Closing the door on shale gas: a premature decision

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Saying no to the exploration and exploitation of shale gas in Québec, without knowing the actual economic impacts this development could generate, is a premature decision that will close the door to a major development opportunity, at a time when we need such initiatives to support our economy.

Last Tuesday, Premier Philippe Couillard declared that the government was not going to develop a Québec shale gas industry based on the findings provided in the report of the Bureau d’audiences publiques en environnement. But there is an enormous gap between the reading of a report and the conclusions the government has drawn, thereby depriving all Québec of the structural projects that could contribute to our economic recovery and to putting public finances in order, at a time when we need that most.

It is fundamental to note that the BAPE does not have the expertise required to make a reliable, in-depth economic assessment that can inform the government’s decisions and that, to date, in Québec, we do not have a cost-benefits analysis based on actual operating scenarios.

We understand that the public has experienced this issue, which got off to a very poor start, as a social ill. That is yet another reason why the government should quickly establish a clear, stable and foreseeable legislative and regulatory framework in order to redefine its method for working with the proponents of major development projects and reassure the public. An orderly process that oversees corporations in a structured and strict manner is required to ensure that the social acceptance needed for these large-scale projects is achieved. At present, the public has a partial and incomplete portrait of the situation, as a result of the fact that the economic impacts have been completely eliminated from the discussion.

In order to determine the actual development potential, the actual availability of this resource, and obtain scientific data that can either confirm or overturn the calculations and the conclusions of the current theoretical studies, the government should authorize a few pilot projects in Québec. These mini-operating projects would serve to develop in-depth knowledge of the potential impact of hydro-fracking and the scientific results would all be submitted to a rigorous review by peers, as well as by the industry and the environmental groups.

It is also necessary to conduct an in-depth study of the royalties, the number of jobs created and the economic impacts generated in other provinces and in other countries so that the government can estimate the level of wealth to be created, wealth which it is depriving itself of by delaying the complete examination of this industry. Let us mention
the natural gas operating models in British Columbia, Alberta and the United States, as well as the recent openness of the European Union for exploration, particularly in the United Kingdom, Denmark, Poland and Roumania. If the European Union has given the green light to the development of shale gas, why should Québec do otherwise?

The government does not have the means to ignore this development opportunity, at a time when it is turning over all stones to take the measures needed to allow it to regain its capacity to take action. We ask the government to take the required step back and assume its responsibilities in order to make a truly informed decision.

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