



Atlantic Chamber
of Commerce

Representing business since 1896

Chambre de commerce
de l'Atlantique

Représentant les affaires depuis 1896

October 3, 2014

Hon. Stephen McNeil, Premier of Nova Scotia
7th Floor, One Government Place
1700 Granville Street
P.O. Box 726
Halifax, NS
B3J 2T3

CC :

Hon. Andrew Younger, M.L.A.
Minister of Energy
PO Box 2664
Halifax, NS B3J 3J9

Dear Mr. Premier:

Since 1896, the Atlantic Chamber of Commerce and its predecessors have been championing the cause of business in Atlantic Canada. We represent upwards of 16,000 businesses through member Chambers of Commerce across the region and advocate on a variety of issues, such as population, productivity, policy and partnership.

We are writing today to offer our thoughts on the Government of Nova Scotia's announcement that it will introduce legislation to prohibit high volume hydraulic fracturing for onshore shale gas.

Please allow me to begin this letter by outlining the ACC's views on a few key premises relevant to this and other topics:

- Governments have a clear role and responsibility to take reasonable measures to ensure the health and safety of their citizens;
- The regulation of natural resource industries is expected and welcomed, as industry players as well as the general public have a clearer understanding of the expectations of all involved in regulated environments; and,
- Public policy decisions must be made on evidence, and decisions should be re-visited when evidence indicates a rationale for change.

As you are aware, there is a history of safe and responsible resource development, including hydraulic fracking, in Canada. Equally, we understand that it is the intention of government to prohibit high volume fracking only. We understand that your government is seeking to strike a balance in its public policy decisions – encourage some level of exploration and development while capping the amount of activity so as to limit potential negative effects.

However, the ACC wishes to send a note of caution on just how wide-ranging or permanent a moratorium might be. What we are requesting is undoubtedly difficult, given the recent public statement on this emotional and divisive issue.

October 3, 2014

Hon. Stephen McNeil, Premier of Nova Scotia
CC: Hon. Andrew Younger, M.L.A.

We are asking that your government not close the door completely on fracking that is responsibly conducted. The concerns are real, and we share them as citizens. Business leaders are not immune from contaminated water, seismic events, or human health concerns. We are citizens first.

But we are concerned about the message this sends to industry about how information is balanced when making policy decisions. There has been no concrete evidence to support a ban. We are concerned that other jurisdictions with onshore resources, such as Alberta, now use our young people to develop their industry for their benefit. And we are certainly concerned with the fiscal situation and the 'pass' government has taken on improving it through increased revenues.

Premier, we would like government to re-consider its decision to bring forward legislation which would ban high volume hydraulic fracturing for onshore shale gas. We believe such legislation is unnecessary, as government has under its control existing legislation and regulations by which it could control and regulate the industry.

At the very least, we would strongly encourage government to introduce a clause that would require frequent reviews of the legislation based on independent evidence presented to government. This would ensure that any ban is – based on evidence – completely necessary or conversely is revoked if the environmental and health risks can be mitigated. We do believe that through existing government regulation and industry best practices these risks can reasonably be mitigated; we want to ensure that those regulations and best practices can be exercised should a reasonable and responsible proposal to conduct high volume fracking be proposed in Nova Scotia.

Like many other industries that have proven to be commercial successes as well as environmentally safe, real world practice must be enabled. Regulation and oversight is vital, but we cannot know the full benefits and costs where an industry is prohibited. A ban accomplishes a goal of ensuring no risk, but also no return. We believe a more balanced approach can be beneficial to all Nova Scotians and as a result of that worldview we are respectfully requesting that you re-consider your legislation.

In summary, we believe that it is vitally important that the province remain open to energy investment and support the development of a domestic oil and gas industry. Should you go ahead with a moratorium, we encourage you ensure that it is clearly and narrowly defined as anything that is broad and vague is damaging for business confidence and investment.

Thank you in advance for your time and consideration. On behalf of our members I extend our best wishes as you deliberate on this and other topics of importance to Nova Scotians.

Sincerely,

Valerie Roy.

Valerie Roy
Chief Executive Officer

Page 2/2