



June 3, 2020

Office of the Prime Minister
80 Wellington Street
Ottawa, ON
K1A 0A2

Re: Canada's Offshore Oil and Gas Industry

Dear Prime Minister Trudeau,

We write today on behalf of the over 500 members of Noia involved in the offshore oil and gas service and supply sector, many of whom are closing offices, laying off employees, and are uncertain about what the future holds for industry and their organization.

On Tuesday, May 26, 2020, Noia joined with Premier Dwight Ball, Minister Siobhan Coady, Memorial University President and Vice-chancellor Dr. Vianne Timmons, Kieran Hanley, Executive Director of the Newfoundland and Labrador Environmental Industry Association, Dr. Darin King, Executive Director of Trades NL, Terry Abel, Executive Vice President, Canada Operations and Climate with the Canadian Association of Petroleum Producers, and Alison Rumbolt, First Officer and Flight Safety Officer with Cougar Helicopters, to plead for help from your government for our industry.

Fast forward a week from our joint news conference and we have yet to receive a response. As Noia has made quite clear, our circumstances are dire, and our needs are immediate. Tens of thousands have lost their jobs, with most unsure if their job will be available post COVID-19. Projects are on hold or cancelled, and numerous companies have closed their offices, ceasing operations. Parents are having difficult conversations with young children about their inability to play organized sports or continue in dance, swimming or theatre because their income is lost or not secure. These conversations are occurring each and every day.

The Government of Newfoundland and Labrador, along with the collaborating organizations referenced above, are seeking help to ensure our offshore industry can compete globally and continue the momentum we had up until this pandemic. A plan for the long-term that ensures continued exploration and future development and that puts people back to work is required. To do so we are requesting incentives for exploration to attract investment to our industry and country, and incentives for development projects to get deferred projects operational and help get people back to work. The nations we compete with globally such as Norway and the U.K. are doing just that. If we do not do the same, we fall behind, likely never to catch up.

Should we not keep pace with global practices in attracting investment the circumstances of our province will be dire. As Premier Ball has outlined, our province stands to lose over \$60 billion in gross domestic product in less than two decades should our industry falter. You are keenly aware of our financial circumstances and you must also know such lost economic activity will be devastating and lead to significant financial issues for Newfoundland and Labrador. Investment now will help prevent such a circumstance and curtail the need for economic rescue later. Our

requests will help our industry recover from COVID-19 and have previously been used in our offshore with much success. In the 1980s, the Government of Canada provided the Petroleum Incentive Program, commonly referred to as PIP, which led to the offshore production facilities we have now. Until 2012, companies involved in the offshore could avail of the Atlantic Investment Tax Credit which helped make development projects economically feasible. Such programs have all been used in the past and can be employed again to help hardworking people get back to work and drive the Newfoundland and Labrador economy, an economy that is highly reliant upon our industry.

As demonstrated on May 26, 2020, there is a strong commitment within our industry to help Canada achieve its international obligations to reduce greenhouse gas emissions with the Government of Newfoundland and Labrador committing to achieve net-zero by 2050. In fact, we strongly believe that due to our light, sweet crude oil that is 30% below the global average for emissions at extraction, our expertise in harsh weather environments, and our collaborative nature, we can lead the world in this area. We do not want to follow the current leaders; we want to be the leaders. We want to show the world how an economy can transform when supported by all levels of government, industry, workers, and the public.

Prime Minister, we need your support and we need it now. Substantive information about our requests, their impacts on our economy, and how they can be implemented have been provided to your government. The people of Newfoundland and Labrador need a response now. With every week that goes by more offices are closed, more people are out of good paying jobs, and more investment decisions are made, further exacerbating our dire circumstance.

We are available at your convenience to discuss further.

Sincerely,



Karen Winsor
Chair



Charlene Johnson
CEO

CC: Deputy Prime Minister Chrystia Freeland
Churence Rogers
Finance Minister Bill Morneau
Gudie Hutchings
Jack Harris
Ken McDonald
Minister Coady
Minister O'Regan
Premier Ball
Scott Simms
Yvonne Jones