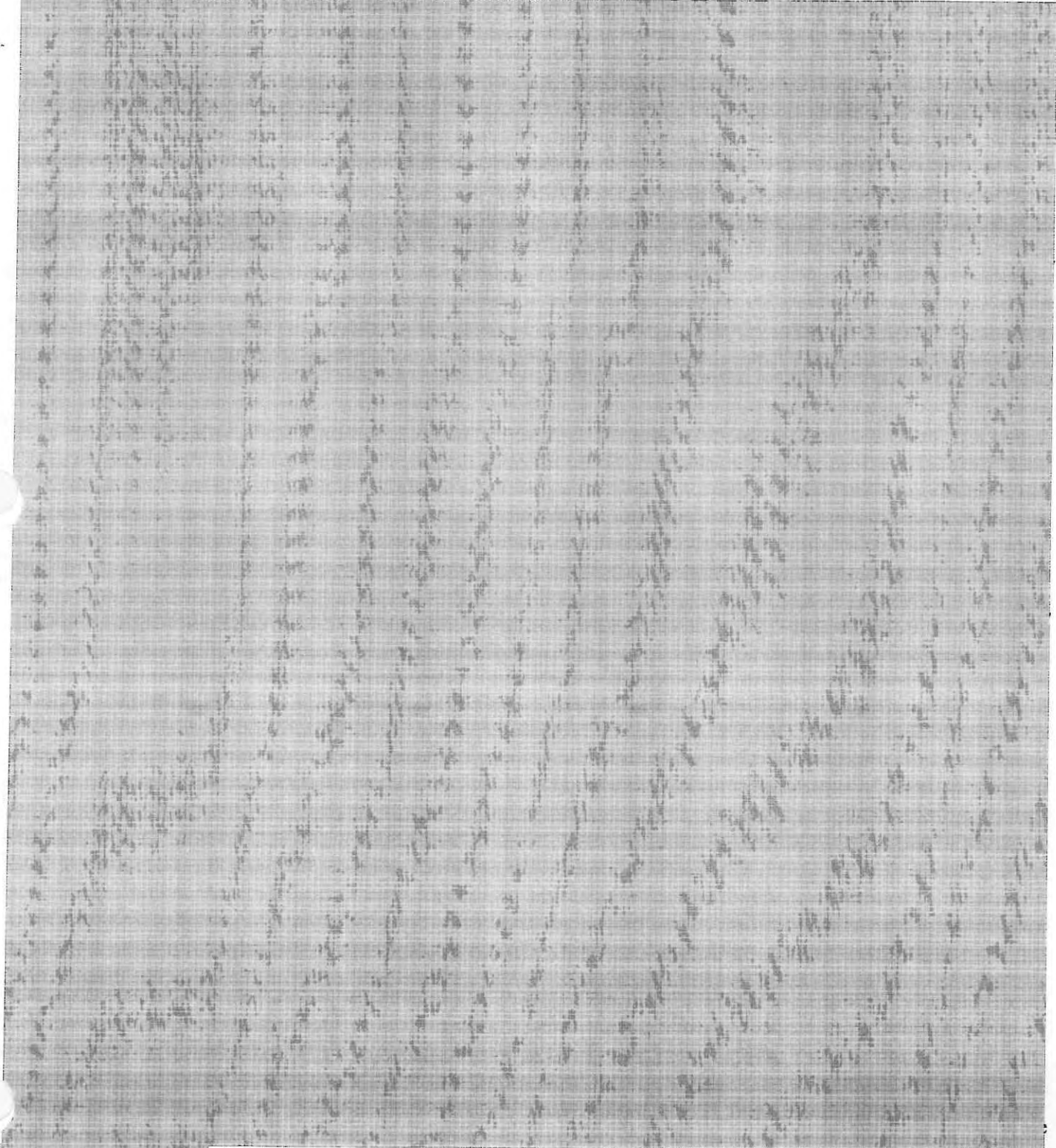
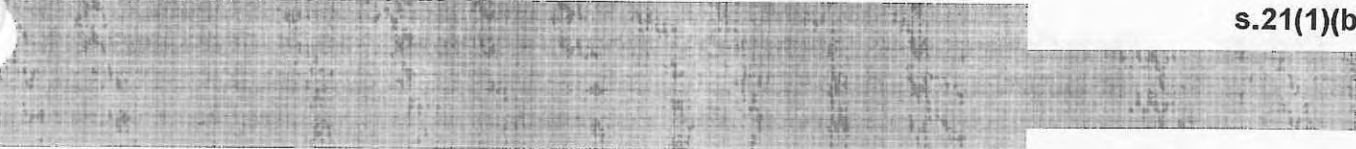


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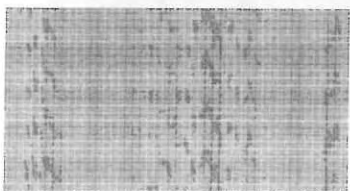
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Contact: Sandy Colvine
250 363 6438

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s.21(1)(b)



1430

Colvine, Sandy

From: Colvine, Sandy
Sent: March 7, 2003 1:17 PM
To: 'Sandra Hadley'
Cc: Itzkovitch, Irwin
Subject: Offshore Update

Sandra,
Irwin suggested I forward the attached draft note to give some background, but please do not forward for now. I can flesh it out as you may need, keeping in mind that miracles are not in my purview.

We can touch base Monday.

s.19(1)

Sandy



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Sandy Colvine

Director / Directeur

Natural Resources Canada, 9860 West Saanich Road, Sidney, B.C. Canada V8L 4B2

Ressources naturelles Canada, 9860, chemin West Saanich, Sidney (C.-B) Canada V8L 4B2

Government of Canada/ Gouvernement du Canada

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Fax/ Télécopieur: (250) 363-6739

Internet Address: scolvine@nrca.gc.ca <<mailto:scolvine@nrca.gc.ca>>

Adresse internet: scolvine@nrca.gc.ca <<mailto:scolvine@nrca.gc.ca>>

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Colvine, Sandy

1432

From: Hannigan, Peter
Sent: March 12, 2003 1:52 PM
To: 'Smyth, Ron EM:EX'
Cc: Osadetz, Kirk; Colvine, Sandy
Subject: RE: article f.y.i.

Ron: The Canadian Gas Potential Committee and I have talked and debated about this over the last few years.

1) "The GSC numbers assume 100 percent certainty that you will find gas" said Woronuk. "There is no risk applied. We apply risk."

This is not correct. The GSC applies risk in all plays, although at a prospect level. In addition to similar prospect-level risks as the GSC applies, the CGPC applies an additional play-level risk on top which in the GSC's opinion does not reflect the geology in the basins. The presence of numerous active gas seeps and shows in the basins is indicative of assurance that gas does exist in the basin somewhere. A gas seep or show is really a very small gas accumulation or pool. Individual prospects, of course, do not necessarily have gas and the risk of finding gas on a prospect basis is taken into consideration in our risk analysis. I have asked Bob Meneley of the CGPC what geological risk factor they are pursuing to increase the risk and his answer was all of them, ie., presence of closure, presence of reservoir facies, adequate source, adequate timing, etc. I believe that there is double-risking here.

2) The Canadian Gas Potential Committee did not do any petroleum geology interpretation, basin analysis, play definition or pool size analysis on these west coast basins. All they did was read our bulletin and apply an additional subjective risk factor.

3) There are six offshore wells, not 18 that Woronuk implies.

4) Nominal marketable gas is a lot different than in-place gas so it is pointless to compare the two.

Regards
Peter

-----Original Message-----

From: Smyth, Ron EM:EX [mailto:Ron.Smyth@gems4.gov.bc.ca]
Sent: Wednesday, March 12, 2003 10:53 AM
To: Peter Hannigan (E-mail); Kirk Osadetz (E-mail)
Cc: Sandy Colvine (E-mail)
Subject: FW: article f.y.i.

Any comments?

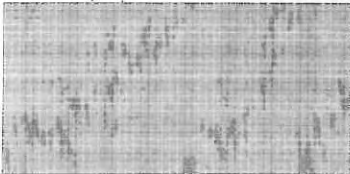
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> Vancouver Sun, Page C03, 12-Mar-2003
> Victoria's hope of offshore bonanza just a dream, oilmen say
> By Don Whiteley
> Calgary oilman Rob Woronuk says -- a bit tongue in cheek -- he has nothing
> but fond memories of the B.C. offshore oil and gas exploration program he
> helped put together for Shell Oil back in the late '60s.
> "I assisted with the surveys, I picked the sites, I even picked the
> drilling rigs," he said. "But some of my judgment wasn't the best. I was
> partly responsible for drilling 18 dry holes. It did not advance my
> career."
> Perhaps it doesn't need to be said, but Woronuk is a bit of a skeptic
> about future prospects for oil and gas in B.C.'s coastal waters. Yes,
> deep-water drilling technology has improved significantly since then; yes,
> the seismic technology that helps identify drilling targets has improved
> significantly. But no, the odds of success haven't moved much.

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> Now head of his own consulting company, GasEnergy Strategies Inc. of
> Calgary, Woronuk is also a senior analyst with the Canadian Gas Potential
> Committee. The committee is a volunteer group of industry and government
> geoscientists, and they regularly issue reports on natural-gas potential
> in Canada's existing and potential hydrocarbon basins.
> That's where this starts to get more interesting. One of the committee's
> roles is to apply the decades of practical experience and knowledge of its
> members and analysts to resource assessments and geological models
> provided by the Geological Survey of Canada.
> One of the areas examined by the committee -- with significant input from
> Woronuk and fellow analyst Bob Meneley (former exploration vice-president
> with both Petro-Canada and Imperial Oil) -- is B.C.'s offshore. Right
> away, they see some problems with the B.C. government's rosy outlook.
> The Geological Survey of Canada gas potential figure used most often in
> any discussion about B.C. offshore is 26 trillion cubic feet of gas in the
> Queen Charlotte Basin alone. The gas committee's estimate of gas in place
> for the entire West Coast (the Queen Charlottes, Georgia Strait and the
> Tofino-Winona Basins) is just under 14 trillion cubic feet, with 7.5
> assigned to the Queen Charlotte Basin.
> Woronuk and Meneley are both quick to point out that this seemingly huge
> discrepancy doesn't indicate any disagreement with the GSC. In fact, the
> gas committee uses the same data, and the same computer models as the GSC,
> and GSC geoscientists participate on the gas committee.
> "The GSC numbers assume 100-per-cent certainty that you'll find gas," said
> Woronuk. "There is no risk applied. We apply risk."
> It gets worse. The gas committee's numbers describe an estimate of "gas in
> place." To get to a volume of marketable gas, the committee usually
> applies data taken from discovery wells and discounts the volume even
> further. On average, in Alberta and northeastern B.C., that discount would
> shave another 40 per cent off the estimate.
> "We didn't do that with the offshore numbers because there are no
> discoveries from which to draw data," Woronuk said. "But if you use the
> Western Canada Sedimentary Basin (Alberta and northeastern B.C.) averages,
> then you should multiply that estimate by 0.6." Suddenly, 14 trillion
> cubic feet becomes 8.4 trillion cubic feet.
> That's still a lot of gas, but it's well short of the 26 trillion cubic
> feet being promoted by the B.C. government as the resource awaiting
> exploitation. And neither Meneley nor Woronuk think there's going to be a
> lot of near-term industry interest in the area.
> "I guess the assessment the gas committee made indicated the risk levels
> are much higher than the B.C. government would impute from their press
> releases," said Meneley, now head of Meneley Enterprises. "You drilled a
> number of wells and found nothing -- that's not a good start."
> Meneley went on to point out that it will cost \$100 million to drill a
> couple of wells (assuming that seismic work shows any potential worth
> drilling,) and the industry has lots of other places (including in B.C.)
> to spend that money.
> Woronuk carries it further. "I don't see it coming very soon. I see more
> activity in shallow gas and coal bed methane, and more work in the
> Mackenzie Delta -- lots of other fun places to go than offshore B.C.
> "Offshore gas by 2010? The premier may talk that way, but the NEB
> [National Energy Board,] whom I consider to be very optimistic on this,
> sees first production in 2017. I see that as a very optimistic target."
> While the provincial government and northwest communities appear to be
> looking at offshore oil and gas as an economic salvation, the people who
> actually go out and find the stuff appear to have cold feet. So why are
> they asking to have the current federal-provincial moratorium lifted?
> According to Woronuk, that's because there's no cost to the industry at
> all, and it does give them the opportunity to then make a commercial
> decision about whether or not to seek permits.
> "If they were really interested, they would be hammering on the door," he
> said. "If they aren't hammering on the door and they're looking elsewhere,
> maybe it's because they don't think you have much to offer out there."
> The B.C. government has a lot to be optimistic about with the province's
> oil and gas industry -- it really is booming up in the northeast part of
> the province. But offshore will likely remain a distant dream, despite the

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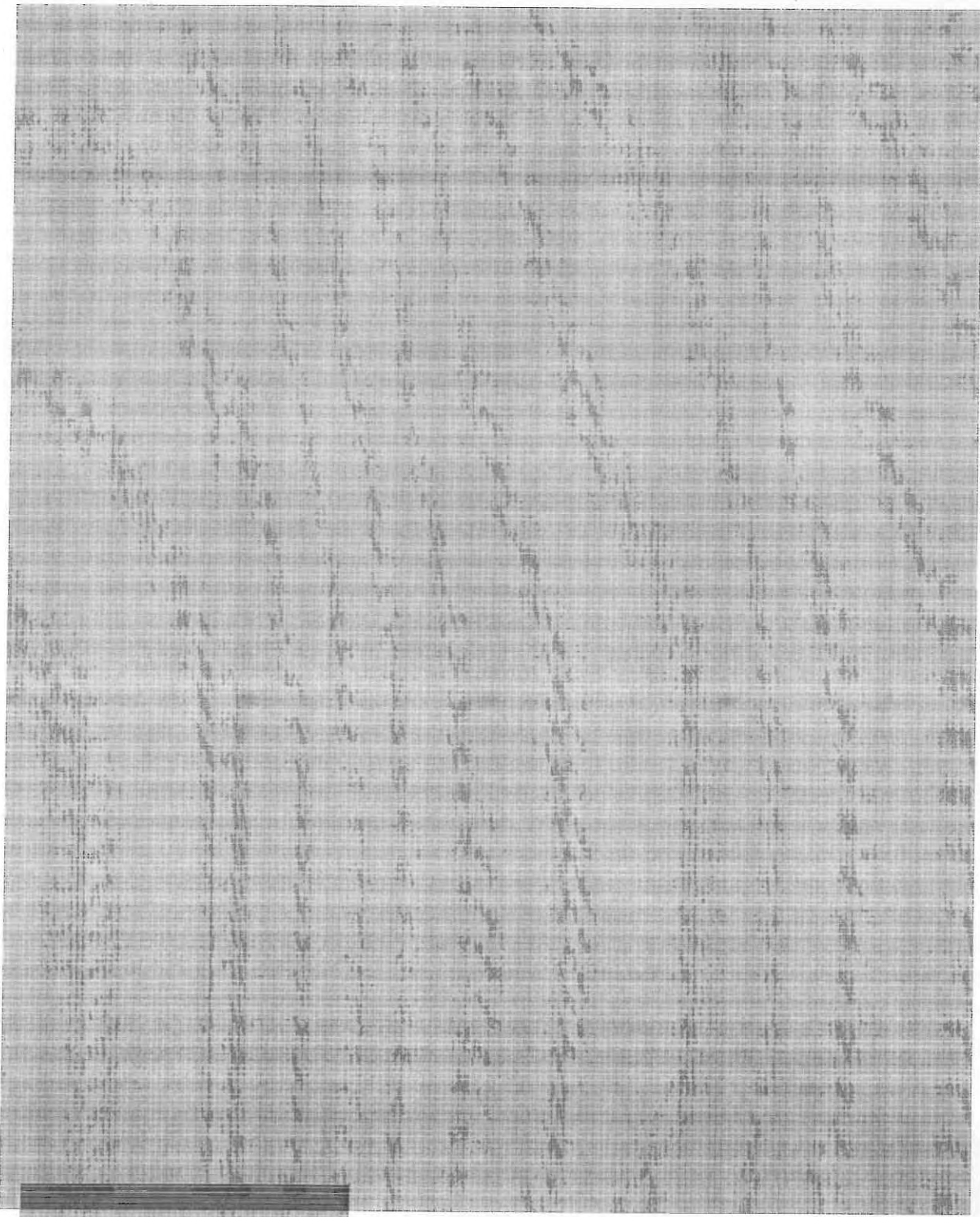
- > best efforts of Victoria to make it happen.
- > All the attention focused on the current political dispute between Ottawa
- > and Victoria over lifting the current moratorium may well be wasted
- > energy.
- > don_whiteley@telus.net
- >
- >
- > Lucy Stephenson
- > Public Affairs Officer
- > Ministry of Competition, Science and Enterprise
- > Tel. 250 952-0615
- > Fax. 250 952-0627
- > E-mail: Lucy.Stephenson@gems4.gov.bc.ca
- >



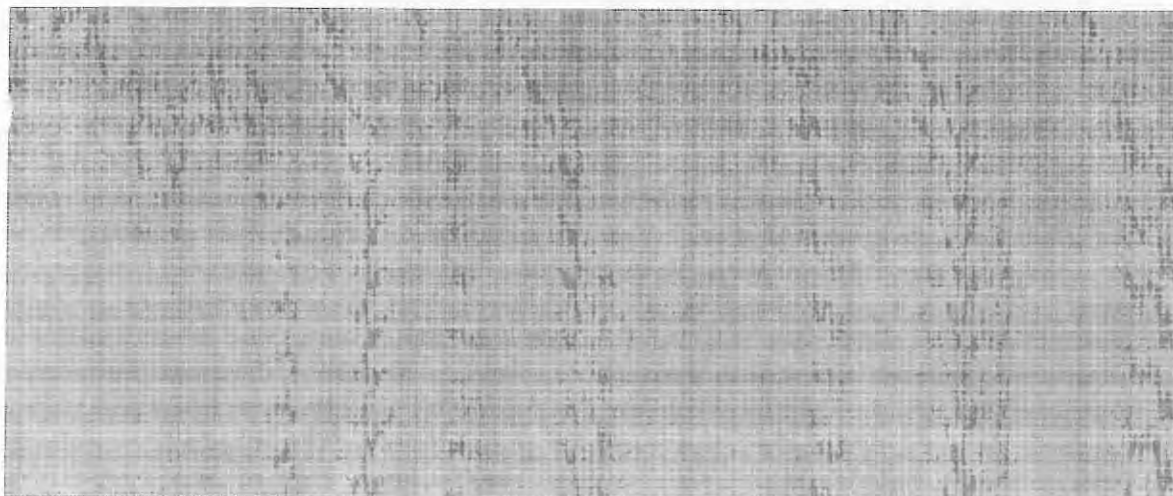
1435

Itzkovitch, Irwin

From: Sandra Hadley
[c=CA;a=GOVMT.CANADA;p=GC+PCO.BCP;o=PCO.BCP;s=Hadley;g=Sandra;i=S;ou1=ERDP.PDER;]
Sent: March 17, 2003 1:58 PM
To: Colvine, Sandy
Cc: Itzkovitch, Irwin
Subject: RE: BC offshore



1436



1

-----Original Message-----

From: Sandra Hadley
Sent: March 17, 2003 6:30 AM
To: Colvine, Sandy
Subject: BC offshore

Environment Canada copied me on this article.

by the way, it feels like spring here today! (finally)

1

PUBLICATION: Vancouver Sun
DATE: 2003.03.12
EDITION: Final
SECTION: Business BC
PAGE: C3
COLUMN: Opinion
BYLINE: Don Whiteley
SOURCE: Vancouver Sun

Victoria's hope of offshore bonanza just a dream, oilmen say: The government hasn't factored in any risk, the industry says, and there are better places to look

Calgary oilman Rob Woronuk says -- a bit tongue in cheek -- he has nothing but fond memories of the B.C. offshore oil and gas exploration program he helped put together for Shell Oil back in the late '60s.

"I assisted with the surveys, I picked the sites, I even picked the drilling rigs," he said. "But some of my judgment wasn't the best. I was partly responsible for drilling 18 dry holes. It did not advance my career."

Perhaps it doesn't need to be said, but Woronuk is a bit of a skeptic about future prospects for oil and gas in B.C.'s coastal waters. Yes, deep-water drilling technology has improved significantly since then; yes, the seismic technology that helps identify drilling targets has improved significantly. But no, the odds of success haven't moved much.

Now head of his own consulting company, GasEnergy Strategies Inc. of Calgary, Woronuk is also a senior analyst with the Canadian Gas Potential Committee. The committee is a volunteer group of industry and government geoscientists, and they regularly issue reports on natural-gas potential in Canada's existing and potential hydrocarbon basins.

That's where this starts to get more interesting. One of the committee's

roles is to apply the decades of practical experience and knowledge of its members and analysts to resource assessments and geological models provided by the Geological Survey of Canada.

One of the areas examined by the committee -- with significant input from Woronuk and fellow analyst Bob Meneley (former exploration vice-president

1437

with both Petro-Canada and Imperial Oil) -- is B.C.'s offshore. Right away, they see some problems with the B.C. government's rosy outlook. The Geological Survey of Canada gas potential figure used most often in any discussion about B.C. offshore is 26 trillion cubic feet of gas in the Queen Charlotte Basin alone. The gas committee's estimate of gas in place for the entire West Coast (the Queen Charlottes, Georgia Strait and the Tofino-Winona Basins) is just under 14 trillion cubic feet, with 7.5 assigned to the Queen Charlotte Basin.

Woronuk and Meneley are both quick to point out that this seemingly huge discrepancy doesn't indicate any disagreement with the GSC. In fact, the gas committee uses the same data, and the same computer models as the GSC, and GSC geoscientists participate on the gas committee.

"The GSC numbers assume 100-per-cent certainty that you'll find gas," said Woronuk. "There is no risk applied. We apply risk."

It gets worse. The gas committee's numbers describe an estimate of "gas in place." To get to a volume of marketable gas, the committee usually applies

data taken from discovery wells and discounts the volume even further. On average, in Alberta and northeastern B.C., that discount would shave another 40 per cent off the estimate.

"We didn't do that with the offshore numbers because there are no discoveries from which to draw data," Woronuk said. "But if you use the Western Canada Sedimentary Basin (Alberta and northeastern B.C.) averages, then you should multiply that estimate by 0.6." Suddenly, 14 trillion cubic feet becomes 8.4 trillion cubic feet.

That's still a lot of gas, but it's well short of the 26 trillion cubic feet being promoted by the B.C. government as the resource awaiting exploitation. And neither Meneley nor Woronuk think there's going to be a lot of near-term industry interest in the area.

"I guess the assessment the gas committee made indicated the risk levels are much higher than the B.C. government would impute from their press releases," said Meneley, now head of Meneley Enterprises. "You drilled a number of wells and found nothing -- that's not a good start."

Meneley went on to point out that it will cost \$100 million to drill a couple of wells (assuming that seismic work shows any potential worth drilling,) and the industry has lots of other places (including in B.C.) to spend that money.

Woronuk carries it further. "I don't see it coming very soon. I see more activity in shallow gas and coal bed methane, and more work in the Mackenzie Delta -- lots of other fun places to go than offshore B.C."

"Offshore gas by 2010? The premier may talk that way, but the NEB [National Energy Board,] whom I consider to be very optimistic on this, sees first production in 2017. I see that as a very optimistic target."

While the provincial government and northwest communities appear to be looking at offshore oil and gas as an economic salvation, the people who actually go out and find the stuff appear to have cold feet. So why are they asking to have the current federal-provincial moratorium lifted?

According to Woronuk, that's because there's no cost to the industry at all, and it does give them the opportunity to then make a commercial decision about whether or not to seek permits.

"If they were really interested, they would be hammering on the door," he

said. "If they aren't hammering on the door and they're looking elsewhere, maybe it's because they don't think you have much to offer out there."

The B.C. government has a lot to be optimistic about with the province's oil and gas industry -- it really is booming up in the northeast part of the province. But offshore will likely remain a distant dream, despite the best efforts of Victoria to make it happen.

All the attention focused on the current political dispute between Ottawa and Victoria over lifting the current moratorium may well be wasted energy. don_whiteley@telus.net

1438

Lowe, Carmel

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: Monday, March 24, 2003 08:35
To: 'Lowe, Carmel'
Subject: RE: hydrocarbon potential map QC Basin

Thanks. Could you send me a hard copy of the map for our internal use only.

-----Original Message-----

From: Lowe, Carmel [mailto:CLowe@NRCan.gc.ca]
Sent: Friday, March 21, 2003 4:37 PM
To: Smyth, Ron EM:EX
Cc: Colvine, Sandy; Currie, Ralph
Subject: hydrocarbon potential map QC Basin

Ron,

GSC-Calgary has completed revision of a hydrocarbon potential map for the Queen Charlotte Basin. It is our understanding that the map will be published as an Open File pdf on the web in the very near future. I will forward you a copy of the map and the appropriate URL as soon as they are available.

Carmel

Carmel Lowe
Research Scientist
Pacific Division
Geological Survey of Canada
9860 W. Saanich Road
Sidney, BC V8L 4B2

Chercheur scientifique
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Web site/Site web: <http://www.nrca.gc.ca/gsc/pacific/>

1439

Colvine, Sandy

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: April 15, 2003 10:22 AM
To: BrownRo (E-mail); Don MacIntyre (E-mail); Don SRM:EX Howes (E-mail); Hally SRM:EX Hofmeyr (E-mail); Lowe Carmel (E-mail); Mark Hayes (E-mail); Ralph Currie (E-mail); Sandy Colvine (E-mail)

Subject: [REDACTED]

[REDACTED]

s.13(1)

[REDACTED]

1440

Fed-Prov Offshore Inventory Working Group

Meeting notes from March 6th, 2003 meeting

Attendance: Smyth, Lowe, Currie, Hofmeyer, Canessa, Mark Hayes,

1. Common Base Map: NRCan received TRIM data from Province and has CHS Bathymetric Data and will combine the two to make build a common base map in BC Albers Projection. Project coordinated by Lowe. **ACTION: Lowe to distribute base map to group when compiled.**
2. NRCan Update: Initiating a 3-year program under GOM umbrella. Focus on getting their legacy data in order and accessible, plus modest surveying project in 2003 (7 py @ \$150k) to ground truth previous offshore survey sites plus new swath bathymetry.
3. Offshore Team Update: Don MacIntrye will join group April 1st to provide GIS expertise; awarded a grant to Whiticar (U.Vic) for work on prospectivity of the QC Basin, preparing a layperson's guide to offshore basins.
4. MSRM Update: See handout. Working on completing the oil spill sensitivity model for QC Basin.
5. New Ventures Update: on land PNG grid extended to cover all of province and offshore. Adam Dewey is the contact.
6. Shell legacy data: GSC tracking down location of reference collection. Cuttings are stored in a trailer at PGC. Map of Shell seismic track lines? **Action: Ron to follow up with Shell**
7. Data Directory: Agreed there is a critical need for a directory of inventories and information gateways for marine data. This would also provide information on quality of data, where it housed and managed and how accessed. **ACTION: MSRM (Canessa) will write up a project proposal for discussion at next meeting.**
8. Terms of Reference of Working Group and expanding membership. Discussion of draft terms of reference of group prepared in 2001. Agreed goals are to "collaborate, share, avoid duplication". Agreed this would be best dealt with by a smaller group. **ACTION: Hofmeyer, Smyth, and Colvine to draft revised TOR for approval at next meeting.**
9. Next meeting at call of chair.



1441

Colvine, Sandy

From: Jennings, Philip
Sent: April 28, 2003 8:17 AM
To: Colvine, Sandy
Subject: FW: B.C. offshore - head's up on positioning by province

Sandy,
Do you have any perspectives on how we respond to the province re: equal partnership in the review process?
Philip

-----Original Message-----

From: Itzkovitch, Irwin
Sent: Monday, April 28, 2003 11:03 AM
To: Jennings, Philip; Landry, Eric; Sahay, Krishna; Cameron, Ric
Cc: Shanks, Tim; Colvine, Sandy; Couet, Paule
Subject: RE: B.C. offshore - head's up on positioning by province

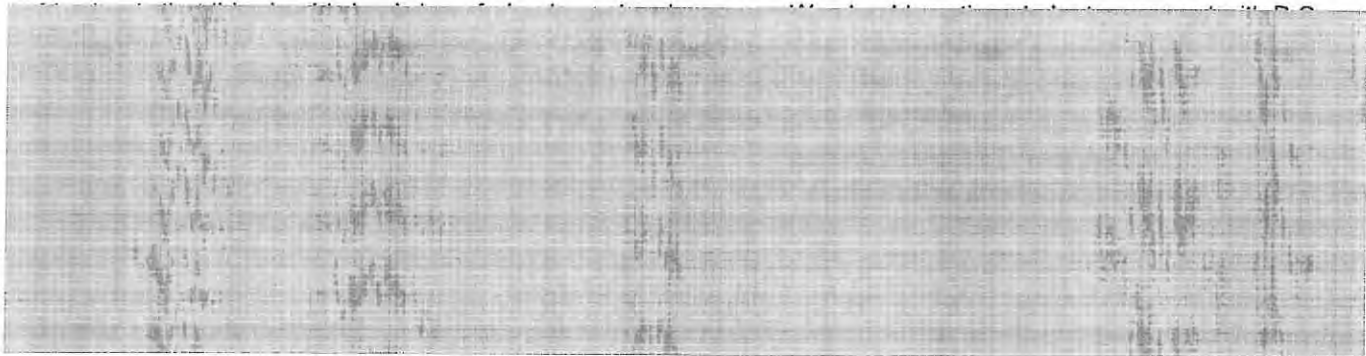
I would appreciate it if all information and discussion on BC Offshore be shared with Sandy Colvine as he has done all the work on coordinating the Science side of the file and coordinated all the working groups. He is also the man on the ground in BC and should provide his input based on the reality of the world from a BC perspective.

Irwin

*Dr. Irwin J. Itzkovitch
Assistant Deputy Minister, Earth Sciences Sector/ Sous-ministre adjoint, Secteur des sciences de la Terre
irwini@NRCan.gc.ca, 613-995-3001, facsimile / télécopieur 613-992-8874
Natural Resources Canada, 580 Booth Street, Ottawa, Ontario K1A 0E4
Ressources naturelles Canada, 580 rue Booth, Ottawa (Ontario) K1A 0E4
Government of Canada / Gouvernement du Canada*

-----Original Message-----

From: Jennings, Philip
Sent: April 28, 2003 9:40 AM
To: Landry, Eric; Sahay, Krishna; Cameron, Ric; Itzkovitch, Irwin
Cc: Shanks, Tim
Subject: RE: B.C. offshore - head's up on positioning by province



Philip

s.14

-----Original Message-----

From: Landry, Eric
Sent: Monday, April 28, 2003 8:35 AM
To: Sahay, Krishna; Jennings, Philip; Cameron, Ric; Itzkovitch, Irwin
Cc: Shanks, Tim
Subject: RE: B.C. offshore - head's up on positioning by province

s.21(1)(a)
s.21(1)(b)
s.21(1)(c)

Krishna



144Z

The Deputy is away until Thursday (IEA in Paris) but I suspect that he will have a view. He will likely phone in today. I will raise the issue with him. I expect that he will want to discuss it with you (or Phil if you are not available). Thanks.

Éric

-----Original Message-----

From: Sahay, Krishna
Sent: 26 April, 2003 11:47 AM
To: Jennings, Phillip; Cameron, Ric; Anderson, George; Itzkovitch, Irwin
Cc: Shanks, Tim; Landry, Eric
Subject: RE: B.C. offshore - head's up on positioning by province

We need to get a copy of the letter and then discuss it. From what I understand a considerable amount of work was done in the science area, under federal jurisdiction, some years ago. The science workshops need to take that work into account. One way to do this is to say that the technology has changed dramatically in the decade or more since the last set of activities and we intend to reexamine the issues.

s.14

- s.21(1)(a)
- s.21(1)(b)
- s.21(1)(c)

1443

Lowe, Carmel

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: Monday, April 28, 2003 09:01
To: Ralph Currie (E-mail); Lowe Carmel (E-mail); Sandy Colvine (E-mail); Hofmeyr, Hally SRM:EX; 'Brownro (E-mail); Hayes, Mark EM:EX; Brown, Derek EM:EX; MacIntyre, Don EM:EX
Subject: [REDACTED]

[REDACTED]

[REDACTED]

Ron

[REDACTED]

> -----Original Message-----
> From: MacIntyre, Don EM:EX
> Sent: Monday, April 28, 2003 8:44 AM
> To: 'Carmel Lowe'
> Cc: Smyth, Ron EM:EX
> Subject: [REDACTED]

> Hi Carmel;

[REDACTED]

> Don

> -----
> Don MacIntyre, Ph.D., P.Eng.
> Project Leader - Information Systems Development
> Offshore Oil and Gas Team
> PO Box 9312
> Victoria, B.C.
> V8W 9N2

> -----
> Location/courier address:
> 250 - 1675 Douglas St.
> Victoria, B.C.

> -----
> Phone: (250) 356-0578
> Fax: (250) 356-0582
> mailto:don.macintyre@gems1.gov.bc.ca

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1445

Lowe, Carmel

From: MacIntyre, Don EM:EX [Don.MacIntyre@gems1.gov.bc.ca]
Sent: Wednesday, May 07, 2003 10:32
To: 'Lowe, Carmel'
Subject: RE: question

Hi Carmel;

You'll find the report at
<http://www.offshoreoilandgas.gov.bc.ca/reports/scientific-review-panel>

Cheers
Don

-----Original Message-----

From: Lowe, Carmel [mailto:CLowe@NRCan.gc.ca]
Sent: Wednesday, May 07, 2003 9:28 AM
To: MacIntyre, Don EM:EX
Subject: question

Don

Would you happen to know the web address where I can download Dave Strong's report on the moratorium? I just have a copy of the final 'draft' in my files and would like to replace it with the 'real thing'.

Thanks
Carmel



144480

Lowe, Carmel

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: Wednesday, May 14, 2003 15:19
To: Ralph Currie (E-mail); Sandy Colvine (E-mail); Carmel Lowe (E-mail)
Subject: FW: Scrum transcript -- Richard Neufeld

> -----Original Message-----

> From: PAB Media Monitoring PAB:EX
> Sent: Wednesday, May 14, 2003 12:10 PM
> Subject: Scrum transcript -- Richard Neufeld

> MEDIA MONITORING - Scrum Transcript

> Richard Neufeld, Minister of Energy and Mines
> May 14, 2003

> Reporter: Just an update.

> Neufeld: Well, we're continuing to work with the federal government.
> They're doing their study, and our oil and gas team is continuing to do
> the work that they're charged with doing. And they're moving ahead with
> it.

> Reporter: What about the time frame? What are we looking at? Is there...?

> Neufeld: We've never put a time frame on when we're going to lift the
> moratorium, 'cause there's a number of panel reports out there...

> Reporter: Yeah.

> Neufeld: ...that give us some...make some recommendations for what we
> should do before we move to lifting the moratorium. One is regulations. So
> let me give you this example. If we lifted the moratorium tomorrow and so
> did the federal government, and someone wanted to go to work, we don't
> have the regulations in place yet to do it. So it's immaterial until we
> get those other things...some of those other things in place.

> Reporter: How can we possibly achieve this promise or this intention to
> have it all up and running by 2010?

> Neufeld: Well, we're doing it by trading the oil and gas strategy here in
> my ministry, working with the federal government who are now doing some of
> the things that they're doing because they have a moratorium also and
> continue to work towards meeting that goal.

> Reporter: Are you getting any sense, and I'm not sure what some of the
> things that they're doing, they're doing...? Are you getting any sense
> that the federal government sees in what B.C. is doing with this strategy
> group, etc., a way to jointly lift moratoriums? I mean are you both going
> down the same road, or is Ottawa still kicking in its heels and not
> moving?

> Neufeld: No, actually Ottawa is moving. We would rather get more
> coordinated with the province. But they are moving. Mr. Dhaliwal does have
> a group that's getting some of their things together and how they're going
> to move forward and getting some information so that they can do whatever
> they want to do with their moratorium.

> We would have rather that it was more together with the British Columbia
> process. So far, Ottawa is working with us to a degree, and when I say to
> a degree, in a parallel process. So they're not opposing anything we're

1447

> doing. They're working out there. They're just kind of working down their
> track. So we continue to work with them and do everything we can to help
> them.

>
> Reporter: David Anderson has not been much of a booster on offshore oil
> development. Have you in any way been working with him to maybe ease his
> concerns?

>
> Neufeld: Well, a good place for David Anderson to have gone to would have
> been to the oil and gas technology conference in Houston so he could see
> the technology surrounding offshore oil and gas. Now, that may have
> enlightened his viewpoint of it.

>
> But the Prime Minister, the current Prime Minister, says that he doesn't
> have anything against lifting the moratorium, as long as the correct work
> is done. David Anderson continues to be the one out there that I hear all
> the time that says no. And Paul Martin, who's expected to be the next
> Prime Minister, says he's in favour of it too, as long as you do an
> environmentally sound....

>
> So I think David Anderson is completely out of step. His point is well
> taken. We want to make sure that we do it as we promised to -
> environmentally sound and scientifically safe. So we'll continue to work
> on it.

>
> It's interesting. David Anderson says we should drill all over the rest of
> Canada, on the east coast and the Beaufort Sea, where the conditions are
> probably as tough or worse than they are off the west coast of British
> Columbia. So it remains to be seen what takes place.

>
> Reporter: Leaving drilling for a second and just merely exploration, a lot
> of that is done with...sonically, with sonar and with essentially
> explosions. There's a great deal of concern right now that the use of
> sonar on this coast and [inaudible] porpoises washing up.

>
> Essentially we're going to have an in-shore offshore oil and gas when
> we're talking Hecate Strait, etc. What sort of things are being done to
> mitigate the harm that could be done to ocean mammals with sonar and with
> seismic exploration?

>
> Neufeld: Yes. And that is a concern of ours too. The first type of seismic
> that would happen would be aero...you know, from the air to, again, remap
> the geological zones a little bit better, especially with today's
> technology, is much better than it was done 20 years ago or something. So
> they can pinpoint...not pinpoint but identify better the zones. And then
> they use compressed air that shoots little shots of compressed air out, as
> I understand.

>
> In the Gulf of Mexico where I was I talked to a large company that does
> seismic...that's interested in doing seismic on the west coast. They have
> the same thing in the gulf. They have large mammals. They have to watch
> for them. They have to do it at certain periods of time. There are all
> kinds of rules and regulations around when you can do it and when you
> can't do it so that you don't affect the fish in the ocean.

> Thanks.

>
>
> Charles La Vertu
> Media Monitoring
> Public Affairs Bureau
> phone: 250-387-1028
> fax: 250-356-2722
> charles.lavertu@gems6.gov.bc.ca
>
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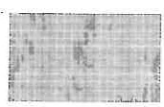
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1449

Colvine, Sandy

From: Colvine, Sandy
Sent: October 2, 2003 11:56 AM
To: Jennings, Philip
Cc: Lowe, Carmel; Varangu, Kristi
Subject: Comments on Patrick's Comments

Philip,

Attached are our comments in red on the points raised by Patrick on the TOR. These could be blended with your comments into a response.

