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“Protection of our Ocean Environment for Future Generations”

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Background

The rich fishing grounds on the Grand Banks were discovered by the Europeans in 1497. Fishing fleets reaped the waters teeming with Atlantic cod for almost 500 years. The fisheries resource attracted settlers and trade. For years fish was the only product sold to the outside world and the only substantial source of export income. The mainstay of the industry was groundfish, primarily Atlantic cod, until the collapse of cod stocks in the early 1990s.

For generations our ancestors endured insurmountable odds, an inhospitable coastline and dangerous work while creating a fishing society with a rich culture that essentially defines us today – culturally, socially, economically and politically.

While the fishing industry represents an important part of our heritage it is also a vital part of today's society. The fishing industry is the economic backbone of rural Newfoundland and Labrador and provides over 22,000 direct employment opportunities while creating spin-off benefits for rural communities.

Valued at \$1 billion, the modern fishery now targets higher valued shellfish species, namely snow crab and coldwater shrimp, however, other important species include turbot, cod, surf clam, lobster and pelagics (mackerel, herring and capelin). In total, 40 species are harvested from Newfoundland and Labrador waters.

Today the inshore fishery is prosecuted by small boats up to 45 feet in length while 45 to 65 foot vessels fish out to the 200 mile limit. The majority of the fishing vessels in the fleet are owner-operator enterprises. Most targeted species have set Total Allowable Catches (TACs) while trip limits and enterprise caps may also be designated depending on season and/or area.

The majority of seafood landed in Newfoundland and Labrador is processed in the province and exported to 55 different countries. There are 121 seafood processing facilities operating throughout the province and the United States and China are the largest seafood markets for Newfoundland and Labrador seafood. Other important markets include the United Kingdom, Japan and Denmark. With a heavy reliance on global markets the industry is subject to profit fluctuations with market prices, fuel costs and the value of the Canadian dollar.

Fish harvesters and fish plant workers in Newfoundland and most of Labrador are all represented by one organization – the Fish, Food and Allied Workers’ Union (FFAW/CAW).

Protecting our Ocean Resources

Protection of the fisheries resources off the coast of Newfoundland and Labrador has been an ongoing concern throughout recent history. In 1977, the Canadian government extended its fishery jurisdiction to 200 miles in an attempt to gain better control of fishing activity. It was too late however to prevent the collapse of cod stocks and the subsequent moratorium in 1992. The closure of 14 east coast cod fisheries in 1992 was drastically felt in hundreds of coastal communities.

While many people exited the fishery in the 1990s many people remained. Increased abundance of snow crab and northern shrimp stocks provided new opportunities. The fishery transformed from a mostly groundfish-dependent industry into a shellfish-concentrated industry very quickly. The shift began with harvesters fishing further and further offshore to prosecute the resources available to them. This is still the case two decades later.

Rebuilding of our cod and other groundfish stocks has been slower than first thought. Also during the 1990s, the federal government significantly reduced its fisheries research capabilities. Funding was cut and many fisheries scientists that retired or left the Department of Fisheries and Oceans were not replaced.

The ocean regime shift that has occurred and affected the abundance of shellfish species in our waters is not well understood. Furthermore there are few shellfish scientists within DFO. It is challenging to conduct adequate research on collapsed

stocks, regime shifts and commercial species without fundamental resources such as funding and personnel.

Today, our three producing oil fields are located on prime cod fishing grounds. The Grand Banks are also important habitat for snow crab and other groundfish species. Exploration, development and production related activities continue offshore while the cumulative effects of seismic programs, drilling, produced water and unexpected oil spills on fish and fish habitat go largely unexamined.

Offshore oil and gas activities are expanding while the concerns of the fishing industry fall on deaf ears. It appears that oil companies have free range to conduct seismic work, for example, where they want and without regard to fisheries resources.

There have been reports from harvesters that fish behavior has been affected following seismic blasts and shellfish have disappeared from areas following seismic work being undertaken. There have also been reports from vessel captains that groundfish catches have been impacted when oil and gas activities were ongoing.

While existing research in other jurisdictions has not determined any direct mortality of fish or shellfish attributable to seismic activity there may be behavioural changes that could affect migration and/or reproductive and spawning activities as well as movement of the exploitable biomass in an area. This, in turn, can impact catch rates in years to come and thus the viability of the fishing industry.

There is serious need for further and local research on impacts of seismic activity on important commercial species including shrimp, crab, turbot and Atlantic cod. Each Environmental Assessment document submitted to the Canada Newfoundland and Labrador Offshore Petroleum Board (CNLOPB) indicates that impacts on fisheries resources are *not significant*. This is unacceptable given the data gaps that exist and they must be addressed.

