

**PROVINCE'S OFFSHORE OIL AND GAS POTENTIAL IS WITHIN REACH**

**By Richard Neufeld**  
**Minister of Energy and Mines**

March 10, 2004  
(961 words)

The development of British Columbia's offshore resources is within reach. For British Columbians, this means new jobs, new career paths for students, new science, new relationships with First Nations and coastal communities, and new environmental innovation and stewardship.

In 2003, Premier Campbell committed through the provincial energy plan, to establish a dedicated provincial offshore oil and gas team to develop a provincial position, work with the federal government and move effectively toward development of the offshore resources. The offshore team is taking a balanced approach in the review of science findings, engaging coastal communities and BC businesses and developing regulations. Our goal is to develop this rich BC resource by 2010.

We are making progress. Let me highlight the findings learned about the science, the benefits for communities, and speak to the offshore activities of other jurisdictions.

**Science:**

First, any decisions about BC's offshore future begin with sound science.

We are taking a systematic and thoughtful approach to the science review. In 2001, our Government released the Jacques Whitford report "*British Columbia Offshore Oil and Gas Technology Update*". Its key finding was that there are no unique issues that would rule out exploration and development activities. This conclusion was reinforced in 2002 by the provincially appointed scientific panel led by Dr. David Strong. Dr. Strong, a professor in the school of earth and ocean sciences at the University of Victoria, led an independent review of the science and concluded that "there is no inherent or fundamental inadequacy of science or technology, properly applied in an appropriate regulatory framework, to justify a blanket moratorium on such activities".

And again, this month a team of Canadian scientists, commissioned by the Federal government and led by Dr. Jeremy Hall, under the auspices of the Royal Society of Canada (RSC) completed their scientific review. It found "*provided an adequate regulatory regime is put in place, there are no science gaps that need to be filled before lifting the moratoria on oil and gas development*".

We are moving forward on the many recommendations found in the scientific reviews through the involvement of BC universities, First Nations, communities, and the federal government. This type of dialogue could provide a foundation to explore issues beyond oil and gas and contribute to our overall understanding of BC's marine coast. In fact, I believe that the moratorium has resulted in a lack of science about British Columbia's offshore. The RSC report notes "that lifting the moratoria would enhance the opportunities for filling many of the science gaps...".

### **Benefits to communities**

Any decision on BC's offshore must also weigh the potential benefits to BC communities.

Many British Columbians are not aware of British Columbia's own proud offshore legacy. In fact, the first drilling rig to be constructed in Canada was built in Victoria, BC. It was completed by Shell Canada in 1967.

Today, there are many BC companies actively working worldwide and with recognized expertise in offshore development.

In communities like Victoria, Sidney, West Vancouver, Vancouver, and Prince Rupert, manufacturers, consultants, distributors and marketers of a range of offshore development services are prospering. Some of the BC products and services include: offshore structural engineering and high tech modelling; tug boat, crew boat and supply vessel design; marine sensor fabrication; spill response specialists; oceanographic product supply; dynamic positioning systems; ocean floor geophysical and environment consulting; platform and gravity based structural design; acoustic remote sensing products for seabed classification; marine oil transportation and; digital airborne mapping specialists.

With the development of BC's own offshore resources, the new business and job possibilities for these and other companies would be here at home.

### **Other jurisdictions**

Any decision on offshore will also require regulatory excellence guided by the experiences gained from other jurisdictions.

Our goal is to develop a regulatory framework built on best practices elsewhere and also be sensitive to the unique needs and challenges of our coastal environment and communities. The offshore team is examining the regulatory systems currently in place in the North Sea, the Gulf of Mexico and Norway.

Our offshore oil and gas team has led fact finding missions with industry, First Nations and community leaders to the Cook Inlet, Alaska and the Gulf of Mexico. Our mission is to study firsthand the best practices in offshore development, share the information we obtain with all the affected parties and work with communities, First Nations and industry to shape the best possible approaches to ensure sound and safe exploration and development.

Offshore development is already occurring safely in all parts of the world, generating energy resources, jobs and other community supporting benefits. For example, we've learned that there are 6,440 producing wells between Alaska, California and the Gulf of Mexico. It is also notable that the UK, Brazil, Australia, New Zealand, China, the Philippines, Russia, and Norway are also active in offshore development.

Closer to home in Ontario, Quebec, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and in the Arctic, offshore development is taking place. In Newfoundland, as of March 2003, there were more than 3,000 people working on three offshore projects. A typical multiplier for spin-off jobs in the industry is approximately 9,000. As an example of the benefits of one project, Hibernia's offshore development alone brought \$800 million in infrastructure investment.

A new industry is within reach for communities and families across the province if we responsibly develop British Columbia's offshore resources.

British Columbia's quality of life and economic growth will continue to rely on coal, natural gas and oil fuels now and into the future. These will be the transition energy sources for hydrogen, enabling us to pursue new options and innovations.