



September 26, 2019

Dear Party Leader:

The Newfoundland and Labrador Oil and Gas Industries Association (Noia) was founded in 1977 to represent the supply and service sector of the offshore oil and gas industry. Today Noia represents approximately 600 member organizations worldwide involved in the oil and gas industry of Newfoundland and Labrador. Noia members are a diverse representation of businesses that range from offshore supply boats and helicopters to health and safety equipment and training, engineering solutions and fabricators to local bakeries.

An economic impact study completed for Noia clearly demonstrates the profound value of our offshore oil & gas industry to the province and indeed the country. ImagineThePotential.ca highlights that our industry is by far the largest contributor to the Newfoundland and Labrador economy and forecasts future potential benefits of over \$100 billion in royalties and taxes to the provincial government by 2045. Game-changing revenue such as this, along with the numerous other economic benefits highlighted in the study, exemplify why we must ensure our industry is able to reach its potential.

During the 2019 federal general election, Noia is asking party leaders how they will support the offshore oil and gas industry should they form the next government. Specifically, Noia is asking how a government you lead will ensure the supply and service sector of Newfoundland and Labrador benefits from the tremendous resources offshore and how you, as prime minister, will enable our industry to reach its full potential.

Please provide in writing to Noia your answers to our questions below before October 11, 2019. All responses will be shared with Noia members through our website, Daily Barrel e-newsletter and social media platforms.

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?

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?

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?

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?

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?

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

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?

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?

I would like to thank you for your time and consideration in answering these important questions for Noia members. The offshore oil and gas industry is extremely important to Newfoundland and Labrador and also has a tremendous impact on the Canadian economy. As such, Noia would welcome the opportunity to discuss the industry at any time.

Please do not hesitate to contact me at 758-6610 or cjohnson@noia.ca.

Sincerely,

Charlene Johnson
CEO