Basically most of the points raised are relatively minor, and I would question the need to modify the TOR.

The one point of significance to the science component concerns the "proposed exclusion zones". It is implicit in the TOR that these are open for re-evaluation by the Panel.

However, it is not explicitly stated that the panel should not feel bound by them.

I consider the statement "...shall critically evaluate.....previously proposed exclusion zoned." to be adequate and I would not be inclined to change the wording.

The panel is well aware of the intent.

The only question, which I shall discuss with Irwin,

Sandy



Response_BRITI
COLUMBIA COMI

Sandy Colvine

Director / Directeur

Natural Resources Canada, 9860 West Saanich Road, Sidney, B.C. Canada V8L 4B2

Ressources naturelles Canada, 9860, chemin West Saanich, Sidney (C.-B) Canada V8L 4B2

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Adresse internet: scolvine@nrca.gc.ca <mailto:scolvine@nrca.gc.ca>

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1491

Colvine, Sandy

From: Lowe, Carmel
Sent: February 16, 2004 2:54 PM
To: Colvine, Sandy; 'Ron.Smyth@gems4.gov.bc.ca'
Cc: Varangu, Kristi; Couet, Paule
Subject: first media reports

FYI

No scientific barriers to B.C. offshore oil exploration: gov't study

Dirk Meissner	
The Canadian Press	

Monday, February 16, 2004

VICTORIA (CP) - A federal government-commissioned study concludes there are no scientific barriers preventing oil and gas exploration off British Columbia's North Coast near the Queen Charlotte Islands.

The Royal Society of Canada report, to be released Tuesday and obtained by The Canadian Press, does not call for the immediate lifting of federal and provincial moratoria on offshore oil and gas exploration in British Columbia.

But the report does say the industry faces few hurdles.

"Provided an adequate regulatory regime is put in place, there are no science gaps that need to be filled before lifting the moratoria on oil and gas development," the report says.

"It is equally important to recognize that this does not mean that science gaps do not exist (we have outlined many.)

"Nor should it mean that the panel recommends that the development be allowed to begin immediately."

The Department of Natural Resources Canada commissioned the Royal Society of Canada to review offshore oil exploration along British Columbia's picturesque North Coast.

The province asked the federal government last year to consider lifting its 30-year moratorium on offshore oil exploration after a B.C. study found few science gaps preventing exploration.

The report recommends the immediate formation of an advisory body of stakeholders, including government, First Nations, oil and gas industry representatives and environmental representatives to study the issue further.

"Oil is unlikely to be produced from the Queen Charlotte Basin for at least 15 years," the report said.

The report recommends maintaining a coastal exclusion exploration zone of 20 kilometres, banning seismic surveys in waters less than 20 metres deep and designating sponge reefs in the Queen Charlotte Basin as marine protected areas.

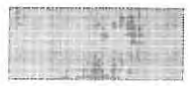


1452

Carmel Lowe

Research Scientist, Pacific Division Geological Survey of Canada 9860 W. Saanich Road Sidney, BC V8L 4B2	Chercheur scientifique division du Pacifique Commission géologique du Canada 9860, chemin Saanich ouest Sidney, C.-B. V8L 4B2
--	---

Office/Bureau: (250) 363-6763
Fax/Télécopieur: (250) 363-6565
E-mail/Courriel: clowe@nrcan.gc.ca
Web site/Site web: <http://www.nrcan.gc.ca/gsc/pacific/>



1453

Colvine, Sandy

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: February 27, 2004 3:08 PM
To: Sandy Colvine (E-mail)
Subject: FW: heads up



Auditor-General
POEA 1.pdf

-----Original Message-----

From: Simons, Steven J PAB:EX
Sent: Wednesday, February 25, 2004 3:23 PM
To: Burleson, Ron EM:EX; Davison, Jennifer EM:EX; Dragushan, Jean EM:EX; Ebbels, Jack EM:EX; Henriksen, Deb EM:EX; O'Rourke, Patrick EM:EX; Phelan, Bill EM:EX; Schmid, Yvette EM:EX; Simons, Steven J PAB:EX; Smyth, Ron EM:EX; Tyzuk, Boris AG:EX; Villa-Arce, Jose EM:EX
Subject: FW: heads up

-----Original Message-----

From: MacFarlane, Paige PAB:EX
Sent: Wednesday, February 25, 2004 2:06 PM
To: Simons, Steven J PAB:EX
Subject: heads up

Hi Steve - FYI, in cae you haven't seen this -

News Release
For Immediate Release
February 25, 2004

Auditor-General asked to investigate untendered communications contracts to unregistered lobby groups

Purchasing policy ignored in awarding \$262,000 for information meetings

SIDNEY, B.C. < The Auditor-General of B.C. has been asked to investigate how two untendered communications contracts worth over a quarter of a million dollars were awarded to two possibly unregistered lobby groups without any formal process.

The Offshore Oil and Gas Team of the B.C. ministry of Energy and Mines awarded two public information contracts to two energy industry lobby groups to hold five public information meetings on offshore energy issues in five B.C. coastal communities.

Sea Watch Ecological Society has requested that the Auditor-General investigate the awarding of the contracts, which together total \$262,000. It also has alerted the Lobbyists Registry and the Internal Audit branch of the B.C. Ministry of Finance.

"Our understanding is that two contracts were awarded to the Pacific Offshore Energy Association and the Pacific Offshore Oil and Gas Association without public notice or any formal evaluation process," Sea Watch president Stuart Hertzog said today. "If so, this contravenes the

1454

B.C. government's own procurement policy."

Sea Watch believes that the two groups have been lobbying the government to lift the moratorium on oil and gas exploration in B.C. waters. "But there is no record on the Lobbyist Registry Web site of their registration as lobbyists," Hertzog added.

Lobbying is defined as the paid act of communicating with a public office holder in an attempt to influence the development or amendment of any policy or program. Senior officers of not-for-profit organizations must register semi-annually and pay \$75 each time. Failure to do so can result in a fine of up to \$25,000.

B.C. Ministry of Finance policy states that unless an exemption is available, any service with an estimated value over \$100,000 must be competed by advertising on BC Bid. The same policy states that before taking any steps to find a contractor, a ministry must first establish that a cost benefit has been prepared.

For service contracts greater than \$100,000 this must include an analysis comparing the cost of contracting out with the cost of providing the service in-house.

"We cannot understand why the Offshore Team would give pro-industry lobby groups money to do this. We are concerned that only a one-sided view will be offered," Hertzog concluded.

FOR MORE INFORMATION call Stuart Hertzog (250) 889-3436 or email stuart_hertzog@telus.net



1405

Colvine, Sandy

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: March 31, 2004 12:51 PM
To: Ron Clowes (E-mail); Sandy Colvine (E-mail)
Subject: FW: Greenpeace reacts angrily to news a seismic study off Queen C harlotte Islands will go ahead - CKNW - 11:00am March 31, 2004

This stems from an article in today's National Post misquoting our ADM, Patrick O'Rourke.

> -----Original Message-----
> From: PAB Media Monitoring PAB:EX
> Sent: Wednesday, March 31, 2004 11:19 AM
> Subject: Greenpeace reacts angrily to news a seismic study off Queen
> Charlotte Islands will go ahead - CKNW - 11:00am March 31, 2004
>
> Media Monitoring Radio
>
> Greenpeace reacts angrily to news a seismic study off Queen Charlotte
> Islands will go ahead - CKNW - 11:00am March 31, 2004
>
> Greenpeace is reacting angrily to news the provincial government is
> supporting a seismic study off the Queen Charlotte Islands regardless of
> whether the ban on offshore oil & gas exploration is lifted.
>
> Spokesperson David Fields: ...clear indication that, umm, the public
> hearing process and consultation with First Nations is really nothing but
> a sham because the provincial government is showing its intent to move
> ahead anyway...
>
> The public hearings are to begin next week.
>
> The US government is providing \$3 million to pay for the seismic study
> that's to begin next year.
>
>
> _____
> Pavan Bajwa
> Media Monitoring
> Public Affairs Bureau
> Phone: (250) 356-7393
> Fax: (250) 356-2722
> pavan.bajwa@gems7.gov.bc.ca
>
> pabmediamonitoring@gems3.gov.bc.ca
> 24/7 Line: (250) 356-0881
>



1456

Colvine, Sandy

From: Smyth, Ron EM:EX [Ron.Smyth@gems4.gov.bc.ca]
Sent: March 31, 2004 12:55 PM
To: Ron Clowes (E-mail); Sandy Colvine (E-mail)
Subject: FW: nat post

>
> National Post, Page FP7, 31-Mar-2004
> Seismic study planned for B.C. offshore
> By John Greenwood
> VANCOUVER - British Columbia's desire for an offshore oil and gas industry
> is set to get a major boost from the U.S. government, which is funding a
> seismic study in the waters off the coast of the Queen Charlotte Islands,
> considered one of the most likely prospects for offshore riches.
> The study -- set to take place late next year whether or not a ban on
> offshore development is lifted -- will provide key data on the potential
> size of the resource, said Patrick O'Rourke, assistant deputy minister for
> the B.C. Energy and Mines Ministry.
> "We think the seismic needs to be done and the moratorium doesn't preclude
> seismic for things such as research," Mr. O'Rourke said in a telephone
> interview.
> The Queen Charlotte Basin is believed to contain substantial quantities of
> oil and gas, however the seismic data used to generate existing estimates
> is old and flawed and many in government and industry believe new studies
> are badly needed to determine how to proceed with development.
> The U.S. National Science Foundation is providing \$3-million along with a
> research vessel that is equipped with "some of the best marine seismic
> equipment available," according to Igor Mozorov, a professor of seismology
> at the University of Saskatchewan.
> News of the new study comes less than a week before the debate over
> lifting the ban on drilling is set to reach a crucial stage with the start
> of hearings by a federal review panel set up to look at public opinion
> around whether to lift the 30-year-old moratorium.
> The three person panel, headed by Roland Priddle, former chairman of the
> National Energy Board, will conduct public hearings in communities up and
> down the B.C. coast, especially those between northern Vancouver Island
> and the Queen Charlottes, where most of the drilling activity would take
> place.
> "This is a critically important part of the federal government's decision
> on whether to lift the moratorium," Mr. O'Rourke said, adding he believes
> the first panel meeting, set for Queen Charlotte City on Monday, will be
> well attended by players on both sides of the debate.
> The panel is part of a three-part process established by the federal
> government to determine whether to lift the ban on offshore development.
> Back in February a Royal Society panel of scientists, the first part,
> reported to Ottawa that there was no scientific reason not to proceed with
> development as long as strong regulatory controls are put in place. A
> third panel considering the opinions of First Nations is also gearing up
> to start hearings.
> Mr. Priddle's panel will submit its recommendations to the federal
> government in the summer, which will then be in a position to make a
> decision, likely some time in 2005, observers said.
> Ottawa and B.C. have long-standing bans on offshore oil and gas activity,
> put in place mostly because of environmental concerns. But according to
> several scientific investigations, including the recent Royal Society
> panel, drilling technology is now sufficiently advanced that oil spills no
> longer pose a significant risk.
> Observers point out that lifting the ban will not automatically kick-start
> an offshore industry, since numerous other issues remain to be settled,
> such as how royalties will be shared by the federal and provincial
> governments and what role First Nations will play.

1497

Lowe, Carmel

From: Dallimore, Scott
Sent: Monday, April 19, 2004 14:21
To: Lowe, Carmel
Subject: FW: Offshore Oil and Gas Science Overview

Dear Carmel:

In response to your request for correspondence related to BC offshore oil and gas issues, here is a summary of correspondence related to a talk I gave to an internal science information meeting held with the B.C. Government in October 2002. A hard copy is being printed for you.

Regards Scott

-----Original Message-----

From: Smyth, Ron EM:EX [mailto:Ron.Smyth@gems4.gov.bc.ca]
Sent: Wednesday, October 23, 2002 8:42 AM
To: whiticar@uvic.ca (E-mail); Ross Chapman (E-mail); Scott Dallimore (E-mail)
Subject: FW: Thanks

Folks,

Kathryn is an Assistant Deputy Minister in the Premier's office. Ken is Ken Dobell, the Premier's Deputy Minister.

I think Kathryn's note says it all. Thanks again for a very informative session.

>

> -----Original Message-----

> From: Dawson, Kathryn A PREM:EX
> Sent: Tuesday, October 22, 2002 2:56 PM
> To: Phelan, Bill EM:EX; Burlison, Ron EM:EX
> Subject: Thanks

> Thanks so much for setting up this morning's program. It was informative,
> and I really loved the fact that the presenters so obviously love what
> they're doing (kind of refreshing!!).

> I've shared Michael Whiticar's slides with Ken. If any of the others
> brought additional material, I'd sure appreciate it as well.

> Thanks again.

> Kathryn Dawson
> ADM Cabinet and Committees
> Office of the Premier
> (250) 953-3367

-----Original Message-----

From: Smyth, Ron EM:EX [mailto:Ron.Smyth@gems4.gov.bc.ca]
Sent: Monday, October 21, 2002 11:23 AM
To: 'Dallimore, Scott'
Subject: RE: Offshore Oil and Gas Science Overview



1450

Sure Roy is welcome. However, we will not change the program at this stage. You could mention Roy's role and expertise in your comments and direct any questions to him if you wish.

-----Original Message-----

From: Dallimore, Scott [mailto:sdallimo@NRCan.gc.ca]
Sent: Monday, October 21, 2002 11:08 AM
To: Smyth, Ron EM:EX
Subject: RE: Offshore Oil and Gas Science Overview

Hi Ron:

I was talking with Sandy today and he suggested that I ask you if Roy Hyndman could attend as well. Roy of course has been leading our west coast program and would be able to address west coast questions with authority.. my expertise is in the north and on production technology etc.

Please let me know if you think Roy attending would be helpful.

Regards Scott

-----Original Message-----

From: Smyth, Ron EM:EX [mailto:Ron.Smyth@gems4.gov.bc.ca]
Sent: Monday, October 21, 2002 10:50 AM
To: Scott Dallimore (E-mail); whiticar@uvic.ca (E-mail); Ross Chapman (E-mail)
Subject: FW: Offshore Oil and Gas Science Overview
Importance: High

Folks,

Tomorrow's presentations will be in Room 8036. You will have to pick up a pass at the Security desk in the foyer.

We will have a PowerPoint projector on hand, coffee, and hopefully an attentive audience at the level of a Deputy Minister or University President. So don't be too technical. See you tomorrow.

Ron

> -----Original Message-----

> From: Ebbels, Jack EM:EX
> Sent: Wednesday, October 09, 2002 9:07 AM
> To: de Faye, Bob CAWS:EX; O'Riordan, Jon SRM:EX; Thompson, Derek
> WLAP:EX; Dobell, Ken F PREM:EX; Taylor, Paul H.E. FIN:EX; Steenkamp,
> Philip TNO:EX; Leitch, Donald CSE:EX; Wilkinson, Andrew IGRS:EX
> Cc: O'Rourke, Patrick EM:EX; Dawson, Kathryn A PREM:EX; Smyth, Ron
> EM:EX; Phelan, Bill EM:EX; Schmid, Yvette EM:EX
> Subject: Offshore Oil and Gas Science Overview
> Importance: High

>
>
> On Tuesday, October 22nd, three Victoria-based scientists will give a
> presentation on the offshore oil and gas potential in British Columbia.
> There will be three short presentations of about ten minutes each,
> followed by a one hour question period. The meeting will take place in
> Room 8036, 1810 Blanshard (Jack Davis Building) from 9:00 AM to 11:00 AM.
> The speakers and their topic areas are:

>
> * Michael Whiticar from the University of Victoria will give an
> overview of the Queen Charlotte Island and Hecate Strait basins and their
> potential;



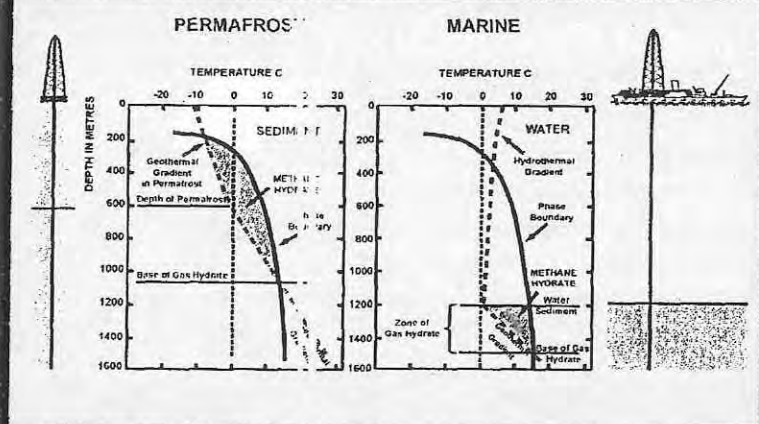
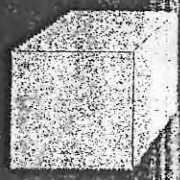
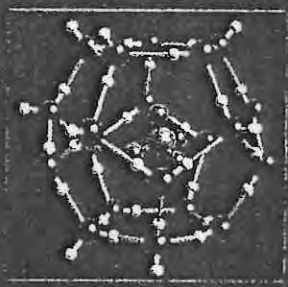
1479

- > *
- > * Ross Chapman, also from the University of Victoria, will discuss the
- > new findings related to the methane hydrate discovery in the Tofino basin,
- > and the implications it has for offshore oil and gas potential; and
- > *
- > * Scott Dallimore, with the Geological Survey of Canada based in the
- > Pacific Geoscience Centre, will discuss gas hydrates, and why they warrant
- > our attention.
- >
- > You and/or senior officials you deem appropriate are invited to attend
- > this session. Please let Ron Burleson know by email or phone (952-0619)
- > whether you or your staff will be attending.
- >
- > Jack Ebbels
- >
- >

1406

What is a Gas Hydrate?

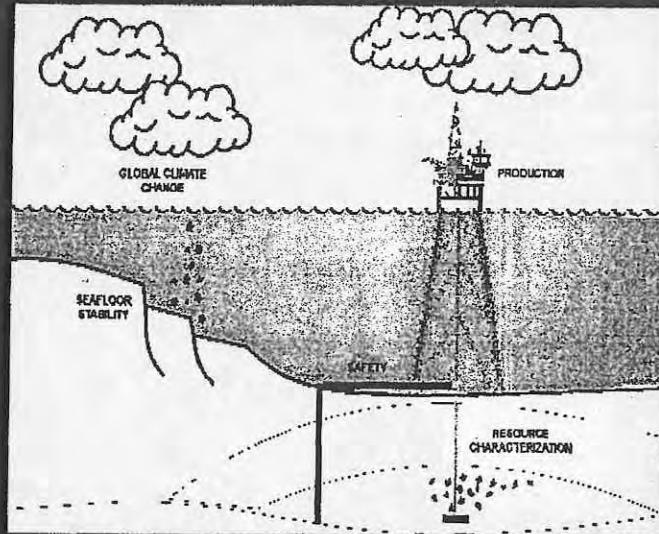
- Crystalline solid (clathrate) consisting of gas molecules, each surrounded by a cage of water molecules
- One volume hydrate typically equivalent to 160 volumes methane gas at STP



- Suitable Host Porous Media
- Gas Source
 - Biogenic
 - Thermogenic
- Cold Temperatures and Moderate Pressures
 - Temperatures above & below 0°C

1461

Energy, Climate, Geohazard

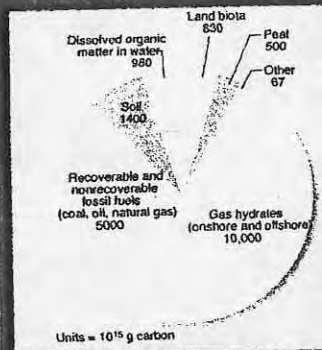


Outline of Presentation

- Quick overview of gas hydrate science and current international research interests
- Introduction to GSC research program
- Resource issues, technology development and the Mallik Research Well Program
- Future outlook

1402

Worldwide distribution



Potential World-Wide

Estimated Hydrate Resource, TCF			
	Low	Mean	High
Permafrost	500		1,200,000
Oceanic	110,000		270,000,000
Total		700,000	

CAUTION - significant questions and disagreement remain regarding the detection, occurrence, distribution, and concentration of gas hydrates; and recovery methods/economics of gas hydrate production.

1463

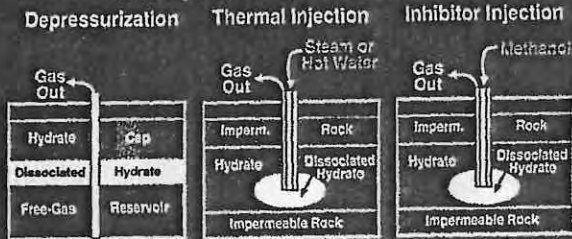
At the present time we do not have the knowledge base to produce gas hydrates economically

- Require fundamental and applied science
- Require technology development

Steam assisted gravity drainage

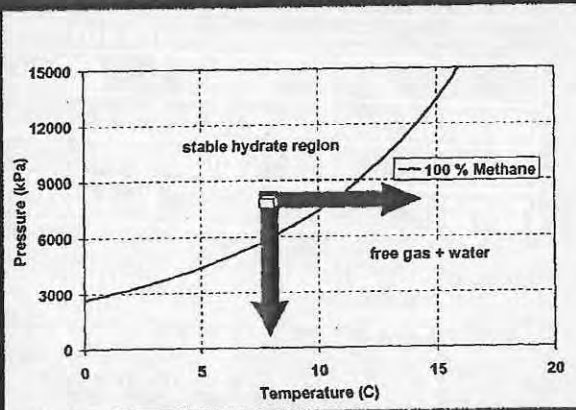


Gas Hydrate Production Methods

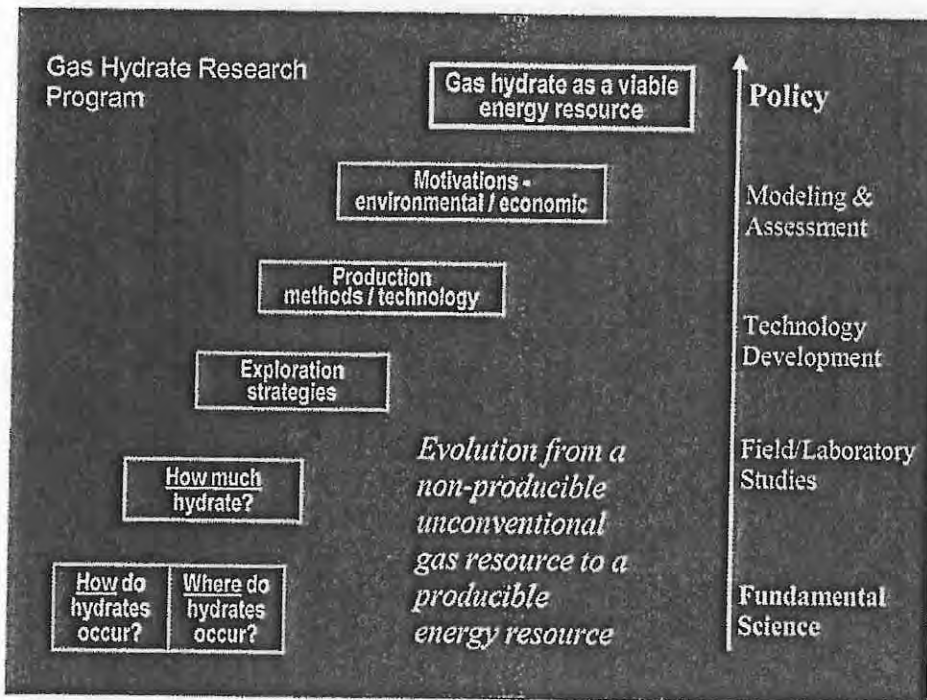


Hydrate Dissociation

- lower pressure
- increase temperature
- change chemical equilibrium



14604



A look to Japan gives insights into current status of marine gas hydrates as a resource

Motivation

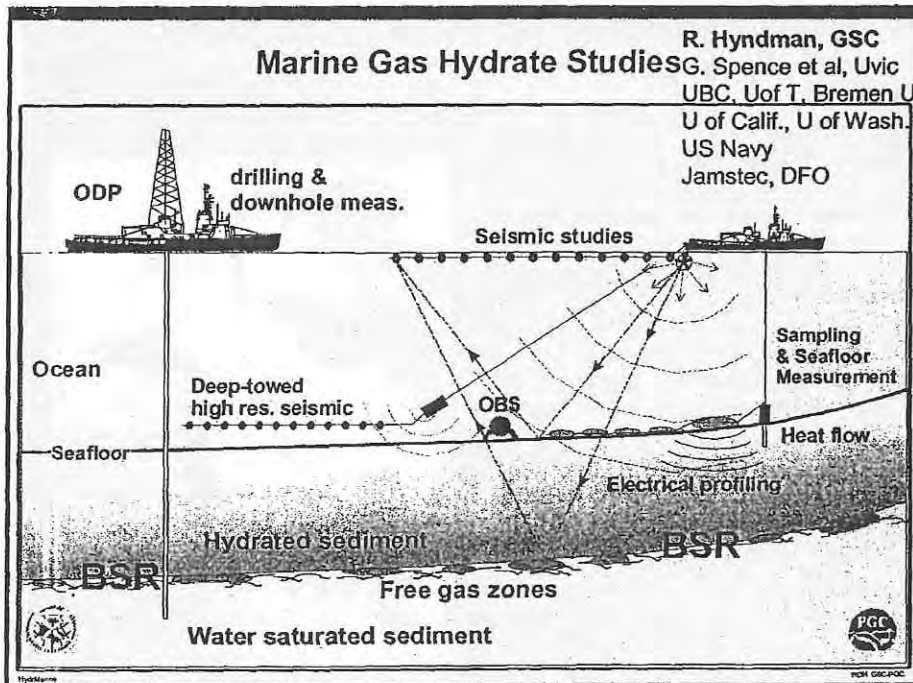
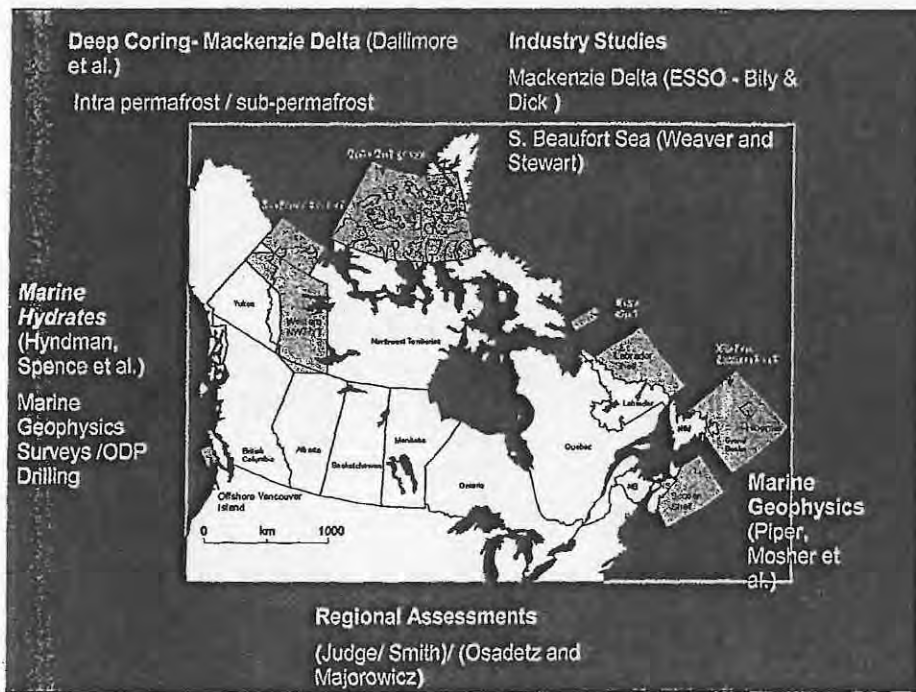
- Currently produces less than 2% of domestic energy requirements
- Hydrate resource estimate ~100 years supply

R&D Plan

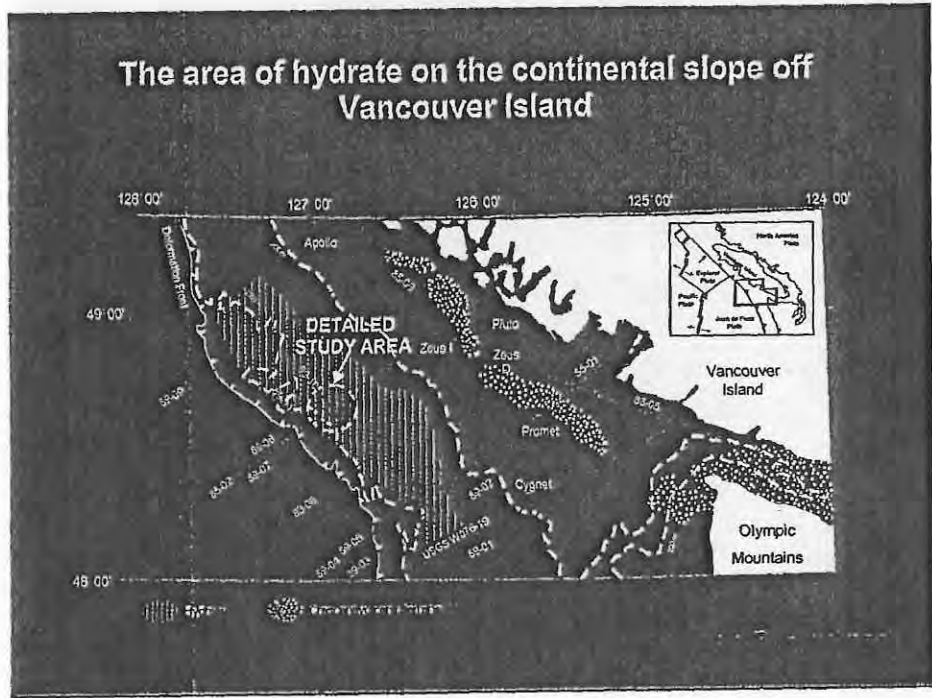
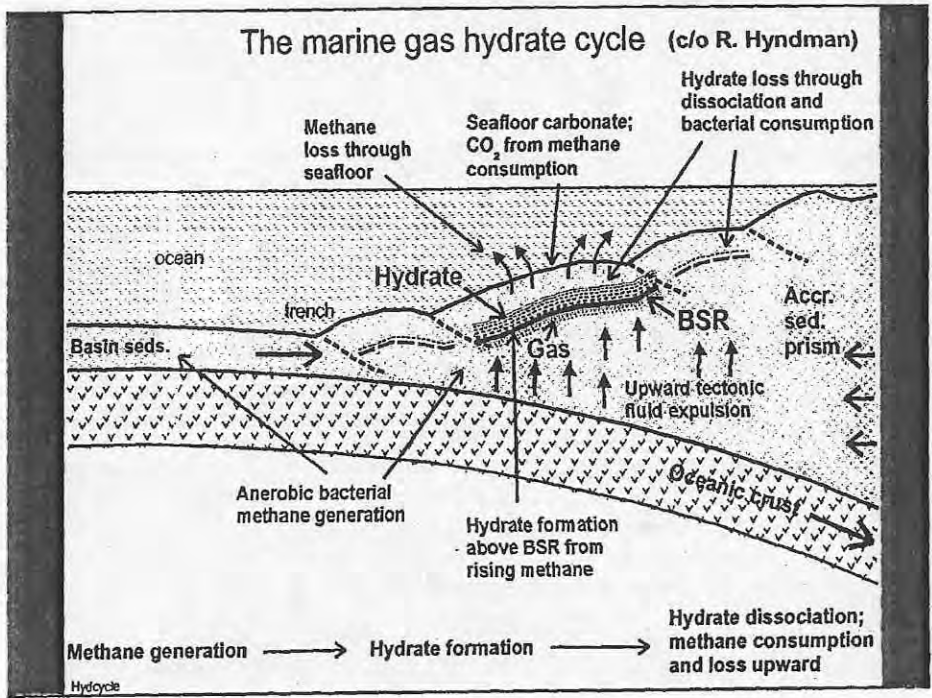
- Have established a national priority to produce gas hydrates by 2016
- Significant annual R&D budget (~\$100M/yr) exceeding combined national programs of USA, Germany, India, China, Korea and Canada
- Nankai Trough wells in 1999/2000, additional cores 2003, first offshore test 2007
- Collaborated with NRCan in 1998/2002 to complete production research studies in Mackenzie Delta



1465



1466



1467

Mallik 2002 International gas hydrate production research well program

- Canada
 - GSC
 - Industry (IOL, BP/Chevron/Burlington)
- Japan
 - JNOC
 - JAPEX
- USA
 - USGS
 - USDOE
- Germany
 - GeoForschungsZentrum Potsdam
- India
 - Ministry of Petroleum Geology and Natural Gas
 - Gas Authority India Ltd
- International Continental Scientific Drilling Program
 - Universities and research institutes in Japan, Canada, USA, Germany and China



Mallik 2002 Objectives:

Production response of a hydrate reservoir:

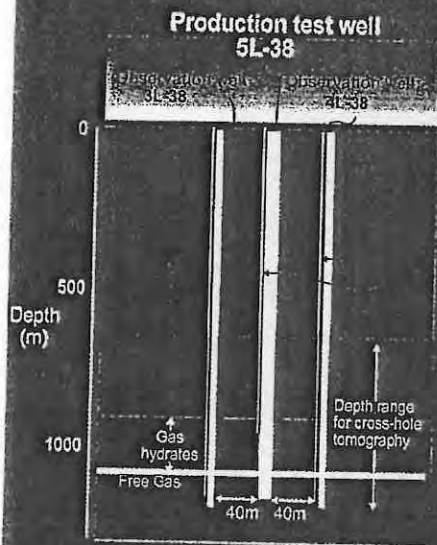
- Dissociation due to pressure drawdown
- Dissociation due to temperature change
- Comprehensive multidisciplinary science program to allow for detailed engineering, reservoir simulation modeling and assessment of environmental issues

14668

Why the Mallik Site?

- One of the most concentrated gas hydrate reservoirs known to date
 - >200 m gross hydrate thickness
 - pore space hydrate concentrations >90%
- Extensive baseline engineering, geological and geophysical knowledge
- Geology/reservoir similar to many offshore deposits
- Accessible onshore location (cost efficient operations) suitable for production experiments

Mallik 2002- Base Plan



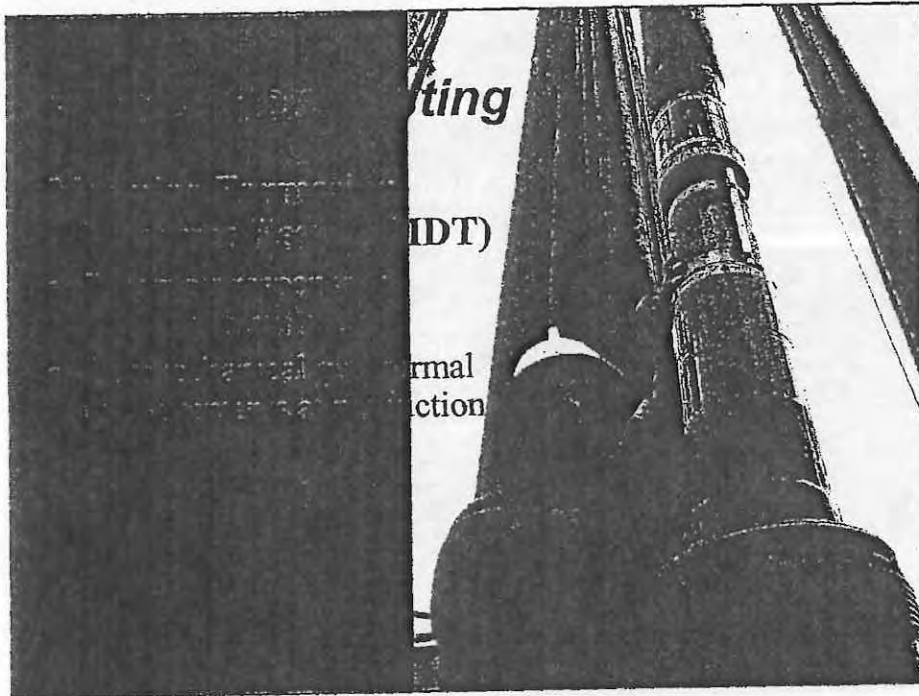
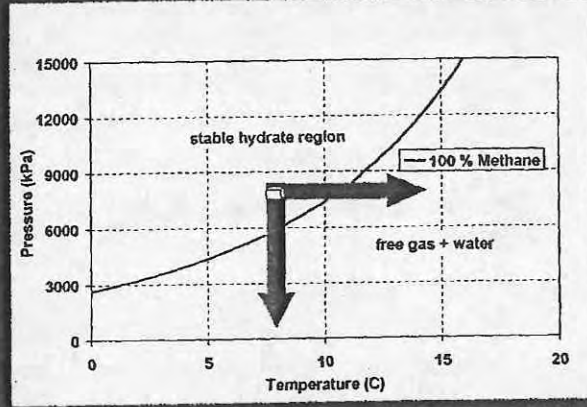
3 well concept enables a diverse and flexible program

- Controlled production experiments, with real time formation monitoring
- Access for experimental logging and cross hole geophysics
- Integrated permafrost and gas hydrate research program

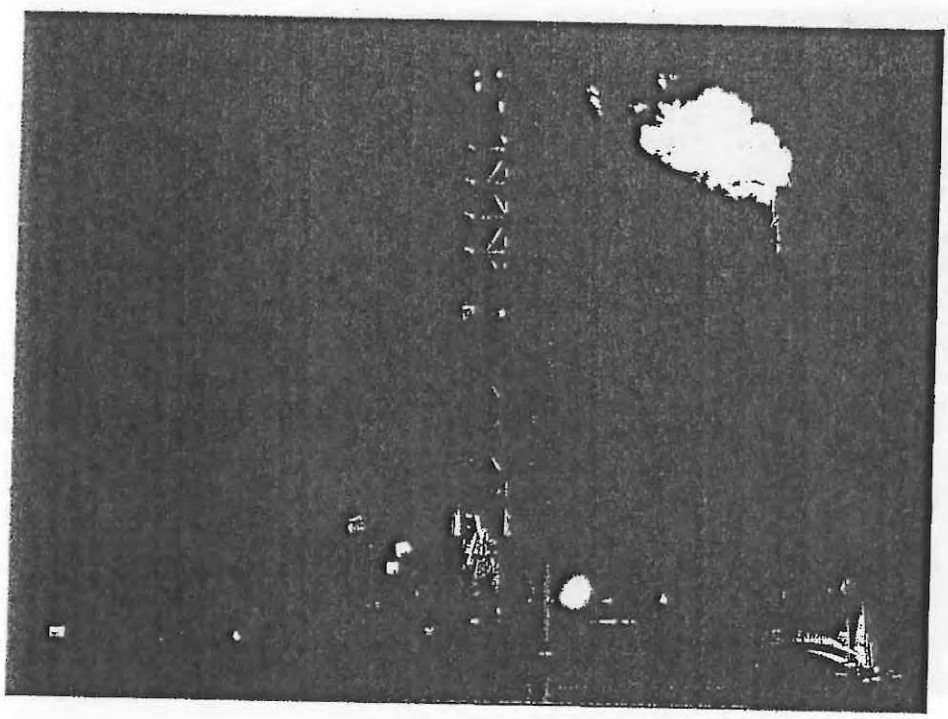
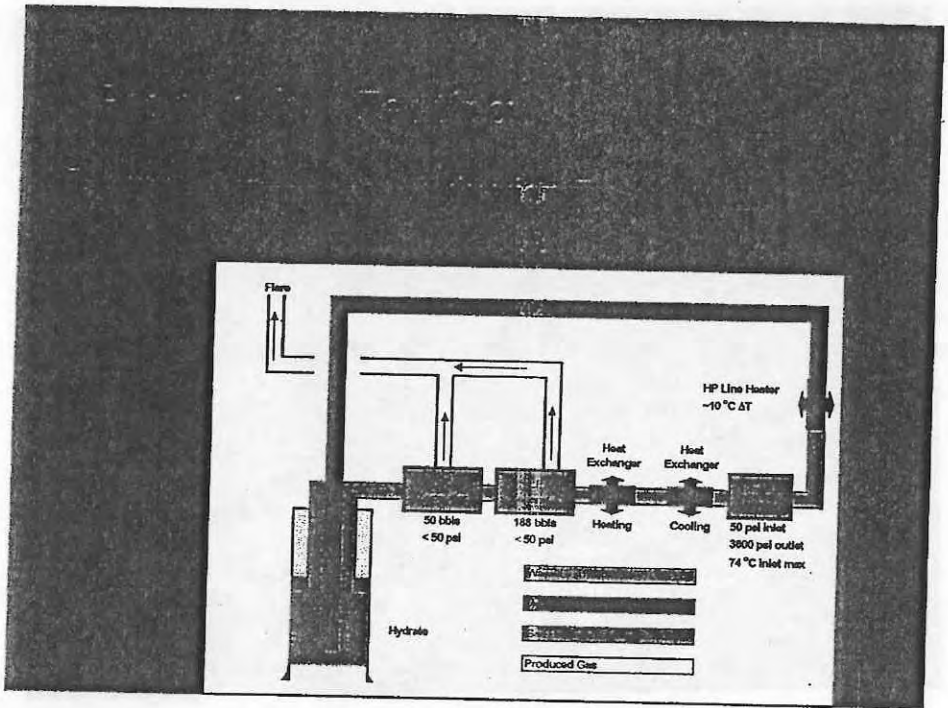
1469

Hydrate Dissociation

Hydrate dissociation by pressure and thermal change



1470



1471

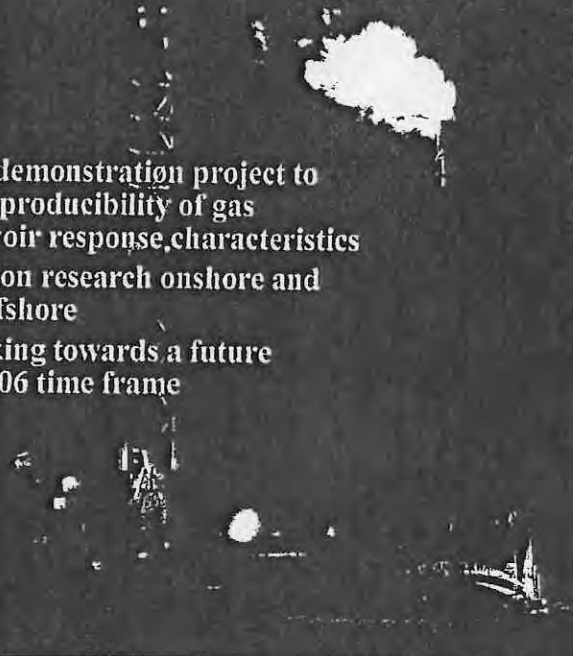
Results are confidential but partners are pleased to announce that the research project was a success!

