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

Dear Ms. Johnson,

Since the onset of the Covid-19 pandemic – when Newfoundland and Labrador's offshore sector faced the twin challenges of dropping oil demand and a global price crash – the Liberal government has stood up for offshore workers. The sector is critical to our provincial economy, and that it supports thousands of good direct and indirect jobs. We have worked tirelessly over the last year and a half to ensure that workers and their families are supported, and that the industry comes out of this pandemic more competitive and more sustainable than ever. Here are some of the important actions we have taken:

- In March 2020, we announced a wage subsidy to help keep workers on the job during the pandemic and, in the September 2020 Speech from the Throne, we announced that the subsidy would be extended throughout summer 2021. Many businesses in Atlantic Canada's mining and oil and gas sectors have benefitted from this critical support, and our extension provided much-needed certainty to operators and contractors.
- In April 2020, we announced direct support to the petroleum sector, including liquidity and credit support for medium-sized energy companies with larger financing needs. This funding helped to retain and create approximately 10,000 well-paying jobs while enhancing the sector's environmental performance so that it can continue to play a key role in Canada's clean-growth future.
- In May 2020, we announced the completion of the first Regional Assessment under the Impact Assessment Act, which streamlines the review process for new exploratory drilling projects, and provides investors with the regulatory certainty and predictability they are seeking. This brings timelines down from as much as 900 days, down to 90 days. This was a major priority for businesses in the offshore.
- We opened an office for those federal environmental assessments here in St John's, because we believe better decisions are made by those who live and work here.
- In August 2020, we ratified two Fundamental Decisions from the CNLOPB that allow for accelerated write-downs of security deposits for operators in the offshore. This reduces operators' financial risks, while also providing an incentive to drill multiples wells in the first period of their exploration license.
- In September 2020, we announced an additional \$320 million in federal funding to support jobs and ensure a sustainable, long-term, and low-emitting future for Newfoundland and Labrador's offshore

industry. The investment is being used toward safety improvements, maintenance and upgrades of existing offshore infrastructure, research and development, and environmental services and clean technology. The results of this investment to date include:

- \$205 million to the Terra Nova FPSO life extension project, sanctioned earlier this month, ensuring that production will restart and the project will continue to employ thousands of workers for another 10 years.
- \$41.5 million for the West White Rose project, to undertake work necessary for its restart, ensuring 330 jobs are maintained, including over 150 for tradespeople.
- \$38 million for the Hibernia project to restart well work and upgrade drill rigs, supporting over 150 full time positions.
- In October 2020, we launched the Emissions Reduction Fund, which includes \$75 million to help the offshore industry in NL create and maintain jobs through emission reduction efforts. As a result of the program, there are 16 projects currently underway, supporting over 100 jobs.
- In June 2021, we passed legislation to extend the enforcement of Offshore Health and Safety regulations, ensuring that workers continue to be protected while we work with the Newfoundland and Labrador and Nova Scotia governments, offshore boards, and offshore operators to develop a new world-class health and safety regime.

These actions mean real support for workers in the offshore – for today, and into the future.

The Atlantic Accord

The Liberal Party is firmly committed to the principles of joint management of the offshore and believes that Newfoundland and Labrador should be the principle beneficiary of offshore oil and gas development off its coast. Moreover, we have put these principles into action:

- In 2019, the Liberal government, in partnership with Newfoundland and Labrador, agreed to amend the Atlantic Accord, which transferred an additional \$2.5 billion in revenue to the Province, as the principal beneficiary of the Offshore.
- In July 2021, we announced that the Liberal government will make additional annual transfers to the province equivalent to Canada's yearly net revenue from the Hibernia offshore project Net Profit Interest and Incidental Net Profit Interest, estimated to be worth \$3.2 billion to the province over the lifespan of the project.
- We have also worked diligently with the province over the past two years to make improvements under the Accord Acts for specific areas such as land tenure, worker safety, regulatory efficiency, and regulator modernization, and to renew and modernize the entire suite of health, safety, and environmental regulations for Canada's offshore areas under the Frontier and Offshore Regulatory Renewal Initiative.

Taken together, these actions demonstrate our commitment to the principles of the Atlantic Accord. A re-elected Liberal government would follow through on these commitments, including by introducing legislation to finalize the transfer of the Net Profit Interest to Newfoundland and Labrador on an annual basis.

Net-Zero Targets

We applaud the Newfoundland and Labrador government for committing to achieve net-zero carbon emissions by 2050 and welcome NOIA's support of this shared objective. We know that climate change isn't just an environmental issue; it's also a competitiveness issue for the oil and gas sector. We also acknowledge that the relatively low carbon intensity of the oil produced in Newfoundland and Labrador's offshore is an important factor for investment attraction. We have a vision for Newfoundland & Labrador that:

- Combines our zero-emission hydroelectricity with lowering emissions in an already low-emitting oil industry.
- Combines our Province's commitment to net zero emissions in 2050 with the creativity and ingenuity of our IT sector and our new Ocean Supercluster.
- Attracts the brightest minds here, whether they be from abroad, or whether they be our own sons and daughters, deciding to stay here at home for exciting, fulfilling, meaningful work.

We have already made important contributions to increasing the efficiency of the province's offshore sector through the Offshore Recovery Fund and the Emissions Reduction Fund. We will continue to work with the sector to ensure it is reducing emissions at the pace and scale needed to achieve net-zero by 2050, with 5-year targets to stay on track.

Finally, recognizing that we are at the beginning of a global energy transition, a re-elected Liberal government will also continue to build a future in which the energy workers that built this country have even greater opportunities than they do today. A re-elected Liberal government will establish a \$2 billion Futures Fund for Alberta, Saskatchewan, and Newfoundland and Labrador that will be designed in collaboration with local workers, unions, Indigenous peoples, industry, and investors to support local and regional economic diversification and specific place-based strategies.

Newfoundland and Labrador's offshore is one of the harshest environments that companies operate in anywhere on Earth. To work in our offshore takes more than a desire to support your family, it takes guts. It takes pride. We are proud of our offshore workers – and proud of our record in supporting them and their industry. A re-elected Liberal government will continue to stand behind this industry and its workers as we work together to build back better.

Seamus O'Regan
Liberal Candidate
St. John's South – Mount Pearl