

September 24, 2024

The Honourable Senator Massicotte, Paul J.
Chair
Standing Committee on Energy, the Environment and Natural Resources
The Senate of Canada
Ottawa, Ontario K1A 0A4
paul.massicotte@sen.parl.gc.ca

Dear Senator:

RE: Removal of Clause 28 from Bill C-49

I have been following with interest the recent proceedings of the Senate Standing Committee on Energy, the Environment and Natural Resources, currently deliberating legislation of critical importance to Newfoundland and Labrador.

With respect to the Senate's consideration of *Bill C-49: An Act to amend the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and to make consequential amendments to other Acts*, I would like to address the Committee's amendment to the Bill removing Clause 28.

The current draft of Bill C-49 before the Senate required extensive negotiations between Canada and our province, in collaboration with the Province of Nova Scotia, to establish a new collaborative management framework for offshore renewable energy and to modernize the regulatory system for offshore oil and gas. This Bill demonstrates effective and collaborative co-management with the Government of Canada of our offshore. Removal of Clause 28 undermines the principle of joint management and creates uncertainty for the province and investors.

The concerns raised by Senator Wells are unfounded. Clause 28 is designed to mitigate regulatory and legal uncertainty by making clear that the authority to prohibit petroleum activities within the Canada-Newfoundland and Labrador offshore area rests within the Accord Act. Under no circumstance does Clause 28 provide a federal Minister the authority to unilaterally cancel or revoke an interest, or to make regulations that would prohibit activities or the issuance of an interest in a marine conservation area. In fact, it ensures that the approval of both federal and provincial Ministers is required through a joint order.

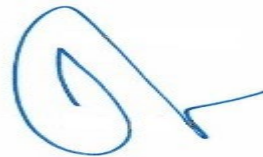
The inclusion of Clause 28 will ensure that the principles of joint management are upheld and reduces investor risk by ensuring that petroleum prohibitions in the Accord Area are not established under the authority of other federal legislation.

The Government of Newfoundland and Labrador is currently drafting 'mirror legislation' to amend our version of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* to implement the new offshore legislative and regulatory regime and we wish to implement the version we agreed to, without amendments.

The offshore plays a critical role in the economy of Newfoundland and Labrador. It offers significant opportunities and benefits to the province and our citizens, and Bill C-49 further expands those opportunities to include renewable energy. We eagerly await the progression of the Bill to realize those opportunities. I want to reconfirm the Province of Newfoundland and Labrador's unequivocal support for Bill C-49 as it is currently drafted and ask that you pass it as is without undue delay.

Thank you for your time on this critically important matter for the people of Newfoundland and Labrador.

Sincerely,

A handwritten signature in blue ink, appearing to be "A. Parsons".

ANDREW PARSONS, KC
Minister of Industry, Energy and Technology

c: The Honourable Raymonde Gagné, Senator,
Speaker of the Senate
Raymonde.Gagne@sen.parl.gc.ca