- production data first runs of simulation models are very hopeful
- advanced engineering studies suggest it should be feasible to design of production wells
- fundamental understanding of properties/distribution/controls on gas hydrate occurrence will allow for more efficient exploration
- Enabling of long term monitoring and research to investigate climate change



What is next?

- Requirement for a demonstration project to establish long term producibility of gas hydrates and reservoir response characteristics
- Continued production research onshore and delineation work offshore
- Mallik project working towards a future project for 2005-2006 time frame



1472

Conclusions

- The prize remains alluring and one we should not overlook in the offshore
- Success at Malik has increased interest and pace of research, however we are still at least 15 years away from assessing the magnitude of the prize
- Development in the Arctic will precede the marine
- Research must assess both production issues and also environmental/development issues
- Canadian deposits are world class as are our science and engineering capabilities

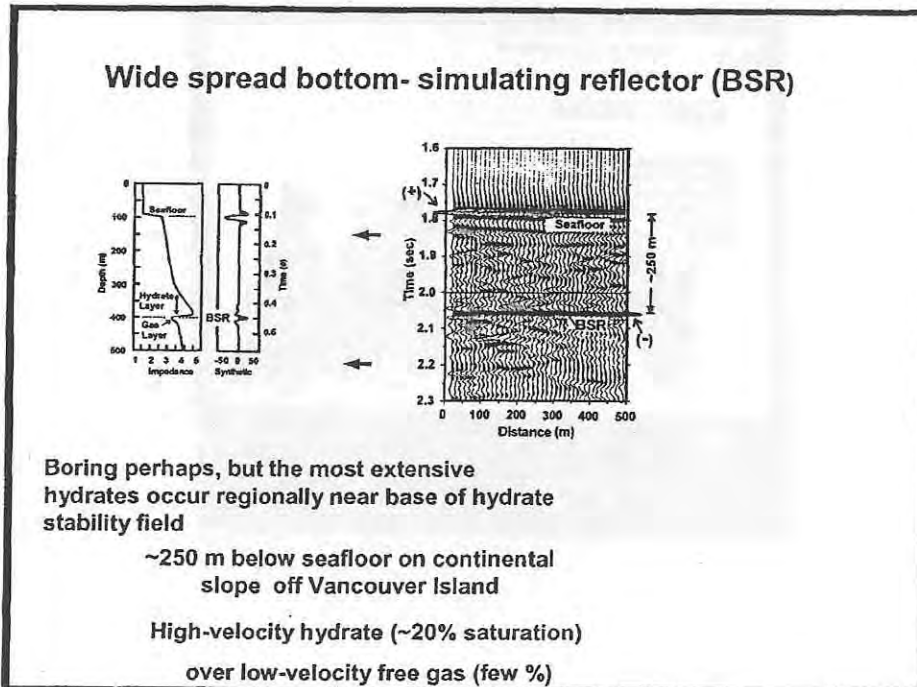
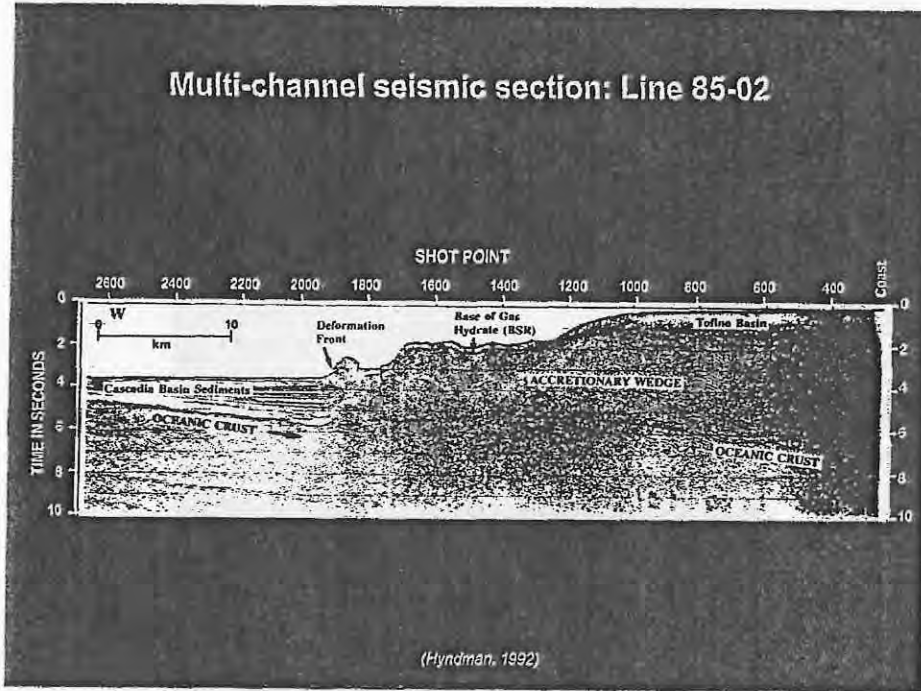
ENT
CALGARY HERALD Sunday, January 8, 2000 B3

RODENT ON BUSINESS

THESE CRAZY SCIENTISTS AND ENGINEERS CLAIM THAT THERE'S METHANE IN THE ICE, WHICH THEY WANT AND WILL USE FOR ENERGY! WHAT SHOULD WE DO?

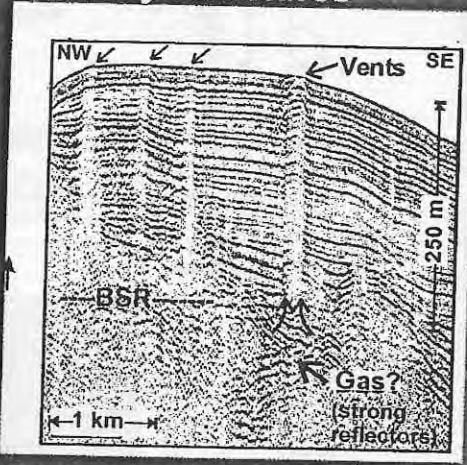
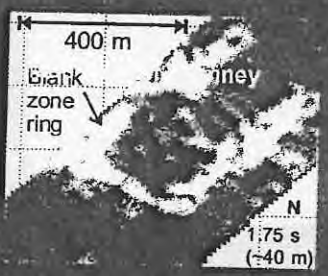
TELL THEM WE HAVE ICE TO BURN!

1473



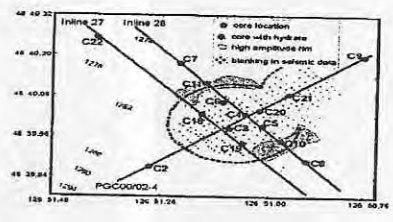
1474

Much more interesting but localized seafloor gas hydrate chimney structures



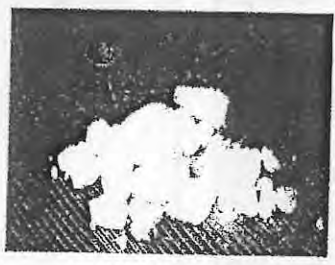
Conduits for gas transport through gas hydrate stability zone, with concentrated hydrate occurrences near the sea floor

Vent structure



~400m

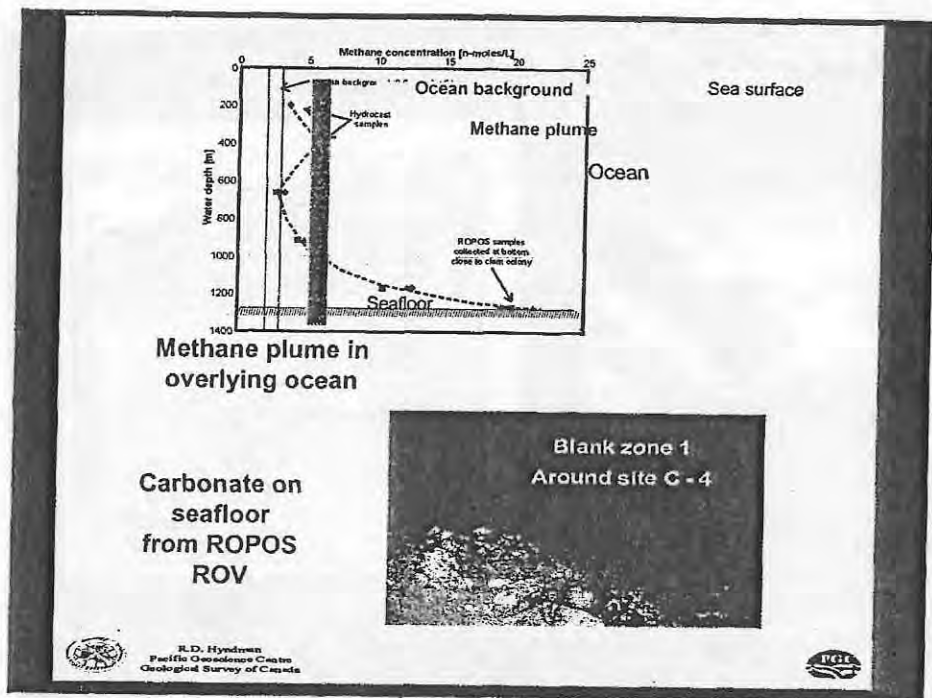
Hydrate from piston cores



B. D. Hyndes
Pacific Geoscience Centre
Geological Survey of Canada



1475



Very current, but yet poorly defined, shallow water hydrate in Canyon setting

- Massive gas hydrate recovered by fishing dragger from Barkley Canyon
- 600m water
- massive sea floor occurrence

Rising methane and hydrate dredged by bottom fish net

Methane froth Floating gas hydrate and surface ice

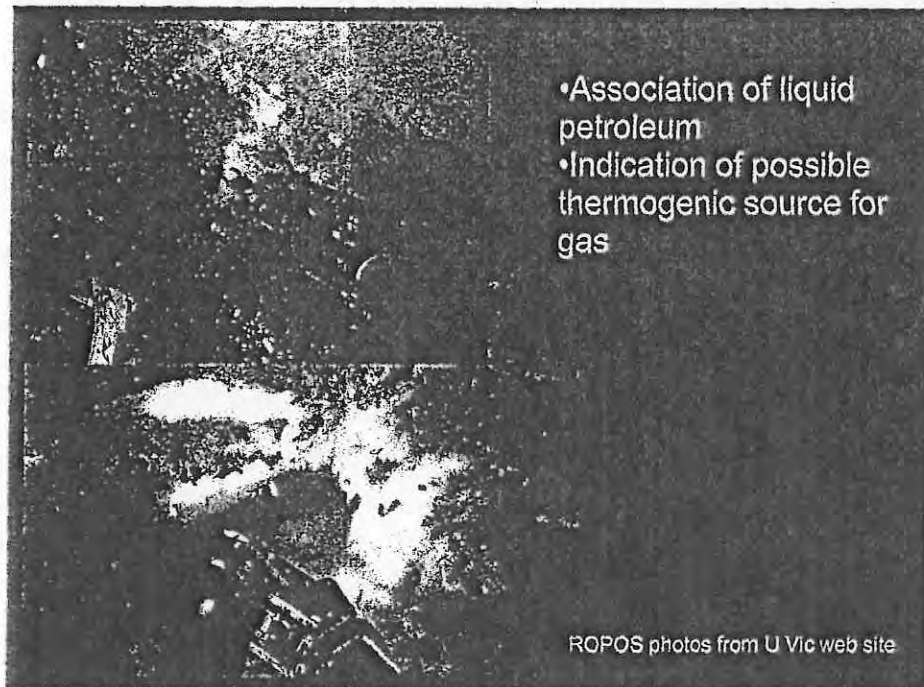
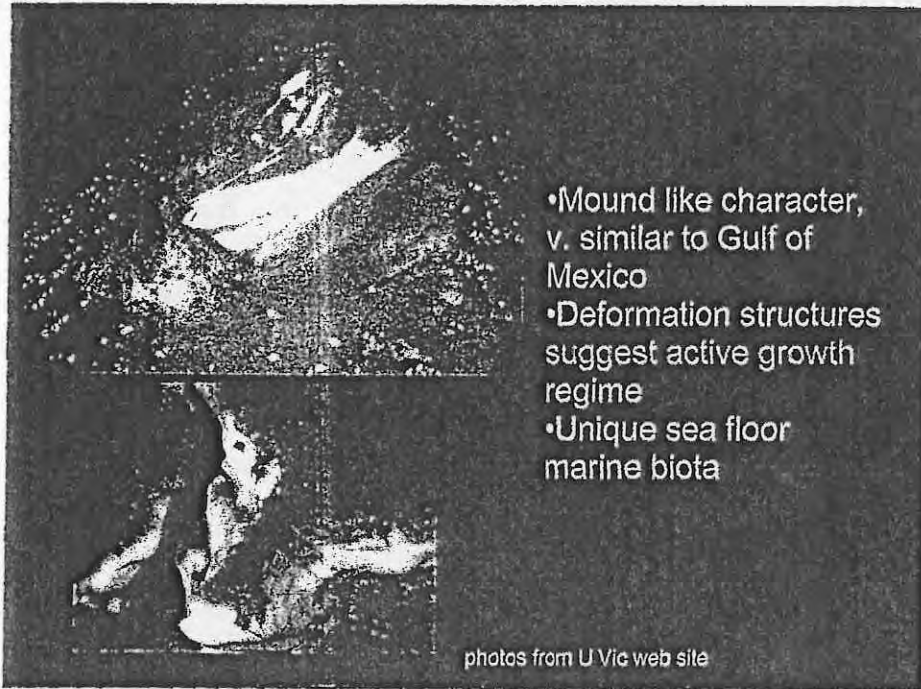
Several tonnes of hydrate in hold of fishing dragger

Fish

Gas Hydrate

1 m

Courtesy G.D. Spence, University of Victoria



1477

Overview of Canadian Gas Hydrates

S.R. Dallimore, Geological Survey of Canada

Unconventional Gas & Coalbed
Methane Conference

October 23-25, 2002



1478

Varangu, Kristi

From: McDougall, Dan
[c=CA;a=GOVMT.CANADA;p=GC+DFO.MPO;o=XNCR;s=McDougall;g=Dan;]
Sent: Monday, December 06, 2004 5:06 PM
To: Jennings, Philip: NRCAN
Cc: Varangu, Kristi: NRCAN; Mageau, Camille
Subject: RE: BC Offshore Moratorium

Thanks Philip. I agree before Xmas will be good.

Christine Boeyen in my office can help with scheduling, but I will let her know that this is a priority.

Dan

-----Original Message-----

From: Jennings, Philip: NRCAN
Sent: December 6, 2004 5:02 PM
To: McDougall, Dan
Cc: Varangu, Kristi: NRCAN
Subject: RE: BC Offshore Moratorium

s.21(1)(a)
s.21(1)(c)

Dan,



Specific bilateral meeting a good idea given the link with a number of files. Given the short timelines, meeting should be before Christmas.

Philip

-----Original Message-----

From: McDougall, Dan
Sent: Monday, December 06, 2004 4:45 PM
To: Jennings, Philip: NRCAN
Subject: FW: BC Offshore Moratorium

Didn't go through the first time because of the attachment. Trying again.

-----Original Message-----

From: McDougall, Dan
Sent: December 6, 2004 4:42 PM
To: Jennings, Philip: NRCAN
Cc: Mageau, Camille
Subject: FW: BC Offshore Moratorium

Phil: What's up? When are you guys planning on going in?

I think it would be useful for a couple of us (not too many) to sit down and see how we can link moving forward with this issue to the work we are doing on the west coast under the Oceans Action Plan. Would likely be a good idea to bring our science folks into that early on.

Dan

-----Original Message-----

From: Kirby, Sue
Sent: December 6, 2004 3:56 PM
To: McDougall, Dan
Subject: Fw: BC Offshore Moratorium

Can you see what you can find out including on timing?

1479

Thxs
Sue Kirby,
Assistant Deputy Minister, Oceans Sector


Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Labonte, Serge <LABONTES@DFO-MPO.GC.CA>
To: Watson-Wright, Wendy <Watson-WrightW@DFO-MPO.GC.CA>; Kirby, Sue <KirbyS@DFO-MPO.GC.CA>; McDougall, Dan <McDougallD@DFO-MPO.GC.CA>; Huard, Michaela <HuardM@DFO-MPO.GC.CA>
CC: Sprout, Paul <SproutPa@pac.dfo-mpo.gc.ca>; Richards, Laura <RichardsL@pac.dfo-mpo.gc.ca>; Farlinger, Susan <FarlingerS@pac.dfo-mpo.gc.ca>; Paradis, Sylvain <ParadisS@DFO-MPO.GC.CA>; Bain, Hugh <bainh@DFO-MPO.GC.CA>
Sent: Mon Dec 06 15:09:23 2004
Subject: FW: BC Offshore Moratorium

s.21(1)(
s.21(1)(

Heads-up


Serge Labonté

Director General, Fisheries, Environment & Biodiversity Science
Directeur général, Sciences halieutiques, de l'environnement et biodiversité
labontes@dfo-mpo.gc.ca
Tel: 613-990-9082, Fax: 613-954-0807

-----Original Message-----

From: Bain, Hugh
Sent: December 6, 2004 11:05 AM
To: Paradis, Sylvain
Cc: Labonte, Serge
Subject: BC Offshore Moratorium

Sylvain:

On November 19, 2004 Natural Resources Canada (NRCan) released the Panel report entitled, Report of the Public Review Panel on the Government of Canada Moratorium on Offshore Oil and Gas Activities in the Queen Charlotte Region British Columbia (attached). This report follows the Report of the Royal Society of Canada's Expert Panel on Science report (attached) that was released in the Spring of 2004.

In its recommendations to the Government of Canada, the Public Review Panel set out four options pertaining to the potential decision on the moratorium. These four options are as follows:

- * 1. Keep the moratorium;
- * 2. Keep the moratorium or defer the decision on it while undertaking a suite of activities, alone or collaboratively with others, and subsequently review it either at a predetermined or at an indefinite future time;
- * 3. Lift the moratorium and undertake a suite of activities prior to accepting any oil and gas activity applications; and,
- * 4. Lift the moratorium and allow applications for exploration.

I called the Petroleum Resource Branch, NRCan to inquire



14600

NRCan indicated that the interdepartmental Science ADM Committee should be re-activated quickly to discuss the approach to planning the "gaps research" and establishing a cost for this work. Wendy should be notified of this pending activity as well as Laura Richards as Pacific Science will be the lead in any future planning regarding filling knowledge gaps.

Hugh Bain
Senior Advisor - Habitat Science
Environment & Biodiversity Science Branch
Fisheries, Environment and Biodiversity Science Directorate
Fisheries and Oceans Canada
Tel: (613) 990-0283
FAX: (613) 998-3329
e-mail: bainh@dfo-mpo.gc.ca

November 1, 2004

OFFSHORE- BC OIL AND GAS MORATORIUM

ISSUE

- The federal review process examining the moratorium in the Queen Charlotte Basin offshore B.C., was announced in March, 2003, under the lead of the Minister of Natural Resources. The three part process – consisting of a science review, public meetings, and First Nations Engagement – is complete. The final two reports were released on November 19, 2004.

TALKING POINTS

- **An expanded Strategic Environmental Assessment including socio-economic considerations was undertaken by an independent federally-appointed panel, which was tasked to explore views of key stakeholders through public meetings.**
- **To further inform the process, an independent scoping of the science was also done by the Royal Society of Canada. Recognizing that it would be difficult to conduct a single public process that was responsive to the special needs and interests of aboriginal peoples, a First Nations engagement process was completed.**
- **The federal review process is now complete. The results will provide input into the Government's assessment of whether or not, or under what conditions, the existing federal moratorium should be lifted.**
- **Over the next few months the Government will review all the information and discuss the issue, before coming to a decision on a way forward.**

BACKGROUND

- The Royal Society of Canada (RSC) conducted its arms-length science review and released its report on February 17, 2004. It reached two main conclusions: provided an adequate regulatory regime is put in place, there are no science gaps that need to be filled before lifting the moratorium on oil and gas development. Second, the present restriction on tanker traffic in transit along the West Coast of North America from entering the coastal zone should be maintained for the time being.

- The Public Review Panel, chaired by Mr. Roland Priddle, completed its public sessions on May 18, 2004 after visiting 10 coastal communities. Although a majority of participants support keeping the moratorium, the Panel notes that BC is very polarized on this issue. It concludes that if the focus is shifted to a program of gathering and assessing scientific, socio-economic and other information, this could reduce polarization and assist in building consensus. The Panel provides four options for the consideration of the GoC, including two options which propose to fill the gaps in information noted above.
- The First Nations Engagement Process has also concluded. The First Nations facilitator appointed by the Government met with all cultural groups near and adjacent to the Queen Charlotte Basin, including the Haida and Tsimshian. The report indicates unanimous support for maintaining the moratorium at this time, but it also indicated that, given more time and resources, many First Nations would be interested in continuing the discussion regarding offshore oil and gas.
- Recognizing the Government's unique relationship with the Nisga'a Lisims Government, the Nisga'a Nation also submitted a report to Canada, outlining its views concerning the moratorium. The Nisga'a are seeking an enhanced role in the development of a future offshore oil and gas management and regulatory regime, and in any future environmental assessments.

Prepared by: Kristi Varangu, EPS, 992-4217

Approved by: Howard Brown, ADM, EPS

s.21(1)(a)

s.21(1)(c)

1.483

Nov. 1, 2004, draft 5

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**MEDIA LINES:
RELEASE OF TWO REPORTS ON THE BC OFFSHORE
OIL AND GAS MORATORIUM**

ISSUE

A moratorium on oil and gas exploration and drilling off the coast of British Columbia has existed for the last three decades. The federal government is considering whether or not to lift it, and has developed a process to determine the next steps. The process has three parts: a Scientific Review, a Public Review Panel which heard the opinions of the BC public generally, and a First Nations Engagement Process, which heard the opinions of affected First Nations Peoples.

The Science Review was released in April, 2004, and the final two reports will be released this fall.

MEDIA LINES

- This has been a broad and open process.
- The three part process is not a decision making process but a fact-finding one. The reports provide a basis, along with the Royal Society of Canada report, to help the Government assess whether or not, or under what conditions, to lift the federal moratorium on offshore BC oil and gas activities in the Queen Charlotte area.
- The Government of Canada appreciates the time and effort of Review Panelists, the FN facilitator, British Columbians and First Nations Peoples to participate in this review.
- We have now heard concerns of British Columbians, including First Nations Peoples, and will work to address them as much as possible.
- This is an important decision for BC and for Canada. My goal is to bring the issue before my colleagues in the coming months. The Government of Canada will review all of the available information when deciding what actions to take regarding the moratorium.



Media Spokesperson: Tom Ormsby
Telephone: (613) 996-2007
Prepared by: T. Chapman
Date: Oct. 4, 2004

s.21(1)(a)
s.21(1)(c)

Draft for internal discussion

000650

1484

BACKGROUND

The federal and provincial governments imposed a moratorium on oil and gas activities offshore British Columbia in the early 1970s. In 1972, the Government of Canada imposed a moratorium on crude oil tanker traffic through the Dixon Entrance, Hecate Strait, and Queen Charlotte Sound due to concerns over the potential environmental impacts. Subsequently, the moratorium was extended to include oil and gas activities.

That moratorium is now under review in a three-part process. On March 28, 2003, the Minister of Natural Resources Canada announced that the Government of Canada would proceed with a review to:

- 1) identify science gaps related to possible oil and gas activity, offshore British Columbia (Science Review), final report on February 17, 2004;
- 2) hear the views of the public regarding whether or not the federal moratorium should be lifted for selected areas (Public Review); and,
- 3) meet with First Nations to ensure that issues of unique interest to First Nations are fully explored (First Nations Engagement).

Media Spokesperson: Tom Ormsby
Telephone: (613) 996-2007
Prepared by: T. Chapman
Date: Oct. 4, 2004

Draft for internal discussion

(495)

Varangu, Kristi

From: Wood,Heather [PYR] [c=CA;a=GOVMT.CANADA;p=GC+EC;o=EC;s=Wood2;g=Heather;]
Sent: Wednesday, November 10, 2004 7:33 PM
To: Varangu,Kristi: NRCAN
Cc: Cripps,Randal [PYR]; Nassichuk,Mike [PYR]; Parker,Nancy [NCR]
Subject: BC offshore reports

Follow Up Flag: Follow up
Due By: Monday, November 15, 2004 11:00 PM
Flag Status: Flagged

Hi Kristi,

We've just learned that Minister Dion has been invited to a meeting on November 22nd with several federal and BC Cabinet Ministers to discuss offshore oil & gas.

British Columbia invitees: Ministers Richard Neufeld (Energy & Mines), Bill Barisoff (Water, Land and Air Protection), George Abbott (Sustainable Resource Management), Jack Ebbels (Oil & Gas Team); Sheila Wynn (DM of Energy & Mines), and Gord Macatee (DM of Water, Land and Air Protection)--- Federal invitees: Ministers Emerson, Efford, Dion (proposed), Reagan and Scott.

Unfortunately, at this time, I don't have any details on who requested the meeting, or specifically what's to be discussed.

Is there any way you can you tell me if we can expect the final NRCAN reports to be released in advance of this meeting?

Thanks very much,

Heather Wood
Sr. Regional Analyst,
Intergovernmental and International Affairs Branch
Environment Canada, Pacific & Yukon Region
phone: 604-664-4008
fax: 604-713-9527

-----Original Message-----

From: Ouellet,Sylvain [NCR] <Sylvain.Ouellet@ec.gc.ca>
To: Nassichuk,Mike [PYR] <Mike.Nassichuk@ec.gc.ca>
CC: Parker,Nancy [NCR] <Nancy.Parker@ec.gc.ca>
Sent: Wed Oct 27 07:04:27 2004
Subject: FW: BC offshore reports

FYI. Sending this directly to you in the interest of time. I haven't looked at this as caught in CCME meeting preparation.

Sylvain (819) 953-7631

-----Original Message-----

From: Varangu,Kristi: NRCAN
Sent: Wednesday, October 27, 2004 10:02 AM
To: Gardiner,Timothy: FIN; Harary,David: IC; 'Hamilton.SR2@forces.gc.ca'; 'Doug.Yurick@pc.gc.ca'; Kaczorowski,Michael: INAC; Lopoukhine,Nik: PCH; MacDonell,Glenn: IC; Saranchuk,Andrew: JUSTICE; 'mdevlieger@pco-bcp.gc.ca'; Ouellet,Sylvain

1406

[NCR]; 'francine.mercier@pc.gc.ca'; Fraser, Andrew: WD OTTAWA;
Hale, Peter: DFO XNCR; Smith, Tim [CEAA]; 'Graham Swan'; 'Peter Harwood';
'michael.holmes@ocipep.gc.ca'; Chiperzak, Doug: DFO XNCR; Clark, Jennifer
[CEAA]; 'tyler.cummings@international.gc.ca'; 'Christopher Padfield'
Cc: Carlson, Zoe: NRCAN; Wietzke, Marly: NRCAN; Jennings, Philip: NRCAN;
Chapman, Trudy: NRCAN; Muir, Alexandra: NRCAN; Barlow, Sheila: NRCAN;
'Christine Tetrault'; Lewis, Kevin: NRCAN
Subject: BC offshore reports

My apologies that I have not been in contact with you sooner regarding the status of the BC offshore file. Unfortunately, the final editing by the Public Review Panel and the subsequent production process (including translation etc) have taken much longer than had been anticipated. The Minister is still awaiting receipt of the final reports from both the public review process and the First Nations engagement process. I will notify you when an interdepartmental meeting will be called. Sorry again for the gap in communications, but since we do not have the reports there has been nothing of substance (or on process in fact) to pass along to you; the timing has been very fluid. Can you please transmit this message to your colleagues in BC region as appropriate. We will be calling an interdepartmental meeting in the region at the same time as the Ottawa interdepartmental, to ensure officials in both the centre and region are kept informed as the process unfolds. I will be in touch. Kristi

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

1487

Chapman, Trudy

From: Chapman, Trudy
Sent: 30 June, 2004 04:26 PM
To: Farrington, Maureen
Subject: FW: Meeting on First Nations Engagement process July 8, 2:30-3:30

You'll want to meet with them I expect...
that is, [REDACTED]

s.19(1)

-----Original Message-----

From: Varangu, Kristi
Sent: 30 June, 2004 04:20 PM
To: 'Gardiner, Timothy'; 'Harary, David: EMB'; 'Hamilton.SR2@forces.gc.ca'; 'Doug.Yurick@pc.gc.ca'; 'Hadley, Sandra: PCO'; 'Kaczorowski, Michael: INAC'; 'Lopoukhine, Nik: PCH'; 'MacDonell, Glenn: IC'; 'Saranchuk, Andrew: JUS'; 'mdevlieger@pco-bcp.gc.ca'; 'Ouellet, Sylvain: EC'; 'francine.mercier@pc.gc.ca'; 'Andrew Fraser'; 'Hale, Peter'; 'Smith, Tim [CEAA]'; 'Graham Swan'; 'Peter Harwood'; 'michael.holmes@ocipep.gc.ca'; 'Chiperzak, Doug'; 'Clark, Jennifer [CEAA]'
Cc: 'Cheryl Brooks'; Couet, Paule; Jennings, Phillip; Fortin, Anne-Marie; Chapman, Trudy; Carlson, Zoë; Wietzke, Marly; McDonald, June
Subject: Meeting on First Nations Engagement process July 8, 2:30-3:30

I wanted to take the opportunity with Cheryl Brooks and Zoe Carlson in town next week, to invite you to meet them and have them bring you up to date on the First Nations Engagement Process under the BC offshore moratorium review. I can update you briefly on the Public Review Panel process as well. I recognize that we had a meeting very recently on this file and this meeting is being scheduled on short notice, however, it will be a good opportunity to hear from Cheryl and Zoe directly if you are available.

This meeting will take place on **Thursday, July 8 from 2:30 to 3:30 pm in boardroom 17 D1, 17th floor, 580 Booth Street**. Please confirm with me, provide any additional names or substitutions in advance, so that we can make appropriate arrangements with security. I would not expect anyone to call in from your regional offices this time, as we held an interdepartmental meeting in Vancouver (including Cheryl and Zoe) just last week. Thanks. Kristi

Senior Advisor
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580 Booth St., 17th floor
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fax (613) 943-2274

Page(s) 0006□□ to / à 0006□9

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21(1)(c)□21(1)(a)

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Loi sur l'accès à l'information

1489

Chapman, Trudy

From: Chapman, Trudy
Sent: 17 September, 2004 05:20 PM
To: Varangu, Kristi; Montgomery, James; Muir, Alexandra
Cc: Jennings, Philip; Carlson, Zoë; Charette, Ellen
Subject: RE: follow up BC offshore

underway, will have a draft for your review early next week, once Ellen Charette has seen it.
Trudy

-----Original Message-----

From: Varangu, Kristi
Sent: 17 September, 2004 10:34 AM
To: Montgomery, James; Chapman, Trudy; Muir, Alexandra
Cc: Jennings, Philip; Carlson, Zoë
Subject: follow up BC offshore

s.21(1)(a)

s.21(1)(b)

As discussed with Howard Brown, I think we should move for early poll and results ASAP in October. [redacted]
FYI I will be going to VAncover on the 27th for a week, including a trip to Victoria. Bear in mind for further follow up with BC Steve Simons. s.19(1)

Spoke at length with Kate Glover and Scott Gedak. We ran through time lines for all the deliverables leading up to the public release of the reports. Kate still on line to go back to AG next week and he takes up his responsibilities back at the NEB. Will keep you posted if Kate gets another reprieve, but I am basing our work without her. I left a few outstanding questions with her to discuss with you Trudy this week, particularly as they pertain to the press conference and/or technical briefing.

s.21(1)(b)

[redacted]
meeting next week Trudy?

Maybe we could have a

Cheers. Hope your other files are slow... Kristi

s.21(1)(a)

s.21(1)(c)

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
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580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

1490


Chapman, Trudy

From: Chapman, Trudy
Sent: 20 September, 2004 10:10 AM
To: Ormsby, Tom
Cc: Dingwall, Leigh Anne
Subject: BC offshore



I'll look around and see what else I have.

s.21(1)(

We are working on  to go out before the reports are released to gauge opinion more broadly.

s.21(1)(

s.21(1)(b)

Any questions, fire away!
Trudy

s.21(1)(c)



s.21(1)(c)

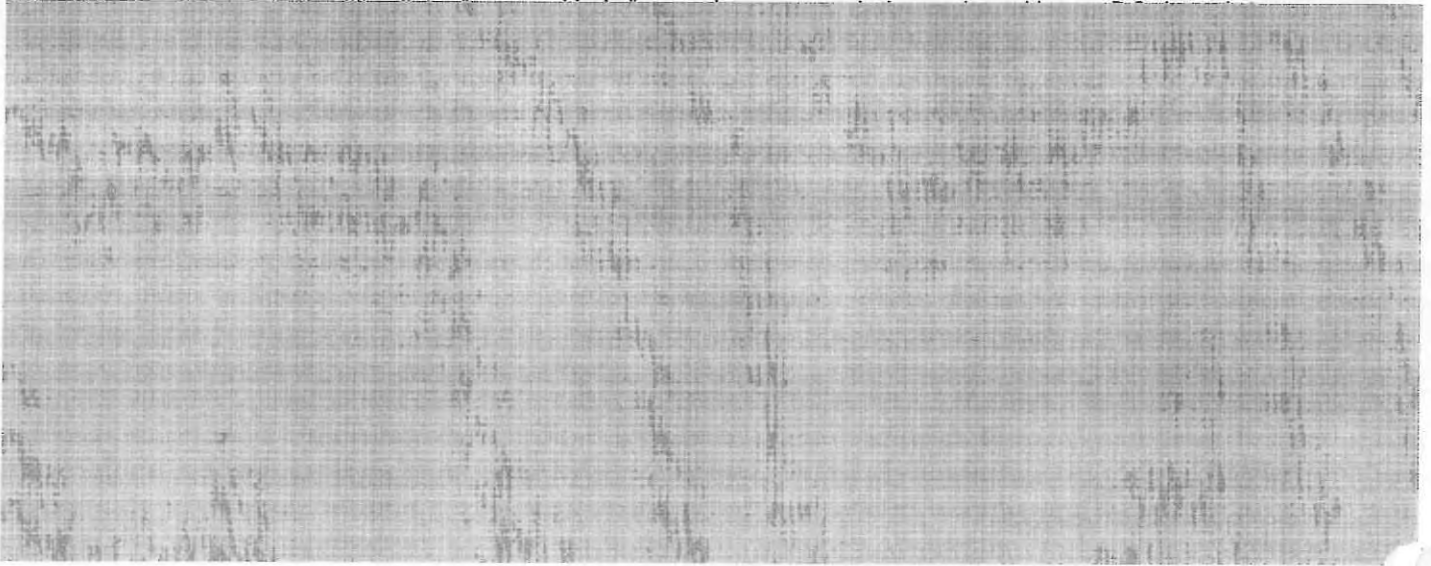
Trudy Chapman
Account Executive, Energy
Communications Branch, NRCan
613-992-5777

1491

Chapman, Trudy

From: Chapman, Trudy
Sent: 22 September, 2004 12:25 PM
To: Varangu, Kristi
Cc: Muir, Alexandra; Charette, Ellen; Montgomery, James
Subject: BC offshore

Hi Kristi-



Thanks. Trudy

Trudy Chapman
Account Executive, Energy
Communications Branch, NRCan
613-992-5777

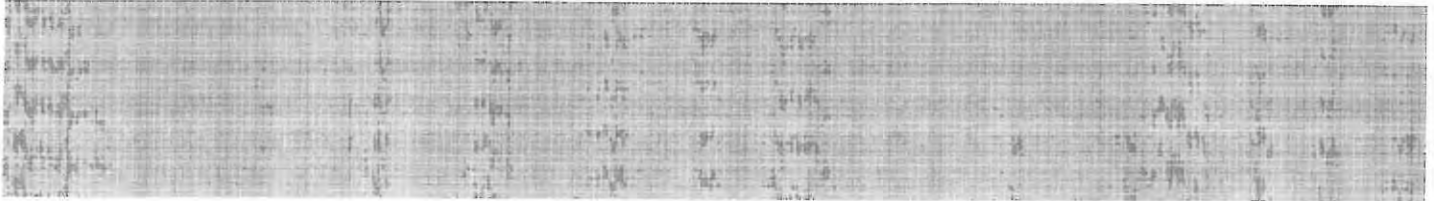
s.21(1)(a)

s.21(1)(c)

1492

Chapman, Trudy

From: Chapman, Trudy
Sent: 23 September, 2004 10:12 AM
To: Varangu, Kristi
Cc: Muir, Alexandra
Subject: RE: additional note

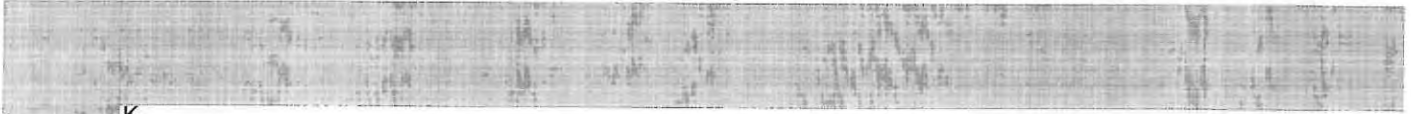


Trudy

-----Original Message-----

From: Varangu, Kristi
Sent: 23 September, 2004 10:02 AM
To: Chapman, Trudy; Muir, Alexandra
Cc: 'Zoe Carlson'
Subject: additional note

s.21(1)(a)
s.21(1)(c)



K

Senior Advisor
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tele (613) 992-4217
fax (613) 943-2274

s.21(1)(a)
s.21(1)(c)

1493

Chapman, Trudy

From: Chapman, Trudy
Sent: 04 October, 2004 01:43 PM
To: Corriveau, Anne
Subject: RE: Minister's release of Priddle Panel Report

It would be better if you'd call him back and tell him that the report is due out this fall, it is a process that is arms length from the government. There is no info as yet on the timing, at least, I have not been told. We are all interested in what the report has to say and will make the report public as soon as we are able.

