

February 3, 2021

Charlene Johnson, CEO  
Newfoundland and Labrador Oil and Gas Industries Association  
Suite 606, Atlantic Place, 215 Water Street  
St. John's, NL A1C 6C9

Dear Ms. Johnson:

Thank you for providing the Liberal Party of Newfoundland and Labrador the opportunity to respond to your election questionnaire.

Enclosed you will find responses from the party to the questions posed.

Allow me to take this opportunity to express my appreciation to the Newfoundland and Labrador Oil and Gas Industries Association for your continued work on behalf of the supply and service sector of the offshore oil & gas industry, which plays a key role in the socioeconomic advancement of our province and people.

Sincerely,



DR. ANDREW FUREY  
Premier

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

The Liberal government is proud to have negotiated a \$2.5 billion renewed agreement that ensures Newfoundlanders and Labradorians are the principal beneficiary of our offshore resources and strengthens joint management of them. The new Accord sees our province continuing to receive 100 percent of its offshore resource revenues as if those resources were on land and includes a dispute settlement clause that ensures NL’s rights are respected in the face of a potential Accord violation. The purpose, intent and principles of the Accord will be upheld.

**2. 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?**

We are pleased that \$32 million of the funds we secured for the industry has been set aside for the local supply and service sector. Additionally, Advance 2030 positions Newfoundland and Labrador globally as a preferred location for oil and gas, bringing together key stakeholders through our Oil and Gas Industry Development Council to ensure continued benefits for local stakeholders in our offshore oil and gas industry. We also remain committed to ensuring education and skills development across the province to enable Newfoundlanders and Labradorians to create and fill new and existing jobs in our offshore. We value our strong relationships with Memorial University and the College of the North Atlantic, and the incredible research and development into harsh environments happening here. NOIA is also a key partner as the voice for the supply and service sector. By working together, we will ensure local workers can continue to cultivate the skills necessary to reap the economic benefits of our world-class offshore oil and gas sector.

**3. Will your government support NOIA in its 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 initiatives?**

Our government considers NOIA and our federal government partners critical to promoting and positioning our offshore oil and gas industry as an leader around the world and we absolutely support NOIA in its advocacy efforts with the federal government to help incentivize activity in our offshore.

Since becoming premier in August of last year, Premier Furey has already worked with the federal government to secure \$320 million to support Newfoundlanders and Labradorians working in our offshore oil and gas industry. We will continue to work with NOIA in ensuring that the federal government understands the importance of Newfoundland and Labrador’s offshore oil and gas industry.

We are also taking additional measures to support the industry and ensure opportunity for local stakeholders, including a new regional assessment process to shorten timelines for approval; the establishment of an oil and gas recovery task force; and a new exploration initiative that allows all future bid deposit forfeitures to be reinvested as received, resulting in a potential injection of hundreds of millions of dollars in support of growth in our offshore petroleum industry. Just last month we announced an investment of over \$900,000 to support various companies with the development and marketing of new and innovative technologies in the supply and service sector to help grow and diversify the sector.

As always, we remain committed to working with industry stakeholders and the federal government to advance the province's oil and gas industry during this challenging time.

**4. In the absence of the federal government implementing these initiatives, 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?**

As previously mentioned, in September, our government announced a new offshore exploration initiative to encourage the drilling of more wells, as well as a new regional assessment process to shorten timelines for approval. We are ever committed to finding and implementing creative solutions to support Newfoundland and Labrador's offshore oil and gas industry, and we look forward to working with NOIA and other stakeholders on how initiatives can best be structured.

**5. 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?**

In this unprecedented year for the oil and gas industry, we are aggressively working with our federal partners to ensure current offshore projects are developed for the benefit of the province. Since securing \$320 million in collaboration with the Government of Canada in the Fall, we have committed \$41.5 million in the West White Rose Project, \$38 million in Hibernia Management and Development, \$175 million in the Terra Nova Project, and \$16.6 million in North Atlantic Refining Limited. Going forward, we will continue to support our offshore projects.

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

Our government recognizes the importance of Newfoundland and Labrador's offshore oil and gas industry, and we are committed to maximizing local benefit for our offshore. The mechanisms described throughout this letter, as well as continued collaboration with NOIA and other stakeholders, will inform our approach to ensuring that our offshore achieves its full potential.

Liberal Party of Newfoundland & Labrador

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

Ensuring a cohesive approach is a core government responsibility in the stewardship of our offshore oil and gas industry. The creation of the Oil and Gas Industry Recovery Task Force, including representation from the Oil and Gas Industry Development Council, NOIA, Canadian Association of Petroleum Producers, labour, Newfoundland and Labrador Environmental Industry Association and TechNL represents our commitment to a cohesive approach. Task Force members work across policy and regulation, exploration and development, energy transition, and supply chain. We are committed to adopting best practices from this Task Force for a cohesive approach to our stewardship of Newfoundland and Labrador's offshore going forward.

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

Last June, the Federal Government announced new regional assessment process to significantly shortening timelines for exploration drilling program approval – a major consideration for companies looking to make global investment decisions. We are committed to working with NOIA, as well as partners at the C-NLOPB, to ensure a globally competitive regulatory regime that will ensure timely approval and actioning of future offshore oil and gas projects and also upholds other industry priorities, including priorities for local workers, diversity and inclusion, greenhouse gas emissions, and environmental and safety best practices.

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

Our government shares the federal government's goals of environmental protection, and we have committed to net-zero carbon emissions by 2050. Our offshore oil already emits significantly less greenhouse gas emissions than other jurisdictions, but we recognize that there is always more work to be done. We are implementing many concrete measures now to position our oil, which has one of the lowest carbon per barrel footprints in the world, and we want to continue to work with industry to help further reduce the carbon per barrel. Also, thinking to the future, we are updating our K-12 curriculum to prepare the next generation for careers in the tech sector, which will not only grow that sector and create good jobs; it will build upon our world class expertise in resource development in harsh environments while tackling climate change.

**10. Will you commit to maintaining the offshore seismic survey program currently undertaken by the Government of NL through the Oil & Gas Corporation?**

Our government has worked hard to support geo-science and seismic work to reduce the risk and increase the attractiveness for the global industry to carry out exploration. Budget 2020 invested over \$20 million in our seismic program because we recognize that a spin-off is greater exploration and greater investment. Decisions around economic development and environmental protection go hand in hand and must be based on good science. We are committed to continuing this program and working together to advance our resource industries.

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

Yes, through consultation with industry stakeholders, we are committed to implementing policies that ensure Newfoundland and Labrador remains a global energy leader that promotes diversity and inclusion, safety in our offshore and the environment. We also recognize the importance of project timelines to the industry and its workers. Consultation is a key element of this process. We will continue to work closely with partners to explore new initiatives to support offshore oil and gas workers and ensure that the industry remains globally competitive.