

February 4, 2021

Charlene Johnson, CEO
NOIA
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St. John's NL
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Dear Ms. Johnson:

Thank you for your letter inquiring about Newfoundland and Labrador New Democrats' position on issues of importance to your members. I am pleased to have the opportunity to present our party's views on these important questions. As we progress through this provincial election, we want Newfoundlanders and Labradorians to be aware of our position on equalization, energy, good jobs, the environment and the other important issues you raise in your letter.

The Atlantic Accord enshrines in legislation the tenets of “principle beneficiary” and “full and fair opportunity” for Newfoundland and Labrador companies. How would your government ensure these principles are upheld and not infringed upon by other legislation?

The NDP agrees that Newfoundland and Labrador is the principal beneficiary of its natural resources as stated in the Atlantic Accord and we will ensure this promise is fulfilled. A commitment was made to the people of Newfoundland & Labrador by the government of Canada. It is essential that these obligations be kept.

We believe that the Government of Canada, as an equity partner in the Hibernia project, has more than recouped its investment and we will work towards transferring its 8.5% equity share in Hibernia to the province.

How will your government ensure that local content plays a prominent role in the future of the offshore industry? What measures will you take to make sure the supply and service sector has the skills and abilities to participate in the offshore industry?

Our supply and service sector is recognized globally in the offshore oil and gas industry. In order to maintain and expand this reputation, and gather the necessary experience, our benefits agreements must include the maximum benefits for our supply and service companies.

Agreements made for developing the offshore cannot make oil companies the principal beneficiaries. These multinationals must understand that in order to have profitable access to our resources, our supply and service companies have the fullest possible opportunity to work offshore in Newfoundland and Labrador and elsewhere around the world.

Will your government support NOIA in it's advocacy efforts to persuade the federal government to implement these incentives for the offshore oil and gas industry? What Action will you take to convince the Government of Canada to implement such incentives?

In September 2020, the federal government gave the province a \$320 million federal NL Offshore Oil and Gas fund and suggested it should be used to support affected workers and support renewable energy development. Andrew Furey's Liberals proceeded to allocate 90 per cent of it to multi-national oil companies and that is a missed opportunity for our offshore oil workers and our local supply and service sector.

In the absence of the federal government implementing these incentives, would a provincial government led by you implement tax incentives or other incentives to encourage new offshore exploration and development projects? If so, how would these programs be structured?

The recent downturn in the offshore oil sector has illustrated the need for a more diversified business sector. In order to provide a stable workforce and continuing opportunities for business the NDP is committed to a diversified economy that respects our environment and builds a better future for all Newfoundlanders and Labradorians.

It is time to bring the experts— business, labour, academics, community, local governments and equity-deserving groups – to the table to develop a plan that works for everyone, grows our economy, and makes our province one where people will want to live and work.

What action would your government take to support the current offshore projects and ensure remaining oil resources are developed for the benefit of the province and industry?

We need policies that guarantee business opportunities for local supply and service firms. The NDP will work with local business and organizations such as NOIA to achieve that result.

What mechanisms would your government employ to ensure the Newfoundland and Labrador offshore oil and gas industry is achieving its full potential of resource development and returning maximum life-of-field benefits to the people of Newfoundland and Labrador?

The NDP will work with post-secondary institutions to conduct research on advanced oil extraction techniques. In addition, the NDP will ensure that environmental research is conducted with the goal of reducing greenhouse gasses, incidents of oil spills and impacts on marine life.

To ensure a cohesive approach, how would you coordinate the various functions of the agencies responsible for the offshore oil and gas industry in Newfoundland and Labrador?

The NDP would separate the Canada-Newfoundland and Labrador Offshore Petroleum Board's environmental and safety functions from its mandate to support development, ensuring independent oversight and world class oil spill response.

What measures would your government implement to provide a globally competitive regulatory regime and ensure the timely approval and sectioning of future offshore exploration and/or development projects?

The NDP will work with the oil and gas industry to provide greater clarity to facets of legislation dealing with the extraction of oil and gas.

While carbon emissions from the Newfoundland and Labrador offshore oil and gas industry are already leading the global offshore industry, how will your government support the industry to develop innovating solutions which further lower emissions and help the province achieve its net zero carbon emissions objective?

The carbon intensity per barrel of oil produced in our offshore is below the global average. The NDP will work with businesses reach the goal of reducing carbon emissions and helping the province to achieve its commitment of Net Zero by 2050.

Will you commit to maintaining the offshore seismic survey program currently undertaken by the government of Newfoundland and Labrador through Oil and Gas Corporation?

There must be more independent research on the impact of seismic testing and its potential effects on sea life, like whales and fish.

Would your government undertake a review of this process to consider including other criteria such as specific commitments for work to take place in Newfoundland and Labrador, timelines for project development, diversity and inclusion, commitment to lower greenhouse gases, and employing environmental and safety best practices?

The NDP will ensure fair and sustainable development of our natural resources. How we manage and take care of them will determine the economic, environmental, and social well-being of the province for years to come. We have to stop giving money and valuable resources away to multinational companies, and start developing them in a sustainable manner which ensures Newfoundlanders and Labradorians are the principal beneficiaries for employment and business opportunities. We will ensure there are robust community benefits agreements as we develop our natural resources.

The NDP understands that Newfoundland and Labrador's natural resources are a source of great prosperity and pride for the province and its people. We believe in strong protections for Newfoundland and Labrador's land and oceans to ensure that future generations can continue to enjoy a beautiful province and healthy natural ecosystems.

The choices we make now will set the stage for the future of this province. I look forward to speaking with you on these issues further after the provincial election.

Sincerely,

Alison Coffin, Leader
NL NDP