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Speaker: Honourable Perry Trimper, MHA

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The House met at 1:30 p.m.

MR. SPEAKER (Trimper): Order, please!

Admit strangers.

I would like to welcome the Members back to what should be a very busy week.

Statements by Members

MR. SPEAKER: For Members' statements today, we will hear from the Members for Torngat Mountains, Bonavista, Placentia West - Bellevue and Conception Bay East - Bell Island.

The hon. the Member for Torngat Mountains.

SOME HON. MEMBERS: Hear, hear!

MR. EDMUNDS: Thank you, Mr. Speaker.

I am pleased to stand in this hon. House to extend congratulations to Labrador Inuit in recognition of December 1 as Nunatsiavut Day.

As an Inuk and a Labradorian, I am proud to take this opportunity to inform my colleagues and residents of Newfoundland and Labrador about the significance of Nunatsiavut Day.

The Nunatsiavut Government was established on December 1, 2005. This new government was and is mandated to act and advocate for the cultural, social and economic best interests of the Labrador Inuit. The path to self-governance was a long journey that involved hard work and dedication from many people who would not give up on their dream.

The Labrador Inuit Land Claims Agreement set out a new regime for land ownership, resource sharing and self-government, which included Inuit ownership of almost 16,000 square kilometres of our land referred to as Labrador Inuit Lands, and the creation of the Torngat Mountains National Park.

I am pleased to advise this House that the most recent amendments to the Labrador Inuit Land Claims Agreement was proclaimed into law on this Nunatsiavut Day, being the 13th anniversary of the establishment of the Nunatsiavut Government.

I ask all Members of this hon. House to share my pride and join with me in recognizing Nunatsiavut Day.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Bonavista.

MR. KING: Thank you, Mr. Speaker.

I'm sure we'll get our monies' worth out of this statement.

Provincial scholarships were recently announced and I am honoured to stand here today and recognize five bright young people from the district who were recipients. These scholarships are awarded to high achievers who finished high school, are attending a post-secondary institution and are based on results of public exams. Ultimately, it's the culmination of years of hard work and dedication as it relates to their secondary education.

The Electoral District Scholarship, valued at \$1,000, is awarded to three high school graduates in each district who achieves the highest public exam marks. In the District of Bonavista Ryan Connors of St. Mark's School, who had the highest marks, Brianna Hiscock and Riley Cotter of Discovery Collegiate were the recipients.

The Centenary of Responsible Government Scholarships, also valued at \$1,000, is awarded to 79 students with the highest marks – other than the Junior Jubilee, W.C. Moss and the Electoral District Scholarships.

In the District of Bonavista, Tyler Hiscock of Bishop White School, Noah Harris and Kaylee Tremblett of Discovery Collegiate were the recipients.

I ask that you join me in congratulating them and wishing them success in the future.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Placentia West - Bellevue.

MR. BROWNE: Mr. Speaker, “thank you” – words we use every day to show our gratitude for acts of courtesy or kindness. Words Canada’s most talented roster of figure skaters felt compelled to say to all Canadians to show their appreciation for our support during the Pyeongchang Olympics.

Just last weekend, Olympic medalists including Tessa Virtue, Scott Moir, Patrick Chan and many more, and yes, Mr. Speaker, including Marystown’s own Kaetlyn Osmond performed to sold-out crowds at Mile One Centre.

SOME HON. MEMBERS: Hear, hear!

MR. BROWNE: I can confirm to Members of the House that Kaetlyn got the first standing ovation of the evening and sustained the most applause. There is no doubt that the thousands of spectators present showed her fellow Olympians that her greatest support comes from right here on the Rock.

Countless young figure skaters attended the show, in awe of the Olympic performances, with a gleam in their eye towards the future, thinking perhaps one day it could be them.

Mr. Speaker, I ask all hon. Members to join me in congratulating this elite group of athletes on their successful cross Canada tour. And join me in assuring them the “thank you” is mutual. We also thank them for the wonderful way they represented Canada in Korea, and I’m sure they will understand if we reserve our biggest thank you to our very own Kaetlyn Osmond.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

I stand today to recognize a group who are based out of my district but do work on an international level. I speak of the Trail of the Caribou Research Group. Recently, I had the privilege to attend the group’s first fundraising gala dinner at Legion Branch 56 here in the city.

All in attendance were entertained by the Royal Newfoundland Regiment Band and Master of Ceremonies Peter Noel. It was great to see the sold-out event attended by members of all branches of the military, including the commander of 5 Wing Goose Bay, along with members of the general public and yourself, Mr. Speaker.

Mr. Speaker, I know you will agree that the highlight of the night was when the organization’s president, Retired Major Michael Pretty, took the podium to outline in what he said would be 10 minutes or less about the work of the group around the world.

What transpired for the next 30 minutes was an emotional, historic journey of what the young men of the Newfoundland Regiment and their families endured 100 years ago to defend our freedom. For those 30 minutes, you could hear a pin drop. Due to the work of this group, they discovered the sacrifices made and the everlasting effects that they have had on our province.

Their endeavours to find all the resting places of fallen Newfoundland Regiment soldiers and recognizing them with a ceremony and headstone has taken them to three continents, 18 countries and 450 cemeteries, serves as a testament to the dedication this group of volunteers has for acknowledging the importance of preserving our history and paying homage to those who served in the Great War. As their motto says, “Every Story Is Important.”

I ask all Members of this House to congratulate and thank the Trail of the Caribou Research Group for preserving our history.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I rise in this hon. House today to congratulate Tacora Resources on the restart of the Scully Mine.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: This is great news for Labrador West, and indeed the entire province.

The restart of the mine has been a collaborative effort of Tacora, different levels of government, labour and many others. I want to recognize and thank the Member for Labrador West. In fact, our government has been working toward the reopening of the mine in Wabush since 2016. I'd like to thank officials within the provincial government and, in particular, those within Natural Resources, who have diligently on this project to ensure success.

Mr. Speaker, that success means good, well-paying, long-term jobs will be returning to a vital mining region. Approximately 260 positions are directly associated with site operations which will produce some 6 million tons of concentrate annually when fully ramped up.

As a province, we have initiated *The Way Forward on Mineral Development – Mining the Future 2030: A Plan for Growth in the Newfoundland and Labrador Mining Industry*. The restart of Scully Mine demonstrates the many benefits mining brings to the province as we work to achieve our *Mining the Future* goals.

We welcome Tacora to the region and we hope for a long, safe and prosperous future for the company, its workers and indeed the community.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I want to thank the minister for an advance copy of her statement. On this side, the restart of Scully Mine is certainly good news, both for the

residents of Labrador West and for the entire province.

The mining industry in this province currently employs approximately 4,800 people, and with the restart of the mine our understanding is another 260 positions are expected. The restart of the mine will not only bring those jobs into the region, but the economic spinoffs from small business related to the mine will support the entire economy of Lab West.

Mr. Speaker, I hope that this is the start of more good news and a time of continued growth for the mining industry in our Province of Newfoundland and Labrador.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Speaker.

I, too, thank the minister for the advance copy. The restarting of the mine is great news, obviously, for the workers and communities. However, what happened to the workers when the mine shut down in 2016 should never be allowed to happen again, where jobs and pensions were lost and people's lives devastated.

In federal law, workers are the last to receive what is due them in a shutdown. The province should be pushing the federal government to change that law and place workers at the top of that list.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you.

Further statements by ministers?

The hon. the Minister Responsible for the Status of Persons with Disabilities.

MS. DEMPSTER: Thank you, Mr. Speaker.

I rise today to recognize December 3 as International Day of Persons with Disabilities. This day is celebrated internationally to promote

the rights and well-being of persons with disabilities.

This morning, with the Coalition of Persons with Disabilities, I signed a proclamation to commemorate this day and promote awareness of the value of diversity in our society. I also participated in a ceremony at Government House to celebrate the inclusion of persons with disabilities both here and around the world.

This year's theme, Empowering Persons with Disabilities and Ensuring Inclusiveness and Equity, also focuses on the United Nations' pledge to 'leave no one behind.'

Mr. Speaker, I am proud to continue our government's work to promote inclusiveness, equality and diversity throughout Newfoundland and Labrador.

We will continue working with advocates and stakeholders to remove barriers, creating environments that promote greater participation in our communities, and equitable access to employment opportunities and public services. In fact, work is well underway with our partners on the development of new, inclusion-based accessibility legislation.

Diversity and inclusion are achieved when we uphold the value and dignity of all individuals. As Robert M. Hensel, a well-known advocate for the community of persons with disabilities said: "Know me for my abilities, not my disability."

Mr. Speaker, I ask my hon. colleagues and all citizens in this province to join me in recognizing International Day of Persons with Disabilities and striving to make Newfoundland and Labrador a more inclusive province for all people.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Fortune Bay - Cape La Hune.

MS. PERRY: Thank you, Mr. Speaker.

I thank the minister for an advance copy of her statement. On behalf of the Official Opposition, I, too, would like to recognize today as the International Day of Persons with Disabilities.

The theme, Empowering Persons with Disabilities and Ensuring Inclusiveness and Equity, reflects the diligence and hard work of the many advocates who fight each and every day to ensure that all persons, regardless of the challenges they may face, have access to all services, buildings and to the whole of society.

Mr. Speaker, the minister referenced the development of new, inclusion-based accessibility legislation. I look forward to debating that in this House and hope that it will be brought forward early in the next session for our review.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I thank the minister for the statement. Obviously, I'm very happy to join with her and my colleague from the Official Opposition in recognizing this day. It would have been nice, though, if the minister had explained what she means by well underway in reference to the new inclusion legislation, which has been promised for a number of years now.

But since it's still being written, I encourage the minister to make sure that the legislation crosses all departments because we know that our education system right now still has serious problems with inclusion that need attention.

Thank you very much, Mr. Speaker.

MR. SPEAKER: Thank you.

Further statements by ministers?

Oral Questions.

Oral Questions

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: Mr. Speaker, I trust the front benches have returned refreshed after their week's break from the legislative session.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: Very entertaining, Sir.

We were told this morning of a serious error with the provincial electronic medical record program. May I ask the minister how the error was discovered?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

SOME HON. MEMBERS: Hear, hear!

MR. HAGGIE: Thank you very much, Mr. Speaker.

It is a serious issue – one we have taken seriously. The important message, I think, is that there has been no evidence of any harm to any individual as a result of this error. However, Eastern Health have been tasked to fact check that with a case-by-case review of each of those reports.

The problem came to light when one of physicians here who is an EMR user highlighted the fact that an expected result had not appeared in his chart.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: Can the minister just clarify when this came to light then?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

The single incident was notified to TELUS, as far as I'm aware, at the end of October. It was only around the 14th or 15th of November that TELUS contacted NLCHI to say this was not an isolated problem. And then there were some back-and-to to get the required data to scope out the magnitude of the problem. That became apparent on the 27th.

On the 28th, all the ordering clinicians were advised of the problem, and asked to contact their patients on a case-by-case basis. As of this morning, Mr. Speaker, the individual patients have been notified by courier.

MR. SPEAKER: Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: Mr. Speaker, the minister has enlightened us as to the timing of the discovery of the issue. It was also put out in a briefing this morning that 615 patients may not have received medical results in a timely manner.

Given the 12-month period, over which this error may have occurred, how confident is the minister that no other patients are impacted?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: I met with senior vice-president from TELUS Health this morning, and I would say it was a fairly open and frank discussion. The bottom line is that, as of this week, there is now a mechanism in place. We know what leaves our electronic system and TELUS will now be telling us, on a daily basis, at least, what goes into their system. If there is gap between the two, an investigation will occur on that day. As far as this is concerned, there are at least two other methods and, in critical incidents, these three others methods of physicians accessing those reports.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: I understand the minister to be telling the House that this is being used as a learning opportunity, and that safeguards are being put in place to make sure it doesn't happen again, or to minimize the possibility.

Can I ask the minister: Was the NLMA made aware of this error prior to the news conference this morning, and what reaction, if any, have they given?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

The electronic medical record is co-managed by an oversight committee, which consists of the Department of Health, the Newfoundland and Labrador Centre for Health Information and the Newfoundland and Labrador Medical Association. They knew when we knew. They have been fully supportive of government's approach, and given their CEO's past history as director and lead on the provincial Task Force on Adverse Health Events, they have supported us in our endeavours with TELUS Health.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: I thank the minister for the reply.

Can he tell the House what his level of confidence is that the measures put in place will prevent this kind of incident happening again?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: I'm not going down the P50, P70 or P80 level of certainty, Mr. Speaker. That would be most unwise. It's happened before and tripped people up.

What I can say is, there is a daily reconciliation process between the information that leaves our systems, which physicians had access to, independent of TELUS' software, and there will be a second information back on a daily basis

from TELUS and we can compare those lists through an algorithm, any errors will pop up on a daily basis. There is never a foolproof system. This is, at the moment, better than in any other jurisdiction.

For the Member opposite, there are four other jurisdictions affected by this issue.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: I thank the minister for that response.

There is a different level of care required when taking concern about money versus taking concern about human life and health.

Have there been any other issues with the software involving this record system?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

There are no other issues that either TELUS, the NLMA and the oversight committee or ourselves are aware of currently. For context, over the period of time that TELUS have discovered this error, 1.5 million items of data went through this system and only 600-and-odd patients had a problem.

That is a small percentage; it is not an acceptable percentage but I think it speaks to the volume of work that this system does. We have a reconciliation process in place. We had paper backup, we had electronic backup for all of these results and critical clinic results were phoned directly to the ordering clinician.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: I thank the minister and would switch focus now, at this stage.

It's been 17 days since the SeaRose FPSO reported an oil spill due to a problem with a valve. The SeaRose has not yet resumed production.

I would ask the Minister of Natural Resources: Have there been any other problems identified in addition to the valve and, specifically, what issues are delaying resumption?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

It is indeed correct, there had been some time even since the NIOSH oil sheen has been seen or even any wildlife impacts. Mr. Speaker, there is an investigation that is ongoing. There is a full review of the flow line. If you recall, I did indicate that it was a weak link on the flow line that had an issue. There has been some investigation of that flow line. Those investigations are continuing. There is going to be a continued, thorough analysis before any start-up of the White Rose is undertaken, Mr. Speaker.

