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# Time for changes at the offshore petroleum board

By Bill Montevecchi

The Deep Water Horizon explosion in the Gulf of Mexico has provided many regulatory lessons about safety and environmental concerns associated with offshore oil exploration and production. It is informative to assess some of the assurances about environmental conditions around offshore petroleum operations and Labrador Offshore Petroleum Board (CNLOPB) and of its actions and inactions in the wake of the Gulf of Mexico environmental disaster.

Contrary to statements by Max Rueloکه, chairman and CEO of CNLOPB, there is no convincing public evidence to support the contention that all oil discharges and spills at offshore platforms are reported. In the past, surveillance flights over the platforms were reporting high numbers of slicks. These flights were diverted from flying over platforms. The rationale given and accepted by Transport Canada and the Canadian Coast Guard was that it was more important to look for oil discharges from vessels travelling in Canadian waters. On the basis of beach bird surveys in recent years, this pollution problem appears to have been addressed to a considerable extent. It is time to resume regular and consistent surveillance flights over offshore oil platforms for public assurance about environmental conditions around offshore petroleum operations.

Mr. Rueloکه also contends that the CNLOPB is "independent." This is difficult to accept. The CNLOPB reports operator press releases and self-reporting by the operator. This has happened time and time again; for instance, following the Terra Nova discharge in December 2004. In 2010, there were no independent environmental observers when Chevron drilled the deepest ocean site in Canadian history in the Orphan Basin, a known hotspot for marine birds. Neither Chevron or the CNLOPB reported anything about exploration activities in the Orphan Basin.

Under current agreements in the Atlantic Accord, the CNLOPB cannot release any information about offshore operations without permission from the oil company operators. This situation clarifies the powerlessness of the CNLOPB as the responsible environmental regulator for offshore oil and gas activity. Even following the recent evacuation of a Husky platform, the operation offered no information to a concerned public about this potentially serious safety situation. Consistent with ongoing and past practice, CNLOPB also failed to respond until more than a week after the evacuation, when the CEO of CNLOPB made a belated apologetic statement.

During 2010, a rise in media attention about the CNLOPB's lack of independence and transparency prompted the Williams government to initiate a report on the matter. The report was commissioned by the CNLOPB, and responded to by the CNLOPB, and responsible for the report was given to Capr. Mark Turner, who has proposed a natural gas storage facility in Placentia Bay. Thus, the report on

independence was to be prepared by a hydrocarbon developer to the "independent" CNLOPB. No biologists, oceanographers or environmental organization representatives were appointed as part of the review panel.

The report due in 2010 was delayed and was to be delivered by the year's end. The status of this report is unknown.

Clearly, the most important lesson to date from the Gulf of Mexico explosion and engineering error focuses on the independence of the regulator. As the president of the United States phrased it, there were regulatory errors leading to the Deep Water Horizon disaster because the "relationship between the regulator and oil companies was scandalously close." I suggest that we are in a similar situation in Newfoundland and Labrador.

Following the Gulf of Mexico crisis, the U.S. government acted to help address these problems. A new regulatory Bureau of Ocean Energy Management, Regulation and Enforcement was established to

oversee safety and environmental protection. This newly created regulatory agency is independent of the Minerals Management Service whose mandate, like the CNLOPBs, involved conflicting regulatory responsibilities for developmental, safety and environmental protection. For years, formal requests by private citizens and by environmental organizations for access to information about offshore operations have gone unanswered by the CNLOPB. The auditor general is having difficulty accessing information from the offshore regulator.

These problems will continue under the current regime. Enough is enough.

Provincial and federal governments have given away responsibility for ocean ownership, stewardship and protection to oil and gas corporations. It's time to take the ocean back. It's time for a regime shift.

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