

Response from Canada's Conservatives

Newfoundland and Labrador Oil and Gas Industries Association

Canada's Conservatives have always been proud supporters of our country's world-class, ethical, and sustainable oil and gas sector. This sector has always been a driver of the economy and continues to demonstrate environmental and social governance (ESG) leadership to the world. Thank you for reaching out and allowing us the opportunity to comment on your priorities. We have sought to answer each of your questions below.

The Atlantic Accord

Bill C-69 put greater control of the offshore in the hands of the federal government. We believe in joint management of the offshore. We will fix the impact assessment process created by Bill C-69, basing our changes on the bipartisan recommendations made by the Senate Committee on Energy, the Environment, and Natural Resources.

Over the last six years, billions of dollars of investment have left Canada. We know that Canadian energy companies compete for investment with projects worldwide, in countries with much lower environmental, labour, and human rights standards than ours. Canadians are rightly proud of these standards, which make our energy sector a world leader in ESG policy. They should be an asset in attracting job-creating investment, but investors will continue to stay away without a predictable and consistent Impact Assessment process.

We need an assessment process that upholds best-in-class environmental standards and sets clear expectations and timelines for environmental reviews so that investors have the confidence and certainty they need to commit to major projects in our country. We will remove political interference from the review process and set clear timelines so that investors get a timely yes or no. Taking climate change seriously includes not letting critical GHG-reducing projects be held up by red tape and lengthy reviews. We will fast-track review of emissions-reducing projects to get shovels in the ground.

We support "full and fair opportunity" and "principal beneficiary." We will strengthen these provisions by ensuring the vitality of the offshore sector and ensuring Newfoundland and Labrador benefits from the industry. We will support Newfoundland and Labrador's offshore oil industry by investing \$1.5 billion in an offshore rebound fund to spur the continued growth of the offshore oil industry, creating jobs in a sector that is critical to the province's future.

Net Zero Targets

The goal of reaching net-zero emissions by 2050 is an important one that Conservatives are committed to. We applaud the number of Canadian companies who have also committed to this important goal and a Conservative government would support these ambitions.

The Liberals believe that we can only reduce our emissions by “phasing out” entire industries and the jobs that provide a secure living for hundreds of thousands of Canadian families. Conservatives appreciate that we can’t build a greener future if Canadians don’t have jobs.

We have a detailed plan to meet Canada’s Paris climate commitment and reduce emissions by 2030.

To support industry, a Conservative government will introduce a tax credit to rapidly accelerate the deployment of Carbon Capture, Utilization and Storage technologies in the energy sector and in important industries that have few alternatives to burning fossil fuels, like fertilizer and chemical production.

To read our plan to Secure the Environment, please visit conservative.ca/plan.

Industry Recovery

Conservatives want to create an environment where investment is once again welcome in our world-class energy sector. That is why we will invest \$1.5 billion in an offshore rebound fund to spur the continued growth of the Newfoundland and Labrador offshore oil industry.

In addition to the offshore rebound fund specifically for the offshore industry, we will also provide meaningful help to all sectors in all regions of the country to recover from the pandemic. We will create the Canada Investment Accelerator, a five per cent investment tax credit for any capital investment made in 2022 and 2023.

Furthermore, our Canada Job Surge Plan will pay up to 50 per cent of the salary of new hires for six months following the end of the Canada Emergency Wage Subsidy program.

A Conservative government will establish a business loan program to provide loans of up to four months’ revenue of up to \$200,000 for businesses to get back on their feet, with up to 25 per cent forgiven depending on a company’s revenue loss.

Together, these measures will help Newfoundland and Labrador’s offshore oil industry recover and thrive in the future.

Furthermore, a Conservative government would make a wholesale change in strategy in how we treat our oil and gas producers. While the Liberal government has attacked our energy industry, Conservatives will be its champion. We will make it a priority to bring Canadian oil to export markets.

Internationally Competitive Regulatory Regime

Canada now has a working system to reduce carbon emissions from industry, built on the leadership of provincial governments from coast to coast. We aren't going to change the rules just for the sake of change. Justin Trudeau has already created far too much regulatory uncertainty, driving investment and jobs away.

We will minimize changes to rules that industry is already working with, so that we restore Canada's reputation as a safe place to invest and create jobs. Where we make changes, we'll improve the system to achieve greater emissions reductions. We'll do this by proposing to the Biden administration minimum North American standards for key industrial sectors, backed up by border carbon adjustments to prevent leakage of emissions and jobs to countries with lower environmental and emissions standards like China. This will allow us to raise standards for trade exposed sectors.

Rather than choosing an arbitrary carbon price in advance, we'll tie Canada's industrial carbon price to that of our biggest trading partners - the European Union and the United States, starting with those regions that have carbon markets and expanding as the U.S. creates a national market. This will ensure that we travel the path to our Paris targets together while reducing the risk that serious climate action will just shift jobs out of Canada to competitor countries.

As mentioned above, we will fix the impact assessment process created by Bill C-69, basing our changes on the bipartisan recommendations made by the Senate Committee on Energy, the Environment, and Natural Resources.

We will also appoint a Minister Responsible for Red Tape Reduction tasked with introducing and passing at least one red tape reduction bill per year, eliminating unneeded or counterproductive red tape in industries like Newfoundland and Labrador's offshore oil and gas. We will create an Office of Regulatory Best Practice with business members who evaluate the costs of new regulation. We will form Industry Councils that will provide recommendations on world-leading regulation. We will improve cost-benefit analysis of regulatory proposals by requiring consultation with industry so that regulators understand the true impact and consider lower-impact alternatives to achieve the same result. We will create a Fast Track Certification Process that provides a faster path to approval for products that have already been approved in comparable jurisdictions.

Canada's Conservatives are proud to support Newfoundland and Labrador's world-class oil and gas sector. We believe it will be a robust part of our economic recovery and will ensure it has the proper supports and regulatory environment to continue to produce some of the most responsible and ethical energy in the world.