I know that all concerned, the C-NLOPB, as well as Husky, the operator, are doing all that needs to be done in order to ensure the safety in environmental protection.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: I thank the minister for those assurances, but I would ask her: Is there an update that she can provide on the environmental impact of the spill and any associated cleanup efforts?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Well, Mr. Speaker, as I've indicated, there has been no sheen seen on the water for quite some time, I think it was November 18, and no further impact on wildlife since a few days after that. However, vessels are

still monitoring. They're still out there surveilling. That is continuing. There has been some water monitoring as well for the depths of the ocean to see if there has been any impact. Those are continuing.

So, there is no ongoing cleanup because they haven't found any further sheen at this point, Mr. Speaker. However, diligence is still ongoing. There are still observers out there for wildlife and there are still vessels on the water. It is now switched to really looking at what the root cause is and ensuring that we have taken every precaution.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: We're told that over 250,000 litres of oil were spilled in the marine environment. Two weeks ago, the Minister of Fisheries said that the situation was being monitored and that he would have better information in coming days.

So, I ask that minister, what is his assessment of the impact of the spill on our offshore and inshore fish stocks?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. BYRNE: Mr. Speaker, we always monitor. We work with the federal government. We work with the federal administrators, those responsible for protecting the marine environments of our shores, off our shores. We will take nothing lightly when it comes to this, but we also have assurance that the methods and procedures are in place to continue to monitor this.

This has been a pledge by the Department of Fisheries and Oceans and we will ensure that that work is done. Obviously, it is early in the process but work is already underway.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. CROSBIE: Yesterday, the Terra Nova FPSO was given the green light to resume production. Has the Minister of Natural Resources been provided with a plan and a target date for resumption of production?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

This is an important question because there has been an abundance of caution here. There are similar valves on the Terra Nova that there are on the White Rose, so there was an abundance of caution.

I can tell you that they have brought in remote operated vehicles to check the flow lines. They have been in touch with a manufacturer of the links. They have brought in whatever was required to ensure the diligence of making sure the equipment was operational.

There was a slow start-up starting yesterday, and I can advise the House that at this point there is nothing to report. I believe operations are ongoing and they will soon resume production, but they have started that process.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

In a recent briefing, it was indicated that the carbon tax on residents of this province will result in approximately \$62 million in annual revenue.

I ask the minister: Is all of this directed to general revenue?

MR. SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Thank you, Mr. Speaker.

Yes, the carbon revenue will be directed to general revenue. There's approximately a million dollars a quarter to the consumers of this province. The majority of revenue, which I'll get the final numbers on, I think that might be a little bit high, but the remainder of it is industry, the offshore and other industry.

I think it's important, again, to note that in working with the federal government and the plan that we put forward has the interests of the consumers of this province, and our industry in this province, in mind.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

So just to clarify, is the minister saying it's \$4 million a quarter, so that's \$60 million a year? We were told in the briefing there was \$61.8 million to be collected.

Could he clarify what that amount is?

MR. SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Through the gas tax, Mr. Speaker, the amount on gasoline and on diesel, what the consumers in this province will pay, it's about \$1 million a quarter in 2019-20.

There is also revenue from the offshore, production platforms and other industry in this province, but directly to the consumer in this province, what they pay in gasoline and in diesel and so on, in 2019-20 it's about \$1 million a quarter. There is other revenue from industry.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: My understanding is the revenue from industry is coming from those on site and offshore site facilities over 20,000 tons of emissions.

Does the minister have a number of what's expected to be collected in the fund for those facilities, based on being over 25,000 emissions standard?

MR. SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Thank you, Mr. Speaker.

Some of this is under the green energy fund, through the federal government, Mr. Speaker. Some of it is industry, some of it is offshore production, the other industries in the province that are considered emitters.

Mr. Speaker, the Member asked about monies going into general revenue. It's important to note that the largest tax put in place on the people of this province is Muskrat Falls. So this province is working to mitigate those rates. So make no mistake that any revenue that's generated as a result of the carbon pricing system in this province will be going to help the people of this province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

So we'll see where this is going in terms of reducing emissions and assisting people of the province.

I ask the Minister of Environment: What GHG reduction emission targets are set in this province's climate change action plan? Have you updated the plan?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Thank you, Mr. Speaker.

As the Minister of Finance has said, we've put in place a carbon pricing plan that reflects the realities of this province, and certainly protects the people of this province, as well as industry, to allow them to remain competitive.

As for the industry, we put in guidelines and we've put in targets for them to reach. The first year would be a 6 per cent reduction in greenhouse gas emissions; to go up by 2 per cent for each of the next four years until we get to the 12 per cent range that, whereby, industry will be expected to reduce their greenhouse gases to protect the environment and to allow them to remain competitive in a worldwide industry.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

So they're bringing in a carbon tax. So I ask the minister: Obviously, this is broader scale in terms of the climate change action plan. So have you updated the climate change action plan for the province in relation to your new carbon tax? Surely you must've.

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: To put it in one word, Mr. Speaker, absolutely. Because what we've done in the carbon pricing plan will inform us in developing a climate change plan that we will have in effect in the next few weeks. But, certainly, it's very important that we have the carbon pricing plan in place. The bills that we are discussing today will also inform us and will allow us to move forward with our carbon pricing plan.

Yes, the carbon pricing plan will be a major component in development of our climate change plan, that we know will protect industry and, at the same time, protect the citizens of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

He can clarify it, but I thought he said they haven't updated their climate change action plan, but the carbon tax is going to flow in that at some point in time. So they haven't updated it, but they're bringing in a carbon tax.

Starting in a few weeks the government will be collecting, as we were told, approximately \$62 million annually for Newfoundlanders and Labradorians for a carbon tax.

I ask the Minister of Environment: Can you tell how much of this revenue will reduce GHG emissions in our province? What's the number?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Mr. Speaker, we have a carbon price plan in place that's really a made-in-Newfoundland-and-Labrador plan. If we didn't go with that, we would have been levied or forced to accept a backstop from the federal government that would cost the people of this province four times as much.

So we think our plan really addresses the greenhouse gas emissions, will reduce greenhouse gas emissions and, at the same time, will protect the taxpayers of this province so we're not overburdened with another tax that's going to affect the people of this province.

Mr. Speaker, we don't know what the number is at this point, but certainly, as we move forward, that's something that we will be monitoring very closely, but we know that we have a plan in place (inaudible).

MR. SPEAKER: Thank you.

Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Well, that's interesting. They're bringing in a carbon tax of about \$62 million they're going to collect, but the minister can't tell us how that, in

any way, is going to reduce greenhouse gas emissions.

He did reference a Liberal plan, so I'll ask him this: In 2019, the Liberal federal carbon tax is based on \$20 per ton. We went with our own plan. So what is the minimal federal requirement for GHG emissions for 2019? So we're comparing that to our plan. What's the requirement for GHG for the federal plan?

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Mr. Speaker, we have the same targets in place to reduce greenhouse gases. How we do that is outlined in our plan, the Newfoundland and Labrador plan. We can't help that former Prime Minister Mulrooney put in the targets. But we're going to adhere to those targets and we feel –

AN HON. MEMBER: Harper.

MR. LETTO: Mr. Harper. What did I say?

AN HON. MEMBER: Mulrooney.

MR. LETTO: Harper. I'm confused.

Anyway, by Prime Minister Harper. Mr. Speaker, what we do know is that the greenhouse gas emissions will be reduced by the plan that we have put in place. Whether it's through the carbon pricing or through the performance-based system that we put in place for big industry.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I thought the opposite Member was going to say Prime Minister Diefenbaker, he went back so far, Mr. Speaker. I'm not sure where he was referring to in terms of the prime minister.

Basically what we have, he's saying you're collecting the \$62 million to reduce gas

emissions, despite the federal government having not given a specific target. So there's no target there, but he referenced targets. So in absence of that, they've gone with a provincial plan.

So I ask him – he said there are targets – what are the provincial emissions reduction targets for 2019? You must have them; you said you had targets.

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Mr. Speaker, first of all, I apologize I never got the prime minister's name right. That's immaterial, I think, when it comes to the topic that we're dealing with because what we're dealing with is a very, very serious issue. It's the reduction of greenhouse gases.

We put targets in place that large industry have bought into. They are pleased with our plan and that plan will see the reduction of greenhouse gas emissions by 6 per cent in 2019-2020; 2020-2021 we'll be 8 per cent; the year after that it will be 10 per cent; and finally, in 2022, the greenhouse gas emissions will be reduced by 12 per cent.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

He still can't tell us what the targets are going to be and how this money is going to ensure that those targets are met, Mr. Speaker.

There's a lot of information lacking in the legislation from baseline targets for facilities; performance credits have not been established; contributions of the greenhouse gas reduction fund not established; sector-wise performance not established; facilities that want to opt into performance standards hasn't been identified.

Minister, you're jamming all this in to January 1 with no regulations, too many unknowns exist. Shouldn't you agree that this should be delayed

and even shouldn't go in at all because it's just a tax grab on the people of Newfoundland and Labrador?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Mr. Speaker, one of the things that we've kept in mind developing our carbon price plan is that we wouldn't be gouging the people of this province.

The Member knows full well what taxes will be levied because of this plan. We're going to remove the gas tax and replace it with a carbon tax and that's .37, I think. On a 60 litre of gas, by the way, if anybody is going to go – to put it into perspective and put it into money figures so that people understand, on a 60-litre tank full of gas, they'll be paying 25 cents more than they are today.

Mr. Speaker, that is a good plan. That's a plan that meets the needs of the people and addresses the greenhouse gas emissions.

MR. SPEAKER: Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Fortune Bay - Cape La Hune.

MS. PERRY: Thank you, Mr. Speaker.

On November 22, WestJet announced the cancellation of their St. John's-Dublin flight.

I ask the minister. When did you become aware of this?

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Mr. Speaker.

Certainly, we're very disappointed that WestJet has decided to cancel its flight to Dublin. I had actually travelled to China and I met with WestJet executives while I was there. They had indicated at that time that the flight was

performing well. We had met with our partners, the Airport Authority, the City of St. John's, Destination St. John's and others, and highlighted that we would work with WestJet to enhance a marketing plan. We had upwards of \$800,000 on the table to fully market this connected flight to Dublin. It's a direct flight.

I took the flight recently, Mr. Speaker, and I want to say that it's certainly very important for us to have connectivity and air access. We're meeting with our partners in the airline industry on a regular basis.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Thank you.

Order, please!

I do remind all Members, thoughts are becoming chirps and chirps are starting to sound like heckling, so watch out. That's a warning.

The hon. the Member for Fortune Bay - Cape La Hune.

MS. PERRY: Thank you, Mr. Speaker.

Minister, you referenced talking with WestJet in China but when you had your meeting, were there any discussions about this particular flight? And have you also had discussions with the Irish ambassador, the Airport Authority or other stakeholders in advance of WestJet's announcement?

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Mr. Speaker.

I want to say that I did meet with executives and had conversation when I was in China back in June. And the indications were that this flight was going to continue at this particular time.

We have continued to meet with our partners and have stakeholder meetings for months. I had taken a personal holiday to Ireland, but I had met with a number of people in Ireland while I

was there and highlighted this direct link, and, being an ambassador for promoting the Irish-Newfoundland connections, that's what we do. We continue to do so.

I met with the Irish ambassador. We talked about how important connectivity is. In continuing to have the conversation with other airline partners, with WestJet, I will continue to meet with them. I have a meeting scheduled with them, Mr. Speaker, and we'll have those conversations.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Fortune Bay - Cape La Hune.

MS. PERRY: We have heard that the Nova Scotia government has given a significant amount of funding to Halifax airport in support of the Halifax-Dublin flight.

Minister, are you aware of this, and what did you do to try and promote Newfoundland and Labrador?

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Mr. Speaker.

I'm certainly aware that Halifax has a significant funding through their Airport Authority in upwards of \$10 million to support and attract air access. One of the incentives that can be provided is you can buy airline flights. You can actually pay for empty seats if you want to pay for that access. That's one mix that you can do, and that can be an incentive that maybe the Halifax airport is doing.

We work with our partners. We work on promotions. We do a variety of things that we can do to attract air access, direct air access to our airports whether it be St. John's, Newfoundland and Labrador, or Deer Lake, or Gander, or looking at all airport connectivity because it is so important for business and tourism for our Province of Newfoundland and Labrador. I look forward to continuing to have those conversations with all of our partners.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you.

The hon. the Leader of the Third Party.

MS. ROGERS: Mr. Speaker, government sat idly by while a multinational company tried and failed to break the union at D-J Composites. After almost two years locked out in a labour dispute – two years, Mr. Speaker – today, the workers of D-J Composites have a new collective agreement – no thanks to this government, who refused to stand up for the workers of this province in their fight against a multinational corporation.

I ask the Premier: To protect workers in the future, will he now implement Recommendation 5 of the 2010 Industrial Inquiry and amend the *Labour Relations Act* to provide for a process for the imposition of a new collective agreement when a prolonged strike or lockout has been ineffective in bringing about a resolution?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, for the Leader of the Third Party, I would say no one stood idly by. There was a number of people that were involved in this in terms of mediation and so on. When the union reached out to me, and others did as well, we got involved in this to try and bring the two parties together.

As the Member opposite would know, through a PMR that was done in this House of Assembly, that I think you supported, there's work ongoing now actually in the future on how we can prevent a long labour dispute such as this.

We were involved, and I think if you speak to the workers and you speak to the union – I actually visited that line myself. I'm not sure if you were there or not. I also did meet with the company themselves to get the two of them back to the table. They agreed to do so because there was an arbitration mechanism within their own agreement.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. ROGERS: Thank you very much, Mr. Speaker, but it was almost two years before the Premier did do that.

In his 2010 Industrial Inquiry Commission, John Roil noted replacement workers aggravate and prolong labour disputes.