Sound good?

-----Original Message-----

From: Corriveau, Anne
Sent: 04 October, 2004 01:16 PM
To: Chapman, Trudy
Cc: DMO.M CB Media Relations
Subject: FW: Minister's release of Priddle Panel Report

on to you Trudy

-----Original Message-----

From: Kinnis, Rosemary
Sent: Monday, October 04, 2004 1:14 PM
To: DMO.M CB Media Relations
Subject: Minister's release of Priddle Panel Report



s.19(1)

Deadline: October 5, 2pm EST.

Re: Federal release of findings of the Priddle Panel Report dealing with BC offshore oil and gas

He want to know if the NRCan minister will be issuing a press release on the above. He understood that the Priddle Panel would be submitting today their findings to the Minister and that the Minister has indicated that he would waste no time in making the results and report available to the public. This is quite a hot issue in BC, and people are eagerly awaiting th results.

Rosemary

1494

Chapman, Trudy

From: Chapman, Trudy
Sent: 07 October, 2004 11:32 AM
To: Weinheimer, Brent
Cc: Martin, Terence; Muir, Alexandra
Subject: householder map

Hi Brent - as discussed, could you find a map that would cover the area as described below. The map is needed for inclusion in a householder to be distributed to MPS upon the release of reports discussing public opinions on the oil and gas moratorium.

thanks!

The three part process is not a decision making process but a fact-finding one. The reports provide a basis, along with the Royal Society of Canada report, to help the Government assess whether or not, or under what conditions, to lift the federal moratorium on offshore BC oil and gas activities in the Queen Charlotte area. The geographic area under review is the Queen Charlotte Basin, with exclusions for known sensitive areas, such as Gwaii National Marine Conservation Area and shoreline areas. Additional exclusion zones will also be identified through the consultative processes.

Trudy Chapman
Account Executive, Energy
Communications Branch, NRCan
613-992-5777

1495

Chapman, Trudy

From: Chapman, Trudy
Sent: 25 October, 2004 02:43 PM
To: Muir, Alexandra
Subject: FW: Queen Charlotte Is Basin for Householder BC

Importance: High

what do you think about this map for use in the BC offshore householder? Note: they included the marine conservation area as well...

-----Original Message-----

From: Gosson, Claire
Sent: 25 October, 2004 02:36 PM
To: Chapman, Trudy; Weinheimer, Brent; Synnett-Caron, Dale
Subject: Queen Charlotte Is Basin for Householder BC
Importance: High

Hi Trudy:

Here is the latest version of the map for the BC householder. I hope it meets your expectations. It has all of the good features a map should have, especially one that originates from NRCan and the Atlas. If changes need to be made they will have to wait until next week since I will be out-of town from October 26-Oct 29th inclusively. I look forward to your comments.

Claire

Claire Gosson

*Geographer/Géographe
Atlas of Canada/Atlas du Canada
Natural Resources Canada/Ressources naturelles Canada
Government of Canada/Gouvernement du Canada
615 Booth Street/615 rue Booth
Ottawa, Ontario . K1A 0E9
claire.gosson@ccrs.nrcan.gc.ca <mailto:claire.gosson@ccrs.nrcan.gc.ca>
telephone/téléphone: (613) 992-4134
facsimili/télocopieur (613) 947-2410*

*Discover Canada through Maps/Découvrez le Canada par les cartes
<<http://atlas.gc.ca>>*



Gosson, Claire.vcf

-----Original Message-----

From: Lightfoot, Ken
Sent: Monday, October 25, 2004 2:01 PM
To: Gosson, Claire
Subject: Queen Charlotte Is Basin

Hello Claire,

I trust this version of the map will suit the client's requirements:

1496



QCB_map.pdf

Regards,
Ken

10/10/2003 10:10:00 AM
To: [Redacted]
From: [Redacted]
Subject: [Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

1497

Chapman, Trudy

From: Chapman, Trudy
Sent: 26 October, 2004 12:22 PM
To: Olson, Kathleen; Muir, Alexandra
Subject: RE: FNEP Report

nothing is existing just yet... give me the q and I'll get the a.

T

-----Original Message-----

From: Olson, Kathleen
Sent: 26 October, 2004 12:07 PM
To: Muir, Alexandra; Chapman, Trudy
Subject: RE: FNEP Report

OK - good to know. Thanks. Just out of a speech roundtable for Resource Expo Event in Vancouver where Senator Austin (tbc) will speak on behalf of the Minister. The Senator will need a Q&A or 2 on B.C Offshore - in particular FNEP - in case he is asked about status of process and/or report. Do you have existing Q&As you could share by Nov 1?

-----Original Message-----

From: Muir, Alexandra
Sent: 26 October, 2004 11:57 AM
To: Chapman, Trudy; Olson, Kathleen
Subject: FW: FNEP Report

Kathleen,

Trudy is probably the best person to answer this and she'll likely fill in any gaps here.

FNEP is part the 3 pronged approach on BC Offshore.
Royal Society - (as you know :-) released last winter.

The intention is to release the FNEP with the panel report - and a report by the Nisga'a done independently of the NRCan processes.

We have the FNEP report and the Panel report is being finalized.
The FNEP is in the process of being translated and the panel report will then have to be completed.

s.21(1)(a)

s.21(1)(c)

Then there is a possibility of all 3 reports (panel, FNEP, Nisga'a) shortly after that.

-----Original Message-----

From: Olson, Kathleen
Sent: 26 October, 2004 09:58 AM
To: Muir, Alexandra
Subject: FNEP Report

Hi Alex,

What is the status of the release of this report? CPPC was asking me about it this morning. Thanks.

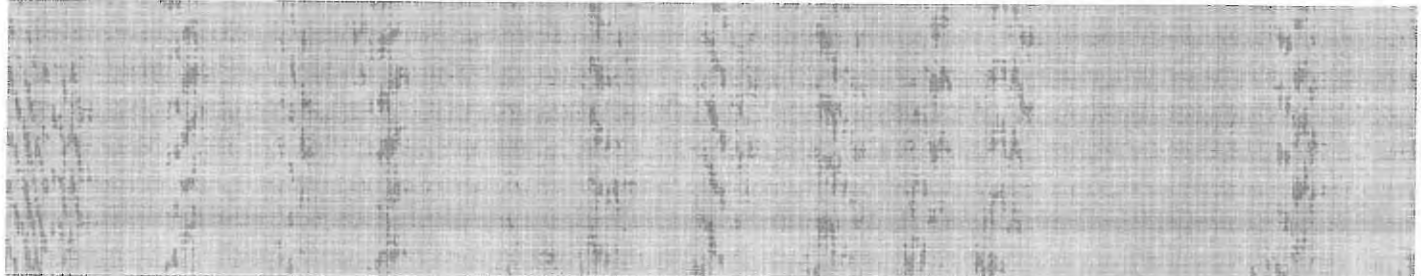
Kathleen Olson
Senior Communications Advisor/
Conseillère principale en communications
NRCan/RNCan
(613)943-0787
(613)992-7373 (fax)

1490

Chapman, Trudy

From: Chapman, Trudy
Sent: 26 October, 2004 12:57 PM
To: Varangu, Kristi; Muir, Alexandra; Carlson, Zoë
Subject: Regional pco

did call Tracy Schulz, regional pco contact in BC.



Thanks
Trudy

s.21(1)(b)
s.21(1)(c)

Trudy Chapman
Account Executive, Energy
Communications Branch, NRCan
613-992-5777

1499

Page(s) 0006□0 to / à 0006□0

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Page(s) 0006□1 to / à 0006□1

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21(1)(c)□21(1)(a)

of the Access to Information
Loi sur l'accès à l'information

1501

Page(s) 0006□2 to / à 0006□2

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Chapman, Trudy

From: Chapman, Trudy
Sent: 02 November, 2004 12:56 PM
To: Muir, Alexandra
Subject: RE: BC offshore reports

INAC Jane McDonald, mcdonaldj@ainc-inac.gc.ca
EC
PCO Myriam Massabki, mmassabki@pco-bcp.gc.ca
IC Trevor Zeck, zeck.trevor@ic.gc.ca
WED?
DFO
DPMO Tracy Theisen

Can you fill in any of the above blanks? At least with a contact in the dept who could kick us to the right person?
Trudy

-----Original Message-----

From: Muir, Alexandra
Sent: 02 November, 2004 12:34 PM
To: Chapman, Trudy
Subject: RE: BC offshore reports

I take it that PCO is a given in that list?

INAC definately and IC will likely want to be involved.

I imagine WED would also want to be there.

-----Original Message-----

From: Chapman, Trudy
Sent: 02 November, 2004 12:30 PM
To: Muir, Alexandra
Subject: RE: BC offshore reports

Well, we now have the name of the BC media relations firm, but now we need to id the com people for the inevitable interdepartmental. Given the organization of this file, the interdepartmental will be organized on the fly, so we'll need the com people pre-identified. I guess we need to contact EC, DFO, DPMO... who else am I missing?

-----Original Message-----

From: Muir, Alexandra
Sent: 02 November, 2004 12:14 PM
To: Chapman, Trudy
Subject: RE: BC offshore reports

Were you looking for any additional names for this?

-----Original Message-----

From: Chapman, Trudy
Sent: 27 October, 2004 11:23 AM
To: Muir, Alexandra
Subject: FW: BC offshore reports

We'll need to identify the comm people who need to be in the loop on this one. Any contacts you may have would be helpful.
As well, could you send me the name of the Vancouver firm who could help with outreach and we'll put that in the file as well?

1503

Thanks!!!!

T

-----Original Message-----

From: Varangu, Kristi
Sent: 27 October, 2004 10:01 AM
To: 'Gardiner, Timothy'; 'Harary, David: EMB'; 'Hamilton.SR2@forces.gc.ca'; 'Doug.Yurick@pc.gc.ca'; 'Kaczorowski, Michael: INAC'; 'Lopoukhine, Nik: PCH'; 'MacDonell, Glenn: IC'; 'Saranchuk, Andrew: JUS'; 'mdevlieger@pco-bcp.gc.ca'; 'Ouellet, Sylvain: EC'; 'francine.mercier@pc.gc.ca'; 'Andrew Fraser'; 'Hale, Peter'; 'Smith, Tim [CEAA]'; 'Graham Swan'; 'Peter Harwood'; 'michael.holmes@ocipep.gc.ca'; 'Chiperzak, Doug'; 'Clark, Jennifer [CEAA]'; 'tyler.cummings@international.gc.ca'; 'Christopher Padfield'
Cc: Carlson, Zoë; Wietzke, Marly; Jennings, Philip; Chapman, Trudy; Muir, Alexandra; Barlow, Sheila; 'Christine Tetrault'; Lewis, Kevin
Subject: BC offshore reports

My apologies that I have not been in contact with you sooner regarding the status of the BC offshore file. Unfortunately, the final editing by the Public Review Panel and the subsequent production process (including translation etc) have taken much longer than had been anticipated. The Minister is still awaiting receipt of the final reports from both the public review process and the First Nations engagement process. I will notify you when an interdepartmental meeting will be called. Sorry again for the gap in communications, but since we do not have the reports there has been nothing of substance (or on process in fact) to pass along to you; the timing has been very fluid. Can you please transmit this message to your colleagues in BC region as appropriate. We will be calling an interdepartmental meeting in the region at the same time as the Ottawa interdepartmental, to ensure officials in both the centre and region are kept informed as the process unfolds. I will be in touch. Kristi

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

Chapman, Trudy

From: Chapman, Trudy
Sent: 10 November, 2004 02:53 PM
To: Varangu, Kristi; Muir, Alexandra; McDougald, Katie
Subject: FW: bc offshore

FYI

-----Original Message-----

From: Currie, Ralph
Sent: 10 November, 2004 02:51 PM
To: Chapman, Trudy
Cc: Lowe, Carmel
Subject: RE: bc offshore

Hi Trudy

I have booked the IOS Auditorium for Sunday Nov 21, Tuesday Nov 23 and Wednesday Nov 24 from 10 am to 12 noon we will cancel the bookings as appropriate
 As we discussed, Carmel Lowe (250-363-6763) will be your contact as I will be out of the office for the next two weeks

regards

Ralph

-----Original Message-----

From: Chapman, Trudy
Sent: Tuesday, November 09, 2004 7:38 AM
To: Currie, Ralph
Subject: RE: bc offshore

sure. I'm back in the office after 1:30, in a meeting at 2:45 my time. Let's try and catch a moment then.
 Trudy

-----Original Message-----

From: Currie, Ralph
Sent: 08 November, 2004 05:17 PM
To: Chapman, Trudy
Subject: RE: bc offshore

let us try and make contact tomorrow - Nov 9

-----Original Message-----

From: Chapman, Trudy
Sent: Monday, November 08, 2004 12:46 PM
To: Currie, Ralph
Subject: bc offshore

Hi Ralph

thanks for your calls. I will be here at 4:30 but am leaving around 4:50 today. If we don't touch base today, let's try tomorrow.

It is possible we could do something on a Sat or Sunday... it's all up in the air. But I'd appreciate your input either way.
 Trudy

s.21(1)(b)

Trudy Chapman
 Account Executive, Energy
 Communications Branch, NRCAN
 613-992-5777

1505

Chapman, Trudy

From: Chapman, Trudy
Sent: 12 November, 2004 11:57 AM
To: Varangu, Kristi
Cc: Muir, Alexandra
Subject: RE: name of IC contact

INAC Jane McDonald, mcdonaldj@ainc-inac.gc.ca <<mailto:mcdonaldj@ainc-inac.gc.ca>>, (613) 997-1559
CEAA Elise Dhaussy 957-0406
EC Janet Butler, janet.butler@ec.gc.ca <<mailto:janet.butler@ec.gc.ca>> 604-713-9525, CC: Phil Kingsmere and Katryn Sauve
PCO Myriam Massabki, mmassabki@pco-bcp.gc.ca <<mailto:mmassabki@pco-bcp.gc.ca>>; (613) 957-5233
IC Trevor Zeck, zeck.trevor@ic.gc.ca <<mailto:zeck.trevor@ic.gc.ca>> 947-9856
DFO John Pierlot 993-5413, pierlotj@dfo-mpo.gc.ca
BCGO Steve Simmons, (250) 387-1780; steven.simons@gems7.gov.bc.ca
Regional PCO Tammy Schulz, 604-666-6587, tschulz@bnet.pco-bcp.gc.ca <<mailto:tschulz@bnet.pco-bcp.gc.ca>>

Head Sidney Subdivision, Geoscience Centre, 9860 West Saanich Road
Sidney, BC

Ralph Currie (250) 363-6419, ralph.currie@nrcan.gc.ca
<<mailto:ralph.currie@nrcan.gc.ca>> away till Nov 25
Carmel Lowe 250-363-6765 covering for Ralph

-----Original Message-----

From: Varangu, Kristi
Sent: 12 November, 2004 11:30 AM
To: Chapman, Trudy
Subject: name of IC contact

Trudy, can you tell me the name of your counterpart at IC and EC that you are speaking with on the BC file? Just want to pass along to my contacts in those departments as they are also doing briefing notes. Thanks Kristi

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

Chapman, Trudy

From: Chapman, Trudy
Sent: 12 November, 2004 04:40 PM
To: Girard-Griffith, Francine; Vezina, Roxane
Cc: Muir, Alexandra; McDougald, Katie; Charette, Ellen
Subject: BC offshore - weekend reading.

Importance: High

Here are the BC offshore items of which we spoke. There are two sets of media lines, holding lines that are approved and lines in which we speak more completely to the report as directed by the DM. These are still in development, in need of input about the First Nations report.

Note - Ministerial briefing Monday at 10 am.

Let me know what else you need,
Trudy



Bc offshore poll
results final...



Media Outreach
Plan.doc



BC offshore FNEP
and PH releas...



BC offshore FNEP
and PH releas...

Trudy Chapman
Communications Branch, NRCan
613-992-5777

s.21(1)(c)

1507

Chapman, Trudy

From: Chapman, Trudy
Sent: 12 November, 2004 04:58 PM
To: Muir, Alexandra; Girard-Griffith, Francine; Charette, Ellen
Subject: FW: DATE of release

Importance: High

FYI...

-----Original Message-----

From: Varangu, Kristi
Sent: 12 November, 2004 04:52 PM
To: 'Roland Priddle'; 'Cheryl Brooks'
Cc: Lalonde, Jarett; Chapman, Trudy; Jennings, Philip; 'Zoe Carlson'
Subject: DATE of release

Dear Roland and Cheryl, I have finally been able to get a date of release for the two reports after discussing this with the Minister's office today. We have agreed, if you are both available, to release on Friday November 19. The release would be at the Pacific Geoscience Centre in Sydney. I would just like to confirm your availability to participate in such a release of the reports, in order to provide the media with the factual input and results of the reports. The minister would not be coming to BC for the release, but would deliver some messages to media in Ottawa following your release.

We are meeting the Minister on Monday at 10 to discuss this issue, so I will confirm the date finally at that time. I just wanted to give you a heads up so that I could ask you to pencil in the 19th now that this looks (almost) firm. If an alternative date is needed, I suspect this would be Sunday the 21st. The 2 people I have c.c. on this email are Trudy Chapman who is running our communications on this file and Jarret Lalonde who is in the minister's office. If you have any specific questions (e.g. in a general manner, how would the release happen, etc) I would ask that you contact them directly since my second hand answers would probably be less fulsome!

The reports have both gone to print in English and I will make sure our office in Vancouver sends you copies as soon as possible next week. These will also be sent to the other panellists. Remember that this would be embargoed until the public release.

We will be in touch but I just wanted to notify you prior to the weekend. Can you please acknowledge receipt of this email? Thanks. Kristi

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fax (613) 943-2274

1508

Chapman, Trudy

From: Chapman, Trudy
Sent: 15 November, 2004 06:59 PM
To: Quinn, Cheryl
Cc: Muir, Alexandra; McDougald, Katie; Naufal, Janice; Bélanger, Anna; Charette, Ellen
Subject: BC offshore

Importance: High

Hi there!

Just a note to let you know that the reports on BC offshore are to be released Friday Nov 19 at 12:30 PM. We'll need to post them at the BC offshore web site at <http://www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611> promptly at 12:30 and link this to our news release.

I know you are at a conference for the next two days, but when you have a sec, could you get back tome and we can discuss what you need to have inorder to post?

Thanks!

Trudy Chapman
Account Executive, Energy
Communications Branch, NRCan
613-992-5777

s.i

1509

Chapman, Trudy

From: Chapman, Trudy
Sent: 16 November, 2004 11:35 AM
To: Varangu, Kristi; Lalonde, Jarett; Frelich, Robert; Ormsby, Tom; Dingwall, Leigh Anne
Cc: Muir, Alexandra; Charette, Ellen; McDougald, Katie
Subject: BC offshore - stakeholder briefing
Importance: High

Hello all...

This is a new addition to our plan which it was thought would help to give information to the stakeholders about report content and help give them positive messaging.

The idea is to hold a second technical briefing at 11 am for 100 or so stakeholders (identified by EPS and MINO) which would mirror the media briefing and answer questions stakeholders may have. This allows them access to information as well as access to the experts on the reports, which may serve to offset any misunderstandings about the reports or the process that may emerge. EPS or MINO will have to set up the conference call number and so on, and send the notice out to the stakeholders.

Thoughts?

Trudy Chapman
Account Executive, Energy
Communications Branch, NRCAN
613-992-5777

Chapman, Trudy

From: Chapman, Trudy
Sent: 16 November, 2004 12:20 PM
To: Ormsby, Tom; Dingwall, Leigh Anne; Girard-Griffith, Francine
Cc: Charette, Ellen; Muir, Alexandra; McDougald, Katie
Subject: FW: List of B.C. Offshore positions

As requested, here is the document of which media fall where on BC offshore.
Trudy

-----Original Message-----

From: Pemberton, Martin
Sent: 16 November, 2004 11:52 AM
To: Chapman, Trudy
Subject: List of B.C. Offshore positions



B.C.
Stakeholders.wpd

Page(s) 0006□2 to / à 0006□4

is (are) exempted pursuant to section(s)
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21(1)(□)□21(1)(c)□21(1)(c)□21(1)(c)□21(1)(c)□21(1)(a)□21(1)(□)

of the Access to Information
Loi sur l'accès à l'information

1512

Chapman, Trudy

From: Chapman, Trudy
Sent: 18 November, 2004 11:17 AM
To: Myriam Massabki (E-mail); 'tschulz@bnet.pco-bcp.gc.ca'
Cc: Charette, Ellen; Muir, Alexandra; McDougald, Katie; Varangu, Kristi
Subject: FW: electronic versions

Importance: High

Myriam and Tammy...

I have been asked to send products to you ASAP.
Here are versions from this morning.
Docs are still under revision, more to follow.
questions, please call.
Scenario for tomorrow in brief below.
I'm going to BC today, leaving at 4:25 today.

Trudy **s.21(1)(a)**
s.21(1)(c)

Possible Media Advisory (5 pm Ottawa , 2 pm BC) - Communications Branch
Same for invitation to stakeholders
Notify MPs - MO

Conference call with related departments to flag possible release Friday, materials to follow - Communications Branch

Briefing key Ministers staff at 4 pm Thursday - MO

Friday morning - Ottawa
Parliamentary briefing 10 AM - MO & Dept
Efford/Emerson at unimike (12:15 PM) following QP - MO

Friday morning - B.C.
9:15 AM accredited media to technical briefing
15 minute presentation by each chair followed by 20 minute Q and A with media both onsite and via teleconference for national and remote media
Possible second technical briefing for stakeholders (TBD - 11 AM)

- Products:
- Media advisory
 - News release
 - Backgrounder - general
 - Backgrounder - First Nations report
 - Backgrounder - Priddle report
 - Media lines - interdepartmental
 - Media lines - Ministers Efford and Emerson
 - Q and As
 - Community article
 - Householder

1513

The reports will be available by internet and on-site at the technical briefing.

-----Original Message-----

From: Chapman, Trudy
Sent: 18 November, 2004 07:09 AM
To: Varangu, Kristi; Muir, Alexandra
Cc: McDougald, Katie; Charette, Ellen; DMO Editorial \ Rédaction BSM
Subject: RE: electronic versions
Importance: High



Public Hearings
BKGDR_FO v.2.d...



General
BKGDR_FO.doc



First Nations
BKGDR_FO.doc

Kristi - check the web addresses. I believe these to be the correct ones, and when I click on them, they take me to the site I believe we should be at.... if you disagree, then resend the link which you'd rather we use.



BC offshore
Q&A.rtf



Householder for BC
Offshore(2)...



Community Article
for BC Offsh...



BC offshore Efford
and Emerson...



BC
oreInterdepartment



BC Offshore
NR_FO3.doc

Here are the reformatted Q and As, which are still being translated, the householder and the community article. I've also put in the interdepartmental lines which we have been sending out as we await final MINO approval on the Efford and Emerson lines. Here is the news release after changes last night.

State of approvals -

backgrounder - to ADMO this morning

community article and householder - Kristi for review then onward

Q and As - Kristi for review, under translation

Efford and Emerson media lines - MINO

interdepartmental - approved and translated

News release - MINO (changes inputted last night, MINO has electronic copy, need to bring paper)

We'll need to regroup with editorial first thing to make sure we know where things stand this morning after all the work done by editorial overnight.

-----Original Message-----

From: Varangu, Kristi
Sent: November 18, 2004 12:24 AM
To: Chapman, Trudy; Muir, Alexandra
Subject: electronic versions

Can you send me electronic versions of latest backgrounders so I can ensure my 'lines' are exactly as approved so far? Thanks. K

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1514

Chapman, Trudy

From: Chapman, Trudy
Sent: 19 November, 2004 09:57 AM
To: Chapman, Trudy; 'tichapman@sympatico.ca'
Subject: edits to script

BC Offshore Review Release
Pacific Geoscience Centre (Auditorium)/Ottawa
November 19, 2004
9:15 PST

Bonjour, Good morning

Welcome to the Technical Briefing on the BC Offshore Public Review Consultation and on the First Nations Engagement Process.

In March of 2003, the Government of Canada announced it would review the moratorium in a three-part process looking at science, the BC public and the First Nations of BC.

The science report, done by the Royal Society of Canada, was released in February 2004.

Today's release of the last two reports completes the federal review process.

These reports from the Public Review Panel and the First Nations Engagement Process, provide the views of British Columbians, including coastal First Nations, who participated in the process discussing the federal moratorium.

Our two panelists are

Roland Priddle, the Chair of the Public Review Consultation

and

Cheryl Brooks, she is the Facilitator on the First Nations Engagement Process.

Let's talk about the process of the meeting.

Each panelist will speak for 15 minutes. That will be followed by a period of questions.

The first 10 minutes of questions will come from the floor here. After that, we will go to the phone.

We will come back for to the room here for another short period of questions.

In the room, there are other federal representatives that may be asked to provide more information on some issues.

Their comments will NOT BE FOR ATTRIBUTION.

Mr. Priddle, you may begin

Thank you Mister Priddle.

1516

Cheryl Brooks , please

Thank you Ms Brooks.

Now it's time for the questions from the floor. I'd like you to go to the microphone, identify yourself your media outlet.

Thank you

Operator, can you open the lines please to the first caller.

Thank you, next call please.

Thank you operator. We are now coming back to the room here.

Next question

Thank you.

Last question, please.

Thank you all. The technical briefing is now over.

1517

Chapman, Trudy

From: Chapman, Trudy
Sent: 19 November, 2004 03:27 PM
To: 'Katherine Beavis '
Cc: Muir, Alexandra; Varangu, Kristi
Subject: RE: RE: BC offshore holding lines

HI Katherine...

good questions, for which we don't really have an answer. The process post report release has yet to be determined, either on consultations or otherwise. All I know is that the information is all going to be taken for consideration by the government and a decision will come out of that. What that means for FN sultations is unclear. But I'll send your query to kristi Varangu, the policy lead on this file, and we'll see what we can get together.

Trudy

-----Original Message-----

From: Katherine Beavis
To: Jane McDonald; Mary Jane Tower
Cc: tchapman@NRCan.gc.ca
Sent: 11/19/2004 2:09 PM
Subject: Fwd: RE: BC offshore holding lines

Hi Mary Jane,

I spoke with Sarah this morning and she didn't have any further information, so rather than say something wrong I'd suggest referring the question to NR Can?

There was no media contact identified in the com. plan.

Cheers,
Katherine

>>> Mary Jane Tower 11/19/04 11:04AM >>>
Katherine -- can you please work this one out with Sarah Mackenzie and the LMRB team. Thanks, Mary Jane

>>> Jane McDonald 11/19/04 02:02PM >>>
Hi, Katherine:

Actually, I'm just a mule on this project. The communications person you want to talk to is Mary Jane Tower. Thanks.

Jane

Jane McDonald
NAP Communications Executive
Indian & Northern Affairs Canada
(819) 997-1559

>>> Katherine Beavis 11/19/04 01:59PM >>>
Hi Jane,

I've got a question for you - the second line says it's "not a decision-making process but a fact-finding one", and then in the second-last line says "this is an important decision for BC and Canada". This has left me a little confused, and I was wondering if you could help me with drafting a Q & A on the subject for Haida/Taku.

The question that we're guessing may be posed is "if these reports

1518

aren't consultation, when will consultation happen before the decision whether to lift the moratorium"? You mentioned when we spoke that NR Can had plans to consult in the future - can we say that, or is there a spokesperson we can refer the question to?

Thanks,
Katherine

>>> Jane McDonald 11/18/04 06:01AM >>>
Hi, Katherine:

Please find attached the holding lines on Haida-Taku from NRCan. Stay tuned.

Jane

Jane McDonald
NAP Communications Executive
Indian & Northern Affairs Canada
(819) 997-1559

1519

Varangu, Kristi

From: Don Scott [redacted] **s.19(1)**
Sent: Monday, November 22, 2004 2:25 PM
To: Varangu, Kristi
Cc: 'Roland Priddle'; Diana Valiela
Subject: Re: Thank you

Hi Kristi:

Thank you for the thank you. It was a very interesting journey, and it was great to get to know you and the others as we shared so many experiences together.

All the best to you, and I hope you have a great holiday season.

Don

----- Original Message ----- **s.19(1)**
From: "Varangu, Kristi" <KVarangu@NRCan.gc.ca>
To: "'Roland Priddle'" [redacted] "Don Scott"
[redacted] "Diana Valiela"
Sent: Monday, November 22, 2004 9:15 AM
Subject: Thank you

> Thank you all for your contribution to the final report. I know this has
> not been an easy road for any of us, but it was certainly never boring! I
> will always remember in particular having been fortunate to share the
trips
> and experiences into coastal communities with you. I know our paths will
> cross again in the future, and I look forward to having some 'post-mortem'
discussions on lessons learned -- you never know when and where we will be
doing another public review...

>
> Kristi
>
>
> Senior Advisor
> British Columbia Offshore
> Petroleum Resources Branch
> Natural Resources Canada
> 580 Booth St., 17th floor
> Ottawa, K1A 0E 4
> tele (613) 992-4217
> fax (613) 943-2274
>
>

1520

Varangu, Kristi

From: Jennings, Philip
Sent: Monday, November 22, 2004 4:45 PM
To: Charron, Ghyslain; Lalonde, Jarett; Vats, Nipun; Varangu, Kristi; Ormsby, Tom; Dingwall, Leigh Anne
Cc: Muir, Alexandra; Chapman, Trudy; Wilson, Jeff; McGuire, Lou
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister
s.19(1)

Spoke to both reporters [redacted] "angle" is that federal government moving at slower pace than B.C. desires.

Noted/clarified:

- meeting set up much earlier to discuss a range of issues;
- what ministers were present for B.C. offshore item on agenda; and,
- federal position on moratorium (assessment of all reports to inform a decision that will be made by Cabinet).

Where appropriate, referred reporters to B.C. government (to learn what B.C. said), and to Minister Emerson's office.

Philip

-----Original Message-----

From: Charron, Ghyslain
Sent: Monday, November 22, 2004 3:37 PM
To: Lalonde, Jarett; Vats, Nipun; Varangu, Kristi; Ormsby, Tom; Dingwall, Leigh Anne
Cc: Muir, Alexandra; Chapman, Trudy; Wilson, Jeff; McGuire, Lou; Jennings, Philip
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

Phil was requested to return the call and stick to the NRCan jurisdiction. But that was before I read the last e-mail. It will be up to Phil to decide what to do. I will call The two reporters to tell them to call Emerson but may expect a call if I find a spokesperson available.
What do you think.

Ghyslain

Ghyslain Charron
Media Relations, Account Executive
Relationniste-conseil - Relations avec les médias
NRCan
Communications
Tél.: (613) 992-4447
Fax: (613) 996-9094
e-mail: ghcharro@nrca.gc.ca

-----Original Message-----

From: Lalonde, Jarett
Sent: 22 November, 2004 03:17 PM
To: Vats, Nipun; Varangu, Kristi; Ormsby, Tom; Dingwall, Leigh Anne; Charron, Ghyslain
Cc: Muir, Alexandra; Chapman, Trudy; Wilson, Jeff; McGuire, Lou; Jennings, Philip
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

Minister Emerson was there for the entire meeting. Media calls should be directed to his office as the regional Minister for BC.

-----Original Message-----

From: Vats, Nipun
Sent: 22 November, 2004 03:12 PM
To: Varangu, Kristi; Ormsby, Tom; Dingwall, Leigh Anne; Charron, Ghyslain
Cc: Muir, Alexandra; Chapman, Trudy; Wilson, Jeff; Lalonde, Jarett; McGuire, Lou; Jennings, Philip
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

I'd like advice from Phil on this one. Let me know if I need to consult with the DM.

Phil and/or Ghyslain - I'm heading into a meeting but feel free to call DMO and pull me out if need be.

N.

-----Original Message-----

From: Varangu, Kristi
Sent: 22 November, 2004 02:54 PM
To: Ormsby, Tom; Dingwall, Leigh Anne; Charron, Ghyslain; Vats, Nipun
Cc: Muir, Alexandra; Chapman, Trudy; Wilson, Jeff; Lalonde, Jarett; McGuire, Lou; Jennings, Philip
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

s.19(1)

Please include Phil in this email loop. He was with the DM at the meeting this morning. I have provided Phil with some suggested draft lines that you all may wish to consider using as response to press re: meeting.

FYI I am leaving imminently for Vancouver but will be 'connected' and can be reached by my [redacted]. I will also be following up tomorrow in Victoria with BC offshore oil and gas team and seeing Roland Priddle if there are any messages to deliver...Also giving a speech Thursday in Vancouver. Will forward draft deck to Communications for review later this week, but I am pretty familiar with the communications lines on the file.

Kristi

-----Original Message-----

From: Ormsby, Tom
Sent: Monday, November 22, 2004 2:45 PM
To: Dingwall, Leigh Anne; Charron, Ghyslain; Vats, Nipun
Cc: Muir, Alexandra; Chapman, Trudy; Varangu, Kristi; Wilson, Jeff; Lalonde, Jarett; McGuire, Lou
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

s.19(1)

Ghyslain,

I received a similar call from [redacted] Ottawa.

Could you also direct [redacted] to the DM. [redacted] number [redacted]

Thanks,

s.19(1)

s.19(1)

Tom

-----Original Message-----

From: Dingwall, Leigh Anne
Sent: 22 November, 2004 02:40 PM

1522

To: Charron, Ghyslain; Ormsby, Tom; Vats, Nipun
Cc: Muir, Alexandra; Chapman, Trudy; Varangu, Kristi; Wilson, Jeff;
Lalonde, Jarett; McGuire, Lou
Subject: Re: Media Call re Meeting today between Minister Efford and BC
Energy Minister

Yes please.

-----Original Message-----

From: Charron, Ghyslain <ghcharro@NRCan.gc.ca>
To: Dingwall, Leigh Anne <ldingwal@NRCan.gc.ca>; Ormsby, Tom <TOrmsby@NRCan.gc.ca>; Vats, Nipun <nvats@NRCan.gc.ca>
CC: Muir, Alexandra <AMuir@NRCan.gc.ca>; Chapman, Trudy <tchapman@NRCan.gc.ca>; Varangu, Kristi <KVarangu@NRCan.gc.ca>; Wilson, Jeff <jwilson@NRCan.gc.ca>; Lalonde, Jarett <jalalond@NRCan.gc.ca>; McGuire, Lou <LoMcGuir@NRCan.gc.ca>
Sent: Mon Nov 22 14:24:25 2004
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister

Thanks for the info. But do we tell the reporter Minister Efford was replaced by DM Anderson and do you want me to refer the reporter to DM Anderson

Ghyslain Charron
Media Relations, Account Executive
Relationniste-conseil - Relations avec les médias
NRCan
Communications
Tél.: (613) 992-4447
Fax: (613) 996-9094
e-mail: ghcharro@nrcan.gc.ca

-----Original Message-----

From: Dingwall, Leigh Anne
Sent: 22 November, 2004 02:17 PM
To: Charron, Ghyslain; Ormsby, Tom
Cc: Muir, Alexandra; Chapman, Trudy; Varangu, Kristi; Wilson, Jeff; Lalonde, Jarett; McGuire, Lou
Subject: RE: Media Call re Meeting today between Minister Efford and BC Energy Minister
Importance: High

Minister Efford did not attend as he was in NFLD doing an announcement re: Marine Atlantic with Minister Lapierre. Minister Efford was represented at this meeting by Deputy Minister George Anderson.

LAD

-----Original Message-----

From: Charron, Ghyslain
Sent: 22 November, 2004 02:08 PM
To: Dingwall, Leigh Anne; Ormsby, Tom
Cc: Muir, Alexandra; Chapman, Trudy; Varangu, Kristi; Wilson, Jeff; DMO.M CB Media Relations
Subject: Media Call re Meeting today between Minister Efford and BC Energy Minister

Do you know anything about it.

A Victoria CP reporter

s.19(1)

is telling me that a group of BC representatives met with Minister Efford, Scott and Dion this morning (before the PC Caucus). He would like an interview with Minister Efford

1523

to talk about the results of that meeting. Tell me what to tell him.