Furthermore, Environmental Assessments that are completed are project specific and don't consider cumulative effects of projects over the past 60 years for example. Environmental monitoring is generally a requirement of oil fields once

they are producing but what about monitoring following all of the seismic work that is happening offshore??? It's simply not happening.

Even Comprehensive Study Reports such as the Hebron report do not go further than to say that "potential environmental effects of the Hebron Project on commercial fisheries are predicted to be *not significant*" (page 8-68).

We beg to differ.

Fishing activities or patterns have been forced to change because of oil and gas developments in the offshore. How can one say that development won't have an impact on fisheries and the people who depend on them???

The agency that protects our ocean is failing here. In an effort to ensure that all users have access to the ocean and can equally benefit from the wealth of the ocean our federal Department of Fisheries and Oceans has done little to ensure that the exploration, development and production activities of oil and gas companies are indeed having minimal impact on the ocean environment and fisheries resources as countless Environmental Assessment documents state. Research in this area has been dismal.

We also question why the precautionary approach highlighted in the Oceans Act does not seem to apply to the oil and gas sector. There remain too many unanswered questions for blanket statements or predictions about oil and gas activities being *not significant* to fish and fish habitat to be acceptable.

Occupying the Grand Banks

Exploration and development activities have proceeded largely uninterrupted for the oil and gas industry in Newfoundland and Labrador waters. The fishing industry is aware of how important oil and gas industry is for our economic well-being as a Province. It is important to point out however that fishing has been interrupted temporarily or for longer term.

When a "safety" zone is designated around an oil platform the loss of fishing grounds appears as a small dot on the map. As activity in the vicinity of that production platform grows and new drill sites are developed the exclusion zone

to fishing grows larger. Over time, the acreages of exploratory licences, significant discovery licences and production licences amount to considerable land “ownership” on the Grand Banks.

That same acreage overlaps prime cod fishing grounds. What would happen if cod stocks recovered to appreciable levels in three years? Would fish harvesters who have waited patiently for twenty years for stocks to rebuild be allowed to fish on their traditional fishing grounds? We contend that historical fishing rights have not been factored into the oil and gas equation at all.

Furthermore, our traditional fishing knowledge is being lost. Environmental assessments typically review 20 years of historical fishing data. Therefore, cod fishing activity is not factored into these assessments. As well, as the years pass, traditional ecological knowledge of harvesters regarding cod stocks on the Grand Banks is being lost. Vital cod spawning and breeding grounds as well as migration corridors are not being considered in Environmental Assessments as cod is no longer considered a commercial species on the Grand Banks.

Offshore oil and gas development proposals must more adequately address our depressed cod stocks but also consider that the rebuilding of stocks is imminent. Furthermore, quantifying traditional ecological knowledge is crucial if we are to adequately capture historical information such as spawning and breeding grounds and migration corridors of our cod stocks. It has become a critical component of stock assessments.

Risks to the Fishing Industry

While legislation exists to “protect” our ocean resources we are not confident that regulatory agencies are looking at the ecosystem as a whole. Destruction of fish habitat offshore for example is addressed with a no net loss policy that thus far enables lobster reefs to be constructed and situated in inshore bays. While this is certainly beneficial to the lobster resource, what about the species that are losing habitat on the Grand Banks?

Yes, it can be argued that offshore oil installations offer new habitat for species but are these alterations to fish habitat simply enabling one species to thrive to

the detriment of another? Are we really considering benefits to the ecosystem as a whole when these projects are being approved?

Oil spills are another major threat to the fishing industry. The FFAW is aware that there are considerable protocols and practices in place and many regulatory agencies involved in monitoring petroleum companies and marine vessels to ensure they meet minimal requirements. We also respect that oil companies have protocols and apply best practices to prevent spills from occurring. However, we maintain that the threat of an oil spill is imminent.

While the Hebron Comprehensive Study Report states that “economic effects from accidental events, including hydrocarbon spills, could be considered *significant* to...commercial fisheries” it also suggests in the same paragraph that “the application of appropriate mitigative measures (e.g. compensation plan) would reduce the potential impact to *not significant*” (page 8-67).

An oil spill off of our coast, whatever the magnitude, has significant socio-economic ramifications for many people who rely on the fisheries resources of our waters for their livelihoods. A small spill will have far reaching consequences on global seafood markets with reports, however inaccurate, of product tainting. Larger spills causing fisheries closures will have even further impacts on fish populations and habitat. Particularly sensitive stocks that are in recovery stages could be obliterated if even a small percentage of the population is impacted as some stocks may be dependent on one or two year classes for survival.

