

Conservative Party of Canada Response to Noia Questionnaire

The Atlantic Accord

The Atlantic Accord is a foundational document for the Newfoundland and Labrador offshore oil and gas industry and has provided significant benefits to our supply and service sector. The Atlantic Accord recognizes the province's right to jointly manage and receive benefits from offshore resources as if they are located "on land, within the province" and also ensures that Newfoundland and Labrador be the "principal beneficiary" of the offshore. Further, Section 51 requires that Newfoundland and Labrador companies have "full and fair opportunity" to participate in the offshore supply and service industry.

How will your government ensure that the principle of joint management of the offshore, as legislated in the Atlantic Accord, is not only upheld, but strengthened?

A Conservative Government led by Andrew Scheer will respect provincial jurisdiction and will ensure that the principle of joint management of the offshore is strengthened. The first step is to repeal Bill C-69 which infringes on the principle of joint management by giving the minister almost unlimited power to set new conditions or restrictions on projects. We will also reduce federal regulation by 25% and a big part of this will be to reduce overlap with the provinces.

A coalition government of Justin Trudeau's Liberals pulled to the left by the NDP or Greens would make natural resource development and expansion of Newfoundland and Labrador's offshore projects almost impossible.

As our industry continues to grow and become more globally attractive, how will your government ensure the legislative rights, such as "full and fair opportunity" and "principal beneficiary," within the Atlantic Accord are upheld and strengthened?

A new Conservative Government will respect provincial, jurisdiction and work to remove barriers to responsible resource development and sustainable economic growth.

The international reputation of Canada's energy industry has been severely damaged by Justin Trudeau's mishandling of pipelines and his catastrophic regulations. Canada is now perceived as a place where projects can't get built. According to a coalition of the 75 largest business associations in Canada "The global reputation of our country as a safe and secure place to invest is at serious risk [...] It sends a message to investors that Canada cannot be trusted and puts billions of dollars of government revenue at risk".

A Conservative Government will put Canada in a position of strength with a competitive business environment that will support job creation:

- We will keep taxes low and reduce the regulatory burden to ensure Canada is a great place to invest.
- We will replace Bill C-69 with a new process that sets clear expectations and timelines for environmental reviews. This will secure and maintain investment in Canada's energy sector as we restore confidence and certainty.
- We will champion a National Energy Corridor, which will generate economic and social benefits for the entire country by moving oil, gas, hydro-electricity, telecommunications and other linear infrastructure.

- We will diversify trade by negotiating trade deals that create opportunities for Canadians and reduce dependence on the US.
- We will build the infrastructure and pipelines we need to get our oil and natural resources to global markets.
- We will invest in Canadian skills, innovation and green technology.
- We will restore fiscal responsibility with a sound, independently costed plan to balance the budget.

What specific actions will your government undertake to support the supply and service sector and ensure their “full and fair opportunity” to participate in the sector?

We know that local businesses are often best placed to serve the needs of the energy sector – they are the backbone of our industry. The best way to grow the supply and service sector is to remove the regulations that are hurting the industry (like C-69) and to become more competitive.

Internationally Competitive Regulatory Regime

The offshore oil and gas industry is international and the Newfoundland and Labrador industry must be able to compete for the interest of global companies and investment. To accomplish this, our industry must be globally competitive through legislation and regulation that allows for exploration and, ultimately, production to occur in a timely manner. This does not mean we compromise our safety practices or environmental integrity, but we must provide competitive, clear, and consistent regulations.

To reach its tremendous potential, how will your government ensure globally competitive legislative and regulatory processes for the Canadian offshore oil and gas industry?

Conservatives believe that the Liberal Bill C-69 has taken Canada in the wrong direction. It has introduced uncertainty and delays into the environmental assessment process, and it has centralized authority that used to be held by the Canada – Newfoundland and Labrador Offshore Petroleum Board. We will act quickly to minimize the damage caused by this legislation, and we will work with stakeholders to develop a new environmental assessment regime that upholds world-leading environmental standards but provides proponents with the certainty that they need. We will also return responsibility for environmental assessments to the C-NLOPB.

Offshore exploration is the driving force of the industry and is critically important for discoveries, new projects and the growth of the supply and service sector. Will your government commit to immediately exclude offshore exploratory wells – an activity with well-defined effects and mitigation measures – from the Impact Assessment Act designated project list?

As we undo the damage of C-69 and work with stakeholders to develop a new process, we will look at all aspects of the process. This will include how we determine which projects are designated, and how projects are assessed. On principle we believe that issues of project designation should reflect the risks associated with those projects.

What action will your government take to attract investment to the Canadian offshore oil and gas industry?

Conservatives believe that the most important step we can take to bring investment back to Canada is to increase the level of certainty and predictability in the regulatory process, and to reduce red tape. Canada has much to offer investors in terms of our political stability and skilled workforce, and much to offer the world by meeting global demand with environmentally and socially responsible Canadian products. It is imperative that we stop throwing up barriers and roadblocks to our own success.

Members of the supply and service sector work in a global economy where equipment, vessels, goods and materials move across jurisdictions. How will your government ensure that such equipment and materials, having already met stringent international standards acceptable in countries such as Norway and the UK, are not subjected to additional layers of unnecessary regulation as they arrive in Canada to be used in our offshore?

We have a robust plan to reduce federal regulation and make it easier for job creators to succeed: a new Conservative Government will reduce the regulatory burden by 25 per cent over our four-year mandate.

We will set targets for each minister and each department. To get there, we will implement a 2-for-1 rule whereby the government would have to get rid of two regulations before imposing any new one.

This will help to lower unnecessary costs for entrepreneurs and to make it easier to start and run a business. The Canadian Chamber of Commerce found that there were 131,754 regulations on the federal books in 2015. The Montreal Economic Institute found that they now number 136,000, an increase of 4,300 since Justin Trudeau became Prime Minister. These federal regulations are on top of hundreds of thousands of provincial rules and red tape, many of which are duplicated at the federal level.

To lead government-wide regulatory reduction, we will assign responsibility for red tape reduction to a minister reporting directly to the Prime Minister. This will help to ensure that we meet our red tape reduction targets and eliminate, where possible, regulatory discrepancies and duplication with the provinces. We will call on experts from the private sector, individuals who truly understand the administrative burden of these regulations, to support the cost-benefit analysis.

Furthermore, we will mandate all ministers and regulators to support innovation, economic growth, and competitiveness.

At the beginning of the Newfoundland and Labrador offshore oil and gas industry, exploration and other activity was incentivized by both levels of government. Today, some international jurisdictions offer incentives, such as interest free or low interest loans through export focused programs, to support and grow purchasing of goods and services within the local supply chain. What measures would your government implement to support local supply chain development?

We will reduce the regulatory burden, and undertake a comprehensive review of the tax system to support our local businesses and provide a more competitive business environment.

Removing barriers like C-69 will boost the energy industry and provide more opportunities for local business. We will continue to work with industry to find new and innovative ways to ensure our industries can succeed and thrive.