Ghyslain Charron
Media Relations, Account Executive
Relationniste-conseil - Relations avec les médias
NRCan
Communications
Tél.: (613) 992-4447
Fax: (613) 996-9094
e-mail: ghcharro@nrcan.gc.ca

1524

Varangu, Kristi

From: Quinn, Cheryl
Sent: Wednesday, November 24, 2004 5:28 PM
To: Varangu, Kristi
Cc: Deault, Luc; Ahearn, Margaret; Harkness, Melissa
Subject: RE: B.C. Offshore
Follow Up Flag: Follow up
Due By: Friday, December 31, 2004 5:00 PM
Flag Status: Flagged

Yes, they would need to add a re-direct for you at the old site.

We will remove the reference to the Public Review document on Jan. 3 (first day back in the office).

I'm not sure if I told you yet, Kristi, [REDACTED]
[REDACTED] If you have further questions after Friday then please see Luc Deault.

s.19(1)

Thanks,
Cheryl

-----Original Message-----

From: Varangu, Kristi
Sent: Wednesday, November 24, 2004 4:40 PM
To: Quinn, Cheryl
Cc: Deault, Luc; Ahearn, Margaret; Harkness, Melissa
Subject: RE: B.C. Offshore

Thanks. It is the actual web address of the BC moratorium site. Our contract with the webserver is to end of December. Please have link removed from January 1.

A question, even if the site is closed down, is there anyway to have people who try to log onto the old site automatically forwarded to our permanent site on BC offshore?

Kristi

-----Original Message-----

From: Quinn, Cheryl
Sent: Wednesday, November 24, 2004 2:45 PM
To: Varangu, Kristi
Cc: Deault, Luc; Ahearn, Margaret; Harkness, Melissa
Subject: RE: B.C. Offshore

Hi Kristi,

This is the doc you mentioned that needs to be removed....

Public Review of the Federal Moratorium on Oil and Gas Activities, Offshore British Columbia

<http://www.moratoriumpublicreview.ca>

Please let Luc know the date you want it taken down and he'll take care of it from there.

Thanks,
Cheryl

-----Original Message-----

From: Varangu, Kristi
Sent: Wednesday, November 24, 2004 1:32 PM
To: Quinn, Cheryl
Cc: Deault, Luc; Ahearn, Margaret
Subject: RE: B.C. Offshore

Sorry Cheryl, not sure what document we discussed to remove -- I too was in a bit of a haze. Can you email me (I am in Vancouver) Yes bill us for total in one shot (OK Melissa?) Melissa, can you email appropriate codes. Thanks. Kristi

-----Original Message-----

From: Quinn, Cheryl
Sent: Monday, November 22, 2004 4:40 PM
To: Varangu, Kristi
Cc: Deault, Luc; Ahearn, Margaret
Subject: B.C. Offshore

Hi Kristi,

I wanted to let you know that we added the link to the reports from the main B.C. Offshore page on Friday, but we did not have time to re-organize the docs. It was a bit of a rush because we only had about 5 minutes before we had to go live.

Below I have listed the total time spent on the project. If you would like to have us remove the document you mentioned on Dec. 31/04, then just let us know and we can add an extra 30 minutes now to avoid having to bill you again in January.

In total, we spent [REDACTED] for December, then you could pay \$570 now.

s.20(1)

Please send us your financial code and arrange any required approvals so that Admin can transfer the funds.

Thanks,
Cheryl

1526

Varangu, Kristi

From: Carlson, Zoë
Sent: Wednesday, November 24, 2004 7:17 PM
To: Varangu, Kristi
Cc: Wietzke, Marly
Subject: RE: Msg for Kristi? **s.19(1)**

For the record, I talked to [redacted] and indicated to [redacted] I suggested that it was my understanding that submitters were only listed once, as either a hearing participant or a written submitter.

In case we get a docket and want to ensure consistency...

ZC

-----Original Message-----

From: Varangu, Kristi
Sent: Wednesday, November 24, 2004 2:17 PM
To: Carlson, Zoë
Cc: Wietzke, Marly
Subject: RE: Msg for Kristi?

s.19(1)

Zoe, suggest you follow up for BC calls/responses.

As discussed, messaging is pretty clear. Arms length process, we are not revising the report submitted, if [redacted] would like their specific concerns noted to ministers suggest write to minister effort directly, however, noting that a long list of issues were considered and represented by the Panel in the report and [redacted] concerns are most likely reflected in the report in some manner. Would this not be considered an acceptable conclusion to them i.e. do they really need to take further action?

s.19(1)

What do you think about this messaging? k

-----Original Message-----

From: Carlson, Zoë
Sent: Wednesday, November 24, 2004 12:38 PM
To: Varangu, Kristi
Subject: FW: Msg for Kristi?

Over to you? What is our plan for dealing with people who follow up on the PRP report? You or me?

ZC

-----Original Message-----

From: Wietzke, Marly
Sent: Monday, November 22, 2004 7:12 PM
To: Carlson, Zoë
Subject: Msg for Kristi?

s.19(1)

[redacted] called to advise that his oral and written submission acknowledgement was missed in the final PRP Report. Although, he was appropriately noted as a Hearing participant.

He is going to submit a formal letter of concern to us (Kristi) in this regard and, in the event someone would like to follow-up with a tele call in meantime, he can be reached at [redacted]

Cheers. -- Marly

s.19(1)

Marly Wietzke
Administrative Services Coordinator
Frontier Lands Management Division, Energy Sector
Natural Resources Canada

1527

801 - 605 Robson Street
Vancouver, BC V6B 5J3

tel: 604.666.3754
fax: 604.666.3755

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Varangu, Kristi

From: Wietzke, Marly
Sent: Friday, November 26, 2004 12:26 PM
To: [REDACTED] s.19(1)
Subject: RE: Sun's Editors Nix Priddle Panel Report Findings

Good morning [REDACTED] s.19(1)

Thank you for your e-comments below. I will forward these to the appropriate senior NRCan representatives overseeing this Report and its release, for their reference and related follow-up.

Cheers. -- Marly

-----Original Message-----

s.19(1)

From: [REDACTED]
Sent: Thursday, November 25, 2004 7:50 PM
To: mwietzke@NRCan.gc.ca
Subject: FW: Sun's Editors Nix Priddle Panel Report Findings

To: Natural Resources Canada, Ottawa attn: Ms. Marly Wietzke

MARLY / [REDACTED] s.19(1)

Thanks for the link to the results on the Hearings findings, I hope to be able to go through them in some detail this coming weekend Nov. 26-28th. Meantime the Vancouver Sun newspaper almost in an uncannily parallel vein to our pathetic B.C. Min. of Energy + Mines - R. Neufeld published a despicable editorial in their Nov.23rd paper. FYG + all those who worked with what I believe to be a bona fide fair, impartial process I copy you in on my response to the editors, quote/unquote:

-----Original Message-----

From: [REDACTED] s.19(1)
Sent: November 23, 2004 10:02 PM
To: [REDACTED] s.19(1)
Subject: Sun's Editors Nix Priddle Panel Report Findings

To: Vancouver Sun News Editorial Board

I perused the Vancouver Sun's Nov.23rd paper mystified by the contrasting paradoxes in the articles. On "A-4" were told about the Terra Nova offshore Atlantic drilling platform's malfunction and spillage of 170,000 litres of crude oil in rough sea conditions wherein at best 25% of the expanding oil slick was hoped to be recovered but not much threat to beaches hundreds of miles to inshore - NEARSHORE B.C. won't be that lucky! On "A-1/2" we're informed about the accelerated proliferation of a tropical fungal bacterium on the East Coast of Vancouver Island that many scientists have attributed to global warming phenomena. On "A12" Susan Riley's column suggests to us that it might be up to California to once again take the lead on precedent setting limits and phase-outs of auto emissions even though their Feds and President Bush remain the lone Western national hold-out on ratifying the Kyoto Protocol. Many scientifically objective reports have been circulating recently that chart the decay curve melt-down of our Arctic ice fields. So I was quite agog to read the Sun's Editorial on "A-11" carte blanche ridicule, denial and discounting of the Roland Priddle Panel's B.C. Offshore (NEARSHORE) oil & gas review. Did your editors and the CanWest Global mandarins brand and tar this report as being flawed because like B.C. Energy Min. R. Neufeld you couldn't own-up to the resounding outcome - a resounding and emphatic NO! Your editorial states that you place no weight or freight to the strength of the presenters' arguments, you then demean and

disenfranchise individuals' submissions over those viewpoints of the uber pro-business at any socio-environmental costs lobbyist clans who have been bank-rolled by public funds to the tune of \$17 million over three years by the current but temporal B.C. government. You went onto state that most of the opposition for lifting the moratoria stems from an information vacuum, syntax doublespeak for the resultant ignorance of the people having not been blessed with the inherent wisdom, foresight and I.Q.'s of your editorial board, the pro-lobbyists and the current but temporal B.C. government. You cast glaring doubt upon the credibility and collective inter-generational knowledge of the actual residents of these B.C. coastal communities? This same to be short lived B.C. government at an earlier BC Liberal caucus commissioned panel go around, toured and publicly reviewed the testimonials of Mid and North Coast settlements, and barring a couple of isolated pockets of hardcore industrialist enthusiasts in Port Hardy and Prince Rupert, both native and non-native residents of these rural marine dependent communities were dead-set against this whole ploy. Does the Sun also overtly disregard this past Federal election June '04 whereby the constituents of Skeena Riding a vast swath across N.W. of B.C and northern marine biomes voted in a new M.P., Hon. Nathan Cullen, NDP because he was the only candidate to uphold a strong campaign platform promise against lifting the offshore moratoria? Do you write-off this electoral process and the resolute voice of the Skeena Riding's people so cavalierly? Do you and other cynics ignore the Haida Nation's of the Queen Charlottes indisputable Supreme Court of Canada decision respecting the quality, integrity and sustainability of natural resources co-management by private corporations and the provincial government? The Sun also muddies the turbid waters when they condone the pretence pitch for lifting the moratoria to permit exploration and seismic surveying. We may be "unenlightened" in the face of your all knowingness, but we are able to connect these iridescent oil dot globules in line to see where this petroleum greased downhill slide is misleading us to. Your editorial is right about two points though. Firstly, there are gaping gulfs in the scientific and regulatory gaps and those won't be in-filled anytime soon enough for our illustrious but over presumptuous Premier Campbell to light his 2010 Olympic gas torch. Secondly, you state the obvious. If BC'ers including First Nations do not believe offshore (NEARSHORE) oil and gas exploration and exploitation of sub-sea resources are holistically in their best interests - sure-fire certitude it's a non-starter, it's not going to happen! I for one of my own volition, with considerable personal time and energy researched for my oral and written presentation to this Panel and I can personally attest to the unbiased, non-intimidating, very professional and transparent manner in which the Panel conducted the hearings, each and every member of them. Further during each presentation, there was ample time and space afforded to the audience to ask a dissenting, cross-examining or corroborating questions if they deemed fit to do so. Ergo, I categorically reject the Vancouver Sun's and Min. R. Neufeld's position on the Panel Report's findings. In fact your editorial board's and this government crew in Victoria's dismissive attitude to the aftermath of the Panel's findings is a déjà vu reminder of how the RAV Canada Line rapid transit project played out. Who cares that that project will now hit the \$2 billion mark and saddle GVRD taxpayers plus Translink and commuters with crushing debt and exorbitant future fares its all in the name of prudent progress, right? Like a petulant, selfish, spoiled exclusive boys club, if the unwashed unaware masses just don't see the light of day, well you'll just keep abusing your media channels to hammer home your nano-narrowed point of view until you and your brothers in B.C. Liberals and corporate sector succeed in ramming through the answer needed for your cause de jour panaceas.

Unfortunately we are stuck observing the Vancouver Sun's editorial board's skewed, biased and acute lack of professionalism on this topic, but we can and rest assured will hold Messrs G. Campbell, R. Neufeld and their B.C. Liberals cabinet responsible and accountable come next May 17th.

Yours,



s.19(1)

Varangu, Kristi

From: Roland Priddle [REDACTED] **s.19(1)**
Sent: Monday, November 29, 2004 10:39 PM
To: Kristi Varangu; 'Zoe Carlson'
Subject: BC Offshore: Public Hearings--CBC's BC Almanac **s.19(1)**

Kristi and Zoë:

A person named [REDACTED] contacted me this afternoon to ask if I would agree to be interviewed by [REDACTED] on the above radio show between about 1 and 2 pm PST on Tues Nov 30, hopefully just before they get Minister Neufeld on the line.

I agreed but told them I could only respond regarding factual aspects of the one report.

[REDACTED] said he wanted to get hold of Cheryl similarly, and I left him to try and reach her without any "help" from me (no idea how CB would respond).

Meanwhile the public hearings report continues to attract local attention: I am told there are three letters in today's Times Colonist and that one of the local weeklies has given it editorial coverage.

Regards

Roland

(call me if you don't want me to be interviewed [REDACTED])

s.19(1)

1531

Varangu, Kristi

From: Wietzke, Marly
Sent: Wednesday, December 01, 2004 12:36 PM
To: Varangu, Kristi; Harkness, Melissa
Cc: Carlson, Zoë
Subject: RE: BC Offshore Reports (FNEP, PRP, Nisga'a) Production Costs

You're welcome, Kristi.

Linda Larocque (Raymond Arsenault Consultants) indeed had two separate billings:

- 1. Invoice 565 -- Translation of the Nisga'a Government submission -- **\$1,224.44** (+ GST \$85.71 = \$1,310.15)
- 2. Invoice 581 -- Comparative reading and French proofreading of the PRP Report -- **\$3,885.00** (+ GST \$271.95 = \$4,156.95)

I had asked Linda to provide me with our outstanding invoices asap (especially to ensure soonest payment!), and she did not include an additional invoice for Qs & As. Perhaps this is forthcoming separately and directly to you (Kristi)?

Also, please see the original e-mail with budget amounts (and final totals interjected) in the initial e-mail (Kristi's) below. Ultimately, we are still well under the total overall allowances.

Cheers. -- Marly

-----Original Message-----

From: Varangu, Kristi
Sent: Wednesday, December 01, 2004 6:42 AM
To: Wietzke, Marly; Harkness, Melissa
Cc: Carlson, Zoë
Subject: RE: BC Offshore Reports (FNEP, PRP, Nisga'a) Production Costs

Thank you Marly for the succinct listing. This is timely.

Melissa, I believe Linda's may have been in 2 separate chunks -- she did the Nisga'a report for the BC review, but then we asked her a few weeks later to do some translation of Qs and As through Communications Branch (for which I agreed to pay). I know we had tried to keep the billing under \$5,000.

Re total costs, I had budgeted, I believe, \$50 k for PRP and \$40 K for FNEP for printing, translation, edits and distribution costs. So although the numbers are high, it had been projected. We can discuss if you wish. Kristi

-----Original Message-----

From: Wietzke, Marly
Sent: Tuesday, November 30, 2004 7:03 PM
To: Varangu, Kristi; Harkness, Melissa
Cc: Carlson, Zoë
Subject: BC Offshore Reports (FNEP, PRP, Nisga'a) Production Costs

Hello, Kristi and Melissa.

In follow-up to the e-mail requests (of Kristi's) below, here is the cost breakdown for the Reports:

Vancouver Translation (final billing):	\$28,598.00
Linda Larocque Translation (final billing):	\$ 5,109.44
Queen's Printer (M-Group & Samco) (final billing)	\$18,367.50
Subtotal	\$52,074.94
GST	\$ 3,645.25
Total	\$55,720.19
Purolator Courier (estimate)	\$ 665.00
Canada Post (estimate)	\$ 50.00

1532

Grand Total (estimate)

\$56,435.19

Marly Wietzke

Administrative Services Coordinator
Frontier Lands Management Division, Energy Sector
Natural Resources Canada
801 - 605 Robson Street
Vancouver, BC V6B 5J3

tel: 604.666.3754
fax: 604.666.3755

-----Original Message-----

From: Varangu, Kristi
Sent: Monday, November 22, 2004 3:16 PM
To: Wietzke, Marly; Carlson, Zoë
Cc: Harkness, Melissa
Subject: estimated cost
Importance: High

Ladies, Melissa has to pull together some estimated costs to year end (march 31st) on all her files. I was wondering if we have a better idea of our translation/printing/graphics bill at this point (ouch!). Thanks.
Kristi

-----Original Message-----

From: Varangu, Kristi
Sent: Monday, October 18, 2004 12:34 PM
To: Wietzke, Marly; Carlson, Zoë
Subject: costs

Are we getting any invoicing from the various players? Kate had mentioned, for example, that layout of Panel report would cost \$1250 english (\$1,858.68 final cost before GST) and around \$1500 French (\$2,505.85 final), with FNEP around \$500 each English (\$927.72 final) and French (\$709.56 final). Not sure if this is even in ballpark, given she indicated at the time I was in Vancouver that she was only dealing with 'commas' and no further edits!

Our ballpark estimate for the Panel report was pretty generous -- around \$51,000 (~\$37,624 final estimated) -- and for the FNEP around \$41,000 (~\$18,812 final estimated). Just like to have an idea if we are in the ballpark. Remember, this also includes mailouts.

Thanks. Kristi

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

1533

Varangu, Kristi

From: Wietzke, Marly
Sent: Thursday, December 02, 2004 2:40 PM
To: Varangu, Kristi
Subject: RE: Shipping printed reports

Of course! EMMIC is the Energy, Mines and Minerals Information Centre, as per the following contact info:

Lidia Taylor, A/Head, Client and Portfolio Services
Natural Resources Canada
Energy, Minerals and Metals Information Centre
580 Booth Street, 1st Floor, Room: Library
Ottawa, Ontario, K1A 0E4

Telephone: (613) 996-1386

Fax: (613) 992-7211

-----Original Message-----

From: Varangu, Kristi
Sent: Thursday, December 02, 2004 7:59 AM
To: Wietzke, Marly
Subject: RE: Shipping printed reports

Sorry Marly, what is EMMICL and coordinates please? K

-----Original Message-----

From: Wietzke, Marly
Sent: Friday, November 26, 2004 5:35 PM
To: Carlson, Zoë
Cc: Varangu, Kristi
Subject: RE: Shipping printed reports

Just a wee heads up.

Although packages with each of the five Report copies have gone to libraries here in the West, **NRCan Records/EMMIC Library in Ottawa** was not included (on that list). In light of the shipment to Ottawa below, perhaps someone there could forward a set of the same five to **Lidia Taylor** at EMMICL (as had been done by Scott Gedak, with the PRP Transcripts & Submissions hard copies and CD).

Cheers! -- Marly

-----Original Message-----

From: Carlson, Zoë
Sent: Monday, November 15, 2004 1:40 PM
To: Fern Martel (E-mail)
Cc: Varangu, Kristi; Wietzke, Marly; Lowe, Carmel
Subject: Shipping printed reports

Hi Fern. This will confirm that only if all changes to the PRP french are received in your office by end of day tomorrow (Nov 16th), it is feasible that we will have the electronic, web-ready version of this document for posting on Friday AM. All four other documents will be sent tomorrow, web-ready, in a "read and print only" format.

Please have the hardcopy documents shipped from the printer as follows. Can you please advise of expected delivery time/date?

To:

1534

Carmel Lowe
Natural Resources Canada
Box 6000/Shipping/Receiving
9860 West Saanich Rd
Sidney, BC, V8L 4B2

100 FNEP english
100 PRP english
25 Nisga'a english
25 FNEP french

To:

Kristi Varangu
Natural Resources Canada
17th Floor - 580 Booth Street
Ottawa, Ontario
K1A 0E4

150 FNEP english
150 PRP english
25 Nisga'a english
75 FNEP french

To:

Zoë Carlson
Natural Resources Canada
8th floor - 605 Robson
Vancouver, BC, V6B 5J3

All remaining reports

Cheers and thank you.

Zoë

Page(s) 000□0□ to / à 000□1□

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of the Access to Information
Loi sur l'accès à l'information

1536

Nov. 16, 2004, draft 7

FOR INTERNAL CONSIDERATION

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s.21(1)(a)

**MEDIA LINES:
RELEASE OF TWO REPORTS ON THE BC OFFSHORE
OIL AND GAS MORATORIUM**

ISSUE

A moratorium on oil and gas exploration and drilling off the coast of British Columbia has existed for the last three decades. The federal government is considering whether or not to lift it, and has developed a process to determine the next steps. The process has three parts: a Scientific Review, a Public Review Panel which heard the opinions of the BC public generally, and a First Nations Engagement Process, which heard the opinions of affected First Nations Peoples.

The Science Review was released in February, 2004, and the final two reports will be released on November 19, 2004.

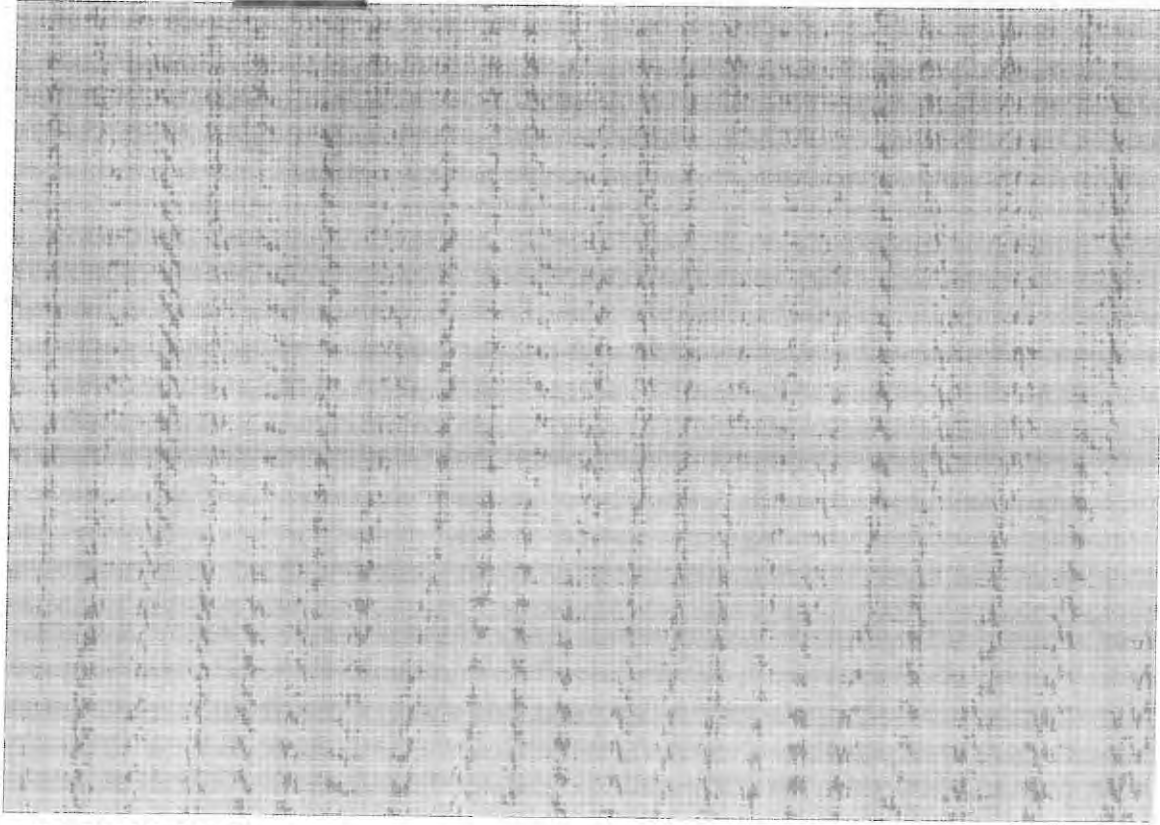
MEDIA LINES

- This has been a broad and open process.
- The three-part process is not a decision making one on whether or not to lift the federal moratorium. It is a means to determine gaps in knowledge, collect the necessary data and to canvass the views of British Columbians to help the Government assess whether or not, or under what conditions, to lift moratorium on oil and gas activities in the Queen Charlotte area offshore B.C.
- In addition to these two reports, the Nisga'a Lisims Government has submitted its own report on the moratorium. This will also form part of the information available to the Government of Canada to help in the deliberations regarding the moratorium.
- The Government of Canada appreciates the time and effort taken by the Review Panellists, the FN facilitator, British Columbians and First Nations Peoples to participate in this review.
- This is an important decision for BC and for Canada. My goal is to bring the issue before my colleagues in the coming months. The Government of Canada will review all of the available information when deciding what actions to take regarding the moratorium.
- The Government of Canada will work closely with the Government of British Columbia to ensure that the public's interest is served.

Media Spokesperson: Tom Ormsby
Telephone: (613) 996-2007
Prepared by: T. Chapman
Date: Oct. 4, 2004

Draft for internal discussion

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BACKGROUND

The federal and provincial governments imposed a moratorium on oil and gas activities offshore British Columbia in the early 1970s. In 1972, the Government of Canada imposed a moratorium on crude oil tanker traffic through the Dixon Entrance, Hecate Strait, and Queen Charlotte Sound due to concerns over the potential environmental impacts. Subsequently, the moratorium was extended to include oil and gas activities.

That moratorium is now under review in a three-part process. On March 28, 2003, the Minister of Natural Resources Canada announced that the Government of Canada would proceed with a review to:

- 1) Identify science gaps related to possible oil and gas activity, offshore British Columbia (Science Review), final report on February 17, 2004;
- 2) Hear the views of the public regarding whether or not the federal moratorium should be lifted for selected areas (Public Review); and,
- 3) Meet with First Nations to ensure that issues of unique interest to First Nations are fully explored (First Nations Engagement).

Media Spokesperson: Tom Ormsby
Telephone: (613) 996-2007
Prepared by: T. Chapman
Date: Oct. 4, 2004

Draft for internal discussion

1538

Nov. 16, 2004, draft 7
FOR INTERNAL CONSIDERATION
F:\Documents\bc\media lines release.doc

s.21(1)(a)

Also released today was a report on this issue from the Nisga'a Nation. Respecting the unique relationship between Canada and the Nisga'a Nation set out in the Nisga'a Final Agreement (the Nisga'a Treaty), the Nisga'a Lisims Government have submitted a separate report on the oil and gas moratorium to the Minister of Natural Resources. It will be part of the information used to assess the status of the moratorium.

Media Spokesperson: Tom Ormsby
Telephone: (613) 996-2007
Prepared by: T. Chapman
Date: Oct. 4, 2004

Draft for internal discussion

000716

Page(s) 0001 to / à 0004

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69(1)(e)

of the Access to Information
Loi sur l'accès à l'information

1540

Varangu, Kristi

From: Carlson, Zoë
Sent: Thursday, November 18, 2004 3:23 PM
To: 'Christine Tetrault'; Mary Donaghy; Mimi Fortier; Michael Kaczorowski; Georgina.Naismith@ceaa-acee.gc.ca; Paul.Scott@ceaa-acee.gc.ca; HaleP@DFO-MPO.GC.CA; kirbys@DFO-MPO.GC.CA; Athana.Mentzelopoulos@ec.gc.ca; Catherine.Ponsford@ec.gc.ca; don.fast@ec.gc.ca; Freeman.DE@forces.gc.ca; Hudock.DC@forces.gc.ca; Kirby.DG@forces.gc.ca; bill.ross@hrdc-drhc.gc.ca; McCurdy.Genine@ic.gc.ca; Anita Bedell; Marja Bulmer; Penny Desjarlais; Richard Frizell; Jack Gibson; Michael Hudson; Catherine Lappe; Tim Low; Brian Martin; Carol McNichol; aplourde@nrcan.gc.ca; Lowe, Carmel; Lewis, Kevin; Sahay, Krishna; Varangu, Kristi; Jennings, Philip; Colvine, Sandy; sgedak@nrcan.gc.ca; CarsonD@pac.dfo-mpo.gc.ca; davisjc@pac.dfo-mpo.gc.ca; FarlingerS@pac.dfo-mpo.gc.ca; jim.barlow@pc.gc.ca; tomas.tomascik@pc.gc.ca; wayne.bourque@pc.gc.ca; dstephenson@pco-bcp.gc.ca; henderm@tc.gc.ca; millsj@tc.gc.ca; Ardath.PaxtonMann@wd.gc.ca; dean.dring@wd.gc.ca; Ken Armour; michelle.neilly@wd.gc.ca; Sherri Boudreau (E-mail)
Cc: Al-shamsh Ladha; Hardev Saran; Varangu, Kristi
Subject: Inetrdepartmental Briefing on BC Offshore

Hi All.

Please note that NRCAN will be holding an interdepartmental briefing in Vancouver on Friday, November 19, 2004. Apologies for the late notice, it is hoped that you or a delegate will attend.

Purpose: Briefing on Final Reports for First Nations Engagement and Public Review processes of the federal review of the BC Moratorium on offshore oil and gas.

Location: 605 Robson Street (Robson/Seymour)
Room 1501

Time: 3:30pm (Friday, November 19th)

Zoë

Zoë Carlson
Senior Advisor, First Nations
Frontier Lands Management Division
Natural Resources Canada
(604) 666-4155

News Release

2004/64

November 19, 2004

Reports on B.C. Offshore Moratorium Released

OTTAWA — The Honourable R. John Efford, Minister of Natural Resources Canada, today announced the release of two reports addressing the federal moratorium on oil and gas activities off the coast of British Columbia. The two reports complete the arm's-length federal review process initiated in 2003. These reports, from the Public Review Panel and the First Nations Engagement Process, provide views of British Columbians, including coastal First Nations, on the federal moratorium. A previous report under the federal review was prepared by the Royal Society of Canada concerning the state of the science, and was released in February 2004.

“This has been a broad and open process. We have now heard a wide range of views from British Columbians and appreciate their contribution,” said Minister Efford. “This is an important decision for B.C. and for Canada. These reports will help the Government assess the next steps regarding the moratorium, and my colleagues and I will be looking at them in the coming months.”

The three-part federal process is not a decision-making process, but rather a way to explore the issues and views of British Columbians regarding the federal moratorium. The three reports provide valuable input to help the Government of Canada assess whether or not, or under what conditions, to lift the federal moratorium on offshore B.C. oil and gas activities in the Queen Charlotte region.

Also released today was a report on this issue from the Nisga'a Nation. Respecting the unique relationship between Canada and the Nisga'a Nation set out in the Nisga'a Final Agreement (the Nisga'a Treaty), the Nisga'a Lisims Government has submitted a separate report on the oil and gas moratorium to the Minister of Natural Resources Canada.

It can be viewed along with the three reports from the federal review process at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611.

- more -



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Canada

Protecting our coastline and ocean is very important. At the same time, the Government of Canada recognizes that offshore oil and gas activities have the potential to contribute to the long-term economic development of the province. There are a variety of public views and concerns that need to be taken into account by the Government of Canada before any decision is taken regarding the moratorium.

FOR BROADCAST USE:

Today, Natural Resources Canada Minister John Efford announced the release of two reports on the federal moratorium on oil and gas activities off the coast of British Columbia. The reports provide the views of British Columbians, including coastal First Nations, on the moratorium. The two reports complete the federal review process initiated in 2003.

- 30 -

For more information, media may contact:

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Media Relations
Natural Resources Canada
Ottawa
(613) 992-4447

Tom Ormsby
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Office of the Minister
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(613) 996-2007

NRCan's news releases and backgrounders are available at www.nrcan.gc.ca/media.

Communiqué

2004/64

Le 19 novembre 2004

Publication de deux rapports au sujet du moratoire sur l'exploitation extracôtière en Colombie-Britannique

OTTAWA — L'honorable R. John Efford, ministre des Ressources naturelles du Canada, a annoncé aujourd'hui la publication de deux rapports concernant le moratoire fédéral sur les activités pétrolières et gazières au large des côtes de la Colombie-Britannique. Les deux rapports complètent le processus d'examen indépendant entamé par le gouvernement du Canada en 2003. Ces rapports, produits par le comité d'examen public et le processus d'engagement des Premières Nations, présentent les points de vue exprimés par des résidents de Colombie-Britannique, y compris les Premières Nations côtières, sur le moratoire fédéral. Dans le cadre de l'examen fédéral, la Société royale du Canada avait déjà préparé un rapport sur l'état des sciences; il a été rendu public en février 2004.

« Le processus a été englobant et ouvert. Nous avons maintenant un très bon aperçu des opinions des Britanno-Colombiens, et nous apprécions leur apport, a déclaré le ministre Efford. La décision à prendre est importante pour la Colombie-Britannique et pour le Canada. Ces rapports aideront le gouvernement à déterminer les prochaines étapes concernant le moratoire; mes collègues et moi les étudierons dans les prochains mois. »

Le processus fédéral en trois volets n'est pas un processus décisionnel, mais plutôt une façon d'examiner les enjeux et les points de vue des résidents de Colombie-Britannique sur le moratoire fédéral. Les trois rapports aideront beaucoup le gouvernement à déterminer s'il faut ou non lever le moratoire fédéral sur les activités pétrolières et gazières au large des côtes de la Colombie-Britannique, dans la région de la Reine-Charlotte, et le cas échéant, à quelles conditions.

Un rapport de la nation Nisga'a sur la question a aussi été dévoilé aujourd'hui. Dans l'optique de la relation unique entre le Canada et la nation Nisga'a prévue dans l'Accord définitif Nisga'a (traité Nisga'a), le gouvernement Nisga'a Lisims a présenté au ministre des Ressources naturelles du Canada un rapport distinct au sujet du moratoire sur l'exploitation extracôtière en Colombie-Britannique.

Il peut être consulté, ainsi que les trois rapports issus du processus fédéral, à l'adresse www2.mcan.gc.ca/es/erb/prb/francais/View.asp?x=611.

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La protection de notre ligne de côte et de l'océan est très importante. En même temps, le gouvernement du Canada reconnaît que les activités pétrolières et gazières extracôtières peuvent contribuer au développement économique à long terme de la province. Le gouvernement du Canada doit tenir compte d'une variété d'opinions et de préoccupations du public avant de prendre une décision au sujet du moratoire.

POUR LES DIFFUSEURS :

Le ministre des Ressources naturelles du Canada, John Efford, a annoncé aujourd'hui la publication de deux rapports au sujet du moratoire sur les activités pétrolières et gazières au large des côtes de la Colombie-Britannique. Les rapports présentent les points de vue exprimés par des résidents de la province, y compris les Premières Nations côtières, sur le moratoire. Ils complètent le processus d'examen amorcé par le gouvernement fédéral en 2003.

- 30 -

Pour de plus amples renseignements, les journalistes peuvent s'adresser à :

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Les communiqués et les précis d'information de RNCan sont diffusés à l'adresse www.rncan.gc.ca/media.



2004/64 (a)

BACKGROUND

Offshore British Columbia Oil and Gas Moratorium

In the early 1970s, the Government of Canada and the Government of British Columbia imposed a moratorium on oil and gas activities offshore British Columbia, initially as a result of concerns arising from crude oil tanker traffic from the Trans-Alaska Pipeline System. Subsequently, the moratorium was extended to include other oil and gas activities.

In 1986, a joint federal-provincial review of the potential environmental and socio-economic effects of oil and gas exploration offshore B.C. concluded that oil and gas activities could occur subject to some 90 terms and conditions. However, in 1989, the two governments decided to extend the moratorium because of concerns arising from the Exxon Valdez oil spill.

In January 2002, a scientific review commissioned by the Government of British Columbia concluded that there was no fundamental inadequacy of science or technology, properly applied in an appropriate regulatory framework, to justify a blanket moratorium.

Before deciding whether or not to lift the moratorium, the Government of Canada agreed to proceed with a process to identify science gaps relating to possible oil and gas development offshore B.C. and to hear the views of the B.C. public on the possible impacts of lifting the moratorium.

On March 28, 2003, the Minister of Natural Resources Canada announced that the Government of Canada would proceed with a review to:

- identify science gaps related to possible oil and gas activity offshore British Columbia (the Science Review). The final report issued on February 17, 2004, is available at www.rsc.ca/index.php?lang_id=1&page_id=115;
- hear the views of the public on whether or not the moratorium should be lifted for selected areas (the Public Review); and
- meet with First Nations to ensure that issues of unique interest to them are fully explored (First Nations Engagement).

Considering the vast geographic area under moratorium, the Government of Canada concluded that its review should focus on the geographic area of highest estimated oil and gas potential, the Queen Charlotte region.

The three reports from the federal review process, can be reviewed at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611. Previous news releases and backgrounders are available at www.nrcan.gc.ca.

1546

For more information, media may contact:

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2004/64 (a)

1547

PRÉCIS D'INFORMATION

Moratoire imposé sur l'exploitation des ressources pétrolières et gazières au large des côtes de la Colombie-Britannique

Au début des années 70, le gouvernement du Canada et le gouvernement de Colombie-Britannique ont imposé un moratoire sur l'exploitation des ressources pétrolières et gazières au large des côtes de la Colombie-Britannique. Tout d'abord, le moratoire n'a concerné que le trafic des pétroliers transportant du pétrole brut provenant de l'oléoduc du Trans-Alaska Pipeline System en raison de certaines préoccupations. Ce moratoire a été par la suite étendu aux activités pétrolières et gazières.

En 1986, un examen fédéral-provincial conjoint des incidences environnementales et socio-économiques potentielles de l'exploitation pétrolière et gazière au large de la Colombie-Britannique a abouti à la conclusion que les activités liées aux hydrocarbures extracôtiers pouvaient être menées sous réserve de l'observation de quelque 90 modalités. Cependant en 1989, les deux gouvernements ont décidé de prolonger le moratoire en raison des inquiétudes suscitées par le déversement de pétrole de l'Exxon Valdez.

En janvier 2002, le rapport d'un examen scientifique commandé par le gouvernement de la Colombie-Britannique a conclu qu'il n'y avait aucune insuffisance inhérente ou fondamentale en science et technologie, appliquées dans un cadre réglementaire convenable, pour justifier un moratoire général.

Avant de décider s'il convient ou non de lever le moratoire, le gouvernement du Canada a accepté de suivre un processus visant à déterminer quelles sont les lacunes relatives aux connaissances scientifiques en ce qui concerne la possibilité d'effectuer des activités pétrolières et gazières extracôtiers en Colombie-Britannique et à entendre les opinions du public de cette province sur l'incidence possible de la levée du moratoire.

Le 28 mars 2003, le ministre des Ressources naturelles du Canada a annoncé que le gouvernement du Canada effectuerait un examen pour :

- cerner les lacunes relatives aux connaissances scientifiques en rapport avec les activités pétrolières et gazières extracôtiers en Colombie-Britannique (examen scientifique); on peut consulter le rapport définitif présenté le 17 février 2004 sur le site www.rsc.ca/index.php?&page_id=115&lang_id=2
- entendre les points de vue du public en ce qui a trait au moratoire et à son éventuelle levée dans des secteurs choisis (audiences publiques);

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1548

- 2 -

- consulter les Premières Nations pour que les questions qui les intéressent particulièrement soient parfaitement étudiées (discussions avec les Premières Nations).

Étant donné la vaste zone géographique touchée par le moratoire, le gouvernement du Canada a conclu que son examen devrait se concentrer sur la région présentant les plus importantes ressources pétrolières et gazières potentielles, soit la région de la Reine-Charlotte.