With markets affected and/or limited resources available the viability of boats and processing plants would be impacted realistically causing layoffs and bankruptcies. Fish harvesters and plant workers will have no income to sustain themselves.

Have we learned any lessons from the Gulf of Mexico, Spain or Alaska? Oil spills happen. We need to be prepared. The Gulf of Mexico was prepared for an oil spill until it happened.

The fishing industry would like to be more engaged in oil spill preparedness. Tabletop exercises and mock at-sea events involving local response organizations and the Canadian Coast Guard are occurring without participation or knowledge

of a large contingent of capable and willing people – our fish harvesters. These are the people who have the most to lose if an oil spill were to happen. These are the people who would be the most committed and willing to help in a time of crisis. Instead, the oil companies and Coast Guard generally leave the fishing industry in the dark as to what would happen in the event of a spill.

The FFAW has been advocating for years that harvesters should be trained in advance of an accidental spill or discharge so that they can be ready to assist in any containment/clean-up efforts should a spill occur. As evidenced from the BP disaster in the Gulf of Mexico, the Prestige spill in Spain and the Exxon Valdez spill in Alaska, fishermen have been crucial to clean-up efforts.

Further to this, the fishing industry has been asking for years for clarification as to what happens in the event of a spill with respect to compensation. Hebron has indicated that a compensation plan will reduce the impact of an accidental event such as an oil spill from *significant* to *not significant* (CSR, page 8-67).

We need to know, as a union representing our members what is the plan for compensation in the event of an oil spill? We are certainly not aware of any compensation plan that will reduce the potential impact of an oil spill as the Hebron report indicates. Insurance brokers need to be identified and questioned in relation to how people will be compensated for loss of income, including the payout and duration of benefits. Much more discussion is needed on this topic.

After Oil

The Hebron project is projected to bring in \$20 billion in royalties and taxes over its lifespan. Provincial royalties with the three existing projects plus Hebron are projected to be \$1.6 billion per year in the years to come. But what happens after oil?

Our fisheries resources are renewable and will be a vital part of the economic future of Newfoundland and Labrador for many years to come. However, we question if the Provincial Government has considered this. The Province has a unique opportunity here to strengthen the foundation of our renewable resources while it is reaping revenues from non-renewable ones.

Other jurisdictions such as the United Kingdom have created legacy funds to enable research and development, engage and support the management of fish-oil operational issues and to consider decommissioning of oil and gas projects.

In our jurisdiction the inter-industry liaison organization *One Ocean* was created to enhance coexistence and facilitate communication, understanding and cooperation between the fishing and petroleum industries. While this organization certainly serves its mandate it has existed for almost a decade with the same annual budget it started with in 2002.

The fishing industry calls on the federal and provincial governments, the regulatory bodies, to consider cumulative impacts of offshore oil and gas activities and how they will impact our Province's future. Royalties from oil and gas activities should benefit our citizens of tomorrow including those employed in the fishing industry.

Conclusion

The fishing industry fully understands the benefits of the oil and gas industry to our economy. In fact, the fishing industry of Newfoundland and Labrador has never been fundamentally opposed to offshore oil exploration, development or production. Growth of one industry however must not come at the expense of another.

Newfoundland and Labrador is heavily dependent on the fishery today. Direct and indirect employment in the traditional sector is much more substantial than oil and gas jobs but this is all too often overshadowed when looking at our GDP. We all need to keep in mind though that the fishing industry will exist long after oil and gas.

Loss of access to traditional fishing grounds, cumulative impacts on fish and fish habitat related to seismic and development activities and the constant threat of an oil spill are serious risks that the fishing industry has had to face with the growth of the offshore oil and gas sector in this Province.

The goal must be for all to ensure that our oceans and marine environment are protected for future generations. The environment should not be impacted for short term economic gain by the oil industry.

There is an opportunity here, with effective management, that our renewable resources can be sustained and our ocean environment better understood. Research opportunities on fisheries stocks and impacts of oil and gas activities need to be further investigated. Oil spill preparedness and response initiatives need to be better understood by all. We all have a responsibility to better understand the impacts our actions have on the environment, our society and future generations.

The fishery is an important part of our history and culture in Newfoundland and Labrador. However, it's also vital to our economy today. And, the fishery, if protected, will thrive and provide for many generations to come long after the last drop of oil is taken from the Grand Banks.