

August 28, 2018



Dear 

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* (File # NR-117-2017)

On August 14, 2018, the Department of Natural Resources received your request for access to the following records/information:

June 2018 Decision/Direction Note Newfoundland and Labrador Offshore Oil and Gas Sector - International Competitiveness Review Next Steps.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections; 29 (1) (a), 35 (1) (d), 35 (1) (f), and 35 (1) (g) of *ATIPPA, 2015 as follows:*

29. (1) (a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1) (d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1) (f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations

35. (1) (g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department's decision to provide access to the requested information. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your request should identify your concerns with the department's response and why you are requesting a review.

The request for review may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P.O. Box 13004, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department's decision.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

For further details about how an access to information request is processed, please refer to the Access to Information Policy and Procedures Manual at <http://www.atipp.gov.nl.ca/info/index.html>.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

A handwritten signature in black ink that reads "Rod Hynes". The signature is written in a cursive style with a large, stylized 'R' and 'H'.

Rod Hynes
ATIPP Coordinator

Decision/Direction Note
Department of Natural Resources

Title: Newfoundland and Labrador Offshore Oil and Gas Sector – International Competitiveness Review Next Steps

Decision/Direction Required:

- Based on the methodology and findings in Wood Mackenzie’s (WM) report titled ‘Newfoundland & Labrador Competitiveness in Oil & Gas Investment’, a decision is requested whether the Department of Natural Resources (NR) should proceed with more detailed modelling and analysis of key factors impacting the cost competitiveness of the Province’s offshore oil and gas sector.
S. 35 (1) (f) S. 29 (1) (a) 35 (1) (g) S. 35 (1) (d)
- Based on discussions at the Atlantic Canada Offshore Competitiveness Roundtable and with other industry stakeholders, [REDACTED]

Background and Current Status:

- In 2017, discussions were initiated between CAPP, the Government of Canada, the Government of Nova Scotia and the Government of Newfoundland and Labrador on various competitiveness issues facing the offshore in Atlantic Canada. From these discussions, the Atlantic Canada Offshore Competitiveness Roundtable was formed and an action plan was developed to address multiple concerns.
- To support commitments under The Way Forward and the Minister’s mandate letter, as well as provide further insight into industry concerns, NR contracted WM on October 5, 2017 to complete an international competitiveness review of the Newfoundland and Labrador offshore oil and gas sector.
- NR’s primary objectives of the international competitiveness review and engagement of WM were to provide:
 - An overview of the key factors impacting offshore exploration and development decisions;
 - Analysis of Newfoundland and Labrador’s competitiveness on key factors relative to a peer group of other jurisdictions;
 - Expert opinion on Newfoundland and Labrador’s competitive position;
 - Identification of competitiveness issues facing other jurisdictions; and,
 - Identification of potential areas for future consideration that may enhance the competitiveness of the Newfoundland and Labrador offshore oil and gas sector.
- WM’s final report titled ‘Newfoundland & Labrador Competitiveness in Oil & Gas Investment’ was publicly released by NR on April 30, 2018.
- In June 2018, CAPP and NOIA both launched separate awareness and education campaigns outlining industry benefits and opportunities along with challenges, including competitiveness related issues, facing the oil and gas industry.

Analysis:

- The WM report compared various factors impacting international competitiveness, including fiscal, regulatory and benefits requirements across a group of peer jurisdictions. The initial work provided a qualitative description of various factors that impact costs and a limited quantitative analysis from the perspective of both project proponents and governments.

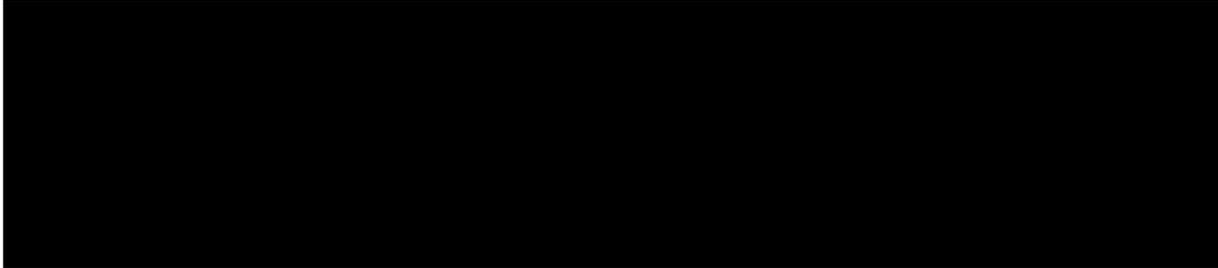
- In consideration of areas identified by WM for further study and CAPP specifically, it has been proposed that a more focused scope of work involving detailed modelling and analysis of key cost factors impacting competitiveness for exploration and production investment be undertaken.
- With respect to progressing a second phase of work related to competitiveness, multiple factors for further analysis include:

