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Pew Environment Group We work globally to establish pragmatic, science-based policies that protect our oceans, preserve our wildlands and promote the clean energy economy.

Becoming Arctic Ready

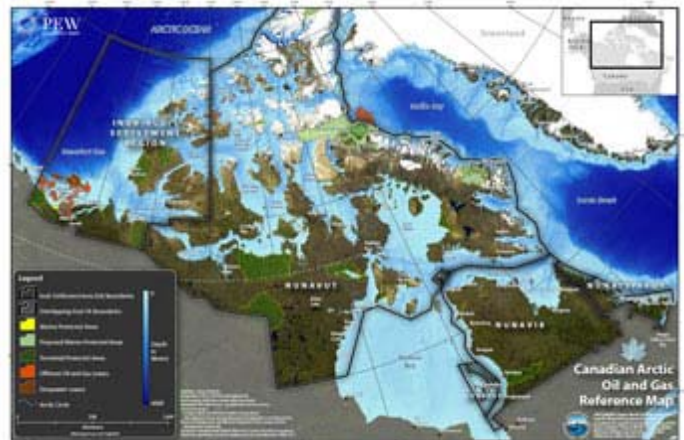
Report

Sep 09, 2011

Oceans North: Protecting Life in the Arctic

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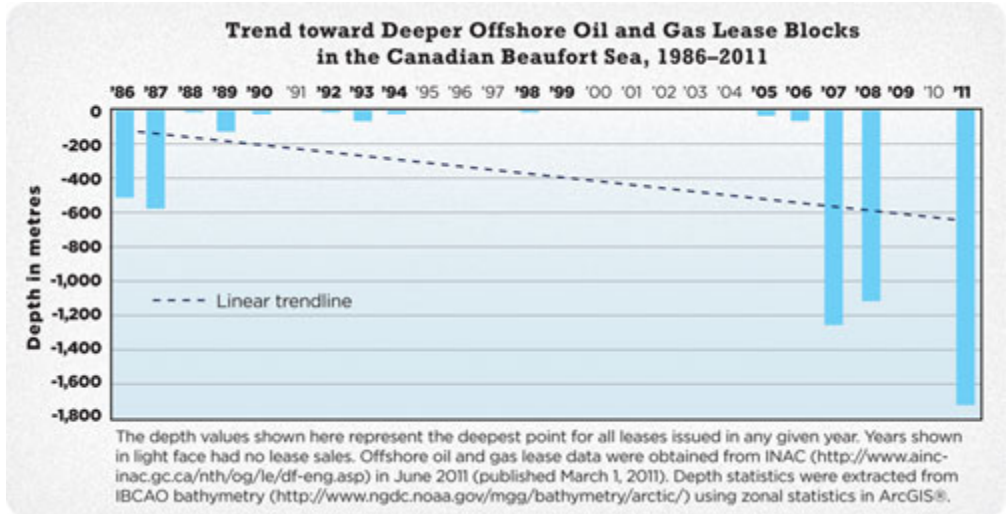
A report released today by the Pew Environment Group concludes that Canada's system of regulating and licensing offshore oil and gas development requires major reforms to create an Arctic-ready future to protect this region and its people from environmental harm.



The 27-page report, **Becoming Arctic-Ready (PDF)**, was sent to Prime Minister Stephen Harper today and also was submitted to the National Energy Board (NEB), an independent agency that is conducting a public review of offshore oil drilling regulations in the Canadian Arctic.

The Pew report identifies significant gaps throughout the Canadian government's process of Arctic offshore licensing and regulation and provides an 11-step program of policy reforms. The report's analysis comes at a critical time because Canada is on the verge of approving its first deepwater oil and gas development in the Arctic. The drilling of exploration wells is the riskiest part of such activities, because catastrophic blowouts such as the 2010 Deepwater Horizon disaster in the Gulf of Mexico are most likely to occur during this phase.

Yet Canada has not implemented key recommendations made in 1990 by a federal-provincial-Inuvialuit review board that examined shallow-water oil drilling in the Beaufort Sea. Major gaps identified at that time included the inability to adequately contain and clean up a major oil spill in



Trend toward Deeper Offshore Oil and Gas Lease Blocks in The Canadian Beaufort Sea, 1986-2011

the Arctic's icy, remote waters; inadequate assessment of potential liability; and a lack of consultation with Inuit about proposed oil development.