Les trois rapports issus de l'examen public fédéral peuvent être consultés sur le site www2.rncan.gc.ca/es/erb/prb/francais/view.asp?x=611. Les communiqués et précis d'information publiés antérieurement sur le sujet sont affichés sur le site www.rncan.gc.ca.

- 30 -

Pour de plus amples renseignements, les journalistes peuvent s'adresser à :

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2004/64 (b)

BACKGROUND

Offshore British Columbia Oil and Gas Moratorium: First Nations Engagement Process

The moratorium on oil and gas activities offshore British Columbia, in place since 1972, is now under review. *RIGHTS, RISKS AND RESPECT: A First Nations Perspective on the Lifting of the Federal Moratorium on Offshore Oil and Gas Exploration in the Queen Charlotte Basin of British Columbia*, is one of three elements of the federal review process, which also included a review of the state of the science by the Royal Society of Canada and a public review process. Meetings and conversations were held with approximately 40 First Nations communities and several Aboriginal umbrella organizations including the majority of the communities directly adjacent to or near the boundaries of the Queen Charlotte Basin. Other communities were from the Winona, Tofino and Georgia Basin areas, and a few from inland B.C.

Ms. Cheryl Brooks, a skilled facilitator with extensive experience working with Aboriginal organizations and the public and private sectors, led the First Nations engagement process. Her role was to:

- assist First Nation representatives and community members in getting information about the Government of Canada moratorium review;
- ensure that First Nations were aware of the public review process and how to participate if they chose;
- provide a forum for information sharing and discussion; and
- gather and record feedback to inform the Government of Canada about the unique views of First Nations about whether or not to lift the federal moratorium.

The First Nations Engagement Process has been one of sharing information and providing an opportunity for First Nations to have meaningful input to the Government of Canada with respect to First Nations unique views and perspectives about the moratorium. Canada is committed to an ongoing cooperative relationship with First Nations.

Respecting the unique relationship between Canada and the Nisga'a Nation as set out in the Nisga'a Final Agreement (the Nisga'a Treaty), the Nisga'a Lisims government has submitted a separate report on the oil and gas moratorium to the Minister of Natural Resources Canada.

This report can be viewed, along with the three reports from the federal review process at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611. Previous news releases and backgrounders are also available at www.nrcan.gc.ca.

- more -

1550

- 2 -

- 30 -

For more information, media may contact:

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NRCan's news releases and backgrounders are available at www.nrcan.gc.ca/media.



2004/64 (b)

PRÉCIS D'INFORMATION

Moratoire sur l'exploitation pétrolière et gazière au large des côtes de la Colombie-Britannique : processus de discussions avec les Premières Nations

Le moratoire sur l'exploitation pétrolière et gazière au large des côtes de la Colombie-Britannique (C.-B.), en vigueur depuis 1972, fait actuellement l'objet d'un examen. Le rapport intitulé *RIGHTS, RISKS AND RESPECT: A First Nations Perspective on the Lifting of the Federal Moratorium on Offshore Oil and Gas Exploration in the Queen Charlotte Basin of British Columbia* est un des trois éléments du processus d'examen du gouvernement du Canada. Celui-ci incluait également l'examen sur l'état des sciences effectué par la Société royale du Canada ainsi qu'un processus d'examen public. Des réunions et des entretiens ont eu lieu avec une quarantaine de collectivités des Premières Nations et plusieurs organismes cadres autochtones, dont la plupart des collectivités jouxtant le bassin de la Reine-Charlotte ou situées à proximité de celui-ci. D'autres collectivités des régions de Winona, de Tofino et du bassin de Géorgie ainsi que quelques autres collectivités de la partie continentale de la C.-B ont également participé.

M^{me} Cheryl Brooks, une facilitatrice chevronnée possédant une vaste expérience professionnelle auprès des organismes autochtones, dans les secteurs privé et public, a dirigé le processus de discussions avec les Premières Nations. Son rôle consistait à :

- aider les représentants et les membres des collectivités des Premières Nations à obtenir de l'information sur l'examen du moratoire par le gouvernement du Canada;
- veiller à ce que les Premières Nations soient au courant du processus d'examen public et de la façon d'y participer si elles le désiraient;
- organiser une tribune de discussion et de partage de l'information;
- recueillir et consigner la rétroaction obtenue pour faire connaître au gouvernement du Canada le point de vue particulier des Premières Nations sur le bien-fondé de la levée du moratoire.

Le processus de discussions avec les Premières Nations a permis de partager avec elles de l'information et de leur offrir la possibilité de présenter des commentaires significatifs au gouvernement du Canada en ce qui a trait à leur perspective et à leur point de vue particuliers au sujet du moratoire. Le Canada s'est engagé à entretenir une relation de collaboration continue avec les Premières Nations.

Dans l'optique des relations particulières entre le Canada et la nation Nisga'a en vertu de l'Accord définitif Nisga'a (traité Nisga'a), le gouvernement Nisga'a Lisims a soumis un rapport distinct sur le moratoire sur les hydrocarbures au ministre des Ressources naturelles du Canada.

On peut consulter ce rapport, ainsi que les trois autres issus de l'examen public fédéral, sur le site www2.rncan.gc.ca/es/erb/prb/francais/view.asp?x=611. Les communiqués de presse et les précis d'information publiés antérieurement sur le sujet sont affichés sur www.rncan.gc.ca.

Pour de plus amples renseignements, les médias peuvent communiquer avec :

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Les communiqués et les précis d'information de RNCan sont publiés sur le site www.rncan.gc.ca/media.



2004/64 (c)

BACKGROUND

Public Hearings on the Offshore British Columbia Oil and Gas Moratorium

The moratorium on oil and gas activities offshore British Columbia, in place since 1972, is now under review. The *Report of the Public Review Panel on the Government of Canada's Moratorium on Offshore Oil and Gas Activities in the Queen Charlotte Region of British Columbia* is one of three elements of the federal review process, which also included a review of the state of science by the Royal Society of Canada and a First Nations engagement process. The Public Review Panel held public meetings in ten coastal communities in order to obtain views of British Columbians on matters relevant to the federal moratorium on oil and gas activities. Meetings were held in Prince Rupert, the Village of Masset, Bella Coola, Queen Charlotte City, Kitkatla, Kitimat, Port Hardy, Alert Bay, Victoria and Vancouver.

Roland Priddle, who has extensive experience in energy regulation and policy making, led the arm's-length, three-member review panel. He was joined by Dr. Diana Valiela and Don Scott.

The report contains the opinions of approximately 3,700 British Columbians who took the time to share their views with the panel. These opinions were gathered through oral and written submissions as well as petitions. Almost half of all participants were involved by way of the petition process.

The panel has presented four options for moving forward to the Government of Canada for consideration. These options are as follows:

- Keep the moratorium.
- Keep the moratorium or defer the decision while undertaking numerous activities to fill biophysical and socio-economic knowledge gaps, to identify and address First Nations issues, to identify and delineate marine protected areas, and to define regulatory and fiscal arrangements.
- Lift the moratorium and undertake numerous activities (as outlined in option 2) prior to accepting any applications for oil and gas activity.
- Lift the moratorium.

The report of the Public Review Panel is available at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611. Previous news releases and backgrounders detailing the review process on this issue can be found at www.nrcan.gc.ca.

- more -

1554

- 2 -

- 30 -

For more information, media may contact:

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2004/64 (c)

PRÉCIS D'INFORMATION

Audiences publiques au sujet du moratoire sur l'exploitation pétrolière et gazière au large de la Colombie-Britannique

Le moratoire sur les activités pétrolières et gazières au large des côtes de la Colombie-Britannique, adopté en 1972, fait actuellement l'objet d'un examen. Le Rapport du comité d'examen public sur le moratoire imposé par le gouvernement du Canada sur les activités pétrolières et gazières dans la région des îles de la Reine-Charlotte en Colombie-Britannique est l'un des trois éléments du processus d'examen du gouvernement du Canada. Ce processus comprend aussi un examen de l'état des sciences par la Société royale du Canada et un processus de discussions avec les Premières nations. Le comité d'examen public a tenu des audiences dans dix collectivités côtières pour recueillir les opinions des Britanno-Colombiens au sujet de questions entourant le moratoire du gouvernement du Canada sur les activités pétrolières et gazières. Les rencontres ont eu lieu dans les localités suivantes : Prince Rupert, village de Masset, Bella Coola, Queen Charlotte City, Kitkatla, Kitimat, Port Hardy, Alert Bay, Victoria et Vancouver.

Roland Priddle, qui possède une vaste expérience de la réglementation et de l'élaboration de politiques énergétiques, dirigeait les travaux de ce comité d'examen indépendant de trois membres, dont faisaient également partie Diana Valiela et Don Scott.

Le rapport résume les opinions d'environ 3 700 habitants de la Colombie-Britannique qui ont tenu à exposer leurs points de vue au comité. Les opinions ont été exprimées verbalement ou par écrit, dans des mémoires et des pétitions. Près de la moitié des participants se sont exprimés au moyen de pétitions.

Le comité a présenté quatre options qui pourraient être soumises à l'examen du gouvernement du Canada :

- Maintien du moratoire.
- Maintien du moratoire ou renvoi de la décision en attendant les résultats de nombreuses activités mises en œuvre pour combler les carences des connaissances biophysiques et socioéconomiques, définir et régler les questions intéressant les Premières nations, repérer et limiter les zones marines protégées et définir des ententes réglementaires et fiscales.
- Lever le moratoire et mener de nombreuses activités (voir l'option 2, ci-dessus) avant d'accueillir les demandes d'autorisation d'activités pétrolières et gazières.
- Lever le moratoire.

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1556

- 2 -

Le rapport du comité d'examen public est publié sur le site www2.rncan.gc.ca/es/erb/prb/francais/view.asp?x=611. Des communiqués de presse et précis d'information antérieurs consacrés au processus d'examen de la question peuvent être consultés sur le site www.rncan.gc.ca.

- 30 -

Pour de plus amples renseignements, les journalistes peuvent s'adresser à :

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1557

Varangu, Kristi

From: Varangu, Kristi
Sent: Monday, November 22, 2004 12:16 PM
To: 'Roland Priddle'; Don Scott; Diana Valiela
Subject: Thank you

Thank you all for your contribution to the final report. I know this has not been an easy road for any of us, but it was certainly never boring! I will always remember in particular having been fortunate to share the trips and experiences into coastal communities with you. I know our paths will cross again in the future, and I look forward to having some 'post-mortem' discussions on lessons learned -- you never know when and where we will be doing another public review...

Kristi

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

1558

Parliamentary Affairs

Bunge, John

From: Mohrmann-Watson, Bill
Sent: Thursday, November 18, 2004 11:50 AM
To: Borden, Adam; Bunge, John; Wilson, Jeff; Paré, Gail
Cc: Chalifoux, Josée; Crant, Victoria; Decosse, Lise; Deschambault, Cathy; ES.SE Ministerial Correspondence-Correspondance ministérielle; MacLean, Bethan; Dunn, Sharon; Goulet, Solange; Proulx, Barb; Vats, Nipun; Provost Joly, Lise; Winstan, Jules
Subject: FW: BC Offshore briefings for Members of Parliament

Gail,

Please see email below.

Thanks,

Bill

-----Original Message-----

From: Lalonde, Jarett
Sent: 17 November, 2004 07:37 PM
To: Provost Joly, Lise; Frellich, Robert; Trempe, Caroline; McGuire, Lou
Cc: Winstan, Jules; Berthelette, Crystal
Subject: RE: BC Offshore briefings for Members of Parliament

Could we please proceed with the following unless someone has a serious objection.

Government Caucus:

- 209 West block.
- 10:00-11:00am on Friday, Nov. 19th
- Kristi Varangu will be the departmental official.
- Lou and Jarett from our office.

Opposition Caucus:

- 307 West block
- 10:00-11:00am on Friday, Nov. 19th
- Phil Jennings will be the departmental official.
- Rob and Caroline from our office.

Lise, could you please let Kristi and Phil know that this is how we would like to proceed.

Thanks all. Jarett

-----Original Message-----

From: Provost Joly, Lise
Sent: 17 November, 2004 06:07 PM
To: Lalonde, Jarett; Frellich, Robert
Cc: Winstan, Jules
Subject: FW: BC Offshore briefings for Members of Parliament

FYI

*Thank you
Merci!*

Lise Provost Joly

Assistant to the Departmental Assistant

1559

Varangu, Kristi

From: Media Monitoring / Surveillance médiatique
Sent: Friday, November 19, 2004 1:59 PM
To: Barlow, Sheila; Berthelette, Crystal; Boisclair, Therese; Cameron, Duncan; Charbonneau Francine; Charette, Ellen; Charron, Ghyslaine; Corriveau, Anne; Crawford, Debra; Dingwall, Leigh Anne; Duhamel, Louise; Efford Hill Office; Frelich, Robert; Frieday, Le'Anne; Girard-Griffith, Francine; Godin, Richard; Haley, Lisa; Haugen, Gavin; Healy, Bianca; Hill Office; Hill Office 2; James, Bianca; Kamel, Nawal; Kinnis, Rosemary; Kokkinos, Yiota (CPPC); Lalonde, Jarett; McGuire, Lou; Mercer, Jeff; Mohrmann-Watson, Bill; Montgomery, James; Moreau, Karena; Muir, Alex; O'Brien, Michael; Ormsby, Tom; Parry, Matthew; Pemberton, Martin; Proulx, Barb; Provost Joly, Lise; Rollin, Roch; Scheel, Kristen; Thomas, Ute; Trempe, Caroline; Vats, Nipun; Walters, Keith; Whillans, Lindsay; Wilson, Janice; Wilson, Jeff; Worden, Cathy; Akins, Bruce; BenHassine, Mondher; Booth, Jim; Buzzell, Michael; Chapman, Trudy; Clément-Cousineau, Suzanne; Daniel; EC Gingras (E-mail); Foran, John; Girardeau, Linda; Glover, Kate; Hanmer, Simon; Hendriks, Adam; Jennings, Philip; Kwamena, Felix; Lapierre, Debi; Letourneau, Carmel; Martin, Terence; McCuaig, Margaret; Monaghan, Maureen; Muir, Alexandra; Shanks, Tim; Sleeth, Cathy; Smith, Duncan; Varangu, Kristi
Subject: Transcript: Efford QP Scrum - November 19, 2004
Importance: High



20041119TA.wpd

TRANSCRIPTION/TRANSCRIPTION

SCRUM

Transcription prepared by Media Q Inc. exclusively for NR Can
Transcription préparée par Media Q Inc. exclusivement pour RN Can

DATE/DATE: November 19, 2004 After Question Period
LOCATION/ENDROIT: House of Commons Foyer, Ottawa
PRINCIPAL(S)/PRINCIPAUX: The Honourable John Efford, Minister of Natural Resources
SUBJECT/SUJET: Carolyn Parrish's expulsion from the Liberal caucus and her subsequent comments about the Liberal caucus being neutered; The Priddle Report on the moratorium on oil and gas offshore development; The outcome of talks yesterday on the Atlantic Accord

Question: Your thoughts about Carolyn Parrish's comments on the caucus being neutered. Do you feel neutered, sir?

Hon. John Efford: Carolyn Parrish was dealt with yesterday by the prime minister and no further comment.

Question: You don't even find -- do you find it a bit upsetting that she'd refer to the caucus being neutered?

Hon. John Efford: No, no. Carolyn's entitled to her opinion. We're all entitled to our opinion. So this is a democratic process. She made a statement yesterday and I'm not going to comment any further on it.

Question: What do you draw from the conclusions of the Priddle report?

Hon. John Efford: Well, first of all, I was looking forward to get three reports in. I had the Royal Society some time ago and now we've got the Priddle and the Cheryl Brooks report. I haven't had the time yet to go through it in detail but I will be doing that over the coming days and weeks and then I'll be having discussions, consultations with my colleagues from the provincial government in British Columbia as well as my colleagues here at cabinet.

Question: What impact does it have on the government's decision-making process that you've concluded that the majority -- the panel's concluded the majority of participants were opposed, want the moratorium (inaudible).

Hon. John Efford: Well, first of all, we have not yet begun to make a decision on the moratorium. There's some recommendations in the report, as you know. We'll look at both reports, the Cheryl Brooks and the Priddle report. Then I will discuss it with my colleagues in cabinet, Minister Emerson and other, my colleagues from British Columbia as well as I will be discussing it with the British Columbia provincial government and then I'll be making recommendations to cabinet.

Question: You've been fairly supportive though of the idea of lifting the moratorium. Does this give you pause when you realize that the majority of people that attended that cared about it are opposed.

Hon. John Efford: Well, first of all, coming from Newfoundland and Labrador I mean we do have an offshore oil but this is not the same issue as it is in British Columbia. The one thing -- the purpose of having those studies done was to get the studies completed, take a very careful look at the studies and then I will consult with my colleagues. Then we'll make decisions so I'm not going to rush into making any decision. The reports are there.

Question: What do these studies, the results of these studies say to the federal government and particularly to the B.C. government which has been very pro development?

Hon. John Efford: Well, the B.C. government is very pro development, you know, and they have a right to be because the economic opportunities in British Columbia, this presents the case that they can have some economic development but the reports are to get the views of the people. That was the purpose of the Priddle Report consult. That was the purpose of Cheryl Brooks to consult with the First Nations. Both of those reports are in but there is no decision made but I will be reviewing, I will be consulting then I will be making recommendations.

Question: The Atlantic Accord, if I could just ask you, can you characterize or describe how you feel about the outcome of the talks yesterday between Mr. Sullivan I think it is and Mr. Goodale?

Hon. John Efford: Actually it was Cecil Clarke, Loyola Sullivan, Ralph Goodale, John Efford and Geoff Regan.

Question: Okay.

Hon. John Efford: 12 hours.

Question: How would you describe?

Hon. John Efford: Very positive. We'll be going into Newfoundland on Tuesday afternoon to have further discussions on this with both premiers and the same minister.

Question: Are you confident you can get a deal on Tuesday?

Hon. John Efford: Oh, I'm an optimist - always have been.

Question: Is it possible though that you'll actually sign a contract on Tuesday? Is that even in the ---

Hon. John Efford: I didn't say sign a contract. I said I'm an optimist about getting a deal. I'm not a pessimist.

Question: How close are you?

Hon. John Efford: That close.

Question: Why would you consider lifting the moratorium when the majority of people are opposed to it? Why would you even consider ignoring the public opinion?

Hon. John Efford: First of all, I did not tell you that I was considering lifting the moratorium. I said I'm going to read the reports, both reports very carefully. I'm going to look at all the options in the reports. I'm going to absorb the information. I'm going to consult with my colleagues from British Columbia as I should and my cabinet colleagues and colleagues in caucus and then I'm going to talk to the British Columbia government. Then I will make a recommendation. But I have not even come close to telling you that I'm considering it.

Question: Did you overcome the question of the cap yesterday when you were talking to provincial officials?

Hon. John Efford: No more information on that one. We've had some good discussions on the Atlantic Accord. It's been a contentious for myself so I'm not going to do anything to damage the discussions on Tuesday.

Question: Mr. Efford, when you go in and sit down with them on Thursday -- Tuesday ---

Hon. John Efford: Tuesday.

Question: --- rather, don't you have to be really close to even agree to do that?

Hon. John Efford: I'm sorry?

Question: To even agree to go to Newfoundland and take Mr. Goodale and Mr. Himelfarb. Like you guys must have a deal or else you wouldn't want to go there.

Hon. John Efford: But that's my own province. I wouldn't want to go to Newfoundland? I'm going this afternoon. I want to go home.

Question: Mr. Goodale and Mr. Himelfarb, yeah.

1562

Varangu, Kristi

From: Charron, Ghyslain
Sent: Friday, November 19, 2004 7:50 PM
To: Strumillo-Orleanowicz, Danusia; Varangu, Kristi
Subject: Re: BC Offshore Moratorium: Follow up

I called the first one. Done deal. Did not have the second message for what ever the reason is

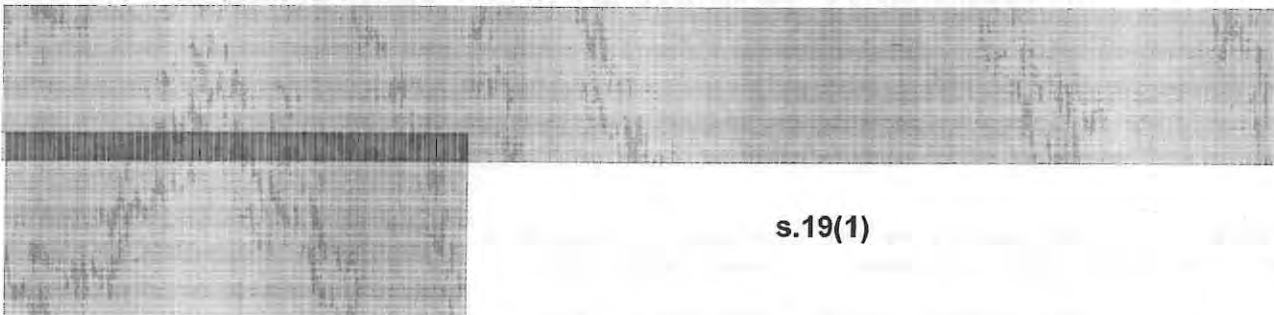
-----Original Message-----

From: Strumillo-Orleanowicz, Danusia <danusia@NRCan.gc.ca>
To: Varangu, Kristi <KVarangu@NRCan.gc.ca>
Sent: Fri Nov 19 18:00:12 2004
Subject: BC Offshore Moratorium: Follow up

Hi Kristi

I understand you (or somebody of your staff) are probably the most knowledgeable on this issue.

Two calls regarding the BCOM require further handling beyond my knowledge base. These two entities are NOT media hence a program officer is better suited to respond.



s.19(1)

"Wants to talk to somebody not just read from the internet." Also wants hard copies of the report.

Thank you in advance for following up.

Danusia
General Inquiries NRCan
(613) 995-0947

1563

<p>DAY SCENARIO BC Offshore Review Release Scenario Pacific Geoscience Centre (Auditorium)/Ottawa November 19, 2004</p>

Notes:

In March of 2003, the Government of Canada announced it would review the moratorium in a three-part process looking at science, the BC public and the First Nations of BC. The science report, done by the Royal Society of Canada, was released in February 2004. Today's release of the last two reports complete the federal review process. These reports from the Public Review Panel and the First Nations Engagement Process, provide views of British Columbians, including coastal First Nations, on the federal moratorium.

s.21(1)(c)

Scenario following [redacted] on Thursday:

(TBC) Media Advisory (6:00 pm Ottawa , 3:00 pm BC) - Communications Branch Minister's Office to notify Members of Parliament

Conference call with related departments to flag possible release Friday, materials to follow - Communications Branch

Briefing for key Ministers staff at 4 pm Thursday by the Minister's Office.

Scenario for Friday in BC:

9:15am-11:15am (PT): Technical briefing for accredited media by Roland and Cheryl in BC (15 minute presentation by each chair followed by 20 minute Q and A with media both onsite and via teleconference for national and remote media)

6:30pm (PT): Interdepartmental meeting in Vancouver

Scenario for Friday in Ottawa:

10:00am -11:00am(ET): Parliamentary briefing by NRCan (Minister's Office and Dept.)

12:00pm - 12:10pm (ET): Briefing for the Minister Efford following Question Period

12:15pm (ET): Efford at unimike following Question Period

1564

3:30pm(ET):

Interdepartmental meeting in Ottawa

Associated products list:

- News release
- Backgrounders (3)
- Media advisory
- Talking points
- Householder
- Community article
- Scenario note
- Q's and A's – under separate cover



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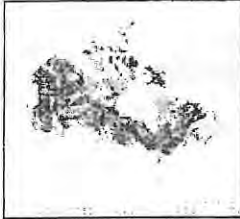
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Natural Resources Canada
2004/64
November 19, 2004

Reports on B.C. Offshore Moratorium Released

OTTAWA - The Honourable R. John Efford, Minister of Natural Resources Canada, today announced the release of two reports addressing the federal moratorium on oil and gas activities off the coast of British Columbia. The two reports complete the arm's-length federal review process initiated in 2003. These reports, from the Public Review Panel and the First Nations Engagement Process, provide views of British Columbians, including coastal First Nations, on the federal moratorium. A previous report under the federal review was prepared by the Royal Society of Canada concerning the state of the science, and was released in February 2004.

"This has been a broad and open process. We have now heard a wide range of views from British Columbians and appreciate their contribution," said Minister Efford. "This is an important decision for B.C. and for Canada. These reports will help the Government assess the next steps regarding the moratorium, and my colleagues and I will be looking at them in the coming months."

The three-part federal process is not a decision-making process, but rather a way to explore the issues and views of British Columbians regarding the federal moratorium. The three reports provide valuable input to help the Government of Canada assess whether or not, or under what conditions, to lift the federal moratorium on offshore B.C. oil and gas activities in the Queen Charlotte region.

Also released today was a report on this issue from the Nisga'a Nation. Respecting the unique relationship between Canada and the Nisga'a Nation set out in the Nisga'a Final Agreement (the Nisga'a Treaty), the Nisga'a Lisims Government has submitted a separate report on the oil and gas moratorium to the Minister of Natural Resources Canada.

It can be viewed along with the three reports from the federal review process at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611.

Protecting our coastline and ocean is very important. At the same time, the Government of Canada recognizes that offshore oil and gas activities have the potential to contribute to the long-term economic development of the province. There are a variety of public views and concerns that need to be taken into account by the Government of Canada before any decision is

taken regarding the moratorium.

FOR BROADCAST USE:

Today, Natural Resources Canada Minister John Efford announced the release of two reports on the federal moratorium on oil and gas activities off the coast of British Columbia. The reports provide the views of British Columbians, including coastal First Nations, on the moratorium. The two reports complete the federal review process initiated in 2003.

For more information, media may contact:

Ghyslain Charron
Media Relations
Natural Resources Canada
(613) 992-4447

Tom Ormsby
Director of Communications
Office of the Minister
Natural Resources Canada
(613) 996-2007

The following three media backgrounders are also available:

- a. Offshore British Columbia Oil and Gas Moratorium
- b. Offshore British Columbia Oil and Gas Moratorium: First Nations Engagement Process
- c. Public Hearings on the Offshore British Columbia Oil and Gas Moratorium

[top](#)

Last Updated: 2004-11-19

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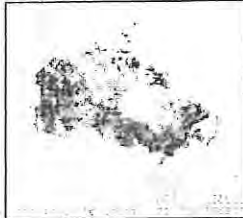
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2004/64a

BACKGROUNDER

Offshore British Columbia Oil and Gas Moratorium

In the early 1970s, the Government of Canada and the Government of British Columbia imposed a moratorium on oil and gas activities offshore British Columbia, initially as a result of concerns arising from crude oil tanker traffic from the Trans-Alaska Pipeline System. Subsequently, the moratorium was extended to include other oil and gas activities.

In 1986, a joint federal-provincial review of the potential environmental and socio-economic effects of oil and gas exploration offshore B.C. concluded that oil and gas activities could occur subject to some 90 terms and conditions. However, in 1989, the two governments decided to extend the moratorium because of concerns arising from the Exxon Valdez oil spill.

In January 2002, a scientific review commissioned by the Government of British Columbia concluded that there was no fundamental inadequacy of science or technology, properly applied in an appropriate regulatory framework, to justify a blanket moratorium.

Before deciding whether or not to lift the moratorium, the Government of Canada agreed to proceed with a process to identify science gaps relating to possible oil and gas development offshore B.C. and to hear the views of the B.C. public on the possible impacts of lifting the moratorium.

On March 28, 2003, the Minister of Natural Resources Canada announced that the Government of Canada would proceed with a review to:

- identify science gaps related to possible oil and gas activity offshore British Columbia (the Science Review); the final report issued on February 17, 2004, is available at www.rsc.ca/index.php?lang_id=1&page_id=115;
- hear the views of the public on whether or not the moratorium should be lifted for selected areas (the Public Review); and
- meet with First Nations to ensure that issues of unique interest to them are fully explored (First Nations Engagement).

Considering the vast geographic area under moratorium, the Government of Canada concluded that its review should focus on the geographic area of highest estimated oil and gas potential, the Queen Charlotte region.

The three reports from the federal review process, can be reviewed at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611. Previous news

- News Releases
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releases and backgrounders are available at www.nrcan.gc.ca.

For more information, media may contact:

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(613) 992-4447

Tom Ormsby
Director of Communications
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2004/64b

BACKGROUND

Offshore British Columbia Oil and Gas Moratorium: First Nations Engagement Process

The moratorium on oil and gas activities offshore British Columbia, in place since 1972, is now under review. *RIGHTS, RISKS AND RESPECT: A First Nations Perspective on the Lifting of the Federal Moratorium on Offshore Oil and Gas Exploration in the Queen Charlotte Basin of British Columbia*, is one of three elements of the arm's-length federal review process, which also included a review of the state of the science by the Royal Society of Canada and a public review process. Meetings and conversations were held with approximately 40 First Nations communities and several Aboriginal umbrella organizations including the majority of the communities directly adjacent to or near the boundaries of the Queen Charlotte Basin. Other communities were from the Winona, Tofino and Georgia Basin areas, and a few from inland B.C.

Cheryl Brooks, a skilled facilitator with extensive experience working with Aboriginal organizations and the public and private sectors, led the First Nations Engagement Process. Her role was to:

- assist First Nation representatives and community members in getting information about the Government of Canada moratorium review;
- ensure that First Nations were aware of the public review process and how to participate if they chose;
- provide a forum for information sharing and discussion; and
- gather and record feedback to inform the Government of Canada about the unique views of First Nations about whether or not to lift the federal moratorium.

The First Nations Engagement Process has been one of sharing information and providing an opportunity for First Nations to have meaningful input to the Government of Canada with respect to First Nations unique views and perspectives about the moratorium. Canada is committed to an ongoing cooperative relationship with First Nations.

Respecting the unique relationship between Canada and the Nisga'a Nation as set out in the Nisga'a Final Agreement (the Nisga'a Treaty), the Nisga'a Lisims government has submitted a separate report on the oil and gas moratorium to the Minister of Natural Resources Canada.

This report can be viewed, along with the three reports from the federal

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- Speeches
- Archives
- Story Ideas
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1570

review process at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611.
Previous news releases and backgrounders are also available at
www.nrcan.gc.ca.

For more information, media may contact:

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2004/64c

BACKGROUND

**Public Hearings on the Offshore British Columbia
Oil and Gas Moratorium**

The moratorium on oil and gas activities offshore British Columbia, in place since 1972, is now under review. The *Report of the Public Review Panel on the Government of Canada's Moratorium on Offshore Oil and Gas Activities in the Queen Charlotte Region of British Columbia* is one of three elements of the arm's-length federal review process, which also included a review of the state of science by the Royal Society of Canada and a First Nations engagement process. The Public Review Panel held public meetings in ten coastal communities in order to obtain views of British Columbians on matters relevant to the federal moratorium on oil and gas activities. Meetings were held in Prince Rupert, the Village of Masset, Bella Coola, Queen Charlotte City, Kitkatla, Kitimat, Port Hardy, Alert Bay, Victoria and Vancouver.

Roland Priddle, who has extensive experience in energy regulation and policy making, led the arm's-length, three-member review panel. He was joined by Dr. Diana Valiela and Don Scott.

The report contains the opinions of approximately 3,700 British Columbians who took the time to share their views with the panel. These opinions were gathered through oral and written submissions as well as petitions. Almost half of all participants were involved by way of the petition process.

The panel has presented four options for moving forward to the Government of Canada for consideration. These options are as follows:

- Keep the moratorium.
- Keep the moratorium or defer the decision while undertaking numerous activities to fill biophysical and socio-economic knowledge gaps, to identify and address First Nations issues, to identify and delineate marine protected areas, and to define regulatory and fiscal arrangements.
- Lift the moratorium and undertake numerous activities (as outlined in option 2) prior to accepting any applications for oil and gas activity.
- Lift the moratorium.

The report of the Public Review Panel is available at www2.nrcan.gc.ca/es/erb/prb/english/View.asp?x=611. Previous news releases and backgrounders detailing the review process on this issue can be found at www.nrcan.gc.ca.

1572

For more information, media may contact:

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Chapman, Trudy

From: Chapman, Trudy
Sent: 19 November, 2004 06:14 PM
To: Varangu, Kristi; Carlson, Zoë; Muir, Alexandra
Subject: FW: Oil and Gas Briefing - November 19, 2004



20041119L.wpd

Here is the transcript from today's technical briefing.

-----Original Message-----

From: Charron, Ghyslain
To: Muir, Alexandra; Ormsby, Tom; Varangu, Kristi; Chapman, Trudy; Dingwall, Leigh Anne
Sent: 11/19/2004 4:21 PM
Subject: FW: Oil and Gas Briefing - November 19, 2004

Just received it. May receive copy from other sources later.

Ghyslain Charron
Media Relations, Account Executive
Relationniste-conseil - Relations avec les médias
NRCan
Communications
Tél.: (613) 992-4447
Fax: (613) 996-9094
e-mail: ghcharro@nrca.gc.ca

-----Original Message-----

From: mq@mediaqin.com [mailto:mq@mediaqin.com]
Sent: 19 November, 2004 04:18 PM
To: NR Can
Cc: frcharbo@nrca.gc.ca; bhealy@nrca.gc.ca; mapember@nrca.gc.ca; ghcharro@nrca.gc.ca; media.monitoring@nrca.gc.ca; mfarring@nrca.gc.ca; acorrive@nrca.gc.ca
Subject: Oil and Gas Briefing - November 19, 2004

Good Afternoon:

Attached is the transcript of the technical briefing regarding two reports addressing the federal moratorium on oil and gas activity off the coast of British Columbia on November 19, 2004.

Thanks and regards,

Vicky Millar

TRANSCRIPTION/TRANSCRIPTION
BRIEFING/MISE À JOUR
Transcription prepared by Media Q Inc. exclusively for NR Can
Transcription préparée par Media Q Inc. exclusivement pour RN Can

DATE/DATE: November 19, 2004 12:15 PT
LOCATION/ENDROIT: Pacific Geoscience Centre, R.W. Stewart Auditorium, 9860

1574

West Saanich Road
PRINCIPAL(S)/PRINCIPAUX: Roland Priddle, Chair of the Public
Hearing Panel
Cheryl Brooks, Facilitator of
the First Nations Engagement Process
SUBJECT/SUJET: Technical Briefing of Two Reports Addressing the Federal
Moratorium on Oil and Gas Activity off the Coast of British Columbia

Moderator: Canada announced it would review the moratorium
in a three-part
process, looking at science, the BC public and First Nations of British
Columbia. The science report, prepared by the Royal Society of Canada,
was
released in February of 2004. Today's release of the last two reports
completes the federal review process. Also released today is a report on
the issue from the Nisga'a Nation, which was submitted to the Minister of
Natural Resources Canada on September 13th, 2004. These reports from the
Public Review Panel and the First Nations Engagement Process provide the
views of British Columbians, including First Nations, who participated
in
the process discussing the federal moratorium.

With us this morning are two panelists. The
first, Mr. Roland Priddle,
Chair of the Public Review Consultation; and Cheryl Brooks, the
Facilitator
of the First Nations Engagement Process. With respect to this morning's
process, each panelist will speak for 15 minutes, followed by a question
period. We will take questions from the reporters who are here in the
room
first, and then we will go to the teleconference. I think, as I
explained
to you, there are a number of journalists who are trying to participate
by
telephone, who couldn't be here today, from some of the communities
farther
abroad. In order to try to allow each reporter to have a question, we
would
respectfully request you try to limit your questions to one this
morning,
because we do have a number of reporters on line.

In the room there are other federal
representatives that may be asked to
provide more detailed information. And we would like to make it known
that
they are not for attribution; they would be for background information
only.

Mr. Priddle, I would like to ask you to begin
our comments this morning.

Roland Priddle: Good morning, ladies and gentlemen. Bonjour à tous. I am
going to use our report, the document that you found on the table at the
side, as a basis to give you a quick rundown. I haven't written anything
new, nor should I, because the only reference that I can use is the
report.
It was jointly done by myself, Mr. Don Scott, chartered accountant,
former
Mayor of Prince Rupert, very well known person on the north coast, and
Dr.
Dianna Valliala(?), an environmental scientist and lawyer in practice in
Vancouver, and formerly with the federal Department of the Environment.
You'll see those names in the transmittal letter. I'm going to use a
combination of the abstract, which is on pages little Roman ii and iii,
and

the index - or the table of contents - on Roman v and vi as the basis.

Starting with the first paragraph of the abstract, the review panel had two jobs. It was to obtain the views of British Columbians, and it was to provide a report to the federal Minister of Natural Resources Canada. And there were to be five elements to that report, and they're reflected in the sections that you see in the table of contents. We were first of all to tell the Minister and the public the work that we had carried out. Secondly, we were to summarize the views that we had heard. And the views were those of British Columbians, and we stuck with that. We got views from as far afield as Europe, from eastern Canada. We heard only the views of British Columbians and of business... businesses which may be headquartered outside the province but which had important interests in British Columbia, such as the two interest owners in federal offshore permits, Chevron Canada and Shell Canada.

We provide extensive summaries of those views in section two by area where we heard the views, and in section three in terms of 12 major issues that we identified out of the views heard. The views are summarized. The only authoritative reference for the... the views are the 13 volumes of written submissions and the 22 volumes of hearing transcripts. But we did our best to summarize. The summaries are what I would call uncritical. We did not seek to filter those views, to look at them and examine them and... and ask are these facts, these arguments, are the facts true, are the arguments well founded in fact. We were passing on views to the Minister. That's what we believe we were asked to do. However, we do provide, as required, in section four an evaluation of views, we submit some conclusions, and we provide recommendations. And the recommendations are in the form of four options for consideration by the Minister.

Now, ladies and gentlemen, about the work that we did, in section one we describe that we heard planning meetings in 11 locations, and then we had hearings in ten different locations in British Columbia, focusing particularly on the Queen Charlotte region. We made an assessment of views - and now, this is very important, ladies and gentlemen - based on a... in effect, a head count. We therefore counted as one expression of view, as a single expression of view, the views, for example, of the British Columbia government on the one hand, and they were in favour of lifting the moratorium; that had equal weight with a signature on a petition or a ballot or a one-line e-mail opposing the lifting of the moratorium. By the way, we developed a little vocabulary, and we called those people who wished to see the moratorium retained 'keepers,' and those people and organizations that wished to see the moratorium lifted 'lifters.' So we

1574

talk in the report in short form about keepers and lifters. So on a strict head count, assessing as one vote the views of an oil company with important interests in the BC offshore, one signature on a petition perhaps opposing the lifting of the moratorium - on that basis, on that head count basis, 75 percent of participants favoured keeping the moratorium, and 23 percent wished to see it lifted. Though that's the big picture, those are important numbers, they are correct numbers, but in using them you must understand how they were arrived at.