I ask the Premier: Will he now show he supports workers in this province by enacting legislation banning the use of temporary replacement workers during a strike or a lockout?

MR. SPEAKER: The hon. the Minister for Advanced Education, Skills and Labour.

MR. DAVIS: Thank you, Mr. Speaker.

We're very pleased, as the Premier mentioned earlier, that D-J Composites are going back to work and negotiating the back-to-work process for that.

But what we're more happy about here right now is that, based on a private Member's resolution that came forward to this House and passed unanimously by this House, we've gone out to try to get a terms of reference for this process, placed out to hearing views of unions, employers, all Newfoundlanders. We're moving on that process, and we should stay tuned because, in the new year, we're going to be having that process come out.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Speaker.

The locked-out workers of D-J Composites have had to make big sacrifices to win economic justice. All along government claimed it wanted to stay neutral, not picking sides in the dispute. No doubt, this prolonged the dispute unnecessarily.

I ask the Premier: Now that this particular dispute is over, can he explain why he chose not to stand up for workers in this province when they made specific requests?

MR. SPEAKER: The hon. the Minister of Advanced Education, Skills and Labour.

MR. DAVIS: Mr. Speaker, government must ensure that there's a balance between the needs of the worker and the needs of the employers. It's very, very important that that balance is struck. A negotiated deal is much better than a forced deal.

From our perspective, we're listening to this process – in the new year, we're going to hear from the trade unions, the employers, the workers and all Newfoundlanders and Labradorians on this very topic. We're going to hopefully move forward on some recommendations based on what we hear in those consultations. That's exactly what you would do in this case, and that's what we've done, to make sure we hear from all sides to get the best results.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Speaker.

I point out to the minister that, if he remembers correctly, we had a corporation that was ruled as acting unjustly.

I ask the Premier: Will he finally show workers in this province he is on their side and enact laws that protect them so no worker ever again has to suffer like these workers did?

MR. SPEAKER: The hon. the Minister of Advanced Education, Skills and Labour.

MR. DAVIS: Mr. Speaker, I thank you for the question. That's exactly what we're doing. That's why we started this process to make sure we look at the legislation, hear from all sides in the process and making sure we have the best information.

We have to have the best information in order to make the best decisions. That's what we're doing in this government. That's what we've always done and that's what we're going to continue to do.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you.

The time for Oral Questions is ended.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Notices of Motion

MR. SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Thank you, Mr. Speaker.

I give notice that I will ask leave to introduce a bill entitled, An Act Respecting A Pension Plan For Teachers, Bill 45.

MR. SPEAKER: Order, please!

Further notices of motion?

The hon. the Minister of Service NL.

MS. GAMBIN-WALSH: Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Marriage Act, Bill 46.

MR. SPEAKER: Thank you.

Further notices of motion?

The hon. the Parliamentary Secretary of Tourism, Culture, Industry and Innovation.

MR. BROWNE: Mr. Speaker, I move the following private Member's resolution, seconded by the Member for Bonavista:

WHEREAS impaired driving is the number one cause of criminal deaths in Canada every year;

THEREFORE BE IT RESOLVED that this hon. House urge the Government of Newfoundland and Labrador to support a public awareness campaign to encourage the public not to drive impaired.

MR. SPEAKER: Thank you.

The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, pursuant to Standing Order 63(3), the private Member's resolution just entered shall be the one to be debated this Wednesday.

Further, Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act Respecting The Supreme Court In The Province, Bill 47.

Further, Mr. Speaker, pursuant to Standing Order 11(1), I hereby give notice that this House shall not adjourn at 5:30 p.m. on Tuesday, November 4.

Further, Mr. Speaker, pursuant to Standing Order 11(1), I hereby give notice that this House shall not adjourn at 5:30 p.m. on Thursday, November 6.

Thank you.

AN HON. MEMBER: December.

MR. A. PARSONS: December, sorry.

MR. SPEAKER: Okay, we're good?

Further notices of motion?

Answers to Questions for which Notice has been Given.

Answers to Questions for which Notice has been Given

MR. SPEAKER: The hon. the Minister of Tourism, Culture, Industry and Innovation.

MR. MITCHELMORE: Thank you, Mr. Speaker.

This is basically a document that I would like to table. I missed Tabling of Documents but, on the 22nd, the Leader of the Official Opposition asked for the update to the cannabis contract. I have the timelines here. I can read that out under Answers to Questions – I did provide it after, but I'd like to table this for the House.

MR. SPEAKER: Thank you.

Further answers to questions for which notice has been given?

Petitions.

Petitions

MR. SPEAKER: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Speaker.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS many students within our province depend on the school busing for transportation to and from school each day; and

WHEREAS there are many parents of school-aged children throughout our province who live inside the Eastern School District's 1.6 kilometre zone, therefore do not qualify for busing; and

WHEREAS policy cannot override the safety of our children;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to eliminate the 1.6-kilometre policy for all elementary schools in the province and in junior and senior high schools where safety is a primary concern.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, I continue to present these petitions on a weekly basis – sometimes daily. I have a lot

of them. I have a lot of concerned parents out there who are really concerned for the safety of their children. They're not caught up in the cost of school busing because, like I said, cost should not override the safety of our children no matter what.

It's a very fair petition because we're targeting elementary schools, where our most vulnerable children go, your K to six which you're looking at probably five- to 10-year-olds, 10- or 11-year-olds. They are the ones that, as a parent, you don't want them walking the streets. I know my district and a lot of other districts, some of the roads there are no sidewalks, high traffic areas.

You just wouldn't do it as a parent. Unfortunately, some parents are put in a situation. They have no other way to get their children to school, whether they walk from there. Then there are family situations, single parents, small child at home, it puts a lot of stress on every family.

This petition is not new to this House. We've put private Members' motions and my colleagues have petitioned. As recently as last week, we had a public meeting actually in my district and the Member for Conception Bay East - Bell Island and myself attended. It was a decent turnout and parents voiced their concerns. It was all about they wanted to have a public meeting, Mr. Speaker. We obliged, thought it was a good idea to give them an opportunity to come to voice their concerns, to give possible solutions, to tell their story. Sometimes that's a lot of what it is, Mr. Speaker, they want to have their story told. They're concerned. They have legitimate concerns.

We listened. We told them what we've been doing, we hear their concerns and we said we would keep the petitions that they filled out at that meeting, plus I have others, and there is more coming. We said we'd keep their issue alive. It's a very important issue. We should never lose sight of it. It happened in September, now we're in December, keep it going because, most years, in September month after children go back to school, parents self-admitted, too, they died off on the issue and they made other arrangements, as hard as it might have been, and hope for the best for next year.

This time around, they've made it clear they're not giving up on this. They want us to keep fighting it. We've committed to do that as a caucus, as a party, and we're going to continue at that, Mr. Speaker, every opportunity we get until we see some change.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you.

The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I'm the alternate for the Minister of Education, and it's in that capacity that I'm rising today. I thank the Member. I've listened to him in the House on many occasions bringing this very important issue forward, and I did want to make sure that the people of the province did know that the government has given guidelines to ensure that buses may stop as a courtesy stop within the 1.6 kilometres. We've given that guideline to the school board, Mr. Speaker, and they are making provisions, where possible, to do that.

The 1.6 kilometre has been around for quite some time – decades in fact. The Member opposite would know it's a very important issue. Safety is paramount; we all know that. It is generally used across the country. If you do a jurisdictional scan, 1.6 is used across the country, including a lot of rural areas. I'm using Ontario here; Alberta is actually longer, Mr. Speaker.

So, I think it is an important issue. I know the minister is consumed with this. I know they've had many, many discussions. I think, as we move forward, I just want the people of the province to know this is an important issue for government.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you for the response.

Further petitions?

The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Speaker.

At a time when the people of Newfoundland and Labrador are dealing with high levels of taxation, increased unemployment rates, increased food bank usage, increased bankruptcies and many are being forced to choose between food, heat and medications, Newfoundland Power and Newfoundland and Labrador Hydro are continuing to seek numerous power rate increases through the Public Utilities Board.

Once the Muskrat Falls Project comes online, these rates are predicted to further increase significantly to unmanageable levels for the average citizen of our province. While government has indicated that they are working with Nalcor to mitigate these rates, they've provided no detailed plan as how they intend to do so.

Therefore, we petition the hon. House of Assembly as follows: To urge the Government of Newfoundland and Labrador to publicly provide all the potential options for rate mitigation and develop a comprehensive, detailed plan to deal with current and impending power rate increases. This plan is to be provided to the public as soon as possible to allow for scrutiny, feedback and potential suggestions for improvement.

Mr. Speaker, I've presented this now several times, and I will be presenting it several more times. Today, we have signatures from the Southern Shore area, actually. I won't list off all of the communities, but all along the Southern Shore. There were a lot of people, all across Newfoundland and Labrador, that have this same concern. I think the petition is –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. LANE: – pretty self-explanatory. People are concerned, and they're glad that the government said that they're going to be putting

plans in place to mitigate rates, but they would like to know what those plans are.

Mr. Speaker, I also want to make mention that a lot of what we're talking about here is coming out of Nalcor, and there continues to be concerns. As we listen to the inquiry, it's absolutely shocking, to say the very least. I certainly say to the Premier, I say to the minister, it's time to get some accountability at Nalcor. It's time to make changes to the *Energy Corporation Act*, which you made a minor change in legislation this spring. It went nowhere; they still didn't give us the information. You've said you've committed to a further change to get more information out there. It hasn't happened yet. That needs to happen. People at Nalcor have to be held accountable.

I'm absolutely shocked, as I said, of what I'm seeing out the inquiry. I can't believe that there haven't been pink slips handed out in some cases, based on what we've been hearing. I certainly would say to the minister, to the government, that we need to have accountability at Nalcor; we need to find out what's going on there.

We had issues going back as far as DarkNL when they couldn't even keep the lights on, Mr. Speaker. They couldn't even manage to keep the lights on, which was their core mandate, and we found that they didn't do basic maintenance. Not only was there nobody fired, but everybody got their corporate bonuses, which was absolutely amazing. We never got any answers to that either.

We never got any answers from other questions that were raised by the former chair of the board talking about conflict of interest. Never did found out what that was all about. So, Mr. Speaker, time for some accountability at Nalcor.

Thank you.

MR. SPEAKER: Thank you.

The hon. the Minister of Natural Resources for a response.

MS. COADY: Thank you, Mr. Speaker.

I think there was a pink slip given out. It was given out to the government of the day that approved the Muskrat Falls Project.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: Mr. Speaker, I will say this, it is shocking and unbelievable what's coming out of the inquiry.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. COADY: Since we've come in to this government we've actually been able to take that project –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

Please proceed, Minister.

MS. COADY: Thank you.

We have been able to take that project and at least put it on a path where we're not seeing continuous increases in costs or time schedule slippage.

All that being said, Mr. Speaker, the project – and we all know the Muskrat Falls Project will have a devastating impact, or could have a devastating impact if not for this government who are working very diligently to have a plan so that the costs are not borne 100 per cent by taxpayers, because that's what the former government actually put in place.

So we are working toward that end. We are working toward making sure that we have a plan. The plan is required for 2021, when we do take power from Muskrat Falls. I can assure the Member opposite and the people of this province, we will have a plan that will see us through this mess.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Thank you.

Further petitions?

The hon. the Member for Mount Pearl North.

MR. LESTER: Mr. Speaker, the 15 per cent retail sales tax on insurance premiums that the provincial government imposed in 2016 has significantly increased the cost of insurance.

Therefore, we, the undersigned, call upon the House of Assembly to urge the Government of Newfoundland and Labrador not to reduce, but to eliminate the 15 per cent retail sales tax on insurance.

Mr. Speaker, as you are well aware, if you drive a motor vehicle on a road of any sort in this province, it is a legal requirement to have insurance. Therefore, anybody who uses their vehicle to travel back and forth to their employment or to medical appointments or even to visit family and friends must, therefore, have insurance on their vehicles. In some cases, this has put insurance out of reach of a lot of our citizens within the province.

We're hearing reports now that there are more uninsured vehicles on the road now than ever. This has only come about – 15 per cent extra, it doesn't sound a lot when you look at 15 per cent. But when you're looking at \$10,000 or maybe \$20,000 for insurance, that's a big, big cost.

That's something that we have to look at. If people are not travelling, if people are not going to work, they're not spending money in the economy, they're not spending money in our communities and that's all having a ripple effect. It's not even ripple anymore, it's a tidal effect. We're seeing small businesses close up all over the place, and it seems like the only announcements we can get are announcements that are driven by world commodity prices.

What about small- to medium-sized businesses? They're also affected by that 15 per cent that could be spent in their business. Instead, we're having to spend it on a retail tax on insurance.

MR. SPEAKER: Thank you.

The hon. the Minister of Service NL for a response, please.

MS. GAMBIN-WALSH: Mr. Speaker, as the Member opposite is well aware, there is an ongoing insurance review and I'm awaiting the response from the PUB.

However, the Member just indicated that there were more uninsured drivers on the road today than ever before. I would love to see where he got those statistics, Mr. Speaker.

MR. SPEAKER: Further petitions?

The hon. the Government House Leader.

MR. A. PARSONS: Orders of the Days, Mr. Speaker.

MR. SPEAKER: Orders of the Day, Sir.

Orders of the Day

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Speaker, I would call from the Order Paper, third reading of Bill 40.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I move, seconded by the Minister of Children, Seniors and Social Development, that Bill 40, An Act To Amend The Housing Corporation Act, be now read a third time.

MR. SPEAKER: It is moved and seconded that the said bill be now read a third time.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

The motion is carried.

CLERK (Barnes): A bill, An Act To Amend The Housing Corporation Act. (Bill 40)

MR. SPEAKER: This bill is now read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act To Amend The Housing Corporation Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill 40)

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I move, seconded by the Minister of Children, Seniors and Social Development, for leave to introduce a bill entitled, An Act Respecting A Pension Plan For Teachers, Bill 45, and I further move that the said bill be now read a first time.