S. 29 (1) (a)

35 (1) (g)

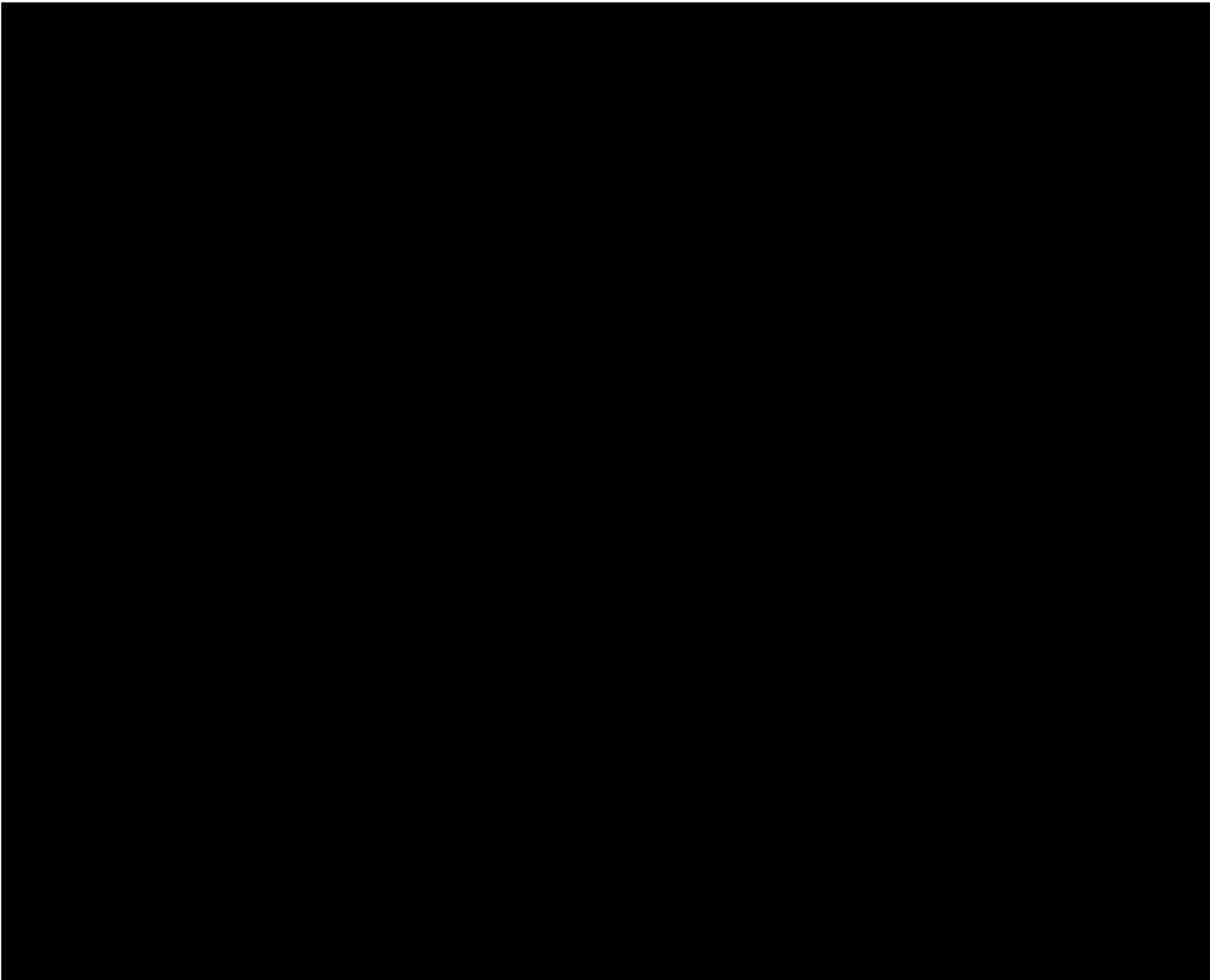
S. 35 (1) (f)

S. 35 (1) (d)



- Results and recommendations from further work related competitiveness may highlight aspects of the Province's offshore oil and gas sector that require further government policy action and/or reveal possible considerations for other stakeholders.

Alternatives: S. 29 (1) (a) 35 (1) (g) S. 35 (1) (d) S. 35 (1) (f)



3 S. 29 (1) (a)

35 (1) (g)

S. 35 (1) (d)

S. 35 (1) (f)



Prepared/Approved by: G. Collins / P. Parsons / N. Abundo / D. Trask
Ministerial Approval:

August 9, 2018