

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

OIL AND GAS REGULATIONS AND DEVELOPMENT

October 15, 2018

MR. O'REILLY: Merci, Monsieur le President. On October 4th, the federal Ministers announced that they would begin negotiation of an offshore petroleum resource co-management and resource-sharing agreement with Yukon, the Inuvialuit, and the Northwest Territories. The federal Ministers also announced their intention to "co-develop the scope and governance framework for a science-based, life-cycle impact assessment review every five years that takes into account marine and climate change science" with regard to the moratorium on rights issuances. The Ministers also said that the terms of the existing licences in the Arctic offshore will be preserved by remitting the balance of any financial deposit to affected licence holders and that required licence activities will be suspended for the duration of the moratorium. Even Russia has an indefinite state-imposed offshore petroleum rights issuance moratorium in place that will remain in force until at least 2020 to ensure orderly development. There has been no work in the Canadian Arctic offshore since at least 2014, and no drilling since 2006 because there is simply no interest. Most serious is that there is no proven method of stopping a blow-out, and no company has a proven same-season well relief capacity.

Oil spill contingency in the Arctic offshore is also inadequate. The likelihood of any future offshore petroleum development in the next 10 years is very dim at best and very risky. It's not the kind of future I would bet on, and there is certainly a need to look at more sustainable and reliable economic activities for the region.

While I welcome news of the negotiations, what is not clear is how much the negotiations will cost our government and how Regular MLAs will be involved in the development of the negotiation mandate, and then regularly updated. It is rather ironic that our government will participate in a science-based lifecycle impact assessment of offshore petroleum resource, petroleum exploration, and development, when Cabinet has refused to do the same for onshore hydraulic fracturing despite this being part of our mandate.