MR. SPEAKER: It is moved and seconded that the hon. the Minister of Children, Seniors and Social Development shall have leave to introduce a bill entitled, An Act Respecting A Pension Plan For Teachers, Bill 45, and that the said bill be now read a first time.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

The motion is carried.

Motion, the hon. the Minister of Finance and President of Treasury Board to introduce a bill, "An Act Respecting A Pension Plan For Teachers," carried. (Bill 45)

CLERK: A bill, An Act Respecting A Pension Plan For Teachers. (Bill 45)

MR. SPEAKER: This bill has now been read a first time.

When shall the said bill be read a second time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, Bill 45 read a first time, ordered read a second time on tomorrow.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I call from the Order Paper, Motion 4.

I move, pursuant to Standing Order 11(1), that the House not adjourn at 5:30 p.m. on Monday, December 3, 2018.

MR. SPEAKER: Thank you.

All in favour of that motion, ‘aye.’

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

The motion is carried.

The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I’m going to call from the Order Paper, Order 1, Address in Reply.

MR. SPEAKER: Address in Reply.

The hon. the Member for Bonavista.

MR. KING: Thank you, Mr. Speaker.

I just want to take this opportunity to get up and recognize some great things that are going on in the District of Bonavista. Recently, on Saturday evening, we had the Christmas tree lighting in Bonavista. What an excellent turnout that we had for this time of the year. We also have it this evening in the municipality of Trinity Bay North. With the season upon us, it’s about giving. I said in my speech on Saturday night, much like Canadian Tire, this season is about save like Scrooge and give like Santa.

I just wanted to make an appeal to the people in my district to give to the fourth annual toy drive that I host every year. We’ve been doing it for a number of years. I partner with local charities and organizations that distribute the toys, so I

want to make that out to the public. I know there’s a video and on Facebook asking for that. I encourage all people to get out and certainly do that.

Also, I’d like to reflect on the year that we’ve had in the District of Bonavista. It’s been a very positive year, Mr. Speaker. Tourism numbers are up through the roof. I was –

AN HON. MEMBER: (Inaudible.)

MR. KING: – a great announcement – I’ll get to that, thank you for the idea.

Mr. Speaker, I wanted to get up and talk a little bit about the tourism industry that seems to be on its wheels. I was at a Chamber of Commerce function on Saturday evening and it was highlighted that there were 61,000 visitors to our region this year. You take the population of, say, Bonavista, which is a little shy of 4,000, that certainly adds quite a few people to our towns and regions.

You have Trinity-Port Rexton – you seen the number of young entrepreneurs, which I want to recognize as well. In a place where we always hear that you’ve got an aging population, our region is one in which we have a younger population coming into the area. We’re a place to be. It is because of the economic growth that we have in our area. It’s an exciting place to be. It’s a cool, hip place to be. I think it started off years ago with Rising Tide Theatre and some of the great things that they’ve been doing here for 25 years. This past year was the 40th year of Rising Tide Theatre, so I do want to recognize Donna Butt and what she’s been doing.

Also, I’d like to recognize the 25th anniversary of the Trinity Pageant. I know we had a number of people joke about that previously, but it started to bring people to our area. Through that, we’ve seen things grow in Bonavista. You see Home from the Sea in Elliston. That’s been a great boom for our region, bringing people to a community that couldn’t afford to pay its light bill in 1997 and only had three businesses and now you have several businesses, they are open year-round and they are bringing people.

Actually, the road to Elliston is even paved this year, which is a great thing. I know the Leader

of the Opposition, when he was out to the district, when he was on his campaign tour, or the year before last, talked about this road needs to be paved. While it was in the five-year Roads Plan, we kept up to our word there. It's great. You are seeing other roads done along Route 230, Route 233 and we see major infrastructure in place.

You look at the Sir William Coaker Heritage Foundation, what they are doing in Port Union; the Port Rexton Brewery, other operators within Port Rexton, and the good news that we saw the other day in our brewing industry with the tax breaks. We're going to see more growth where you see Union Electric Brewing Company opened up; Dungeons Distillery Ltd. as well.

MS. P. PARSONS: Baccalieu Trail in Bay Roberts.

MR. KING: What was that?

MS. P. PARSONS: Baccalieu Trail in Bay Roberts.

MR. KING: Baccalieu Trail in Bay Roberts my friend, the Deputy Chair of Committees, is telling me. So we see a lot of growth in this industry.

To use a pun, the potential is untapped in this market, so I'm excited about it. I have worked with local companies to help them get things in place so that they can be successful.

Growth in our region is spectacular. You take Church Street region in Bonavista, a bunch of young entrepreneurs – and I was happy to walk into a place like East Coast Glow and purchase Christmas gifts on Friday. I was able to get homemade soap products, high quality, that's in demand all over the world. They've been in New York. They've been featured in magazines. They ship everywhere.

You've got the Boreal Diner which is the Bonavista coffee company, great coffee, and something that you would never think of in our region years ago. It's great.

Outside of the tourism industry, you look at the growth in our agriculture sector. We have a number of young farmers getting into the field,

dairy farmers and some vegetable farmers as well. They're excited about coming home and starting a family business such as farming. I know my friend from Mount Pearl North, he's huge into the farming industry and he's excited about what's going on out in the District of Bonavista with regard to agriculture. You can see he has a gleam in his eye right now because I'm talking about agriculture.

You look at the Musgravetown, Lethbridge, Harcourt areas, all vital to our farming industry, and now you see it on the top of the peninsula. We have a couple of young farmers who are doing whatever they can to produce non-traditional vegetables, who raise animals, to go out there and start something they're passionate about. I mean, they're two young electricians from Labrador who moved to our area who are looking to get into the farming industry. I've been talking to them a number of times and I'm excited about what they're doing.

Also, the forestry sector, we have the biggest forest lumber producer in the province with Sexton Lumber. I've been working with Kevin Sexton for three years now. When he couldn't get any satisfaction from the former PC government, when he wanted more timber, when he'd have to shut down because he couldn't get enough allocations, and when the former MHA of the day wouldn't even take his calls or get in a row saying, no, no, other areas of the province need that, what I've been able to do is been able to work with Kevin Sexton and work with the minister of Fisheries and Land Resources at the time to help them be sustainable and open and maintain their shifts so they don't have to shut down for two or three weeks at a time.

He's been able to grow his operation. Now he's in finger jointing. I've talked about this here in this House many times before. You get more product out of the lumber and timber that you actually bring in. Now he's actually going to be into pressure treating. So that's growing our economy, creating more year-round jobs, Mr. Speaker.

That's what we want to see, more people employed in our region. We're an area of growth. One area we certainly don't want to forget about is the fishery. The fishermen had a pretty good year. The fall, the weather hasn't

been co-operating very well for the cod fishery, but when the fishermen have been able to get out they've been telling me that they've been able to get their quotas on cod fish, so we wanted to see that increase. There is always a concern about crab.

The local fish plant, I'd certainly be remiss if I didn't talk about Ocean Choice International and the job they're doing here in Bonavista. They just don't employ people from Bonavista but all over our region: Trinity Bay North, Port Rexton, Trinity, over in Newman's Cove, Ambrose Cove, that area, Elliston.

AN HON. MEMBER: (Inaudible.)

MR. KING: Yeah, that's down your way. The minister for the Status of Women was talking about Grand Bank and they're doing a good job down there.

One thing I love about Ocean Choice International is when the quotas for crab were cut this year, it put a number of people in jeopardy of not getting their hours that they needed for their unemployment insurance. What OCI did as a company is brought product in from other areas. Everyone that needed their hours got their hours. We're certainly thankful for the good ownership and management that we have at Ocean Choice International.

Mr. Speaker, I'm going to conclude my comments, but I'd like to take a moment with the House winding down here right now, just to wish everyone a very Merry Christmas, Happy Holidays to those who don't celebrate Christmas and a very happy, joyous and prosperous new year.

Certainly going into 2019, we'll see an election and we want to keep the prosperity going and certainly don't want to regress back to a Progressive Conservative government which won't see any prosperity at all.

Thank you, Mr. Speaker.

MR. SPEAKER (Warr): Order, please!

The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I'd like to call from the Order Paper, Order 5 and I'd like to move the second reading of Bill 41.

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I move, seconded by the hon. Member for Torngat Mountains that Bill 41, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act, be now read a second time.

MR. SPEAKER: It is moved and seconded that Bill 41 entitled, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act." (Bill 41)

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I appreciate the opportunity to open the discussion on amending the Atlantic Accord implementation act to extend the *Management of Greenhouse Gas Act* to the offshore area. This action reflects the province's commitment to help address climate change, while maintaining the competitiveness of our industry in supporting clean, economic growth.

The province's carbon pricing system, which has been accepted by the federal government, is based on the principles of maintaining competitiveness for taxation and trade, minimizing the impact on consumers and vulnerable groups, recognizing the considerable cost we are already paying to de-carbonize electricity and delivering meaningful reductions in greenhouse gas emissions. My colleagues, the Minister of Municipal Affairs and Environment and the Minister of Finance, will speak on the provincial carbon pricing system and the

principles and actions we are taking in response. I will focus my remarks on the offshore area.

Mr. Speaker, with respect to the offshore area, this made in Newfoundland and Labrador approach will ensure we, as a province, do our part to address climate change while protecting our offshore industry against the federal backstop, which would have imposed significantly higher costs without improving outcomes. Before I get into specifics, I would like to speak to the contribution of this sector and denote a couple of key points with respect to the Atlantic Accord and subsequent Canada-Newfoundland and Labrador Atlantic Accord implementation acts.

From an economic perspective, oil production in the offshore area represents 25 per cent of Canada's conventional light crude production, and there's been over \$56 billion in industry expenditures on exploration, development and operations; quite an economic stimulus for our province. The industry represents 25 per cent of provincial GDP and over 40 per cent of our exports in this province. Going forward, our government anticipates the potential for significant growth and our even greater contribution to the provincial financial well-being, and I will speak further to these growth opportunities in a moment.

From a governance perspective, the Accord Acts confirm the federal and provincial governments as equal partners in the joint management of offshore oil and gas developments in legislation as outlined in the 1985 Atlantic Accord. This legislation often supersedes other federal legislation. Both governments have committed to introduce amendments to regulations only with the consent of the other party. The Accord Acts define and grant the C-NLOPB its powers and authorities, as well as cost recovery mechanisms for its operational costs.

No petroleum activity can take place in offshore area without the authorization of the Canada-Newfoundland and Labrador Petroleum Board. Offshore operators were consulted and expressed a clear preference for having the province's *Management of Greenhouse Gas Act* apply offshore. The federal government is in agreement with this approach and it is supported by the C-NLOPB; however, the Accord Acts

currently do not permit the *Management of Greenhouse Gas Act* to apply offshore area and amendments are required.

The provincial government therefore has proposed to extend the application of the *Management of Greenhouse Gas Act* to the offshore area through Bill 41 to be administered as appropriate by the Canada-Newfoundland and Labrador Offshore Petroleum Board. Specifically, amendments to section 159 of the Accord Act will allow C-NLOPB to administer the *Management of Greenhouse Gas Act* regulations in the offshore area.

Specific amendments to section 29 of the Accord Act will enable the C-NLOPB to recover costs associated with this function from industry. The federal government introduced their parallel amendments into parliament on October 29 of this year. Our provincial Bill 41 mirrors the federal approach. This approach is consistent with and respects the unique regulatory regime embedded in the Atlantic Accord. It is also consistent with our Advance 2030 strategy.

Mr. Speaker, we're seeing success in our plan to drive exploration and grow the province's offshore through *Advance 2030 – The Way Forward on oil and gas*. In fact, record bids for exploration licences offshore were received earlier this month as a result of the most recent call for bids in the Eastern Newfoundland region and Jeanne d'Arc regions. In total, there was a record cumulative total of \$1.38 billion in bids and a single record bid of \$621 million from a new entrant, BHP Petroleum in the Eastern Newfoundland region.

The resource potential in offshore Newfoundland and Labrador is incredible. In less than 7 per cent of the province's offshore, there's a combined resource potential of 49.2 billion barrels of oil and 193.8 trillion cubic feet of gas. And I'll say it again, Mr. Speaker, that's in less than 7 per cent of the province's offshore. There have been eight new entrants in the past three years and \$3.9 billion in recent exploration work commitment.

To ensure this continued interest in growth requires a regulatory regime that is efficient, effective, transparent, globally competitive and environmentally responsible. These factors,

among others, are important in attracting and retaining investment opportunities to the benefit of our respective governments. Industry has identified a number of potential risks to continued investment. These risks include regulatory uncertainty associated with the many federal legislative initiatives, including those associated with the implementation of carbon pricing offshore.

Applying the provincial greenhouse gas pricing regime in the offshore area delivers meaningful reductions in emissions – which is critical, we all understand the impact of climate change – while minimizing uncertainty to industry. It provides for a single, seamless, large industry carbon pricing regime to be implemented in the province that is tailored to the unique nature of offshore petroleum industry. It exempts exploration activity, it exempts aviation support services to the offshore. It structures greenhouse gas reduction targets in a manner that recognizes the constraints of operating 350 kilometres-plus offshore.

Before concluding I would like to note, that C-NLOPB operates on a cost recovery basis from industry. This means, in effect, that 100 per cent of the costs that are incurred by the Canada-Newfoundland and Labrador Offshore Petroleum Board to administer greenhouse gas regulations are recovered. This would not result in any new costs to the provincial government.

Mr. Speaker, industry supports this approach, including the continued application of a single regulator offshore. Our government completed numerous consultations, including each offshore operator: the Canadian Association of Petroleum Producers, the Newfoundland Offshore Industries Association, and Nalcor Energy. Our government has also engaged the C-NLOPB on an ongoing basis to ensure that the provincial regulatory approach can be effectively integrated with existing current licensing, reporting and compliant practices implemented by the C-NLOPB.

