

1 – First Letter from R. Cusson

May 3, 2015

Dr. Ray Gosine
Chair, Hydraulic Fracturing Review Panel
c/o Office of Associate Vice-President
Bruneau Centre for Research and Innovation, IIC-3067
MUN
St. John's, NL, A1c 5S7

contact@nlhfrp.ca

att: Mr. Don Belanger
Project Manager

Please find below my submission to the Panel in relation to the “Socio-Economic Impacts” (Terms of Reference).
Thank you!

Social License, more than public consultation

A concept that has become a significant part of the popular discourse in most new energy projects is the notion of “social license / social acceptability”. Whether it is fracking in Newfoundland & Labrador, mining or pipelines in Quebec or the Maritimes, or LNG terminals and pipelines in northern British Columbia, industry and governments are being asked to obtain some level of permission from communities.

Perceived as a form of approval and resistance for the communities or, at the very least, a direct involvement in the decision making process, it is often viewed as a problem and another obstacle to go through by the project proponents. Therefore, in addition to obtaining the necessary government permits, industry [corporation] has to negotiate “social permission”.

Of course, social license can be a way of gaining credibility, trust and establishing good relationship, through transparency and meaningful dialogue with the communities concerned. However, could it be an exercise in public relations to offset opposing views, or a technique to engage in a “charm campaign” by the industry and government in order to achieve the desired outcome? In this context, public consultation is not to be considered equal to social license. The two are not the same!

The degree of social license obtained is often based on three elements: the project may be acceptable, unacceptable, or acceptable with certain conditions.

For social license to fully take place, the communities must:

- a) Have clear and adequate knowledge, based on independent scientific research, of the potential risks, the advantages and the impacts of a project. In other words, be able to make an informed decision based on all of the possible implications of the project that will affect their community.
- b) Have an opportunity to engage in a meaningful discussion as to the values of the project and its development to the society at large.
- c) Have the possibility to say ‘NO’ to a project.

In a sense, social license is more than a moral obligation, it is a social contract to be obtained and, respected. Without it, consider the project as a hostile take-over.

R. Cusson

2 – Letter from R. Cusson

May 18, 2015

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

contact@nlhfrp.ca

attn: Mr. Don Belanger
Project Manager

Dear Dr. Gosine,

This letter is to be considered as a submission to the Hydraulic Fracturing Review Panel and to be included in the “Documents under consideration” section. The two points I would like to raise pertain to tourism and the geology of the Shoal Point shale.

Tourism

It is an accepted and well-documented fact that tourism represents \$1.1 Billion / year in revenues province-wide, including \$230 Million / year for the west coast.

According to the NL Tourism department, the province is on target toward its 2020 goal of \$1.6 Billion / year in revenues from tourism. Clearly, the NL Tourism *Uncommon Potential* vision initiative is working.

Tourism employs a total of 18,165 jobs (full-time and seasonal) in the province and accounts for 8% of our economy. The Gros Morne region alone employs over 1,100 jobs (full-time and seasonal) per year.

A study done by The New Economic Foundation (U.K.) in 2012 revealed that a total of \$302 Million (Federal and Provincial: \$230M, private: \$72M) has been invested in the Gros Morne region since 1993. As we continue to benefit from building on this foundation, protecting this investment appears to be a good business decision.

A recent request by UNESCO for a buffer zone around Gros Morne against extractive industry, which includes oil exploration (including fracking), has been in the conversation recently. It might be noted, that supporting a buffer zone around Gros Morne does not mean support for fracking in the rest of the province.

I believe that introducing an extractive industry such as oil exploration (fracking), based on a finite resource, with the most profitable sustainable industry we have (tourism), is not wise, wanted and/or needed along the west coast nor in this province, nor in the Gulf of St. Lawrence. We have too much to lose!

Geology

I include in this letter, for the benefit of the members of the Panel and the general public, the link to a report found on the NL Department of Natural Resources website.

<http://www.nr.gov.nl.ca/nr/mines/geoscience/publications/currentresearch/2015/Hinchey-A-2015.pdf>

The conclusion (see below) of this report leads the reader to understand that unconventional exploration (fracking) would be challenging, complex, risky, perhaps even not suitable for exploration in the Green Point shale.

The report and the conclusion:

GEOLOGICAL OVERVIEW AND HYDROCARBON POTENTIAL OF CAMBRIAN–ORDOVICIAN STRATA OF THE OUTER HUMBER ZONE, WESTERN NEWFOUNDLAND (2015)

A.M. Hinchey, I. Knight, G. Kilfoil¹ and L. Hicks² Regional Geology ¹Geophysics, Geochemistry and Terrain Sciences ²Energy Branch.

CONCLUSION

“Naturally occurring seeps and shows of hydrocarbon have been documented along the coast of western Newfoundland for over 150 years, leading to a long history of oil and gas exploration in the region; this exploration targeted conventional oil and gas resources. The recent interest in unconventional hydrocarbon resources has focused attention on the Green Point shale (part of the Green Point Formation of the Cow Head Group) of western Newfoundland as a potential host to shale oil and shale gas.

However, the Green Point shale is not a simple package in a consistently layered sequence but is hosted by an allochthon that has travelled at least 200 km to its present location and is known to be complexly deformed. The rocks in the allochthon are folded, locally repeated by thrusts, and thickened, or pinched out due to multiple tectonic events. Because of a scarcity of good geological data, there is currently no way to reliably and accurately depict or

predict the extent, location, rock characteristics, or shape of Green Point shale layers below the surface. It is therefore, **not feasible to present a model for unconventional shale gas/oil exploration in the area.**”

*Highlights and underlines are mine.

I trust this document will contribute and help the members of the Panel to come to the conclusion that hydraulic fracturing is not suitable in this province.

Yours truly,

R. Cusson