

Natural Resources

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BACKGROUNDER

EXTENSION OF THE GEORGES BANK MORATORIUM

Georges Bank is located on the eastern North American continental shelf about half way between Halifax, Nova Scotia, and Cape Cod, Massachusetts. It is a large, shallow bank that covers an area of more than 40,000 square kilometres; the Canadian portion is approximately 7,000 square kilometres. It is well known as a productive, diverse fishing ground.

The Canadian government issued the first exploration permits on Georges Bank in May 1964. However, the United States formally objected to this assertion of jurisdiction, and in 1969 informed Canada that it reserved the rights to the area.

On November 29, 1981, a treaty was signed to submit the boundary dispute to the International Court of Justice at the Hague. This was followed by an unsuccessful eight-well drilling program in 1981-1982 in U.S. waters.

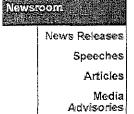
A decision on the maritime boundary was issued by the Chamber of the World Court in October 1984. The international boundary decision resulted in Canadian jurisdiction for the northeast sixth of the Bank, and U.S. jurisdiction for the remaining five-sixths. In that year, a moratorium was placed on oil and gas leases on part of the U.S. portion of Georges Bank. Following the World Court decision, Texaco expressed an interest in drilling on the Canadian portion of Georges Bank.

In 1986, Texaco initiated a consultation program with the people of southwestern Nova Scotia. At the time, there was considerable opposition to drilling on Georges Bank from local fishing associations, commercial fish processors and residents of the area. This led to the formation of a fishing interest group known as NORIGS, which organized local opposition to Texaco's plans and lobbied the federal and provincial governments.

In 1988, under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Acts, a moratorium was placed on petroleum exploration and drilling on the Canadian portion of Georges Bank. The moratorium was scheduled to expire on January 1, 2000.

The Georges Bank Review Panel was created in December 1995 under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Acts to review the environmental and socioeconomic impact of exploration and drilling on Georges Bank. The panel was made up of John Mullally (Chair), a retired public servant from the natural resources sector, Susan Holtz, a private consultant specializing in research and implementation projects in energy, environment and sustainable development, and Ron Loucks, President of R.H. Loucks Oceanology Limited. The panel conducted a public review of petroleum exploration and drilling activities on Georges Bank and submitted its recommendations to the federal and





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provincial ministers earlier this year. The Ministers were required to make a decision on the future of the moratorium by January 1, 2000.

The four phases of the review were introductory meetings, information sessions, workshop discussions and public hearings. The panel conducted introductory meetings, information sessions and workshop discussions in southwestern Nova Scotia and Halifax between the fall of 1996 and the spring of 1998. A report summarizing the workshops particularly, titled "Georges Bank Review — Community Workshops", was then prepared.

Public hearings were conducted in January 1999 in Yarmouth, Shelburne, Lunenburg and Halifax. The hearings provided the opportunity for presentations and submissions on all aspects of the review. Participants included representatives of the Canadian Association of Petroleum Producers and several of its member companies, NORIGS, fishing associations, business organizations, the federal departments of Fisheries and Oceans, and the Environment, environmental groups, local and regional elected officials, and interested citizens in both Canada and the United States.

Additionally, \$500,000 was made available to the Panel from the Canada–Nova Scotia Development Fund for studies related to the review process. Two types of studies were commissioned to help fill gaps in information related to the review and to prepare short general summaries that focussed on frequently asked questions. The Panel made all studies available to the public as early in the review process as possible before public hearings commenced.

As a result of this process, the Panel prepared a report that was submitted to the federal Minister of Natural Resources and the Nova Scotia Minister responsible for the Petroleum Directorate on July 1, 1999. The Panel recommended that "action be taken to have the moratorium on petroleum activities on Georges Bank remain in place," and Ministers Goodale and Balser have accepted this recommendation.

In the U.S., the moratorium on offshore petroleum activities was modified to include more of Georges Bank, and it was extended several times by executive order. In 1998, President Bill Clinton extended the moratorium for these areas until January 1, 2012.

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Important Notices