So, Mr. Speaker, in conclusion, this act basically does a couple of things. It allows the *Management of Greenhouse Gas Act* to apply to the offshore oil area. It gives powers and imposes duties and functions under the *Management of Greenhouse Gas Act* on the

Canada-Newfoundland and Labrador Offshore Petroleum Board. And, as I've said earlier, the federal government has introduced parallel amendments into parliament in late October of this year.

So the two things that this bill does, the amendments to the Accord Act, are basically allowing for the *Management of Greenhouse Gas Act* and for C-NLOPB to be the purveyor of that act on the offshore and allow it to collect fees in order to cost recover.

So that's it, Mr. Speaker. It's a rather simple bill as part of our strategy to ensure we address climate change and greenhouse gas emissions in this province.

Thank you. Mr. Speaker.

MR. SPEAKER: Thank you.

The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Speaker.

This is a pretty straightforward piece of legislation. The bigger piece will come in Bill 44 – I'm assuming will come after the *Management of Greenhouse Gas Act*.

In a nutshell, this bill basically permits the *Management of Greenhouse Gas Act* to be incorporated into the Atlantic Accord which in turn will give the C-NLOPB the power to administer and collect these carbon taxing or fees under one administrator which was agreed upon and is what industry wanted. We attended a briefing actually and some of the minister's staff attended and gave us an overview, so I thank them for that.

This is kind of a small piece of the big picture but it's an important piece, obviously. During the briefing, basically, we were explained the same thing that cost recovery – that 50 per cent of the costs where it's a joint between the federal and provincial, the costs would only be applied. You could only get 50 per cent of cost recovery; but, the C-NLOPB being the one administering it, a lot of that makes sense to us.

Now, removing ourselves from the bigger piece of carbon pricing in general, we've been on the

record for quite some time of our views. I've been the critic of climate change since 2015 and we've made that pretty clear in this House and publicly of our views on the carbon pricing model that's being implemented by the federal government, now in turn by the province in their own made in Newfoundland approach.

So I suppose tying two of them together – this piece of legislation is pretty routine but the bigger piece is where we – the overall *Management of Greenhouse Gas Act* and charging a tax to the consumers of this province and our industry with no set of real emissions in place is an area where we have concerns, and we'll discuss that later in Bill 44.

Like I said, Mr. Speaker, the C-NLOPB will administer the *Management of Greenhouse Gas Act* in the offshore area. They will recover costs associated with this from the industry, which happens with current costs for other regulatory functions of the C-NLOPB.

Section 1 of the bill is going to make changes to section 29(2) of the Accord Act. Subsection (1) is already contained in the act and subsection 2 is being added. Subsection (2) indicates that all amounts related to the *Management of Greenhouse Gas Act* will be paid in their entirety to the Consolidated Revenue Fund. This is because carbon pricing is a provincial jurisdiction. The C-NLOPB may ask the province for more operating funds, which the C-NLOPB will then bill to industry and then pay back to the province.

So, Mr. Speaker, I'm not going to speak a long time on this. Like I say, we have the associated Bill 44, which I think would be more in its entirety, because this is more like an enacting piece of legislation tied to Bill 44. So we'll discuss further into that piece of legislation.

But this one here, like I say, in a nutshell, it's the *Management of Greenhouse Gas Act*. It's allowing it to be part of the Atlantic Accord. It's giving them sole authority as a regulator to do the collections, to remit the funds to the province and deal with the cost recovery, deal with the offshore separately. It's what industry wanted, and this legislation reflects that.

So we'll discuss further on this piece of legislation as we debate Bill 44.

Thank you very much.

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I'm pleased to have a couple of minutes to speak to this amendment, the bill itself. Bill 41 is An Act to Amend the Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act. Obviously, it's something that is being required because of the legislation that's being brought in with regard to the greenhouse gases. We do have the greenhouse gas act, and later on in this sitting we will be discussing amendments to that act.

The amendment today is an amendment to the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act because – it was said in the briefing that the oil companies would've preferred to be managed in terms of the greenhouse gas policies. They would prefer to have the C-NLOPB in charge of the industry offshore rather than the department – a department probably would've been Natural Resources – that they would prefer the C-NLOPB to administer the GHG Act.

So that's why we are standing here today, because in order for that to happen there has to be an amendment to the Atlantic Accord agreement to shorten the full title. What we're doing today is approving – which I think we need to, we shall – the amendments to the Atlantic Accord agreement, allowing the C-NLOPB to administer the greenhouse gas act as it relates to the offshore, as has been pointed out by the minister, pointed out by my colleague from CBS as well.

So it's pretty straightforward, but it is an opportunity to look at the fact that the activity in the offshore is pretty key when it comes to looking at greenhouse gas emissions here in our province, and adjustments have to be made. We did not meet the first target that was agreed upon with regard to the reduction of emissions in this province, and one of the reasons why we had to

change the target is because of the greater activity in the offshore. So it would appear that we can set targets for the reduction of GHG emissions, but if at the same time we continue to grow in the offshore, if we continue to have more activity in the offshore, that's going to change our ability, as we go forward, to reduce our emissions. It's as simple as that.

I would like government to think about what else is going to need to be done, because if we continue growing in the offshore and we continue having more activity in the offshore and that's affecting our targets, then something else is going to have to be done with regard to the offshore to make sure that we do meet targets that we're setting, and that discussion will come up in the amendments to the greenhouse gas act, which is rather problematic. So if we continue to have activity that's going to be increasing our emissions and we have to keep changing our targets, we're never going to get anywhere where we are really affecting greenhouse gas emissions in this province.

The latest reports globally are saying that greenhouse gas emissions are growing on the planet, in spite of the agreements that have been put in place, and we have to accept responsibility for that here in this province. So if our growth in offshore development is going to continue to increase our emissions, then, as I've already said, we're never going to get anywhere when it comes to really reducing –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. MICHAEL: – the overall emissions in this province, which affects overall emissions on our planet.

So it's problematic that we don't have that broader discussion in this House. It's problematic that we are not taking seriously enough the importance of our role when it comes to greenhouse gas emissions.

The details of this bill are pretty straightforward. It's just making sure that administration is going along, is working well and that the administration by the C-NLOPB would be in agreement with what's happening with regard to

the greenhouse gas act, because the greenhouse gas act itself is under the department under the minister, but the behaviour of the offshore is under the C-NLOPB. So it becomes problematic.

It points out to me, Mr. Speaker, something that we've been saying here in this House, and that is we need a separate agency that's dealing with issues like the greenhouse gas. We need a separate agency dealing with environmental issues and safety issues in the offshore. Because the C-NLOPB, their responsibility is exactly what's happening here – it's administration.

It's administration of the business part of the offshore. It's administration of the lease of lands in the offshore for exploration. They have an administrative role. They do not have a major role when it comes to looking at how much greenhouse gas is being produced by the offshore and how much an increase in activity out there increases our emissions and therefore works against our being able to diminish, to reduce our emissions.

So this is a moment for government to think about that, Mr. Speaker, to think about the fact that we actually have had to change our target because of the offshore. We've had to change our target because of the offshore. So are we looking at five years down the road, setting a target now? What is the production going to be like in five years or 10 years? And do we wait –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. MICHAEL: Thank you, Mr. Speaker.

Do we wait until then to make the adjustment or do we make targets, are we going to be realistic and say, well, knowing what's going to happen or what could happen in five years time our target is probably not going to work.

I don't think we are being completely open and honest with ourselves about the targets we are setting, because at the same time we're doing it we are saying we want to increase production. So one is counterproductive when it comes to the other. So we have a problem here. If we're going to continue with offshore, if we're going

to continue with that industry, then we need to be looking at what are the other ways in which we are going to reduce emission, and that's a major problem.

I also would like to know what will happen in terms of communication between the Minister of Natural Resources, who will be in charge of the greenhouse gas act, and the C-NLOPB. What's going to be the communication back and forth between the board of the C-NLOPB and the minister who is in charge of the greenhouse gas act? Who is going to oversee that communication? That kind of thing is not really dealt with in the amendment we're making. It's stating facts, but who is going to monitor to make sure the communication is going on between the two bodies.

We do have a bit of a complication when it comes to that, but my big issue that this begs for us to look at is the issue of how every time we increase activity in the offshore we're increasing our emissions, and because of that, targets already have had to be changed, and I would say that we are going to continue changing our targets and we will continue to be adding more emissions to the planet and becoming more and more a part of the problem when it comes to greenhouse gas rather than really seriously saying we're going to help reduce greenhouse gas.

So I'll leave my comments at that point, Mr. Speaker. I may have questions to ask in Committee.

Thank you.

MR. SPEAKER The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Speaker.

I'm only going to take a couple of moments to speak to Bill 41. Mr. Speaker, this all ties into the carbon tax and basically giving jurisdiction to the C-NLOPB to manage that within the offshore. It's almost a cart before the horse in one sense. (Inaudible) of how we're dealing with it here in the House today, because arguably you're voting in favour or against a mechanism to have something applied to the offshore that we haven't even agreed on yet, if you know

what I mean, because I think there are a number of people that have issues with the carbon tax per se.

And I have my concerns. I have my concerns with the carbon tax. I know the government has said – and I get where they're coming from, that either have a made in Newfoundland and Labrador approach or have it forced down our throats by the federal government. That's basically what it comes down to, one or the other. I can understand that. They're saying that our version is a more palatable version, if you will. Better for us than if the federal government simply imposed something. I can understand that and appreciate that, and to some degree I could agree with that.

I guess the other side of it is should there be a carbon tax. Should there be a carbon tax? And should we, as a province, instead of taking the position of having it shoved down our throats or coming up with our own solution, should we not be taking the position of Ontario and some other provinces who are saying neither, we're not accepting either one. We're not imposing one, and you're not imposing one on us either, because we just don't agree with the whole concept of a carbon tax.

AN HON. MEMBER: They are imposing it.

MR. LANE: And the minister across the way there says, yeah, they are imposing it. And they may well, but at least they're fighting it. I guess the point is Ontario and some other provinces are fighting it. They're saying, we'll take you to court, we'll do whatever. Now, will they win or will they lose? Who knows? Who knows what's going to happen.

I suspect the federal government has jurisdiction to simply impose it in any case, but they are fighting it and they are challenging it. Personally, I think that's a route I would have liked to have seen us go, to be honest with you, Mr. Speaker. And I'm looking at it now from a layperson's point of view.

I heard in one of the answers in Question Period, the Premier or the minister or somebody talked about paying 25 cents. All it means is if you fill up your tank, 60 litre tank or whatever it was they said, you'd pay an extra 25 cents. Well, if

that's the case, then every time a Newfoundlander or Labradorian goes to the pumps and puts 25 cents extra in the pump, how is that dealing with climate change? I can't get my head around how that is going to impact climate change.

Are we suggesting that people are going to say I'm not going to drive my car because I'm going to have pay 25 cents on a fill-up? Of course not. People who are driving their cars today, they're going to drive their cars tomorrow. So simply saying to the taxpayer you're going to pay this additional tax, I can't see how it's going to do anything whatsoever to address climate change.

If we were serious about climate change, government would be going after industry – and maybe it's going to do that, too, I don't know. I'm not sure what their plans are, but I would think government would be going after industry to get rid of the combustion engines and making it so difficult to create this situation where, we're all going to electric b'ys. That's the way it's going to be, and you may as well start looking at electric cars because that's the way she's going to go.

We're going to create that environment; we're going to create that pressure. Maybe we're going to use incentives, maybe we're going to use a big stick if we have to, but we're getting away from combustion engines all together and everything is going to be electric. It's all going to be green. And to make that happen, that's going to impact climate change.

But saying to Joe Q. Public, or the Justice Minister's father, when he was here he used to call it, was it, Joe Chesterfield. Saying to Joe Chesterfield that you're going to pay an extra 25 cents at the gas pump, and that's somehow going to stop Joe Chesterfield from driving his car and that's going to do anything to impact the environment is absolutely nonsense. It's not. It's not going to do one thing to help the environment.

So when I say the bills here, it's sort of like a cart before the horse, that's what I mean. Because this is talking about implementing something into the offshore that hasn't even been implemented for the province yet. So I do

have some concerns about it because I have concerns about the carbon tax.

I would also say as a province here in Newfoundland and Labrador, our contribution to greenhouse gas emissions in the big scheme of things is minuscule. It's minuscule in the country. It's minuscule in the world certainly, but even in the country I think it's minuscule.

When you look at the Muskrat Falls development, and we all know the concerns we have about it, but one of the good things about Muskrat Falls, if there is a positive to be found there – and there are certainly a lot of negatives now for sure, I'm the first to admit that – but if there is a positive to be found with Muskrat Falls, it does address, I think, greenhouse gas emissions and so on.

Now, there are people who would argue it's still not environmentally friendly. You talk to people about hydro and they'll say, yeah, but you're destroying the – there are methylmercury concerns. They're destroying the landscape and the vegetation and all that stuff. I totally understand all that as well, but from a greenhouse gas emission point of view, it's considered clean, green energy.

So for a little province like Newfoundland and Labrador, 500,000 people, by virtue of that project I think we're doing our share and then some to address pollution and greenhouse gas emissions. If everyone else in every other province and area had initiatives like that, in terms of clean energy, from that angle at least, then from a greenhouse gas emission point of view we'd be way better off.

I think we've done more than our share. So, arguably, why should we do more? And I know people will say, well, we all got to do everything we possibly can to help the environment, and I get that, and I certainly acknowledge climate change. I'm sure we all acknowledge climate change. Even here in Newfoundland and Labrador, over the last number of years we have seen the impacts of climate change. It's very real.

I'm sure the Minister of Municipal Affairs and the former minister of Municipal Affairs know that climate change is very real in terms of our

municipalities and our infrastructure and the storm sewer systems and water systems. The pipes just can't handle the flows any more like they used to. What was considered a one in 100-year event is now becoming a one maybe every 10 years or five years. That's reality. It is happening, and I think we all acknowledge that and I think we all need to do our part.

