



Newfoundland & Labrador Oil and Gas Industries Association Questionnaire 2019

As our Industry continues to grow and become more globally competitive, how will your government ensure that legislative rights such as “full and fair opportunity” and “principal beneficiary” within the Atlantic Accord are upheld? What specific actions will your government undertake to support the supply service sector and ensure their “full and fair opportunity” to participate in the sector?

Offshore oil and gas projects are governed by the Atlantic Accord which requires full and fair opportunity and first consideration for residents of Newfoundland and Labrador for associated procurement and employment opportunities. All activity in the offshore requires a benefits plan which is submitted to the C-NLOPB and outlines how the benefits-related provisions of the Atlantic Accord are being met. The C-NLOPB monitors Atlantic Accord provision compliance.

In addition to the Accord requirements, the Province negotiates benefits agreements with project operators. These agreements build on the Atlantic Accord provisions and contain specific industrial and employment commitments designed to maximize participation of locally based residents and businesses. The Department of Natural Resources leads the negotiation of benefits agreements and has the primary responsibility for monitoring these agreements for compliance.

Project operators are required to provide procurement forecasts and both the C-NLOPB and the Province have the ability to designate specific contracts for review for compliance with associated commitments. Reporting on benefits agreements is coordinated with the C-NLOPB and occurs quarterly and on an annual basis.

Natural Resources has existing Benefits Agreements for the following projects: White Rose; Hebron; Hibernia South Extension; and West White Rose. The Department of Natural Resources is currently in the process of negotiating the Benefits Agreement for the Bay du Nord Project.

As of March 31, 2019 there were 6,060 people working in the province on the four reporting projects (Hibernia, Hebron, White Rose and Terra Nova). Of those 91% (5,518) are Newfoundland and Labrador residents.



How will your party ensure benefits agreements include life of field requirements and how will such stipulations be enforced during all phases of a project to ensure significant value is received for all of Newfoundland and Labrador?

Our vision is laid out in Advance 2030, a plan guided by the direction set by over 150 stakeholders involved in our offshore development. The Oil and Gas Council, on which NOIA has a permanent seat, will steer its implementation and guide decisions and directions taken. The Oil and Gas company has an expanded role to include supply and service development that will ensure NL has full, fair and first opportunity.

The Liberal Government believes that life-of-field benefits should accrue to the province and not just during the development stage. For example, the Bay du Nord agreement includes new employment opportunities through the engineering, development and operations phases of the project. More than 84% of all employment for the life of the project will take place in the province.

Previous benefits agreements were overly prescriptive and decreased NL competitiveness. Bay du Nord represents a balanced approach which is less prescriptive, applies to life-of-field and will increase our global competitiveness and future business opportunities, thereby a greater future for all Newfoundlanders and Labradorians.

To reach its tremendous potential, how will your party ensure globally competitive legislative and regulatory processes for the Newfoundland and Labrador offshore oil and gas industry?

The Frontier and Offshore Regulatory Renewal Initiative (FORRI) is a federal-provincial partnership working to modernize the regulatory framework for frontier and offshore oil and gas activities in Canada. Concurrent with FORRI's work, the Atlantic Occupational Health and Safety Initiative is modernizing the occupational health and safety regulations for offshore oil and gas activities in Canada. These initiatives aim to advance the already high standards for safety, environmental protection, and resource management in offshore oil and gas areas of Canada. FORRI's current focus is to modernize and amalgamate five existing regulations ([Drilling and Production](#); [Geophysical Operations](#); [Certificate of Fitness](#); [Operations](#); [Installations](#)) into one set of operational requirements, known as the 'Framework Regulations'. The Framework Regulations will:

- Update safety and environmental protection requirements to ensure our regulations remain world-class;
- Reduce multi-regulation redundancy;
- Shift to a hybrid regulatory approach with a balance of prescriptive and performance-based requirements;
- Support consistency across jurisdictions;
- Ensure an effective and efficient regulatory regime.

Liberal Party of Newfoundland & Labrador



These regulations are expected to come into force in the fall 2020.

Also on regulatory reform Premier Ball and Minister Coady have aggressively advocated for changes to the proposed Impact Assessment Act. They have requested changes to the Impact Assessment Act to ensure NL improves its economic competitiveness in an environmentally acceptable manner while remaining globally competitive. They are advocating that the role of the C-NLOPB be enshrined in legislation to ensure certainty and clarity. They also argue that the role of regional assessments be clarified. Without changes, Bill C-69 could deter investment in our offshore and mining sector without improving environmental protection, or increasing public acceptance of development. They argue that policy intent should be captured in legislation. This will help ensure that well understood and proven and routine projects will be excluded for the designated projects list.