



April 21, 2015

Dr. Ray Gosine
Chair, Hydraulic Fracturing Review Panel
c/o Office of Associate Vice-President (Research)
Bruneau Centre for Research and Innovation IIC-3067
Memorial University of Newfoundland
St John's, NL A1C 5S7

Dear Dr. Gosine,

**Re: Tourism (socio-economic) submission to
NL government panel on hydraulic fracturing**

We are writing to register our submission concerning the proposed development of oil exploration by way of hydraulic fracturing in the province and in particular close to Gros Morne National Park.

Believing in 1997 that the Gros Morne region would be protected from this type of industrial activity, we moved from Switzerland to Norris Point and built *Neddies Harbour Inn*, a brand new accommodation / conference complex. This high-end tourism business (<http://www.theinn.ca>" www.theinn.ca) offers visitors a first-class stay in our 15 room main building and 4 rental private seaside chalet/ cottages overlooking beautiful Bonne Bay. To illustrate this point, even the Department of Tourism and other marketing agencies have used our inn as backdrop to the bay and the Tablelands (UNESCO World Heritage Site) feature in their promotional material.

As of today, our total investment is the excess of **3.5 M**. We employ **15** full-time seasonal employees annually in addition to contributing in the local service sector with our purchases (materials, supplies and maintenance contracts).

Our occupancy rate for 2014 was: 2,200 room nights sold @ 2 person / room, for a total of 4,400 people, plus an additional 200 persons (usually families) for our chalets/cottages.

Our client base is composed of 80% from Ontario and 20% from international destinations. Interestingly enough, comments received recently (emails, phone conversations, social media) from our regular clients indicate that they **will not** return to Newfoundland should this exploration through fracking occur. People are adamant that the main reason they travel to the Gros Morne area is to witness what they were promised to see on the province promotional tourism videos: pristine nature, down-to-earth people with a smile, and not an industrial development with burning flares. Also, from an economic development's perspective, we firmly believe that, should this fracking exploration be allowed, out-of-province investments in tourism such as ours will not be taking place in the future.

This is **very disturbing** for us as well as for the future of our business. Being from May to October, we feel that the season is short enough without adding an industrial development of this nature. This would not be appreciated by our guests, thus creating a very negative marketing image for our personal business and would not be well received by the tourism industry on the west coast of Newfoundland and the province as a whole. In short, we do not want our investment and source of revenue to be compromised and placed at risk. This is an **economic issue** for us.

As you are already aware, the technical side of fracking has been associated by the independent scientific community with air quality, surface water contamination, high level of commercial traffic on highways, noise and visual pollution. Indications from regional governments, business associations and citizen groups in the US, Quebec and Europe related to the litigation (Class Action) side of this, point to a **reduction** of 30% to 40% in **real estate value** for residential and business establishments close to an oil exploration (with fracking). In most cases, not only the real estate value has gone down, but people are not able to sell their properties / businesses. This proposed exploration here (land-to-sea) is very different than on the east coast (platform drilling at sea). The impact of fracking on land close to communities and its negative consequences would be that much more direct and severe in this instance.

Furthermore, the Commissioner of the Environment and Sustainable Development, Scott Vaughan, in his 2012 Fall Report (Office of the Auditor General Of Canada) identified the absence of adequate preparedness in Atlantic Canada in the case of oil spills. This is also of great concern for us.

This leads us to conclude that the risks are real and present for our communities, the tourism industry in the Gros Morne area as well as for both levels of

government in relation to their investment in the region.

In conclusion, we are requesting a precautionary and pragmatic approach to this particular form of oil exploration by adopting the following measure:

The establishment of a **buffer zone around Gros Morne**.

We are of the opinion that protecting this UNESCO World Heritage Site with a buffer zone and the west coast from fracking would be a great economic decision.

Thank you for your consideration,

Bettina Lori

Owners and operators

Herbert Schuhmacher