The issue of weighting the submissions was given a lot of thought by the panel. It was raised before us by submitters. They asked how will you treat somebody who comes along and makes a strong oral, somewhat emotional presentation in Massett(?) or Queen Charlotte City. How will you weight that compared to, say, a multi-volume presentation by an association which is favouring lifting the moratorium? We decided that the only way that we could do that was to give one vote to one person. So even somebody who presented at two or three locations got a single vote, as it were, in our count. When you look at the numbers, you will see that quite a high proportion, especially on the keepers' side, quite a high proportion of the votes were in terms of signatures on petitions and ballots that were given to us, principally in Queen Charlotte City.

Let me move on to... I can't really further summarize the narrative summaries that you find in section two of both the written submissions and of the oral presentations and in section four... sorry, section three, the summary by those 12 principal topics. It's much too extensive. You'll see in the report there's about 115 pages of text, plus appended material. Probably 80 percent of that, about 90 pages, is summaries of views. Evaluation of views is done three ways. First of all, it's done in sort of qualitative terms. That's on page 97 and 98. And I think it's worth drawing attention to this, that we got a large number of oral and written presentations. We tried to make this as user friendly a process as possible.

As a result of the large number and of the fact that we were unable to group people by keepers and lifters to make consolidated presentations and submissions, there was much repetition. Many of the submissions were without reasons. Again, quite a lot of them were modeled on positions recommended by advocacy groups. Views on the moratorium are strongly held, and there was a degree of exaggeration on both sides, keepers and lifters. There was a high emotional content, particularly to many of the oral presentations. Some of the views were contradictory. The views, in many cases, could not be characterized as being put forward by people who would

qualify in a tribunal setting as expert witnesses. I make all those points while at the same time recognizing, for example, that emotion is an important characteristic that needs to be taken account by politicians, that exaggeration is a reflection of the polarization of views. People modeled their positions on what they might have seen in certain websites, but again, those submissions represented views of British Columbians. Some views were given without reasons, but that was not a reason for rejecting those views.

We did not find, contrary to expectations and contrary to what was sought in the terms of reference, that people used the RSC report as a focus for discussion of science issues. The RSC report was quite often referred to, but it did not become a focus for people to provide views on science matters. Some of the evidence that we heard was in a tribunal setting - and we were not an investigative tribunal - and of a hearsay nature. And we were not left with a body of what a tribunal would call tested evidence. We did not cull(?) evidence ourselves, and there were some clear gaps in the material available to interested parties who were laypersons. For example, there was nothing comparable to the RSC report in regard to socio-economic considerations, so socio-economic information had to be derived from volunteered presentations and from presenters' own outside sources. We also felt that there were probably groups and individuals who, for whatever reason, did not appear before us and from whom we did not hear, that perhaps were unable to reach a hearing location, they had difficulty with written communications, or they were concerned that they might be identified with views not shared by a majority of a social group or economic sector that they were associated with. We were also told that there was some skepticism about the process and some consultation fatigue on the part of some who participated or would have liked to have participated.

We got submissions from what we call representative assemblies such as municipal councils, trade associations, and from societies such as environmental organizations who were acting, explicitly or implicitly, on behalf of their members or their voters. Again, while we identified these groups in the materials, in the summaries, they each counted as a single submission, no matter how many people they claimed to be speaking for. We also evaluated the material in relation to the Cabinet directive on environmental assessment of policy plan and program proposals - that's a little bit technical - and we evaluated it in relation to the considerations consistent with the principles of Canada's Oceans Strategy.

We presented fifthly, in the fifth section, our conclusions. And again, we found the views... we concluded that the views were strong held and vigorously polarized, and they do not provide any kind of basis for what might be called a public policy compromise that a politician might be looking for. We were under the impression that there had been relatively little recent dialogue amongst stakeholders, and that it would be helpful to increase the possibilities for dialogue. There was one area of near

1578

consensus, and that was the need to address First Nations concerns and interests. And there was also of course widespread interest in protection of ecosystems, and that was seen as a priority by almost everyone. But there was a fundamental disagreement as to how that protection could best be achieved: by keeping the moratorium, or by lifting it and relying on a modern regulatory regime.

There was certainly near consensus that there are significant information gaps regarding biophysical data and economic and socio-economic impacts for the QCR if oil and gas activities were to proceed. However, again, there was a dichotomy of views between those who felt it was unsafe to lift the moratorium prior to filling those gaps, while others felt that the moratorium should be lifted, because that was the only way of filling those gaps and attracting government and industry funding to filling them. Information gathering and consensus building activities would serve to reduce those areas of disagreement.

Turning now to our recommendations, we proposed for consideration by the Minister four options: the obvious polar options of keeping the moratorium and, in extremis, legislating it - it's not presently legislated - and at the other polar position, lifting the moratorium and going ahead with activity, except that we noted that if... if the moratorium were lifted, it would not be immediately possible to go ahead with activity because there are many steps to be taken before seismic and other exploration and drilling could take place. We posited a couple of intermediate options. One would be to keep the moratorium, or to defer the decision on it, while undertaking a suite of activities, and then taking a decision on the moratorium at a future time. Or, as the second intermediate option, lifting the moratorium and undertaking a suite of activities prior to accepting applications for oil and gas activities.

We also identified a number of issues which we thought ought to be considered in any follow-up to our work, and they are listed on Roman III. We felt that particular attention should be given to environmental effects of oil and gas activity, effects on the fisheries, information issues, technology, hydrocarbon resources, and so on. And ladies and gentlemen, an important issue that was raised with us, which tended to be outside our terms of reference, was the question of greenhouse gas emissions arising should the moratorium be lifted and activity take place, as a result of that activity, and also if the exploration was successful and led to the production of hydrocarbons, greenhouse gas emissions associated with burning of those hydrocarbons. So we... we deal fairly extensively with the views that we have heard in regard to greenhouse gases, and also the link to the Kyoto Protocol and Canada's commitment under that protocol.

Recognize it's outside our terms of reference, but make... we make the comment that participants would expect to see those considerations factored into any decision regarding the moratorium, and if the decision were to lift the moratorium, would be looking to the government to explain how GHG emissions and Kyoto were considered in that policy decision.

Karen, that's more than enough from me. Thank you.

Moderator: Thank you very much, Mr. Priddle. I would now as if there are any questions. I'd ask you if you could please step to the mike so that the people participating via teleconference can also hear the questions, and that we avoid any repeat of questions answered. I'm going to allow initially a ten-minute question period. I will try to divide that equally between the floor and the teleconference so we can keep this on schedule. If you could also please announce your name and your news organization so Mr. Priddle knows who he's talking to please. Thank you.

Question: (Inaudible)... approach to reviewing all your consultation, when it seems to reflect who had the best petition drive over the summer that you were in operation.

Roland Priddle: Thank you, Les. We thought long and hard about this. We were questioned at several locations about the weighting of submissions and presentations. We simply felt that we could not arrive at what would be a sensible and broadly acceptable weighting, so we fell back simply on a head count, and we expect people like you to recognize what is behind that head count best. That was the best we could do. Of course there are very important qualitative aspects of the material that we heard, and those aspects will be... will have to be worked through by users of the report, principally the Minister, the government and the advisors to the government, and looking at those qualitative aspects, they will have to make an assessment of weighting. Someone somewhere will have to ask the question, as I said before, are the facts put before us, or the reported facts, true, and are the arguments well founded on those facts.

Question: That was not part of your job? I... I...

Roland Priddle: No.

Question: ...may be misunderstanding your terms of reference, but there's no real critical evaluation of the opinions expressed?

Roland Priddle: That is correct, Les. We were instructed to hear the views of the public regarding whether or not the... the federal moratorium should be lifted for selected areas. And it was to focus particularly on the views of the British Columbian public. So basically we're putting forward summaries of views, cut in several ways.

Question: One last question. Your central finding, that the views are too polarized at this point to arrive at any public policy compromise, that... I kind of... I could describe BC politics in general over the last half century or so. I'm just wondering, with that kind of central finding, where do we go with this... this report?

Roland Priddle: Les, I think that's up to the Minister, but you're certainly right. There was one person spoke to us at Prince Rupert, and he said this is BC, there are no shades of grey here. And we certainly found that throughout our process. And I don't think that was surprising.

Moderator: Thank you, Les. Next question please.

Question: Justine (inaudible)... CTV. I guess given the... the... flaws you're pointing out in the methodology here with reference to issues around how you've been counting these... these different opinions, how much weight should the federal government give to your report in... in making its assessment on whether to lift the moratorium?

Roland Priddle: Justine, I can't really answer that question. This is one of three elements of the public review, as you know: the Royal Society of Canada report, Ms. Cheryl Brooks' report on the First Nations Engagement, and our report, which is the public hearings component of the public review. But the... the Minister is advised by very competent staff. He can... will of course consult his colleagues, and... and I'm sure he will take into account views from other advisors. So I presume this is going to... this has been an extensive, fairly expensive process. These will be factored into his consideration. What weight he will give, I couldn't say.

Question: (Inaudible)... how extensive and... and what do you hope will come out (inaudible)?

Roland Priddle: Justine, I can't... I don't know how extensive it was, and I can't really have hopes. I believe that our panel did a reasonable job in the time available, and we were given extra time by Natural Resources Canada. We... we had a lot of cooperation from the various publics, notwithstanding what I said about polarization. So I think I... think and hope that this is a useful report.

Question: Hi, Mr. Priddle. Sean Leslie with CKNW. The province's stated goal is to have an industry in place offshore by 2010. Under any of the options you've put forward, do you see that being achievable?

Roland Priddle: Sean, I couldn't really comment on that. I'd need to have more information than we got put before us. And... and I can't use my personal background to... to expand on what we received and what we

summarized in this report.

Question: When you do talk about more consultation and that kind of thing. If, you know, they went down that road, more consultation, dialogue, maybe a consensus building, you know, can you foresee within the next five, six years some kind of industrial development taking place?

Roland Priddle: A lot would depend on goodwill in that consultation process. But I... I don't have an objective basis for making an assessment as to how long it might take to complete the process, and for the companies to assess in relation to their Canadian and global exploration opportunities what priority they would give to going back to the Queen Charlotte region.

Moderator: Thank you, Sean. I'm going to now turn the presentation over to Cheryl Brooks, the Facilitator of the First Nations Engagement Process. That will again be followed by a short period of questions, and at that point I will open up questions for those people participating via teleconference.

Cheryl Brooks: (Speaks in a native language without interpretation.)

I'm just glad we have the opportunity to be here together, and I'll share this information with you. I need to begin as is culturally appropriate for me by acknowledging that all of us here today are on the traditional territories of the Sakum(?) and Saanich tribes of the Great Coast Salish Nation, and it's a privilege and honour to be here and to be able to speak in their territory.

As Roland outlined, the... the instructions for our process were to hear the views of First Nations people on the coast of British Columbia with respect to the question of whether or not the federal moratorium should be lifted. As I pointed out to the Minister very early on in the engagement, it would not be possible for us to strictly limit it to discussion with those First Nations in the area adjacent to the Queen Charlotte Basin because of tribal and kinship connections, and because of the view that the resources of the ocean and the coastline are very much integrated. It's one ocean, one coast. So we... in the First Nations report you'll see a number of conclusions. Those represent the views and perspectives of First Nations governments, of the official governments of First Nation band councils, tribal councils, and in some cases representative political organizations. You will, however, also see comments from individuals, because our process was informal and open to the extent that when we were in the communities we not only met with the governments of the community but we were available to meet with individuals on their request. I... if you've had a chance to look at the report, you'll recognize that there was no polarization on this

1582

issue from the First Nations perspective. First Nations unanimously oppose the lifting of the federal moratorium on offshore oil and gas exploration at this time.

And... sorry. I think... we didn't hear from everyone. We spoke to... if you took the First Nations who are directly adjacent to or close to the Queen Charlotte Basin, that's about 40 tribal governments, and we met with some 35 of those tribal governments, as well as another 30 or 40 governments from other parts of British Columbia, both the west coast and even the... even the interior. And those groups who didn't attend had expressed concerns about the process. They felt that the process was too fast, that (inaudible)... some of them experience what Roland referred to in terms of the consultation fatigue. And for some it was simply an issue of capacity. They just could not find the resources to devote to looking at this issue in a way that they felt would allow them to make informed comments.

We asked actually two questions. One was, "Should the moratorium be lifted? If so, why? If not, why?" And if it was, the second question was, "If the moratorium were to be lifted, what, in your view as First Nation government, needs to happen to go forward on this issue?" And of course the first answer I've already told you was pretty clear: no to lifting the moratorium. If you go to page 11 of the report, they talked about what, from a First Nations perspective would be required to move forward on the oil and gas exploration off the coast of British Columbia. They talked about the issue of consultation protocols needing to be formalized and negotiated with them, that it wouldn't be... they would not accept government defining how... how they were going to move forward in such a way. They talked about issues like revenue sharing, clearly based on the issue of outstanding claims for rights and title in the area. First Nations believe that if anything happens in this area they should be privy to a revenue sharing agreement. They spoke of the need for... should anything happen, a real and legitimate role for them in the management of the resource and the regulation of the resource.

And the... a key area was the need for the incorporation of traditional ecological knowledge. Some of the First Nations had done some review of the Royal Society report, and not only felt that there were some gaps from their perspective that were... that were critical and needed to be filled, but felt that the Royal Society Report lacked credibility for them because of the lack of incorporation of traditional ecological knowledge.

And the other area is the whole... the issue of legacy. And Roland mentioned the issue of greenhouse gas, and there were... there was one individual in one of the communities that, you know, spoke about greenhouse gas, talked about that whole... that whole issue. And he started out by saying I've never owned a vehicle in my life, I've never driven a

vehicle.

You know, I walk, or I go on my thumb, or I ride with my relatives. And then... and then he said, "Why would we - some of us who'll never own a vehicle or use fuel - risk giving up the very resources that keep us alive.

The resources aren't just for eating either; they are part of our way of life: gathering food with our families, sharing with our communities.

When

we harvest and preserve foods, we're teaching values and traditions.

We're

keeping our connections to each other strong. We care deeply about the resources around us, and we will not trade them for any money in the world." And I think that that individual captured... Roland talked about the passion or the emotion, that he was most expressive in... in saying that about the kind of passion that people feel about the coast, or the fear that people have that any development in this regard would... would compromise further their way of life, their culture and traditions.

I'm not sure I really have a lot more to say to you. It's... my report's much briefer than... than the public review panel's report, and I think you can skim through it very quickly. So I'll just conclude with that. Thank you.

Moderator: Thank you very much, Ms. Brooks. We'll open the questions up to the floor again for a few minutes before turning it over to the telephone conference so that people participating have an opportunity that way. I would just make one reminder. If you could please direct your questions to the specifics of the report. Thank you.

Question: Doug McCormack, CTV. Was there a Supreme Court decision yesterday about development of raw materials, or any kind of development in First Nations territories, that there's a restriction now, that they have to consult? Wasn't that decision yesterday in the Supreme Court?

Cheryl Brooks: Well, I watched CTV News last night, and they reported that there was a decision in the Supreme Court on the Haida Taku(?) case, and it was about the nature and extent of government's obligation to consult with First Nations. It was a furthering - and I am not a lawyer, and I have not had a chance to read either of the cases - but it was a furthering of a series of cases that have been presented to the Supreme Court since Dalgamuk(?), the decision that first recognized that government needed to engage with First Nations. And I'm sorry, I just don't have any more in-depth knowledge than that.

Moderator: Thank you.

Question: I'm Justine Hunter with (inaudible). That court decision was clear, that First Nations do not have a veto on development. I wondering what do you think the federal government will do with your report? How much weight, given the fact that there is a consensus in the First Nations community?

1584

Cheryl Brooks: I think that the federal government both needs to and will consider it... consider the comments carefully, as Roland said, as part of the full package, the Royal Science report, the... the Public Review Panel report. In the context of First Nations, the legal cases, because the decision reported yesterday, as I said, is one of a series of legal cases, and, more importantly, the commitment of government to reconciliation of outstanding rights and titles issues with First Nations, which is manifested in the treaty process in areas like that. All of those elements need to be considered as the federal government moves forward.

Moderator: Thank you, Justine. If we could...

Question: (Inaudible)... How... how strong do you think the First Nations will be if they don't have a legal veto? What will they do to block offshore development?

Cheryl Brooks: I never asked them that question. So it would be presumptuous of me to speculate.

Question: (Inaudible)... again. Just back to one of the central findings, I think, Mr. Priddle, the... the idea that they're too polarized in BC at this point to arrive at a compromise on this, it seems to conflict a little bit with your finding that 75 percent of the people who appeared at your panel opposed lifting the moratorium. Seventy-five percent is a pretty clear majority. So how do you square a very clear majority in favour of the status quo on the moratorium with a finding that we're too polarized at this point to arrive at a compromise, and also with the First Nations' apparent consensus in favour of the status quo as well?

Roland Priddle: Les, all I can say is that, in using the 75/23 ratio, you must look behind those numbers. And... and governments, essentially Mr. Efford and the federal government, will have to look behind those numbers and make up their own minds about what they...

[TAPE FLIP]

...I would have thought that that rates as a pretty important interest group. Most chambers of commerce representing very large business interests, they're all summarized in Table 2-3. Municipalities up and down the province, with only two or three very, very small exceptions, wanted to see the moratorium lifted. So those are important groups, I would have thought, in a political perspective.

On the other hand, the keepers are the majority of individuals, even if they were individuals who sent in a ballot or signed a petition, let's say, in a shopping centre - I don't know if that was done in a shopping centre - many individuals with strong... strongly held views who sent in two-line

e-mails saying, "Keep the moratorium. We're worried about marine pollution." Very important environmental groups such as Greenpeace, Sierra Legal Defence Fund, Rain Coast, Canadian Parks and Wilderness. So the... the balance has to be worked out by somebody taking our report and looking behind the 75/23 ratio and see who was on each side there, and making their mind up in a way that the panel couldn't make its mind up about balance.

Question: Is it accurate to say what you just said, the panel couldn't make up its mind? Is that why you did the head count?

Roland Priddle: Yes. Yes, it is. Because I... we couldn't find a way to balance off municipalities, let's say Prince Rupert, Kitimat, Port Hardy, 12 to 15,000 people in each case, council resolution to have the mayor or some other spokesperson come forward and say they wanted to see the moratorium lifted, that on the one hand, on the other hand people from very well known environmental groups with very large memberships up and down the coast, as well as nationally and internationally saying keep the moratorium. We couldn't find a sensible way of weighting that kind of difference in viewpoints.

Moderator: Thank you very much. I'm now going to ask the teleconference operator to turn it over to the phones please.

Operator: This is the conference operator. If you would like to ask a question, please press star and the number one. If you...

Moderator: Can you please identify who you are, so we know who we're talking to?

Operator: The first question comes from... votre première question est de la part de Jeff Rice(?) from Times Columnist(?).

Question: Hi. Cheryl, this is a question for you. Is there any way you can tell us what the... what the main point of opposition of First Nations to development is? Is it environmental concerns, or you know, is it changing your way of life? Can you give us an idea if there was a sort of predominant theme there?

Cheryl Brooks: There were two almost equally weighted perspectives that contributed to the conclusion that there would be no... that there should be no lifting of the moratorium. One was that the information available at this time suggested indeed that the ecosystem and the traditional way of life would be too negatively impacted by the lifting of the moratorium and the potential exploration. The second perspective was that there simply wasn't enough information for those leaders to make such an important decision on behalf of their people.

Moderator: Thank you. Next question please.

1586

Operator: No more telephone questions at this time.

Moderator: OK. Thank you very much for participating. Thank you. Thank you all for coming.

Question: Could I get one... couple more... one more question to Mr. Priddle, if you don't mind?

Moderator: Last question.

Question: This Catch-22's been in place for a few years now about there's too many science gaps to lift the moratorium. The only way you fill the science gaps is to lift the moratorium. Can you sort of shed some light on how... I... I think that thing is still in place a day after your report. How do you... how do you get past that?

Roland Priddle: Somebody has to make up their mind as to truth in this matter. If you lift the moratorium - purely hypothetically; that's not my decision, it's the decision of the Minister of Natural Resources in... in consulting with his colleagues. If you lift the moratorium, are you going to attract government and industry spending which will, in a very effective and objective way, fill the science gaps And you've got to make an assumption that there can be a regulatory regime in place that will look very carefully at that information that comes forward as a result of government and industry efforts and is prepared to stop the process if the results point to some unacceptable environmental impact being probable from, let's say, seismic exploration or going into the phase of exploration drilling. So you have to put confidence in the presence of a really effective regulatory process. By and large, the lifters argued that such a process can be developed, that Canadian regulatory processes are sound, that they are carried out according to high international standards, similarly with oil and gas activities conducted off the east coast and onshore in... in western Canada. So that would be the sort of compelling case for the lifters.

Keepers reject the argument that government is unlikely to spend money in filling gaps if the moratorium is not going to be lifted. They reject the argument that there can be a sound and effective regulatory regime that would stop the process if there is a conclusion that there would be a kind of irretrievable environmental damage resulting from oil and gas activities. So you get that stand-off. Somebody out there at the policy level - I'm certainly not at the policy level - has to take that... that decision, has to put confidence or no confidence in... for the processes... processes by governments and by industry.

Question: (Inaudible)

Roland Priddle: Roland Priddle, and I was the Chair of the Public Hearing

Panel in the Public Review of the Federal Moratorium on Offshore Oil and Gas Activities.

Question: (Inaudible)

Roland Priddle: P-R-I-D-D-L-E.

Question: (Inaudible)

Cheryl Brooks: Cheryl Brooks... (inaudible).

Moderator: Thank you. This concludes our presentation this morning.

Operator: That concludes today's conference. You may now disconnect.

-30-

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1588

Varangu, Kristi

From: Chapman, Trudy
Sent: Monday, November 22, 2004 9:54 AM
To: Varangu, Kristi; Charette, Ellen; Muir, Alexandra
Cc: Charron, Ghyslaine; McDougald, Katie
Subject: RE: qs and as



BC offshore
QA_F.rtf



BC offshore
QA_FO.rtf

Shall I start a docket?

-----Original Message-----

From: Varangu, Kristi
Sent: 22 November, 2004 09:38 AM
To: Charette, Ellen; Muir, Alexandra; Chapman, Trudy
Cc: Charron, Ghyslaine
Subject: qs and as

Where do these stand now that we have the French. They did not actually go through any approval process last week, so wondering if we should not do so today? I think these will be needed in the coming days as more press articles pop up and we are asked to comment. Can you forward to me electronically please?

I am leaving for Vancouver later today, so anything you want me to do out there, just ask.
K.

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QUESTIONS ET RÉPONSES

LE MORATOIRE SUR L'EXPLOITATION EXTRACÔTIÈRE EN COLOMBIE-BRITANNIQUE — NOVEMBRE 2004

Processus d'examen public (examen Priddle)

Q. 1 Qui a participé à l'examen Priddle?

Le rapport du comité d'examen public résume les opinions d'environ 3 700 habitants de la Colombie-Britannique qui ont tenu à exposer leurs points de vue. Il reflète fidèlement les opinions exprimées par les personnes qui ont participé au processus. Le comité ne disposait pas des ressources nécessaires pour vérifier l'exactitude des éléments présentés et doit accepter les renseignements comme tels.

Q. 2 Comment la cueillette de l'information a-t-elle eu lieu?

Les opinions présentées dans le rapport du comité d'examen public ont été recueillies de plusieurs façons, y compris des présentations orales, des mémoires et des pétitions. Près de la moitié des participants n'ont signé que les pétitions. On a accordé la même valeur à toutes les présentations, y compris les pétitions.

Q. 3 Est-ce que le rapport comprend des recommandations?

Après avoir examiné les points de vue et les opinions des participants, le comité a soumis quatre options à l'examen du gouvernement. Le comité a également présenté deux autres options relatives à la levée ou au maintien du moratoire, lesquelles ont trait à combler les lacunes en matière de connaissances et à bâtir un consensus parmi les intervenants au sujet des questions liées au moratoire.

Le comité a suggéré au gouvernement de réaliser certaines activités, que le moratoire soit levé ou non, c'est-à-dire combler les lacunes relatives aux connaissances, se pencher sur les questions propres aux Premières Nations, de même que définir des modalités fiscales et réglementaires pour les activités gazières et pétrolières.

1590

Q. 4 Pourquoi le gouvernement traite-t-il, dans cet examen, de certains secteurs bien précis plutôt que de toute la région extracôtière Ouest?

Étant donné la vaste zone géographique touchée par le moratoire, le gouvernement du Canada a conclu que son examen devrait se concentrer sur les secteurs présentant les plus importantes ressources pétrolières et gazières potentielles, soit la région de la Reine-Charlotte qui englobe le détroit de la Reine-Charlotte, le détroit d'Hécate et l'entrée Dixon.

Processus de l'examen public — Rôle de la province

Q. 5 À qui appartient la région extracôtière?

Le Canada et la Colombie-Britannique ont des droits de propriété distincts relatifs au sol, aux minéraux et aux autres ressources naturelles que l'on trouve dans le fond de l'océan et le sous-sol des régions extracôtières. Les jugements de la Cour suprême en 1967 (Colombie-Britannique) et en 1984 (Terre-Neuve) ont confirmé les droits de propriété du gouvernement du Canada et ses compétences pour les régions côtières sous le niveau de basse mer de ces provinces. En 1984, la Cour suprême du Canada a accepté les revendications de la Colombie-Britannique concernant certains secteurs, dont le détroit de la Reine-Charlotte, le détroit de Johnstone, le détroit de Georgia et le détroit de Juan de Fuca. Cette dernière décision reposait sur le fait que ces secteurs faisaient partie de la Colombie-Britannique lors de son adhésion à la Confédération. Conséquemment, nous pouvons présumer que les secteurs à l'étude sont de compétence fédérale.

Q. 6 Si la Colombie-Britannique levait son moratoire, qu'en serait-il du moratoire fédéral?

Le gouvernement de la Colombie-Britannique peut lever son moratoire unilatéralement. Toutefois, étant donné que les activités extracôtières font l'objet d'un différend au sujet des compétences, la province ne peut pas autoriser des travaux ou des activités extracôtières dans les secteurs actuellement sous examen par le gouvernement du Canada. Le moratoire fédéral demeure tant que le gouvernement du Canada ne le lèvera pas.

Q. 7 Quelles seront les relations entre les gouvernements de la Colombie-Britannique et du Canada quant à la mise en œuvre des résultats du processus d'examen fédéral?

La Colombie-Britannique comprend que le gouvernement du Canada doit faire sa propre analyse et procéder avec précaution. Dans l'intervalle, le gouvernement du Canada continuera de travailler de près avec la Colombie-Britannique, et ce, dans le meilleur intérêt de la population.

Q. 8 Comment le processus fonctionnait-il?

Le processus de discussions avec les Premières Nations a permis de partager avec elles de l'information et de leur offrir la possibilité de présenter des commentaires significatifs au gouvernement du Canada en ce qui a trait à leur perspective et à leur point de vue particuliers au sujet du moratoire. Le Canada s'est engagé à entretenir une relation de collaboration continue avec les Premières Nations.

Rapport distinct Nisga'a

Q. 9 Pourquoi les Nisga'a ont-ils préparé et présenté un rapport distinct au lieu de participer au processus d'engagement des Premières Nations à l'instar des nations haïda et tsimshian?

Les relations en cours entre le gouvernement du Canada et la nation Nisga'a sont régies par le traité Nisga'a. Le processus d'engagement des Premières Nations visait à fournir aux Premières Nations de la C.-B., qui ne sont pas liées par un traité et qui sont intéressées par la question, d'obtenir et d'échanger de l'information au sujet de leur point de vue particulier sur le moratoire.

Examen scientifique

Q. 10 Quel était le but de l'examen scientifique?

Le Comité de l'examen scientifique de la Société royale du Canada avait pour mandat de définir les lacunes relatives aux connaissances scientifiques qui devraient peut-être être analysées avant de décider si le moratoire fédéral sur les activités extracôtières gazières et pétrolières en C.-B. peut être levé.

Q. 11 Quelles sont les principales conclusions du rapport sur l'examen scientifique?

Les deux principales conclusions du Comité sur l'examen scientifique sont : (i) pourvu qu'un système de réglementation approprié est mis en place, il n'y a pas de lacunes scientifiques qui doivent être comblées avant de lever le moratoire sur le développement gazier et pétrolier; et (ii) les restrictions empêchant tout trafic pétrolier transitant le long de la côte Ouest de l'Amérique du Nord de pénétrer dans la zone côtière devraient être maintenues pour l'instant.

Le Comité reconnaît que les activités gazières et pétrolières sont échelonnées sur plusieurs phases et a indiqué plusieurs lacunes scientifiques qui devraient être comblées avant l'exploration, le développement et la production.

Moratoire**Q. 12 À qui appartient la région extracôtière?**

Le Canada et la Colombie-Britannique ont des droits de propriété distincts relatifs au sol, aux minéraux et aux autres ressources naturelles que l'on trouve dans le fond de l'océan et le sous-sol des régions extracôtières. Les jugements de la Cour suprême en 1967 (Colombie-Britannique) et en 1984 (Terre-Neuve) ont confirmé les droits de propriété du gouvernement du Canada et ses compétences pour les régions côtières sous le niveau de basse mer de ces provinces. En 1984, la Cour suprême du Canada a accepté les revendications de la Colombie-Britannique concernant certaines régions, dont le détroit de la Reine-Charlotte, le détroit de Johnstone, le détroit de Georgia et le détroit de Juan de Fuca. Cette dernière décision reposait sur le fait que ces régions faisaient partie de la Colombie-Britannique lors de son adhésion à la Confédération. Conséquemment, nous pouvons présumer que les régions à l'étude sont de compétence fédérale.

Q.13 Quel est le fondement juridique du moratoire?

Avant 1982, le moratoire fédéral s'appliquait par voie de décrets qui empêchaient les propriétaires d'entreprendre tout travail couvert par les permis ou de prolonger la durée de ces derniers. Depuis 1982, des dispositions législatives ont été prévues pour le pétrole et le gaz (*Loi sur le pétrole et le gaz du Canada*, 1982-1987, et la *Loi fédérale sur les hydrocarbures*, 1987) afin de préserver les droits des détenteurs de permis de négocier des permis d'exploitation dans l'éventualité d'une décision permettant la reprise des activités.

Q.14 Combien de temps faudra-t-il au gouvernement du Canada pour prendre une décision sur la question du moratoire?

Les trois rapports – l'examen public, le processus de discussions avec les Premières Nations et l'examen scientifique – aideront le gouvernement du Canada à déterminer s'il faut ou non lever le moratoire fédéral relatif à la région extracôtière de la Reine-Charlotte en Colombie-Britannique.

Il faudra au gouvernement du Canada un certain temps pour analyser toute l'information présentée sur cette importante question et on ne peut donc pas préciser quand la décision sera prise. Au cours des prochains mois, nous discuterons des prochaines étapes.

Q.15 Si le moratoire est levé, est-ce que les activités pétrolières et gazières reprendront immédiatement?

Certainement pas. Il y a plusieurs étapes à franchir avant que toute activité ne débute au large de la côte Ouest.

Q.16 Quel est le potentiel des ressources de l'exploitation extracôtière en C.-B.?

Les prévisions actuelles de la Commission géologique du Canada quant aux réserves potentielles de pétrole et de gaz dans la région extracôtière de C.-B. se chiffrent à 43,4 billions de pieds cubes de gaz et à 9,8 milliards de barils de pétrole. Il faut toutefois préciser que ces chiffres sont basés sur des analyses statistiques quant à l'existence potentielle de gisements de pétrole et de gaz, et que les données de référence ne sont pas très récentes. Avant 1972, plus de 20 puits ont été forés dans le bassin de la Reine-Charlotte sans qu'aucune découverte commerciale ne soit faite. Par contre, tel que l'a mentionné la Société royale du Canada dans son rapport, cette situation n'est pas inusitée – que l'on pense au projet Hibernia où il a fallu forer 36 puits d'exploration dans le bassin.

Les réserves potentielles pourraient donc être considérable.

QUESTIONS AND ANSWERS

B.C. OFFSHORE MORATORIUM NOVEMBER 2004

Public Review Process (Priddle Review)

Q. 1 Who participated in the Priddle review?

The report of the Public Review Panel contains the opinions of approximately 3,700 British Columbians who took the time to share their views with the panel. The Report is a clear reflection of the opinions of those people motivated to be involved in the process. The Panel did not have the resources to confirm evidence presented and has taken the information at "face value."

Q. 2 How was the information gathered?

Opinions contained in the report of the Public Review Panel were gathered by a variety of means including oral and written submissions, as well as petitions. Almost half of all participants were involved only through the petition process. All submissions, including petitions, received equal weight.

Q. 3 Were there any recommendations?

After evaluating the views and opinions, the Panel presented four options for consideration by the Government of Canada. In addition to either keeping or lifting the moratorium, the Panel provided two other options that look at filling knowledge gaps and building consensus among stakeholders on issues related to the moratorium.

Activities that the Panel indicated could be undertaken by the Government, whether or not the moratorium is lifted, include addressing knowledge gaps and First Nations' issues, and defining regulatory and fiscal arrangements for oil and gas activities.

Public Review Process — Role of the Province

Q. 4 Why is the Government of Canada focusing only on specific areas for review and not the whole west coast offshore?

Given the large scope of the territory covered by the federal moratorium, the Government of Canada is focusing on areas with the greatest oil and gas potential. For the B.C. offshore, this has been identified as the Queen Charlotte area, which includes Queen Charlotte Sound, Hecate Strait and Dixon Entrance.

Q. 5 If British Columbia lifts its moratorium, what is the status of the federal moratorium?

The Government of British Columbia can lift its own moratorium unilaterally. However, as a result of disputed jurisdiction for the offshore, the province cannot authorize any work or activity in the offshore areas reviewed by the Government of Canada. Until the Government of Canada lifts it, the federal moratorium remains in place.

Q. 6 What will be the relationship between the governments of Canada and British Columbia regarding the implementation of the results of the federal review process?

British Columbia understands that the Government of Canada needs to carry out its own analysis and to proceed cautiously. At the same time, the Government of Canada will continue to work closely with British Columbia to ensure that the best interests of the public is served.

First Nations Engagement Process

Q. 7 Who participated in the First Nations Engagement Process?

Meetings and conversations were held with approximately 40 First Nations communities and several Aboriginal umbrella organizations including the majority of the communities directly adjacent to or near the boundaries of the Queen Charlotte Basin. Other communities were from the Winona, Tofino and Georgia Basin areas, and a few from inland B.C.

1596

Q. 8 How did the process work?

The First Nations Engagement Process (FNEP) has been one of sharing information and providing an opportunity for First Nations to have meaningful input to the Government of Canada with respect to First Nations unique views and perspectives about the moratorium. Canada is committed to an ongoing cooperative relationship with First Nations.

Nisga'a Special Report

Q. 9 Why did the Nisga'a prepare and submit a separate report instead of participating in the FNEP like the Haida or the Tsimshian Nations?

The ongoing relationship between the Government of Canada and the Nisga'a Nation is set out in the Nisga'a Treaty. The FNEP was intended to provide an opportunity for non-treaty First Nations in B.C. with an interest in this issue to get and share information about their unique views on the moratorium.

Science Review

Q. 10 What was the purpose of the Science Review?

The Royal Society of Canada Science Review Panel was tasked with identifying the science gaps that may need to be addressed before a decision can be made on lifting the federal moratorium on oil and gas activities offshore B.C.

Q. 11 What are the main conclusions of the Science Review Report?

The Panel's two conclusions are: (i) provided an adequate regulatory regime is put in place, there are no science gaps that need to be filled before lifting the moratorium on oil and gas development; and (ii) the restriction on tanker traffic in transit along the west coast of North America from entering the coastal zone should be maintained for the time being.

The Panel recognized that oil and gas activity takes place in many phases, and identified numerous science gaps that should be filled prior to exploration, development and production.

Moratorium

Q. 12 Who owns the offshore?

Both Canada and British Columbia have distinct ownership of lands, minerals and other natural resources of the seabed and subsoil of the offshore. References to the Supreme Court in 1967 (British Columbia) and 1984 (Newfoundland) confirmed Government of Canada ownership and jurisdiction off the coast of these provinces, beyond the low-water mark. In a 1984 ruling, the Supreme Court of Canada recognized British Columbia's claim to certain areas, including the Queen Charlotte Strait, the Johnstone Strait, the Strait of Georgia and the Strait of Juan de Fuca. This latest decision was made on the grounds that those areas were part of British Columbia when it joined Confederation. On the basis of these decisions, we can assume that the area under study falls under Government of Canada jurisdiction.

Q. 13 What is the legal basis for the moratorium?

Before 1982, the federal moratorium was imposed through orders to prohibit the owners from conducting any work on the permits and to extend the terms of the permits. Since 1982, provisions have been included in oil and gas legislation (*Canada Oil and Gas Act, 1982-1987*, and the *Canada Petroleum Resources Act, 1987*) to preserve the rights of the permit holders to negotiate exploration licences if and when a decision is taken to allow the resumption of activities.

Q. 14 How long will it take for the Government of Canada to make a decision on the moratorium?

The three reports — from the Public Review, the FNEP and the Science Review — will help the Government of Canada assess whether to lift the federal moratorium for the Queen Charlotte region offshore B.C.

It will take some time for the Government of Canada to review all of the information we have on this important issue, so there is no definite answer to this question. We will be discussing the way forward over the coming months.

Q. 15 If the moratorium is lifted, will oil and gas activity start right away?

Absolutely not. There are many steps that would need to occur before there would be any activity off the west coast.

1598

Q. 16 What is the resource potential for the B.C. offshore?

The Geological Survey of Canada's current estimates of potential oil and gas reserves offshore B.C. are 43.4 trillion cubic feet of gas and 9.8 billion barrels of oil. However, it must be emphasized that these estimates are based on a statistical analysis of the likelihood of occurrences of oil and gas pools, and the data on which it is based is dated. After drilling over 20 wells in the Queen Charlotte Basin before 1972, no commercial discovery was made. However, as the Royal Society of Canada points out in its report, this is not unusual — the Hibernia oil discovery was found in the 36th exploration well in that Basin.

The potential reserves could be significant if proven.