I would argue that, again, with the Muskrat Falls Project, with all of the negatives that come with it now, that part is a positive, and we are doing our part in addressing greenhouse gas emissions and then some. Bearing in mind, like I said, the other environmental issues, methylmercury, that's a different issue. It's an important issue, but it's a separate one, but we are doing our part on greenhouse gas emissions and then some.

Again, the whole concept that somebody going to the gas pump and having to put in an extra 25 cents on a fill-up – is what was used. I don't know if that number's even accurate, but that's what somebody said over there so I'll take it on their word that it is right. Even if it was an extra dollar on a fill-up, it's still not going to stop the average person who needs a vehicle to travel to and from work and take the kids to hockey or dance or visit friends and neighbours or whatever they're doing. It's not going to stop tourists. So how does that tax do anything whatsoever to improve climate change? I would say it does zero, zippo, nothing. All it does is it just puts more money into provincial coffers.

I understand as well that given our fiscal circumstances and everything else that we need every cent we can get at this point in time. I understand that too, but that's not what this is about – or at least that's not what it's supposed to be about. It's not supposed to be about taxes and raising revenue. The spirit of all the legislation on this is supposed to be about climate change and reducing greenhouse gas emissions.

So I just don't see how a carbon tax is going to reduce greenhouse gas emissions, generally. I just don't see it. I think, like I said, the federal government needs to be going after the big polluters either with incentives and or big sticks to stop the pollution, but Joe Chesterfield going to the gas pumps and now paying an extra tax for it is doing nothing to address it.

I'm really conflicted with that. I understand this bill is talking about applying this to the offshore. So if we're going to do it, if we're going to vote in favour of bill – what is it?

AN HON. MEMBER: Forty-one.

MR. LANE: No, this is 41. The other one –

AN HON. MEMBER: Forty-four.

MR. LANE: Forty-four.

If we're going to vote in favour of Bill 44, and we agree that Bill 44 is a good thing and we should vote for it, than this is going to, obviously, make sense because if you're going to do 44 and we're going to have a carbon tax than, obviously, it needs to apply to the offshore as well as the onshore and so on. So we get that.

The authority under this bill needs to go to the C-NLOPB to allow them to manage the carbon tax for the offshore. I would have preferred if we had debated Bill 44 first and we can all have our say about what we feel about Bill 44 and the carbon tax.

Anyway, that's all I have to say on this, Mr. Speaker. I will say in principle, if I'm going on the premise – if Bill 44 was voted for and it passed, then I would say, well, we're doing Bill 44. It's happening, so now we have to do Bill 41. But now that we haven't done Bill 44 – and it hasn't passed, although I'm sure it will – it's kind of hard for me to vote, in a sense, for Bill 41 because I don't agree with Bill 44. So that's the dilemma I have.

My first inkling would be to vote for 41 because we're doing it anyway, but I don't really agree with 44. So I'm probably not going to vote for 41 either, because I can't vote for one and not the other, really, unless Bill 44 was already in place and then it was just, okay, now we have to do it.

Anyway, that is my comments, Mr. Speaker, and I'll be taking my seat now. I'm sure my colleague from Ferryland and others may have more to say.

Thank you.

MR. SPEAKER: Thank you.

The hon. the Member for Humber - Bay of Islands.

MR. JOYCE: Thank you, Mr. Speaker.

I'm just going to stand and have a few words on this because I was a part of this at the beginning. I look at the two ministers who carried it through and I know the dilemma you're in with the federal government also, is that if you didn't put something in place you would eventually have something imposed. So many times it's better to find something that you're going to help out Newfoundlanders and Labradorians in a better way than to have someone from Ottawa impose something on you.

I know the current Minister of Municipal Affairs and Environment was involved and the past minister, and now the Minister of Natural Resources on this bill here, on Bill 41, it's better to have something we can work with.

Mr. Speaker, if anybody tries to disagree that climate change is not real, they should have come down to Bay of Islands last January when we had the great floods down there and you see the devastation in the area. You can go all across the province, at certain times you can see the disasters we're having are becoming bigger. They're becoming more dangerous. They're coming more often. They're almost now to the point that we are expecting major floods every 100 years, every 10 years or sooner. So climate change is real.

Just on a point to the federal government on climate change is that we know it's happening. They have changed their legislation where we have a 15 per cent variance, which I know the government lobbied hard for a number of years. That was finally changed to help out with the mitigation throughout Newfoundland and Labrador, which was a great benefit. Mr. Speaker, that's something that's helping all Newfoundlanders and Labradorians.

I heard the Member earlier speak on something, and something I have to put out there because I know it was in the mix for a long while and I know it's there now. He mentioned a few provinces like Ontario and Alberta who are not

agreeing with it and taking it to court. It has to be known to Newfoundlanders and Labradorians that in this bill, from my understanding, is that there's a me-too clause. It's if they go to court and they get something changed, we have the option to opt out. If the court says that Ontario or Alberta can opt out or if there are changes to it, we have that right. So that's my understanding and I'm pretty confident I'm right on that.

If we don't sign on to this now, there will be an imposed agreement on it on Newfoundlanders and Labradorians. So we're jumping in now and saying, no, we're going to do something that we feel is going to benefit Newfoundlanders and Labradorians more, but there is a clause there that if there are any changes to any other provinces that we can move in on that. I know the current minister there now was a part of that, and I just want to recognize that part that's in there.

Mr. Speaker, the other thing I heard the Member talking about is, okay, why are we doing this? At the early negotiations and discussions on this there's a green economy. This is a big part of that. There's about \$44 million now that we can use in Newfoundland and Labrador to help.

One good example, I know I'm going to be meeting the minister on it and it was on the plate, just a prime example in Newfoundland and Labrador how we can reach some of our targets with the green economy fund. How many people out in rural Newfoundland burn wood? How many people in Newfoundland and Labrador use the older stoves? If we use the more combustible stove, which is a great option, giving incentives to replace the older stoves with the newer stoves which are much greener, much more friendly – and we have the funds to do that.

So this is an opportunity for Newfoundland and Labrador to turn to technology and look at new businesses because there is funding there to start new technologies, to find some way that we can cut the greenhouse gas emissions in Newfoundland and Labrador through smaller ways, through larger ways, through electricity, for some products. So there is a new economy that can be made. In a lot of places a green

economy has become very profitable and is something that I know we will be looking at.

Also, I know the change with the 4 cents a litre or 3.7 cents a litre, it doesn't seem like a lot, but the gas tax that's on there now – and I know the government made a commitment that they would relieve that as fast as they can. What the government did do is release that gas tax now and put on the carbon tax. So there's an extra burden there, but the burden that's in place now is going to be removed. We had to find something as a province, Mr. Speaker, to do our bit.

Some people would say, well, the gas tax was already there, which is true because of the situation that happened in 2016, but they're lessening the burden on Newfoundlanders and Labradorians. The whole concept, would it work? In some cases it will, in some cases it won't. The whole concept is if it costs you more for behaviour, that funds will change your behaviour. That is the original concept, is if you put a tax on something you want behaviour to change.

A prime example, if you go years back, is electricity. If the price of electricity went up people's behaviour will change. They would wear a sweater or they would say, okay, let's turn the heat down in a certain room if no one's in there. Behaviours do change if the price goes up. It actually does.

This amount, is that going to cause a great behaviour change in Newfoundland and Labrador? We don't know. Then if you increase it to the point where there is a behaviour change, the next thing you know a lot of people can't afford to even drive their cars. So there is a balancing act there, Mr. Speaker. I know personally, every person I speak to agrees there is climate change. Every person agrees that we must do something, and every person in Newfoundland and Labrador says we must do our own bit.

I know everybody in government feels – and in Opposition, also – is that we have to help out our way throughout the whole province, and in Canada itself. Different ideas for Toronto, different ideas for Calgary, but Newfoundland and Labrador – if we can create some good

initiatives for Newfoundland and Labrador to help the green fund that's in place, to help bring down the emissions, to remove our footprint as best we can, that's the best we can do as parliamentarians.

So I will be supporting this. I know Bill 44 will be coming in. I know there was a tough slog with it. I understand the federal government has accepted it and it will be coming into effect January 1, I understand.

So, Mr. Speaker, the reason why this Bill 41 is in because we have to get it through the House of Assembly. If not, by the time Bill 44 comes in in January – if this is not passed now, it can't be done until the next sitting, and this won't be in place.

Mr. Speaker, you're going to pass Bill 44, the greenhouse gas emissions act, and Bill 41, is that you need to do them in unison in this session of the Legislature to ensure that when one is passed, Bill 44 is passed, that Bill 41 will be in unison. So I will be supporting this bill. I know the greenhouse gas emissions act is very important.

I say to the minister, that we now, as a province, have to look at some initiatives to help the people with some great green ideas for a new economy in Newfoundland and Labrador, and I know the minister is open to that. I know I'll be having discussions with the minister and I look forward to doing our part, Mr. Speaker. So I will be supporting Bill 41.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you.

The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'm glad today to rise to speak to Bill 41. This bill is, as others have spoken, to amend the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*, specifically as it relates to Bill 44, which we'll debate I guess later today, in regard to the *Management of Greenhouse Gas Act*. Also, there's a provision that the *Revenue Administration Act* needs to be amended as well.

In regard to this particular bill related to the Atlantic Accord, my understanding in terms of the briefing, this allows the authority to be transferred to the C-NLOPB in regard to the particulars of this bill for the administration of the greenhouse gas act. When that act was originally brought in here to the House some time ago, a few years back, we had a discussion then about industrial facilities and the emissions of those facilities. At that particular time, it didn't include the offshore. So it didn't include what we're discussing here today in regard to this regulatory framework and giving the authority to C-NLOPB.

The current act, under our understanding, and the provision now brings in both onshore and offshore installations of facilities, and brings them in under the requirements of the greenhouse gas act. So that's another reason why this amendment needs to be made to allow that greenhouse gas act to be administered by the C-NLOPB for coverage of offshore facility and sites.

So, overall, when we look at these two bills – 41 this one is, and 44 we'll debate later – it's about climate change and a plan for climate change where often a carbon tax is just one part of that. There are many facets of that climate change plan that administration could have or a province could have, and this carbon tax is only one component of it. This particular bill speaks to our offshore facilities, oil and gas production, and bringing it under the greenhouse gas act for the administration.

When you look at the beginning of our industry, where we are today, and then looking forward and looking at the tremendous opportunities we have in regard to the resources offshore and what that means for the province in terms of future development, revenue streams, economic development, it is indeed significant.

In any fundamental issue related to carbon tax or climate change plans or things you're going to do, it always comes to, well, what's the return going to be? Is this going to change behaviours? Is it a behaviour pattern we're trying to get at, or is it a polluter-pay kind of program that we're trying to develop and regulate? This particular act looks at, about onshore and off, from 15,000 to 25,000 tons of emissions, and those industries

that are below that aren't covered by this but any that are between 15,000 and 25,000 as we move into the other bill will be and can opt into it.

My understanding in looking at the offshore and what we were told in our briefing, most of the emissions now related to Bill 41 would be significant. Most of them would far exceed almost half-a-million tons, I think, of emissions that we talked about that would be relevant in terms of regulating those that would be well over that threshold and requirement of being part of the fund that would be set up when those will be looked at in regard to what they can do to reduce their greenhouse gas emissions and how that will look.

One of the things that was brought up as well, we know the C-NLOPB is paid for jointly, 50 per cent as a partnership to the federal government and the province. When we look at, any time there's administration or extra roles of a body and what they do, there's also the issue of costs and that cost being covered, what that particular cost will be in regard to the administration of this regulatory framework.

Well, I won't call it a regulatory framework because, as we know, this is a bill. There are vast amounts of regulations that are yet to be done, which would certainly be applicable to this. I think we're about roughly four weeks from January 1 of 2019 when this is supposed to become effective.

So there's some concern, and we talked about it today, in regard to being in any way ready or have the details ready to actually do this and make it part of Bill 41. Those regulatory framework as well, through Bill 41, will be giving the authority to C-NLOPB to administer and oversee the actual framework of the greenhouse gas act.

There are also significant, in a broader sense, powers in regard to the minister responsible for the *Management of Greenhouse Gas Act*. The minister responsible for that act has significant authority in regard to, obviously, the *Management of Greenhouse Gas Act*, and exercise that authority, duties and functions that are involved with that are given in the act. That authority is given the minister to ensure that the administration and enforcement of the act is

done, and the C-NLOPB would be the body to do that as we move forward – or this, if it passes, would allow the C-NLOPB to carry it out with the greenhouse gas act, and this would give them the authority to do it.

There is also reference as well, in the bill, which significantly relates to coming into force in regard to other changes in Ottawa related to the Canada-Newfoundland and Labrador Atlantic Implementation Act. So that needs to be – I guess there will be some questions later in regard to changes to federal regulatory frameworks, or legislation in Ottawa that needs to be changed as the Accord itself is shared jurisdiction and shared legislation. There will be some questions about that as well as we go through in regard to that.

I guess the real discussion will start, and I think my colleague mentioned it as well, in regard to debating Bill 41. The real discussion is on the greenhouse gas act, which is tied to this, and the carbon tax; how it's been outlined in Bill 41 and what the intent of it is. Is it going to reach the targets? Are there targets? What are they? How can we ensure the extra revenue that has been generated is going to address that and is going to be intrinsically linked to reducing greenhouse gas emissions?

That's fundamental, and I'm sure we'll have a long debate on that in Bill 44. Ultimately, that'll connect to this Bill 41 – if Bill 44 passes – that the C-NLOPB will have the authority to carry out the administration of that act under the authority of the minister at the time who owns and maintains that greenhouse gas act.

So, with that, we look forward to the debate on Bill 41. I look forward to some questions and then getting into the overall issue here, which is Bill 44, later in regard to that bill as well.

Thank you.

MR. SPEAKER: Thank you.

If the hon. the Minister of Natural Resources speaks now, she will close the debate.

The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

For those watching at home, this is on Bill 41, which is An Act To Amend The Canada-Newfoundland and Labrador – sorry, the Accord Act to allow for the *Management of Greenhouse Gas Act* provisions for our offshore, as well as to confer powers and impose duties and functions under the *Management of Greenhouse Gas Act* to the Canada-Newfoundland and Labrador Offshore Petroleum Board and allow them to cost recover.

