

Ministry Finds Holes in Oil and Gas Report

A recent report cited by Premier Gordon Campbell as a justification for lifting the 30-year ban on offshore drilling for oil and gas in B.C. has been criticized for missing "essential elements" and having "very little value-added to guide provincial government policy development".

Straight Talk

According to an internal review by the Ministry of Water, Land and Air Protection, the "essential elements" missing from the report are: environmental-risk analysis (the report looked only at "engineering" risk); natural-resource damage assessment ("there are both significant policy and technology gaps in this area"); compensation regimes for costs to private property and Crown natural resources; the full range of biological issues, such as shoreline and wildlife oil contamination; alternative spill-response technology; findings from the long-term oil-spill-impact findings (environmental and socio-economic) after the 1989 Exxon-Valdez spill; and current oil-spill-response capability of the private sector and governments.

The *Straight* obtained the ministry's review of the original report—which was commissioned by the Liberal government, produced by Jacques Whitfield Environmental Ltd. and released last fall—through a freedom-of-information request. It deflates the report's conclusion about the economic boon to British Columbians, a prospect touted by Campbell: "Though there are substantial potential benefits, there isn't as much of a 'wind-fall' as most people perceive," because more efficient recent drilling technology means

fewer jobs and a much lower economic spin-off to communities.

According to the review, the report's oil-spill section "only looked at worldwide records showing two percent of spills are from offshore oil and gas production. Did not address probability based on regional conditions."

Regarding the sections on an oil spill's impact on B.C. fish and wildlife habitats, the review noted: "Very superficial and quite misleading information....No mention of extensive research following the Exxon Valdez oil spill. Another major oversight is that there are very large and lengthy community and social impacts from any type of oil spill in the marine environment. Report never mentioned the 'aftermath' of large spills."

"Drill cuttings [rock fragments from the drill hole, soaked with oil], drilling muds used to cool the drill bits, and toxic chemicals used in drilling have the immediate effects of smothering resident flora and fauna on the seabed adjacent to the well hole", the review notes, adding that "low levels of dissolved oil-fractions can affect the viability of fish larvae and the growth of adult fish."

"There is always unmitigated (residual) damage after an oil spill....under good conditions, the percentage of oil recovered from a spill from offshore-oil activities is between 10-15 percent."

The review, which said the moratorium is expected to be lifted within two years, added that oil-industry technology and safety practices have improved, but only in exploration to reduce the risk of an accident, not in spill response. The ministry's review also notes that the report doesn't mention oil drilling's possible impacts on the aquaculture and cruise-ship industries.

As well, the amount of natural-gas production in Canada is overstated,

Arnould



according to the review. "There is no mention of the Ladyfern field in the Northeast that has boosted the province's gas production by 25 percent. There is a potential conflict for markets—e.g., Northeast Coal versus Southeast Coal situation repeated? Didn't mention potential impact of Coalbed Methane Production in B.C.—a potential competitive source of energy."

California and Florida oppose offshore drilling, the review noted, and in 1998 president Bill Clinton extended a ban on oil and gas development in federal water off most of the U.S. to 2012.

• STANLEY TROMP

MAYOR DROPS POSITION

Vancouver Mayor Philip Owen quietly resigned as a director and officer of Central Heat Distribution Ltd. last June, although it wasn't filed and registered with the provincial corporate registry until September. Owen called the *Straight* on January 31 and said that he had resigned "about a year ago or something" after last week's edition stated: "The *Straight* has previously reported that Owen is a shareholder, director, and officer" of the company. It distributes steam heat under city property to many downtown buildings.

Owen is still a minority shareholder

in the privately owned utility, which has been sued by the City of Vancouver in a \$1.5-million dispute over royalty payments. Vancouver resident Robert Renger told the *Straight* that Owen's resignation as a director and officer of Central Heat has "no effect" on issues that Renger raised last month with provincial Ombudsman Howard Kushner.

Renger pointed out that the resignations occurred after Owen had voted at the Greater Vancouver Regional District in favour of allowing natural-gas users to switch to cheaper and dirtier fuels. Central Heat was the largest fuel switcher in the region, according to the GVRD. In addition, Renger said, the resignations occurred after Central Heat had refused to pay the arrears claimed by the city, and after Central Heat obtained a new 30-year deal with the city in which the company pays less than it did under the previous agreement.

Owen told the *Straight* that as an elected official, he has never gotten involved in council votes or discussions involving dealings between the two parties. He also said he abstained from discussions or decisions involving city business while serving as an officer or director of Central Heat. "I wouldn't participate," he said. "I never have participated with either side."

• CHARLIE SMITH

STRAIGHT HONOURED

A *Straight* contributor has won a journalism prize from the Canadian Nurses Association. Alicia Priest was the only local writer to win a 2002 CNA Award of Excellence, which was granted for her May 10-17, 2001, cover story, "Possible Side Effects". Priest's article described many of the negative consequences, including death, of some widely prescribed medications.

• STAFF