Canada's Review of the Oil and Gas Moratorium Offshore British Columbia

BC Land Access & Community Consultation Conference
November 25 & 26, 2004,

Kristi Varangu
Natural Resources Canada

1599



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Overview

- Canada's frontier lands
- Situation in B.C.
- Federal moratorium review
 - Scope
 - Conclusions
- The future





Oil and Gas Moratoria

- 'Moratoria' are generally prohibitions on work activity
- Are imposed for a variety of reasons – jurisdictional disputes, environment & social
- A number have been removed in recent years in Canada – in St-Pierre & Miquelon when jurisdictional issues resolved, & in Beaufort & E. Arctic, following environmental assessment
- Designations of areas of special interest such as marine protected areas or marine parks are increasingly being applied, where oil & gas activities may be limited or excluded completely



CANADA'S FRONTIER LANDS

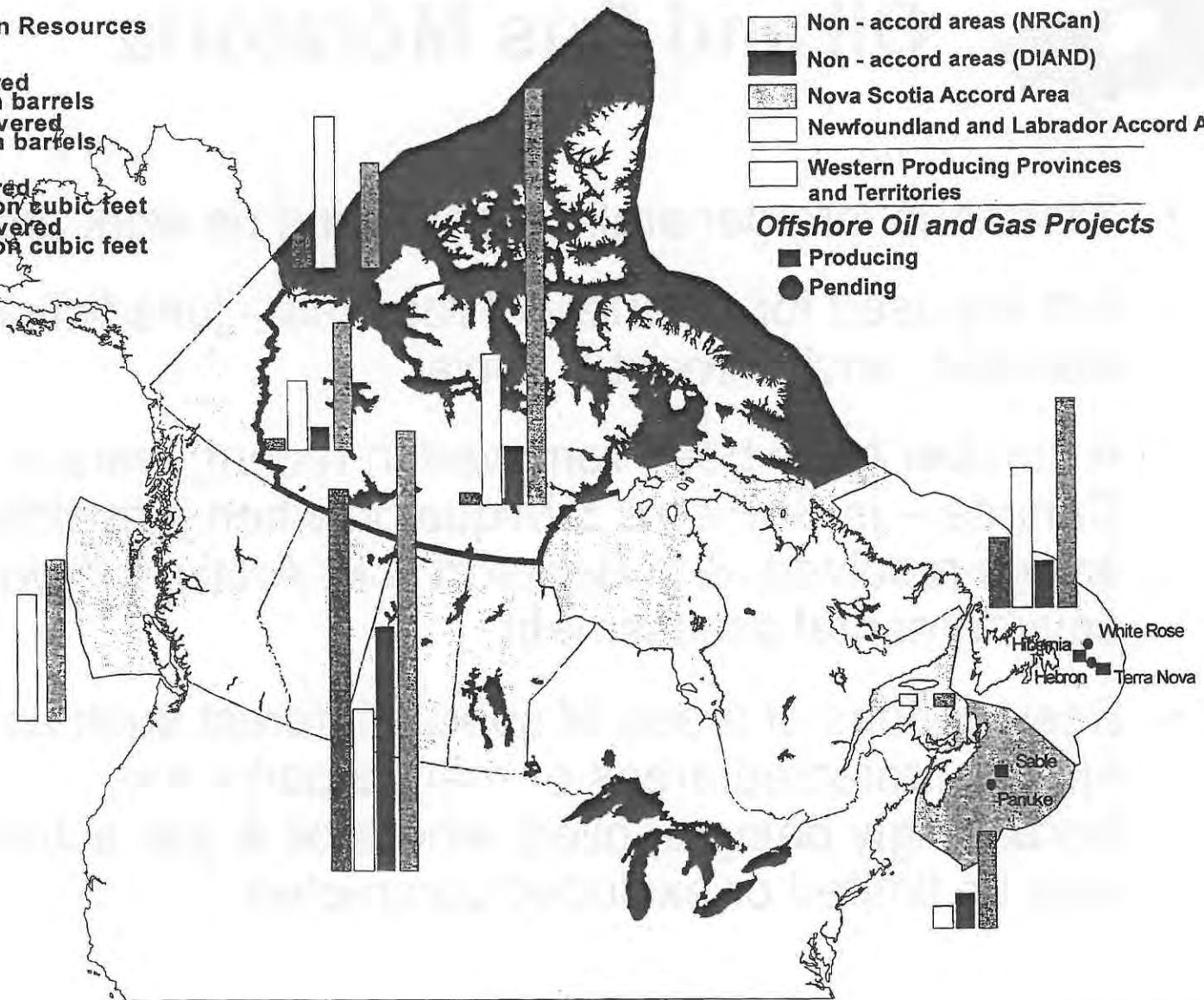
Hydrocarbon Resources

- Oil**
 ■ Discovered 14 billion barrels
 □ Undiscovered 25 billion barrels
- Gas**
 ■ Discovered 102 trillion cubic feet
 □ Undiscovered 394 trillion cubic feet

- Non - accord areas (NRCan)
- Non - accord areas (DIAND)
- ▨ Nova Scotia Accord Area
- Newfoundland and Labrador Accord Area
- Western Producing Provinces and Territories

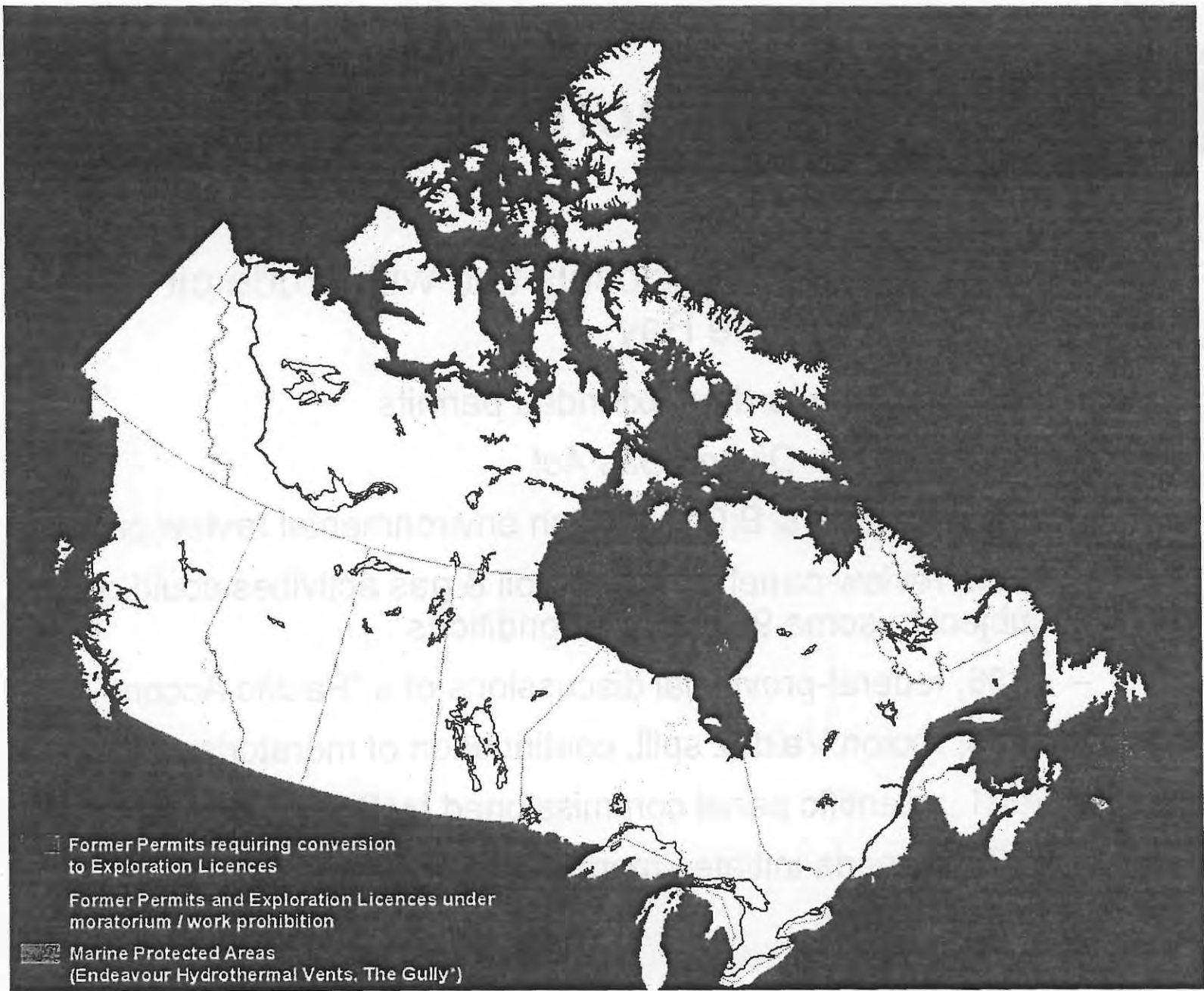
Offshore Oil and Gas Projects

- Producing
- Pending



This map is representational only.

2071





B.C. Offshore Moratoria

B.C. offshore moratoria closely tied with crude oil tanker traffic from Prudhoe Bay

- 1971, variation orders extended permits
- 1982, *Canada Oil and Gas Act*
- 1984, Canada & B.C. establish environmental review panel
- 1986, review panel concluded oil & gas activities could occur subject to some 90 terms & conditions
- 1986, federal-provincial discussions of a "Pacific Accord"
- 1989, Exxon Valdez spill, continuation of moratoria
- 2001, scientific panel commissioned by BC
- 2003, Canada initiates moratorium review process

1604



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Federal Review Process

Government of Canada announcement in March 2003 to proceed with a review of the federal moratorium:

- Identify science gaps related to possible oil and gas activity offshore B.C. (Science Review);
- Hear the views of the public/stakeholders whether or not the moratorium should be lifted (Public Hearings);
- Meet with First Nations to ensure that issues of unique interest to FNs are fully explored (FN Engagement).



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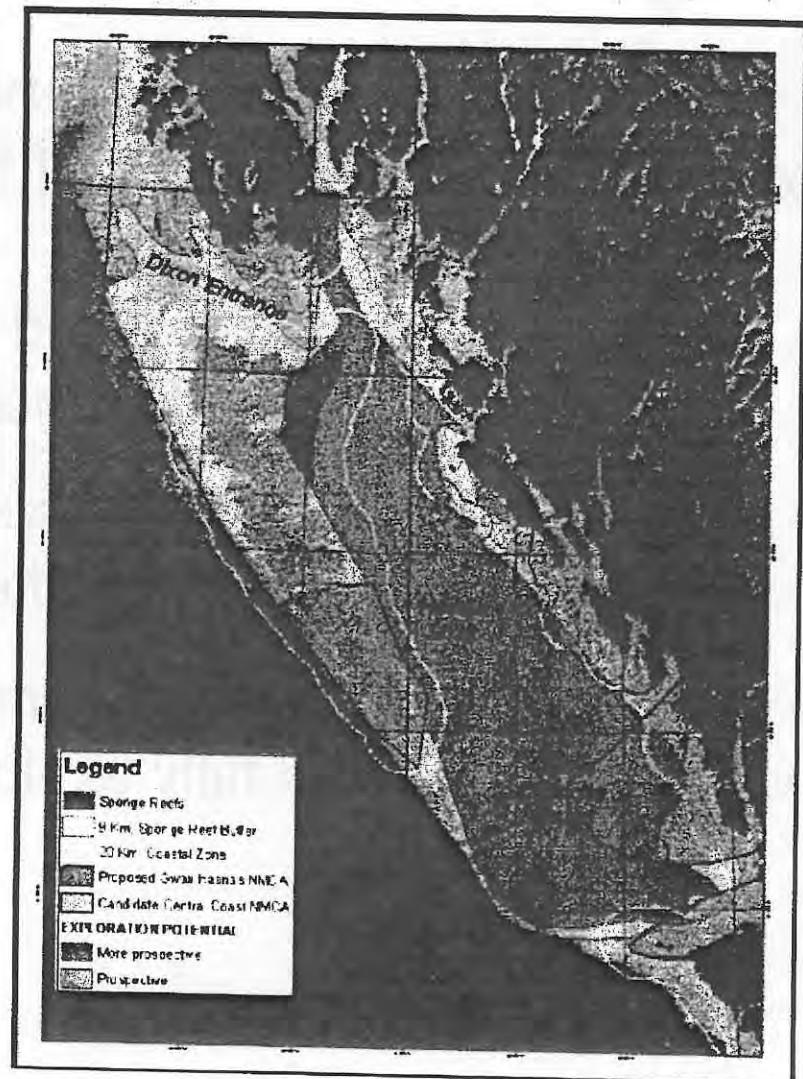
Canada

1605



Review: Geographic Area Under Consideration

- High hydrocarbon potential
 - Gas resource estimated at 20.7 Trillion cubic feet (~ 80% recovery)
 - Oil resource not identified in other basins 3.4 billion barrels (~ 30% recovery)
 - Similar to Jeanne d'Arc Basin off Newfoundland
- Some ecologically sensitive areas



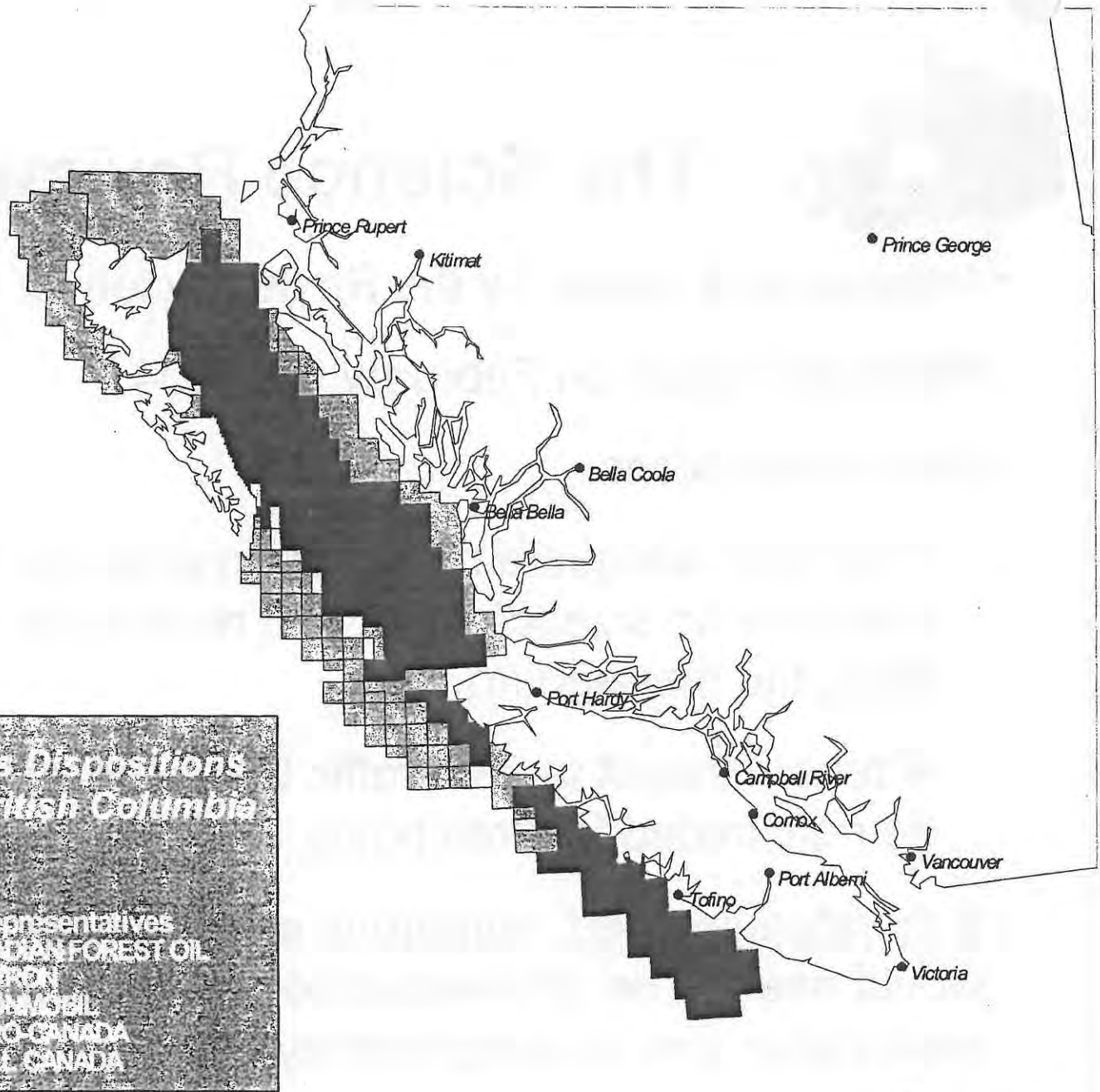
1609



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The Science Review

- Independent review by the Royal Society of Canada
- Released report on February 17, 2004
- Main conclusions
 - Provided adequate regulatory regime put in place, there are no science gaps that need to be filled before lifting the moratorium
 - Present transit tanker traffic ban in coastal zone should be maintained for time being
- If moratorium lifted, numerous science gaps identified that would need to be addressed before various stages of exploration and development cycles

1608



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Public Review Panel

- Arm's length Panel review that provided the opportunity to hear public views on possible impacts of offshore oil & gas activities
- Panel held 20 public hearing days in 10 coastal BC locations
- Panel heard 376 presentations, received 1,761 written submissions & 1,782 signatures on petitions/ballots (panel conducted "head count", one voice for each)

Conclusions

- Majority of participants wish to keep the moratorium
- Highly polarized views
- Participants have similar interests – protection of natural environment & well being of society & economy – but the "keepers" & "lifters" have fundamental differences in views on how to secure & balance those interests



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Public Review Panel

Recommendations

Panel presented four options for consideration of GoC:

- 1) Keep moratorium (status quo)
- 2) Keep moratorium or defer a decision but in the meantime, fill knowledge gaps & build consensus
 - e.g., identify & address FN issues, conduct socio-economic & biophysical studies, define regulatory & fiscal regime, define marine protected areas
- 3) Lift moratorium but fill knowledge gaps before authorizing oil & gas activities
 - Same actions as with Option 2
- 4) Lift moratorium

1610



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First Nations Engagement Process

- Provided an additional opportunity to explore issues of unique interest to First Nations concerning the moratorium
- Input received from most cultural groups near to and adjacent to the QCB, including the Haida and Tsimshian
- Nisga'a Lisims Government submitted separate report to Canada
- Conclusions
- Unanimous that it is not in the best interests of their people to lift the oil & gas moratorium at this time
- Many First Nations prepared to more fully explore the issue of oil & gas exploration if adequately resourced & given more time





Conclusions

- Careful consideration needed on moratorium
- All three reports plus Nisga'a report and other information, will provide input into GoC's assessment of whether or not the federal moratorium should be lifted
- Over the next few months, the GoC will work closely with the Government of BC on a way forward, which is in best interests of Canadians and British Columbians

16/2
2191

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1613

Bunge, John

From: Varangu, Kristi
Sent: Wednesday, December 01, 2004 3:56 PM
To: Bunge, John
Cc: Jennings, Philip
Subject: RE: BN on BC Offshore: update

John, I have left with Phil and he is reviewing. I guess Terra Nova priorities have taken up his focus for the day! Kristi

-----Original Message-----

From: Bunge, John
Sent: Wednesday, December 01, 2004 3:38 PM
To: Varangu, Kristi
Subject: RE: BN on BC Offshore: update

Hi Kristi,
Could I please get an update on status of this Note?
Thx.
John.

-----Original Message-----

From: Varangu, Kristi
Sent: Monday, November 29, 2004 3:25 PM
To: Bunge, John
Cc: Wilson, Jeff
Subject: RE: BN on BC Offshore: update

thanks

-----Original Message-----

From: Bunge, John
Sent: Monday, November 29, 2004 3:15 PM
To: Varangu, Kristi
Cc: Wilson, Jeff
Subject: RE: BN on BC Offshore: update

It's strictly reference material for his Briefing Book. He will not speak on the issue unless he is asked a specific question on status of the moratorium.

-----Original Message-----

From: Varangu, Kristi
Sent: Monday, November 29, 2004 3:06 PM
To: Bunge, John
Cc: Wilson, Jeff
Subject: RE: BN on BC Offshore: update

Yes John, I do have some questions. How is the issue presented on the agenda? What is expected from the minister in terms of presentation? How long would he speak on the issue (is it part of a large number of items?).

Some context would be helpful. Thanks. Kristi

-----Original Message-----

From: Bunge, John
Sent: Monday, November 29, 2004 2:59 PM
To: Varangu, Kristi
Cc: Wilson, Jeff
Subject: BN on BC Offshore: update
Importance: High

Kristi,
Can you please update the attached Briefing Note for the Minister's appearance before the Senate Committee on Energy, Environment and Natural Resources which is scheduled for next Tuesday?

1614

I will need this update returned to PAU (with ADMO approval) by noon on Wednesday, Dec 1.

Please let me know if you have any questions.
Thank-you very much.

<< File: 33Offshore BC Oil and Gas Moratorium.wpd >>

John Bunge

Parliamentary Affairs / Affaires parlementaires

Natural Resources Canada / Ressources naturelles Canada

Phone: (613) 995-2914

Fax: (613) 952-3967

Email: jbunge@nrcan.gc.ca

1615

Bunge, John

From: Varangu, Kristi
Sent: Thursday, December 02, 2004 10:45 AM
To: Bunge, John
Subject: final

So you can use the document in your book as approved. K.

-----Original Message-----

From: Brown, Howard
Sent: Thursday, December 02, 2004 10:34 AM
To: Varangu, Kristi
Cc: Chalifoux, Josée; Bunge, John
Subject: RE: I forwarded a couple of times

Fine

-----Original Message-----

From: Varangu, Kristi
Sent: Thursday, December 02, 2004 9:11 AM
To: Brown, Howard
Cc: Chalifoux, Josée; Bunge, John
Subject: FW: I forwarded a couple of times

Howard, please see yet another note on BC that is being updated for the Minister's upcoming appearance in front of the Senate House Committee. Phil has approved. Once you have reviewed and approved, it will be sent to Parliamentary Affairs to include in their briefing package. Thanks. Kristi

-----Original Message-----

From: Jennings, Philip
Sent: Wednesday, December 01, 2004 4:52 PM
To: Varangu, Kristi
Subject: RE: I forwarded a couple of times

<< File: 11-29-04_KV_senate committee2.wpd >>
Made a couple of very small changes. Thank you.

-----Original Message-----

From: Bunge, John
Sent: Monday, November 29, 2004 2:59 PM
To: Varangu, Kristi
Cc: Wilson, Jeff
Subject: BN on BC Offshore: update
Importance: High

Kristi,

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<< File: 33Offshore BC Oil and Gas Moratorium.wpd >>

John Bunge
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Fax: (613) 952-3967
Email: jbunge@nrcan.gc.ca

1616

Varangu, Kristi

From: Varangu, Kristi
Sent: Thursday, December 02, 2004 2:44 PM
To: McDonald, June
Subject: FW: Shipping printed reports

June, could you forward copies of the Panel and First Nations reports in English and French (from Phil's office in the boxes) and the Nisga'a report (only in English) as noted to NRCan records library and EMMIC to the people and coordinators noted in the emails below. Thanks. Kristi

-----Original Message-----

From: Wietzke, Marly
Sent: Thursday, December 02, 2004 2:40 PM
To: Varangu, Kristi
Subject: RE: Shipping printed reports

Of course! EMMIC is the Energy, Mines and Minerals Information Centre, as per the following contact info:

Lidia Taylor, A/Head, Client and Portfolio Services
Natural Resources Canada
Energy, Minerals and Metals Information Centre
580 Booth Street, 1st Floor, Room: Library
Ottawa, Ontario, K1A 0E4

Telephone: (613) 996-1386

Fax: (613) 992-7211

-----Original Message-----

From: Varangu, Kristi
Sent: Thursday, December 02, 2004 7:59 AM
To: Wietzke, Marly
Subject: RE: Shipping printed reports

Sorry Marly, what is EMMICL and coordinates please? K

-----Original Message-----

From: Wietzke, Marly
Sent: Friday, November 26, 2004 5:35 PM
To: Carlson, Zoë
Cc: Varangu, Kristi
Subject: RE: Shipping printed reports

Just a wee heads up.

Although packages with each of the five Report copies have gone to libraries here in the West, **NRCan Records/EMMIC Library in Ottawa** was not included (on that list). In light of the shipment to Ottawa below, perhaps someone there could forward a set of the same five to **Lidia Taylor** at EMMICL (as had been done by Scott Gedak, with the PRP Transcripts & Submissions hard copies and CD).

Cheers! -- Marly

-----Original Message-----

From: Carlson, Zoë
Sent: Monday, November 15, 2004 1:40 PM
To: Fern Martel (E-mail)
Cc: Varangu, Kristi; Wietzke, Marly; Lowe, Carmel
Subject: Shipping printed reports

1617

Hi Fern. This will confirm that only if all changes to the PRP french are received in your office by end of day tomorrow (Nov 16th), it is feasible that we will have the electronic, web-ready version of this document for posting on Friday AM. All four other documents will be sent tomorrow, web-ready, in a "read and print only" format.

Please have the hardcopy documents shipped from the printer as follows. Can you please advise of expected delivery time/date?

To:

**Carmel Lowe
Natural Resources Canada
Box 6000/Shipping/Receiving
9860 West Saanich Rd
Sidney, BC, V8L 4B2**

**100 FNEP english
100 PRP english
25 Nisga'a english
25 FNEP french**

To:

Kristi Varangu
Natural Resources Canada
17th Floor - 580 Booth Street
Ottawa, Ontario
K1A 0E4

150 FNEP english
150 PRP english
25 Nisga'a english
75 FNEP french

To:

**Zoë Carlson
Natural Resources Canada
8th floor - 605 Robson
Vancouver, BC, V6B 5J3**

All remaining reports

Cheers and thank you.

Zoë

1618

Varangu, Kristi

From: Varangu, Kristi
Sent: Friday, December 03, 2004 11:46 AM
To: Cowl, Terry
Cc: McEwen, Aleta
Subject: BC qs and as

Please see attached as requested. Phil has approved so you can include in your package going up. K.



12-01-04_KV_for
IEA Canada rel...

Senior Advisor
British Columbia Offshore
Petroleum Resources Branch
Natural Resources Canada
580 Booth St., 17th floor
Ottawa, K1A 0E 4
tele (613) 992-4217
fax (613) 943-2274

Federal Moratorium on Oil and Gas Activities Offshore British Columbia

Q.1 The IEA recommends that Canada should evaluate opening the area offshore B.C. for exploration and production. Do you agree?

A.1 Absolutely and that is what we are doing right now. A federal process was announced in March 2003 by the Government of Canada to review the moratorium in the Queen Charlotte Basin area offshore B.C.. That process has just been completed with the release of the final two reports from the Public Review Panel and the First Nations Engagement process. Along with the report on science issues released by the Royal Society of Canada in February 2004, these reports will help the Government assess whether or not, or under what conditions, to lift the moratorium. Additional information, like the report submitted to the Government by the Nisga'a Nation, will also help inform our decision.

Q.2 What were the results of those reviews?

A.2 The Public Review Panel provides four options for the consideration of the Government of Canada. Issues that the Panel feels need to be more thoroughly addressed include identifying and addressing First Nations issues, conducting socio-economic and biophysical studies, defining the regulatory and fiscal regime, and defining marine protected areas. The Panel noted that, if the focus is shifted to a program of gathering and assessing scientific, socio-economic and other information, this could reduce polarization and assist in building consensus.

The First Nations report indicated unanimous support for maintaining the moratorium, but it also indicated that, given more time and resources, many First Nations would be interested in continuing the discussion regarding offshore oil and gas.

Q.3 When will Cabinet take its decision on the moratorium?

A.3 This is an important decision for British Columbia and for Canada. While I've only had the reports a short time, they are very comprehensive and raise a number of interesting issues and options for moving forward. It will take some time for the Government to review all of the information on this important issue, so it is premature to speculate when we will be taking a decision.

The Government of Canada is committed to ensuring that development of our natural resources strikes a balance between economic goals, and social and environmental obligations. The B.C. offshore holds a potentially significant resource – as much as that identified in the Jeanne d'Arc Basin offshore Newfoundland and Labrador – but it is also home to some ecologically sensitive areas that will also need to be considered as we move forward in taking our decision on the moratorium.

1420

Varangu, Kristi

From: Peets, Gerard
Sent: Friday, December 03, 2004 4:43 PM
To: Chalifoux, Josée
Cc: Jennings, Philip; Perron, MichelJ; Varangu, Kristi; Borden, Adam
Subject: FW: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Josee: Attached are the speeches, for Howard's approval. Philip Jennings has approved them. Advance copies have been given to CPPC, but DMO does not need the material until 9:00am Monday morning.

Gerard

-----Original Message-----

From: Peets, Gerard
Sent: Friday, December 03, 2004 4:23 PM
To: Borden, Adam
Cc: Jennings, Philip; Perron, MichelJ; Varangu, Kristi; Wilson, Jeff
Subject: RE: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Adam, attached are the revised speech, as requested.

Gerard

-----Original Message-----

From: Borden, Adam
Sent: Friday, December 03, 2004 8:19 AM
To: Varangu, Kristi; Wilson, Jeff
Cc: Jennings, Philip; Perron, MichelJ; Peets, Gerard
Subject: RE: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Ok, in that case could we update the speeches to incorporate the Boards recent decisions on Terra Nova and to address the comments included in my original e-mail (if it doesn't already) please. Thanks

Adam Borden

Parliamentary Affairs Officer
580 Booth Street, 20th Floor Room A8
Ottawa, Ontario K1E 0A4
Phone (613) 996-7755
Cell (613) 293-3971
Fax (613) 952-3967



-----Original Message-----

From: Varangu, Kristi
Sent: 03 December, 2004 08:12 AM
To: Borden, Adam; Wilson, Jeff
Cc: Jennings, Philip; Perron, MichelJ; Peets, Gerard

Subject: RE: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Actually not. I did 2 speeches one 5 minutes and one 2 minutes for this very purpose. The attached was submitted. I do not know if they were subsequently modified. If they have not been modified, I will use these as a basis for revision. Kristi

-----Original Message-----

From: Borden, Adam
Sent: Friday, December 03, 2004 8:02 AM
To: Varangu, Kristi; Wilson, Jeff
Cc: Jennings, Philip; Perron, MichelJ; Peets, Gerard
Subject: RE: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Hi Kristi

Jeff is out of the office for an unspecified amount of time. We just got the notification of this debate last night. I think your confusing my request for speeches with a request for QP notes.

Adam Borden

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Fax (613) 952-3967



-----Original Message-----

From: Varangu, Kristi
Sent: 03 December, 2004 07:58 AM
To: Wilson, Jeff; Borden, Adam
Cc: Jennings, Philip; Perron, MichelJ; Peets, Gerard
Subject: FW: Speeches needed for debate on BC Offshore and the Terra Nova Spill
Importance: High

s.21(1)(a)

s.21(1)(b)

I had provided 2 notes to Jeff at the beginning of the week that had already been approved by Phil and Howard Brown. Jeff can you send these notes back and I will see if they need any tweaking please?

s.21(1)(a)

s.21(1)(b) c.c. me on any future emails or requests concerning BC offshore. Kristi

-----Original Message-----

From: Jennings, Philip
Sent: Thursday, December 02, 2004 5:40 PM
To: Varangu, Kristi
Subject: FW: Speeches needed for debate on BC Offshore and the Terra Nova Spill
Importance: High

-----Original Message-----

From: Borden, Adam

Sent: Thursday, December 02, 2004 5:27 PM

To: Jennings, Philip

Cc: Perron, MichelJ; Peets, Gerard; Haley, Lisa; Hecks, Karen; Bunge, John; Harris, Katherine; Wilson, Jeff

Subject: Speeches needed for debate on BC Offshore and the Terra Nova Spill

Importance: High

We have received notice of a "late show" debate on BC Offshore Oil and the Terra Nova Spill that could take place as early as Monday.

Therefore the Minister's office has requested 2 speeches on the issue (5 min and a 2 min). Please provide me with these speeches no later than **9:00 am Monday morning**. I've included some text from the House of Commons on November 30 below that will help put the task in context. Please contact me if you have any questions.

Mr. Nathan Cullen (Skeena-Bulkley Valley, NDP)

Mr. Speaker, I would like to present some cold, hard numbers to the minister. The number of litres spilled from the Terra Nova rig last week was 165,000. The size of the oil slick, which has been caused by that spill, is nine kilometres long by one kilometre wide. The number of seabirds that will be killed by that pollution is 10,000.

Seven years ago a panel told the government how difficult it would be to clean up a spill like this. The numbers are in. Will the government confirm not to take such a tragic route on the west coast of British Columbia?

Hon. R. John Efford (Minister of Natural Resources, Lib.)

Mr. Speaker, if we followed the direction of the hon. member, we would not transport any oil or gas by any means whatsoever in Canada. Let us put some context into what happened.

This is the first oil spill off Newfoundland and Labrador. Over 500 million barrels of oil have been pumped and shipped to the United States and into Canada for further processing. Precautions are taken. We will learn from what happened and put further precautions in place.

The hon. member mentioned 10,000 birds. That is not factual.

Adam Borden

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Decision on the Moratorium on Oil and Gas Offshore BC (2)

Mr. Speaker, let me say again that the Canada Newfoundland Offshore Petroleum Board is conducting an independent investigation into the Terra Nova situation. The formal investigation is ongoing: I will not comment on the particular circumstances during the course of an investigation nor will I speculate on the outcomes.

Mr. Speaker, protecting our coastline and ocean is very important. At the same time, the Government of Canada recognizes that offshore oil and gas activities have the potential to contribute to the long-term economic development of provinces.

That is why the Government of Canada initiated a review of the moratorium on oil and gas activities offshore BC. Results from the three-part federal review process – the science and public reviews, and the First Nations engagement process – will all provide input into the Government's assessment of whether or not and under what conditions, the federal moratorium offshore BC should remain or be changed.

While I've only had the reports a short time, they are very comprehensive and raise a number of interesting issues and options for moving forward. Rest assured, my colleagues and I will take the time needed to review the reports thoroughly and carefully consider the results.

The outcomes from the federal review process provide valuable advice to the Government, but the policy decision on whether or not to lift the moratorium and under what terms and conditions, will be taken by Cabinet in due course. It will take some time for the Government to review all of the information on this important issue, so it is premature to speculate when we will be taking a decision.

Mr. Speaker, this is an important decision for BC and for Canada. The Government of Canada will review all of the available information when deciding what actions to take regarding the moratorium. The Government of Canada will work closely with the Government of British Columbia to ensure that the public's interest is served. There are a variety of public views and concerns that need to be taken into account by the Government before any decision is taken regarding the moratorium.

1626

Decision on the Moratorium on Oil and Gas Offshore BC

Terra Nova

Mr. Speaker, let me restate that the Government takes the protection of our oceans and marine environment very seriously.

Many remarks have been made in the press regarding the spill from Terra Nova – remarks made without due consideration of the facts of the matter, facts that can only come from a thorough investigation.

In accordance with the Atlantic Accord Implementation Act, the Canada Newfoundland Offshore Petroleum Board has initiated a formal investigation of the events relating to the spill. The Government of Canada will not comment on the specifics of issues that could be part of this investigation until it is complete.

Mr. Speaker, the Offshore Board responded to the spill quickly and decisively. As soon as the spill at Terra Nova was reported by the operator, the Offshore Board ordered immediate suspension of production at Terra Nova, and oversaw the initiation of all appropriate mitigative actions. As of Sunday, November 28, no remaining oil was observed on the water.

While this situation was serious, it should be viewed in the context of Terra Nova producing over 150,000 barrels per day of crude oil. There have been some 500 million barrels of crude oil produced offshore Newfoundland and Labrador since operations began in Hibernia in 1997. The Canada-Newfoundland offshore area has had an excellent operational record.

On December 1, based on interim results of its investigation, the Offshore Board decided that the primary causes for the spill had been identified and the right measures had been put in place to ensure, within acceptable risks, that there will be no recurrence. Accordingly, the production suspension that was put in place following the spill was lifted.

The Board has, however, identified a maintenance backlog in relation to the safety and environmental protection systems on board the facility that will require time to address.

The Board has informed me that the systems affected by the maintenance backlog

were not among those that Petro-Canada has identified as possible causes for the spill. The only connection between the spill and the maintenance backlog is one of timing.

Because of the backlog, as an extra measure of safety and environmental protection, the Board will require that no production take place until the required maintenance has been done.

Going forward in this way, we can be confident that the facility will continue to be a safe place both for the workers offshore and for the environment they work in.

BC Offshore Moratorium

With respect to the Honourable Member's question regarding the Government's plans for the B.C. moratorium, I have no intention of providing an answer on this question before my Cabinet colleagues and I have had a careful look at all the information before us. To answer now, before giving due consideration to all of the reports submitted to us, would be irresponsible.

Three reports were completed under the federal review – one on science, one from the public review and one from the First Nations engagement – and these will all help the Government of Canada assess whether or not to lift the moratorium and under what conditions. Additional information, such as the report provided to me by the Nisga'a Nation, will also be considered.

Impacts on the environment and mitigation measures will be an important consideration in our assessment of the BC offshore moratorium. The Royal Society of Canada's report released last February, set out to identify science gaps that may need to be filled should activity be resumed offshore BC. The report studied extensively the issue of potential environmental impacts. It is this type of thoughtful, scientific input that will inform our deliberations on the BC moratorium.

But one of the key drivers behind our examining the federal moratorium, is also the significant resource potential off the West coast. Relative to the East Coast offshore, resources in this area have been scarcely explored. Where there has been exploration and development of that potential, off the coasts of Newfoundland and Labrador and Nova Scotia, in a span of less than five years of production the

offshore industry has become a critical component of the economies of those provinces.

The Public Review Panel provides four options for consideration of the Government of Canada. Concerns noted include the need to identify and address First Nations issues, conduct socio-economic and biophysical studies, define the regulatory and fiscal regime, and define marine protected areas. Better we all focus on looking at how to reply to those who raised concerns in a thoughtful, analytical way, than put all our efforts into debating whether the Panel's 'head count' is the best way to take public policy decisions.

Yes the First Nations report indicated unanimous support to maintaining the moratorium at this time, but it also indicated that, given more time and resources, many First Nations would be interested in continuing the discussion regarding offshore oil and gas. Here too, the First Nations raised similar concerns as to those raised by the Public Review Panel which warrant further consideration. These included filling information and science gaps, and capacity development.

So Mr. Speaker, let me conclude by saying that the Government of Canada is committed to ensuring that development of our natural resources strikes a balance between economic goals, and social and environmental obligations. The BC offshore holds a potentially significant resource – as much as that identified in the Jeanne d'Arc Basin offshore Newfoundland and Labrador — but it is also home to some ecologically sensitive areas that will also need to be considered as we move forward in taking our decision on the moratorium. The Terra Nova oil spill will be viewed in the context of the longer-term record of operations in offshore areas.

I would like to encourage the Honourable Member who has asked for a hasty decision on the west coast moratorium to sit down and give all the reports a thorough read before jumping to any conclusions as to the best outcome.

Thank you Mr. Speaker.

1629

Varangu, Kristi

From: Carlson, Zoë
Sent: Tuesday, December 07, 2004 10:05 AM
To: Varangu, Kristi
Cc: Wietzke, Marly
Subject: Auto Reply from Marly

Hi Kristi. Draft from Marly:

The BC Offshore Oil and Gas Moratorium federal review processes are now complete.

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If you have difficulty accessing the reports, please contact June McDonald at either (613) 995-0136 or JuMcDona@NRCan.gc.ca

Following are the contacts for further information regarding the British Columbia Offshore file:

- 1. **General Inquiries:** Kristi Varangu (in Ottawa): kvarangu@NRCan.gc.ca or Zoë Carlson (in Vancouver): zcarlson@NRCan.gc.ca
- 2. **First Nations :** Zoë Carlson (in Vancouver): zcarlson@NRCan.gc.ca
- 3. **Media Inquiries:** Ghyslain Charron at either (613) 992-4447 or e-mail: ghcharro@NRCan.gc.ca
