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2020-09-14

Baines

PC ACTION PLAN: JOBS AND GROWTH FOR OUR OFFSHORE

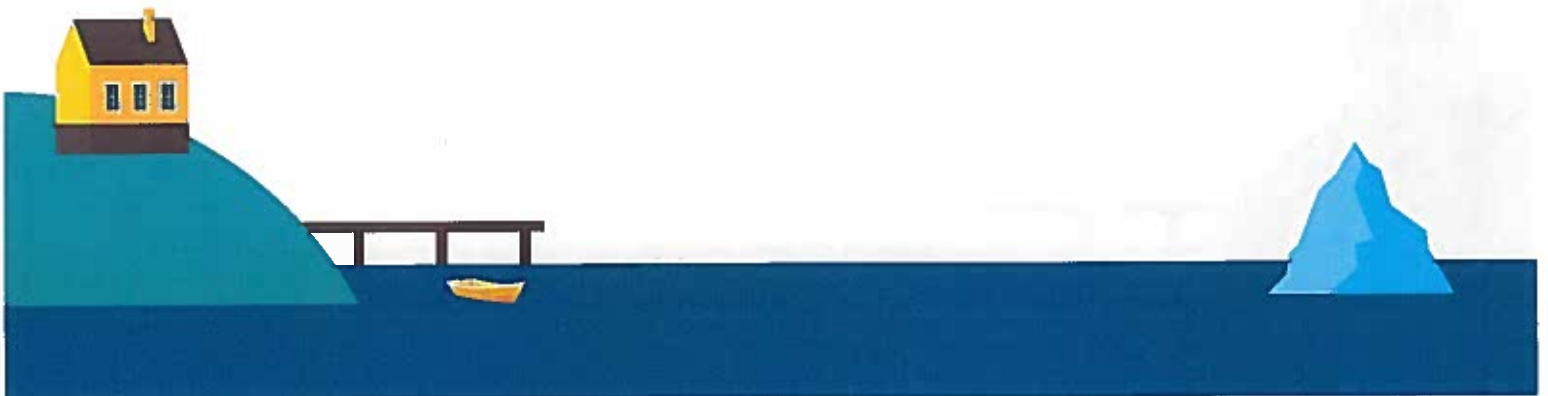
Newfoundland and Labrador's offshore oil sector is one of the primary economic engines of this province.

Over 20,000 hardworking residents depend on the offshore industry for employment. Annually, the province receives over \$1 billion in oil royalties.

While other governments have invested in the future of their offshore industries, our federal and provincial Liberal governments have done nothing.

A PC Government would ensure that the industry has incentives to stimulate exploration, development, production, and to preserve offshore activity, while ensuring that Newfoundlanders and Labradorians are the beneficiaries of jobs in the industry and that our industry can compete with other, international, offshore locations for investment.

A PC Government believes that our offshore industry should support the maximum in-province construction and should optimize the production of oil to benefit all workers within the province.



IMMEDIATE ACTIONS:

*Newfoundlanders and Labradorian
need jobs today.*

The first priority of a PC Government would be to secure jobs for those in our province by:

1. Urgently working with Suncor and their partners to secure the future for the **Terra Nova FPSO** within the province. Such a future should see Newfoundlanders and Labradorians working on the required maintenance and refit. A significant portion of the Terra Nova FPSO was built in this province and the bulk of the current planned refit should take place in this province. The goals of a PC government will be two-fold: to do as much work on the FPSO in this province as possible, and to get the FPSO back in service, producing oil, so that Newfoundlanders and Labradorians can benefit from this resource.
2. Urgently working with Husky Energy and their partners with the goal of resuming construction on the **West White Rose** project. This would include working with Husky Energy to identify ways to ensure the viability of the West White Rose project which could include advocating to the Federal Government for a responsible equity investment or other incentives. The goal of a PC government would be to get Newfoundlanders and Labradorians back to work on the project as soon as possible.



ACTIONS TO SUPPORT EXPLORATION:

Exploration is the seed of the offshore oil industry, providing jobs today and, with success, will provide long term and sustainable jobs into the future.

A PC Government will:

1. Work with the Federal government to put in place a **Petroleum Incentive Program (PIP)**. This program would give cost reduction incentives to companies, based on the cost of their exploration drilling programs.
2. **Make retroactive changes** to allow the parcels of land awarded in the November 2019 land sale to fall under the previously announced changes regarding the allowable expenditure credit for drilling overhead costs and the accelerated write-down of security deposits.
3. **Review the land sales tender process** to ensure a comprehensive approach to evaluation that includes economic as well as other benefits including but not limited to, social, local supply chain, diversity, inclusion, and environmental.



ACTIONS TO SUPPORT DEVELOPMENT AND PRODUCTION:

Through seismic activity and exploration, the industry has identified vast reserves in our offshore.

A PC Government will help realize the potential by:

1. Advocating for the reinstatement of the **Atlantic Investment Tax Credit of 10%-15%**. This would encourage the development of our offshore resources, including the **Bay du Nord project**.
2. Ensuring the future fiscal certainty for any projects (e.g. adding subsea without a new fiscal arrangement) started in the next 5 years which are tied back to a production facility.



ACTIONS TO SUPPORT OPERATIONS:

We have listened to the oil industry and the workforce.

A PC government is committed to working with all stakeholders to ensure the future of our province. We will support operations by:

1. Investing the provincial portion of the CNLOPB budget for two fiscal years to **make funds available** within the oil industry to support exploration or production jobs within the province.
2. Lobbying the Federal Government to **permanently allow foreign tankers** to operate within Canadian waters with the purpose to transport Newfoundland and Labrador oil to other provinces within Canada.
3. **Reviewing and advocating for other liquidity measures**, such as, immediate deductibility of capital costs against taxable income in the year it is expensed which would allow the industry to free up liquid cash flow which should be used to support jobs within the province.