I'd like to recognize and thank the speakers to this bill: The Member for Conception Bay South; the Member for St. John's East - Quidi Vidi; Mount Pearl – Southlands; Humber - Bay of Islands, and Ferryland.

I want to recognize the leadership of the Member for Humber - Bay of Islands, not just on the climate change file when he was minister but also on dealing with emergency services, because climate change has had an effect on our province, Mr. Speaker.

Many of the speakers today talked about Bill 44. So I will say to those that may be tuned in, Bill 44 is An Act to Amend the Management of Greenhouse Gas Act and the Revenue Administration Act, and that will be debated shortly. That really does compose the imposition of some of the rules and regulations that will be around climate change and the management of greenhouse gas in the province.

Today, in Bill 41, we're dealing with really the offshore industry and the implementation of – the imposition the management of greenhouse gas on the offshore industry.

I do want to say a few things in response to some of the things I heard during debate. I want to make sure that people understand that this will give absolute targets for annual reductions on offshore platforms – absolute targets. They'll be phased in: 6 per cent in 2019, going to 12 per cent in 2022. So 6, then 8, then 10, then 12 per cent by 2022, and that'll have a significant effect on greenhouse gas emissions offshore Newfoundland and Labrador. It'll have a big impact.

I did listen with intent to the Member for St. John's East - Quidi Vidi who talked about there is a concern about growing the industry. I say to

the Member opposite, I think growing our industry offshore is a very important thing for our globe. And perhaps the Member opposite is not aware, but I will advise her, Members of the House of Assembly, those watching at home and the people of the province, Mr. Speaker, Hibernia, for example, is one of the lowest emitters of carbon for barrel in the world today. In 2016, Hibernia averaged about 12 kilograms of CO2 per barrel.

Now, let me compare that to some other installations around the world. China, Beijing, is about 260 kilograms, approximately; UK Brent is over 100 kilograms per barrel; Brazil Lula is just under 50 kilograms. Again, I repeat, Hibernia averaged about 12. Our globe is going to continue to use fossil fuels into the foreseeable future. Why not have as low carbon per barrel as we could possibly have it.

The challenge to our industry here is continuing to lower the carbon impact, and that's what we're doing in today's *Management of Greenhouse Gas Act* and the changes that we're making to our offshore. So I want to make sure that people understand that there will be a phase-in approach, 6, 8, 10, 12 – 12 per cent by 2022. And that's going to have some pretty significant impacts to our offshore, both from a cost perspective, because if you don't manage to reduce it then you would actually have to, either have to invest in the Greenhouse Gas Reduction Fund or you'll have to buy credits to offset those costs. Operators are very keen to actually lower the carbon per barrel and I think it's very important. It will be a big reduction in the emission levels and I think that's very important.

So, Mr. Speaker, I won't belabour the point. There are just two things that this bill does, and I know people are anxious to get to the larger Bill 44. They're very interested in the larger Bill 44 that does talk about how we're going to deal with climate change, how we're going to deal with greenhouse gas and the management thereof.

This does two simple things. It allows the *Management of Greenhouse Gas Act* to apply to the offshore, and it imposes and gives powers and duties and functions under the *Management of Greenhouse Gas Act* on to the Canada-Newfoundland and Labrador Offshore

Petroleum Board, of course, as they are the regulator for the offshore. So two simple things that are being done by this act.

So I won't belabour it, Mr. Speaker. I look forward to any questions that may be had as we get into Committee.

Thank you, Mr. Speaker.

MR. SPEAKER: Is the House ready for the question?

The motion is that Bill 41 be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

Carried.

CLERK: A bill, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act. (Bill 41)

MR. SPEAKER: This bill has now been read a second time.

When shall the bill be referred to a Committee of the Whole?

MS. COADY: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 41)

MR. SPEAKER: The hon. the Deputy Government House Leader.

MS. COADY: Thank you, Mr. Speaker.

I move, seconded by the Minister of Municipal Affairs and Environment, that the House resolve itself into a Committee of the Whole to consider Bill 41.

MR. SPEAKER: Thank you.

It's been moved and seconded that I do now leave the Chair for the House to resolve itself into a Committee of the Whole to consider the said bill.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

Carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Ms. Parsons): Order, please!

We are now considering Bill 41, An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act.

A bill, "An Act To Amend The Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act." (Bill 41)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

I ask the minister: Minister, when do you expect this federal bill to be passed? When do you expect the passing of this federal piece of legislation?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you.

It was introduced into the House on October 29, as I indicated. I would assume they will try and get it through this sitting as they are bringing climate change – they're bringing in their greenhouse gas emissions targets for January 1.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

Minister, is there any conversation taking place with the federal government about other changes to the Atlantic Accord?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

As the Member opposite may know, there has been discussions around some offshore regulations changing and that's been an ongoing discussion for quite some time. That's following a process, so there may be changes required to the Atlantic Accord for that.

As the Member opposite would know, there was a March 31, 2019, deadline imposed, I think, in the amendments that were made for a discussion between the feds and the provincial government, and that's ongoing.

So at this point there's nothing new to report in terms of ongoing legislative changes that are required, but it's certainly – as we move forward these offshore regulation changes, there may be into the future.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

Minister, in the briefing officials suggested that the C-NLOPB may ask for an increase in their budget for these changes, that they will likely hire one more position. Do you have an

estimated cost, the estimation of this cost for that position?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you.

Just for clarity and certainty, all expenses at the C-NLOPB now are completely borne by the industry. So while the federal and provincial governments do flow through, there is no financial impact to the province nor to the federal government. It's completely cost recovered. This bill will now allow for any increased administration cost to be recovered from industry as well.

So it's a 50-50 basis, and the monies will be recouped from industry and cycled through. So no cost to the province or the feds.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Chair.

I just wanted to go back to the reference the minister made to the specific federal applicable legislation, and it was introduced on October 29.

Is there a contingency plan if it does not get approved in time? Are there regulatory changes required with that piece of legislation as well, and do you anticipate they'd be completed by January 1, 2019?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

As I said, the bill was introduced in the end of October. I would imagine the Government House Leader is moving through the legislative requirements. I know they've been active on this file, and they also know they will be imposing a federal backstop come January. So I would think, I would hope, that they would have this legislation through by then. Certainly, we will look to their diligence on that matter, Madam Chair.

On the second point of whether there are regulatory changes, I'm just checking to see if

there are any changes. I would imagine there would be requirement to understand what the impacts of this would be to C-NLOPB and they will have to develop guidelines, but I'm just checking on that now.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

Under remittances and charges, the bill speaks to regulations made in accordance with a particular bill and amendment, and under Section 29.2(1) "shall be paid to the Consolidated Revenue Fund in the prescribed time and manner."

I wonder if the minister could give us some indication of what's thought of there in regard to the prescribed time and manner. And where would these particular remittances and charges be coming from?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

Again, going back to how – now the C-NLOPB is fully cost recovered, 100 per cent cost recovered by industry. So what happens is there's a flow through from the federal and provincial governments to C-NLOPB. C-NLOPB recovers its full budget from industry and then it's recycled back. It goes to the Consolidated Revenue Fund but it's only an in and out because of the way the mechanisms and means by which they collect, send money back on a 50-50 cost-shared basis and it's cycled through to their budget.

Again, for clarity and for certainty, while it's collected in the Consolidated Revenue Fund, it is 100 per cent cost recovered from industry, and that's how the budget of C-NLOPB is funded.

Thank you.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

Under Bill 44, and I have the reference to it here, under a performance standard system, that a facility offshore may be under in regard to

emissions, and most of them would be or all of them would be under 25,000 tons.

So this particular section wouldn't be relevant to any amounts based on their limits in terms of emissions they would exceed under the fund. None of those payments would come through here? You're just saying it's just C-NLOPB?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I'm sorry, I didn't quite understand the full question. So I'll turn to the Member again, just maybe for clarity. But for certainty our offshore, in today's environment, is 100 per cent recovered. C-NLOPB's budget is 100 per cent recovered from industry.

What you're approving today, or hopefully will be approved today in Bill 41, is that any costs associated with the administration of the *Management of Greenhouse Gas Act* on the offshore industry, any cost would still be recovered from industry. That's one of the focuses of Bill 41 is to do just that.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you.

And to minister, I guess I'm referring to the performance standard system in regard to offshore facilities the same as onshore, and there are performance targets that are met. And based on when we roll this out, or whether they meet those targets or not, they need to pay into the fund based on if they meet those targets or not.

So if an offshore facility is under performance-based model that you're proposing and they have to pay in, you're saying the money doesn't flow through here. So where would it actually flow in regard to – because this says it's going into the general revenue consolidated. I assumed it was, but you're indicating it's not.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I understand where the question is coming from now. That's if they're not compliant. That's where the question lies.

So if, for example – and I'll use an example that says in 2019 the 6 per cent reduction in greenhouse gas emission target is not met – I think this is the root of the question – then the installation would pay into the Greenhouse Gas Reduction Fund. And that Greenhouse Gas Reduction Fund would fund, and under the Minister of Municipal Affairs and Environment, would fund activities to continue to lower greenhouse gas emissions in the province.

Again, if it's administrative costs required because the C-NLOPB is administering the *Management of Greenhouse Gas Act*, then that is cycled back through to the budget of C-NLOPB. If an installation is non-compliant with the reductions that are required – 6, 8, 10, 12 per cent going to 2022 – then what they will pay into a – I just want to get the right name – Greenhouse Gas Reduction Fund, or they can buy credits, okay. So there are one of two ways. Maybe somebody has actually reduced their greenhouse gases enough that they can buy credits.

So they would either pay into the Greenhouse Gas Reduction Fund or they can buy credits, but that's if they're non-compliant with reducing their greenhouse gas emissions in 2019 by 6 per cent and so on, 2020 by 8, so on and so forth.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

That's exactly what we're talking about, because this particular section speaks to: "shall be" required to be "paid to the Consolidated Revenue Fund in the prescribed time and manner." That was my original question.

Subsection (2) speaks to: "are related to the powers, duties or functions of the board referred to in subsection 159.2(1), those amounts shall be paid in their entirety to the Consolidated Revenue Fund."

So to me it means that any revenue out of performance standard or anything else that based on not meeting those standards flows back from the C-NLOPB to the Consolidated Revenue Fund. Could you clarify whether that's the case or not?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Specifically to Bill 41, and this is under 29.2, and this is very specific to Bill 41. The cost recovery is on what they consider a 50-50 basis between the federal and provincial governments. So that as well as 100 per cent recovery when the amounts collected are related to the powers, duties and responsibilities and functions of the board. That goes back to the budget of C-NLOPB. So it's a flow-through effect.

The federal government and the provincial government, on a 50-50 basis, fund C-NLOPB. It's collected from the industry itself and then flowed back through the Consolidated Revenue Fund. So just for clarity and certainty, there are no budget implications on the federal or provincial governments for this imposition of the *Management of Greenhouse Gas Act* on offshore industry.

What the Consolidated Revenue Fund is is only a mechanism for the flow through of the cost recovery.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Okay, I thank the minister for that.

So we're talking about cost recovery in regard to the Consolidated Revenue Fund. Outside of that, if one of the operators is involved in a performance standard in regard to reaching their targets, whether it's two, six, eight, 12 over the next number of years, and there's a penalty because they don't reach the target, that penalty that's levied and if there's money or funds tied to it, where does that money flow and where is it directed?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I believe the question is – sorry, I'm going back and forth on the Consolidated Revenue Fund, but I believe the question is if they do not meet compliance.

MR. HUTCHINGS: That's correct.

MS. COADY: Yeah. My understanding is if they do not meet compliance, they do not meet their 6 per cent, 8 per cent, 10 per cent, 12 per cent, the funding goes to the Greenhouse Gas Reduction Fund; the Greenhouse Gas Reduction Fund under the Minister of Municipal Affairs and Environment.

They could also opt to buy credits, okay. So they could buy credits. For example, if someone overextended and there were credits available they could buy credits, but most of the time they would have to make a contribution to the greenhouse gas fund.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

Yes, that's what I expected upfront, that it would be made to the injury fund.

Section 159.1(1) “The *Management of Greenhouse Gas Act* applies, with the modifications that the circumstances require, to a work or activity authorized under this Part that is carried out within the offshore area.”

Minister, can you just give us an idea – that's obviously the authority for the C-NLOPB oversight. So what would be defined as a work or activity that's authorized?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I'm not quite sure where he's seeing that, but I will say that any work that is authorized by the C-NLOPB. So as you know, any work being carried out in our offshore oil and gas industry has to have authorization of the Canada-Newfoundland and Labrador Offshore Petroleum Board. So they make the considerations of what's an authorized activity offshore, whether it's exploration or development.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Yes, I was speaking specifically to the *Management of Greenhouse Gas Act*. It's in the bill. 159.1(1) says the *Management of Greenhouse Gas Act*. It says: “The *Management of Greenhouse Gas Act*

applies, with the modifications that the circumstances require, to a work or activity authorized under this Part that is carried out within the offshore area.”

It goes on to say: “Notwithstanding subsection (1), where the *Management of Greenhouse Gas Act* is amended and imposes a tax, that tax shall not apply to a work or activity authorized under this Part that is carried out within the offshore area.”

So my question is, what’s the work or activity, and what’s an example that’s been suggested here in your bill?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I’m going to check on that with officials, because I want to make sure I’m saying it exactly clear.

But allow me to ask officials and get right back to you.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

As well, the bill speaks to the power that’s conferred on the C-NLOPB with powers, duties and functions of the board, and that’s specifically here. 159.2(1): “The board may, under an agreement with the minister responsible for the *Management of Greenhouse Gas Act* or in accordance with the *Management of Greenhouse Gas Act*, exercise any power or perform any duty or function set out in that agreement or that Act to ensure the administration and enforcement of that Act within the offshore area.”