The NEB is holding hearings in Inuvik, Northwest Territories, the week of Sept. 12 as part of its Public Review of Arctic Safety and Environmental Offshore Drilling Requirements. The review, scheduled to conclude in December, was set up in part to consider proposals from industry to weaken a rule requiring that an oil spill or blowout be stopped before the ocean freezes up again. Canada's "same-season relief well" rule is the strongest protection against multiyear blowouts. In the wake of the Gulf of Mexico oil spill, the NEB broadened the review to include other Arctic offshore drilling requirements.

"Requiring that operators have the capability to kill a blowout and contain a spill in the same season is essential to safeguard the Arctic from devastating environmental damage," said Louie Porta, science and policy analyst for Pew's Oceans North Canada and co-author of the report. "We urge the NEB to include this requirement as part of its plan for improving oil-spill cleanup and response in Arctic waters."

However, the NEB oversees only part of the process. Indian and Northern Affairs Canada (INAC) is responsible for licensing. After the Gulf of Mexico oil spill, Inuit leaders asked INAC to stop all new licensing and reassess the reforms needed to proceed responsibly with hydrocarbon development. Instead, INAC issued three offshore Arctic oil licenses in 2010 and 2011, including one that allows the deepest offshore drilling ever permitted in the Beaufort Sea. Pew's report underscores the importance of the Inuit's request to the federal government for a delay and adds an additional voice to the call for a time-out on new leasing.

“We are asking Prime Minister Harper to suspend all new offshore oil leasing in the Arctic Ocean until these key reforms are implemented,” said Trevor Taylor, policy director for Pew’s Oceans North Canada campaign. “At the same time, we are asking the National Energy Board not to approve the first deepwater oil drilling in Canada’s Arctic waters. A time-out is needed to consult with Inuit and ensure that world-class standards for oil-spill cleanup and other safety measures are in place before such activities proceed.”

Among the Pew report’s key recommendations for reform are:

Engage in meaningful consultation with Inuit groups at key stages of the process, from participation in early environmental assessments to decisions about oil-spill preparedness and royalty sharing.

Mandate a strategic environmental assessment of a proposed licensing area in the Arctic Ocean before calling for industry nominations of potential exploration sites.

Require that operators meet minimum Arctic-based standards for drilling performance and environmental protection before bids on offshore licences are accepted and ensure that companies have the financial resources to meet worst-case oil-spill liability requirements.

Ensure that Arctic-tested standards for offshore oil-spill preparedness and response capacity are in place before authorizing exploration and that these standards maintain the intent of the same-season relief well policy to protect the Arctic and its people from multiyear blowouts.

Add a mechanism for government review and cancellation (with compensation) of existing tenure rights on long-term leases in justifiable circumstances such as dramatic environmental changes, industrial accidents or national security issues.

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Campaigns:

Oceans North: Protecting Life in the Arctic

Related News and Resources

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Media Coverage

Nov 10, 2011

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2) On Thin Ice

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Nov 09, 2011

(Audubon Magazine) In the face of climate change and offshore drilling, biologists are tracking walruses to better understand their behavior and protect the areas most important to them.

3) New US Offshore Oil Leasing Plan Includes Arctic

Media Coverage

Nov 08, 2011

(Agence France-Presse) The Obama administration on Tuesday proposed a new plan for offshore oil and gas leases in the Gulf of Mexico and off the coast of Alaska, including the environmentally sensitive Arctic.

4) Arctic Ocean Drilling Plans Stir Oil Spill Fears

Other Resource

Nov 08, 2011

This week, as the effects of the Deep Water Horizon oil spill still lingers, the Obama administration released its new five year offshore oil exploration plan that could open up sensitive areas of the U.S. Arctic Ocean to drilling.

5) Obama Cautiously Offers More Areas for Offshore Drilling in Alaska and Gulf of Mexico

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(AP) The Obama administration cautiously offered up more areas in the Gulf of Mexico and off Alaska's coast to oil and gas drilling Tuesday but didn't go far enough to satisfy Republicans pushing to greatly expand drilling as a way to create jobs and wean the country off foreign oil.

6) PBS Looks at Offshore Arctic Drilling, Gulf Spill Impact

Other Resource Oct 27, 2011

The lingering lessons of the Exxon Valdez and Deepwater Horizon spills are more vital than ever as the U.S. contemplates drilling in the extreme, remote, and ecologically fragile Arctic Ocean. This video highlights efforts to achieve a balance between energy, the environment, and native traditions.