So that obviously gives huge authority, and I would determine it to be exclusive power by the minister at the time responsible for the *Management of Greenhouse Gas Act*.

Could I just get – maybe from the minister who’s responsible for the act or from the Minister of Natural Resources. There are no circumstances, based on this provision, where any authority could be fettered in any way by the C-NLOPB. So this authority here is exclusive

and under the domain of whoever the minister of *Management of Greenhouse Gas Act* is.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: The role of the C-NLOPB in the *Management of Greenhouse Gas Act* for the offshore is in administration, it’s in monitoring and reporting.

It is not an implemented policy, so therefore the policy requirements under the act would be under the *Management of Greenhouse Gas Act*, which is the Minister of Municipal Affairs and Environment.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you.

Yes, certainly, but what this bill does is give the C-NLOPB that authority that’s under the *Management of Greenhouse Gas Act*, and that authority references here in your bill that the minister responsible for the *Management of Greenhouse Gas Act* has, I assume, exclusive power in terms of the implementation of the greenhouse gas act.

So there’s nothing the C-NLOPB can do to infringe on that authority? That’s my question. This is exclusive to the minister and there’s nothing that can be done in regard to the administration of that act by the C-NLOPB. That’s my question.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: That is correct. The role of C-NLOPB is, as I said, the administration, the monitoring and the reporting. It is not in the policy development of the same.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

The act goes on further to say: “In exercising its power and performing its duties and functions under subsection (1)” – which I just referenced – “the board may obtain from the minister responsible for the *Management of Greenhouse*

Gas Act and disclose to that minister any information relevant to the administration of the *Management of Greenhouse Gas Act*.”

I just ask the minister again; so this is exclusive authority by the minister to request that information, and I guess there are no areas in any case where that could be denied. Just give an example of what types of information that would be, please.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: We’re dealing here with management of greenhouse act. So, as an example, emission levels. Obviously, the Minister of Municipal Affairs and Environment will have to know emission levels to know that they’re 6 per cent lower, 8 per cent, 10 per cent. So that’s an example.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you.

Just to that question in regard to the emissions and the information that the minister responsible for the *Management of Greenhouse Gas Act* would require from C-NLOPB, could the minister just speak to that information that’s required? Is there any kind of audit process in regard to those emissions and confirming that they are meeting the target? Not to discount the information that’s put forward, but is there any process in that regard to do an overview or an audit at some point over the years as that will continue on and looking at the emissions?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you.

The Minister of Municipal Affairs and Environment will have a team of people that will be monitoring this very closely, obviously, for emissions levels. They will do the auditing as required. They will ensure those targets are being met and administered properly. It’s the role of C-NLOPB to actually do the administration and monitoring then as directed by government requirements of the *Management of Greenhouse Gas Act*.

CHAIR: The hon. the Member for St. John’s East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Madam Chair.

The Member for Ferryland has asked a number of the questions that I was going to ask, so I will not repeat those. We have the information that we would have been looking for.

Minister, there’s one in particular, coming back to 159.1(1): “The *Management of Greenhouse Gas Act* applies, with the modifications that the circumstances require, to a work or activity” et cetera.

I would like some explanation of what is meant by that phrase “with the modifications that the circumstances require.”

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

The amendments are consistent with the joint management, obviously, of the offshore for both the federal and provincial governments. The federal government has already introduced, as I said earlier, the greenhouse gas pollution pricing amendments as part of their requirements.

This is legalese that has been agreed upon by the provincial and federal government. It will ensure that C-NLOPB does the monitoring and administration of the act – sorry, of the requirements of the act while oversight and policy direction is established by the Minister of Municipal Affairs and Environment.

I hope that answers the question.

CHAIR: The hon. the Member for St. John’s East - Quidi Vidi.

MS. MICHAEL: Not quite, Madam Chair, I say to the minister.

“The *Management of Greenhouse Gas Act* applies, with the modifications that the circumstances require, to a work or activity authorized under this Part that is carried out within the offshore”

Does it mean with modifications that the circumstances require to the act itself, to what's in the act? Modifications and circumstances relating to what? It's not clear.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I would assume, Madam Chair, that it would be around the modifications and certainties and requirements around the levels of requirements for emissions, for emission decrease, and modifications to the greenhouse gas act as we move forward, and any changes that are required from a policy direction perspective that are agreed to by the federal and provincial governments.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Madam Chair.

Then based on the minister's comment there, are we talking about modifications that the circumstances require that would have to come to the House because it would be modifications to the act?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: If there are modifications to the act, absolutely, it would have to come to the House, but there would be under regulations – if there are regulatory changes or policy changes that do not require legislative changes, obviously, they'll be done as required under the regulatory body as agreed to by the federal and provincial governments.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Madam Chair.

That does explain – that final answer there does give me the information I think I needed.

I just want to come to 159.2, which the Member for Ferryland asked a lot of questions about and I won't repeat any of those. I have a broader question, I guess, because it is the – subsection (1) for example: “The board may, under an

agreement with the minister responsible for the *Management of Greenhouse Gas Act* or in accordance with the *Management of Greenhouse Gas Act*, exercise any power or perform any duty or function set out in that agreement or that Act to ensure the administration and enforcement of that Act within the offshore area.”

Then subsection (2): “In exercising its power and performing its duties and functions under subsection (1), the board may obtain from the minister responsible for the *Management of Greenhouse Gas Act* and disclose to that minister any information relevant to the administration of the *Management of Greenhouse Gas Act*.”

I'm trying to deal with how it is going to operate. I think the Member for Ferryland pointed this out. Everything seems to be in the hands of the board, of the C-NLOPB, but – I know to whom the board is accountable. It's accountable to the two governments, but is the board the ultimate power?

This is what I'm trying to figure out, because that's what it seems like. That the board is the ultimate power when it comes to the exercising of the power and performance of duties or functions set out in the act. And the board may obtain from the minister information and disclose to that minister any information. Again, there seems to be a lot of power there in the hands of the board.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

As I've said, the C-NLOPB – the role of the Canada-Newfoundland and Labrador Petroleum Board in this particular instance, and the management of greenhouse gas, will be as administrator, monitor and reporting. They report on a regular basis. We have conversations on a regular basis which C-NLOPB, but they would be reporting with regard to the emissions, with regard to the *Management of the Greenhouse Gas Act*.

They would speak, I would think, on a regular basis with the Minister of Municipal Affairs and

Environment's office, giving status, giving reports back on the management of greenhouse gas, on the levels and on the installations and what the installations are requiring at that point.

So there would be a fair amount, I would think, of discussion and reporting mechanism going back between the people who are responsible for the management of greenhouse gas, which is the Minister of Municipal Affairs and Environment and C-NLOPB, as the entity responsible for that administration and monitoring.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Just further to that, because I think my question will get to why this got set up the way it did. It was indicated in the briefing that the corporations wanted C-NLOPB to be the one performing the function that the minister just outlined, rather than an individual department.

Minister, could you, if you can, if you have the information, what was the rationale behind the corporations asking for that, and ultimately (inaudible) agreeing?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I have to give credit to those within the Department of Municipal Affairs and Environment. I've already said the minister is responsible, and of course there are several individuals within the department that did a really good job of ensuring our competitiveness in Newfoundland and Labrador for our offshore, in recognizing the low levels of carbon per barrel that exist in Newfoundland and Labrador.

We've had quite a bit of discussion over the last number of years with industry to how best to administer this; how best can we take as much carbon out of the barrel as we possibly can? As I said earlier, Hibernia, to use it as an example, emits about 12 kilograms per barrel of CO₂, versus some other installations around the world, one as high as 260 kilograms.

So we're trying to take the carbon out of the barrel, which is a great term, take the carbon out of the barrel as much as possible. We've been

working with industry to find out, how can we set that achievement? How can we set that goal, continue to produce offshore Newfoundland and Labrador?

We have a great opportunity of not just growing our industry and creating jobs and economic activity and financial opportunity for the Province of Newfoundland and Labrador, but imagine if you can supply more of the world with what I'm going to call low carbon per barrel oil versus high carbon per barrel oil. So the government has been in discussions with industry to find the right mix of doing that.

As I've said to the Members opposite, next year it will be 6 per cent lower than this year; the year after by eight, by 10. So it's escalating. By the time we're up to 2022, we're going to be taking out literally tens of thousands of emissions, tens of thousands of tons of emissions. So I think it's valuable in that we are driving down emissions, tens of thousands of tons of carbon will be eliminated. We'll continue to grow that. We're continuing to push the industry to keep your carbon per barrel lower, lower, lower all the time, and that's our goal.

In *Advance 2030* we also started talking about renewable energy. Many operators around the world – and I'll use Equinor as one of them – are now starting to use offshore wind in conjunction with the development of oil and gas because they're recognizing that the world is changing to a low carbon economy.

So they're really focused on this. I can say in my dealings with the industry they recognize they have to continue, they must continue to do more to lower that carbon in the barrel. I think in our offshore, thankfully, we have low carbon now. We want to get it lower and lower constantly.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Madam Chair.

Just one question, I think it's my last one to the minister because she referred to this in her final comments. It does have to do with the fact that increased production – and I'm not speaking against increased production, I'm just pointing

out a fact – up to now has caused us not to be able to meet our targets.

So I am wondering, with the determination of the six, eight, 10 and 12 over those years of reduction, increasing from 6 per cent to 12, did that determination include an analysis of potential increase in production? Which it seems in the past wasn't done, because that's why we had to change out targets. I'm wondering if this time that was factored in so that the six, eight, 10, 12 is realistic.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Madam Chair.

I will point out that the six, eight, 10 and 12 concludes in 2022. There will be no new production by 2022. It will be underway now, so it will be factored in as we move forward.

I think if Equinor comes into play, and my memory is – I have to check my memory on it, but it won't be until 2025. So that production then, it will be post that production.

And you're absolutely right, we're going to have to continue, and that I guess is the future of ensuring lower impact all the time.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

Minister, I have one question. I was listening to the questions going back and forth. We have equity shares outside of Hibernia, in all our oil fields. Has there been an estimated cost to the province based on our ownership in those fields, what it's going to cost the province as a result of this greenhouse gas act being implemented?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you very much.

I think the Member may be a little – allow me to say it this way, the province is not an operator of any of the fields. It is an equity shareholder, okay. So we're an equity shareholder. The

operators will be driving down 6 per cent, 8 per cent, 10 per cent, 12 per cent.

In the fullness of time, what I think you're asking is if they are not able to meet their reduction targets, what the impact that may be on our – within the fullness of time question, and it would be speculative for me to say at this point in time, but it would come off the cost of the barrels.

I can't speculate that there would be any cost, because of course installations are continuing to drive down by 6, 8, 10, 12 per cent their emissions targets. So I wouldn't be able to speculate there would be any cost at all as an equity shareholder.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Madam Chair.

The owner-operator piece, I know reading through some of the information – the original greenhouse gas act, I think, had owner and operator. I think now it's been amended to just operator. If the minister could reference, was there some thought given that in regard to the offshore where the owners or those that have shares in it may be quite different from operator? And was that one of the reasons the change may have been made?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: No, I don't think so, but I could check with my legal department to find out why they chose one word versus the other. That wasn't –

MR. HUTCHINGS: (Inaudible.)

MS. COADY: Pardon me?

MR. HUTCHINGS: It used to be owner and operator (inaudible) operator.

MS. COADY: Yeah. I could ask legal as to why they chose one word versus another word.

I do have an answer, though, to your earlier question: what does work or activity mean?

MR. HUTCHINGS: Yeah.

MS. COADY: Work or activity authorized under this part refers to activities in which the C-NLOPB would issue an operating licence or authorization. Remember I said that would be the case, C-NLOPB can do an operating licence or an authorization. It basically means that the *Management of Greenhouse Gas Act* applies to the activities of the oil and gas industry that are regulated by the C-NLOPB; for example, the drilling of wells, and production from offshore installations.

I just wanted to make sure there was clarity around that before I moved on.

CHAIR: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Madam Chair.

I just listened to my colleague speaking to section 159.2 (1). That reference says: “The board may, under an agreement with the minister ...” and goes on to the powers, duties and functions. Is there an actual agreement that needs to be drawn up between the two parties, or what exactly does that reference?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you.

I think it allows for C-NLOPB and the administration of the requirements of the management of greenhouse gas to be able to have conversations and reporting mechanisms and monitoring mechanisms with the department that is responsible for the act. So it allows for that kind of interaction.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

Just as a follow-up; Minister, I know you explained it out to me when I was asking about the equity share, but just some clarity – I know the owner-operator piece, during the briefing that was pretty straightforward, but the province by paying in have an equity, incurred costs and

they also reap rewards in revenues where possible.

So you are an owner, but you’re also – you’re the owner of the field, you’re the owner of the resource, but you’re also – I’m trying to separate the two, owner operator from the province’s perspective. You’re partnered with them in every step of the way, so when it comes to a cost – this will cost industry. As much as we say it’s going back to the C-NLOPB, it’s not going to cost the province but it’s industry.

Carbon pricing is a cost to industry. To reach your targets industry will have to pay. As a province we have an equity share in those fields. You’re either an owner or you’re the operator. The province are part owners. They’re not the operators, where Husky, for instance, would be.

Just some clarity. There is still a possibility – I know you can’t specify the exact dollars and cents, but am I not right in saying, or it’s not a valid point in saying there will be some cost to the province. You may not know the exact dollars and cents, but there has to be some – based on the simple fact we paid in. We take the risks and the rewards; the risk and reward benefit by buying ownership of these fields. So I’m struggling why you would separate the two when it comes to carbon pricing.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: There are a couple of things, if I may, to correct in the hon. Member’s statement. I just want to make sure we’re clear on it.

What I’m saying, what goes back to the C-NLOPB is any costs of administering, okay. If a company is not compliant with meeting their reduction targets, that money will go to the Greenhouse Gas Reduction Fund, okay? So I just want to make sure we’re clear on that. The only thing that goes to the C-NLOPB is collection of any costs that are associated with the administration of the act. That’s one thing.

The second thing I want to make sure I’m clear on is an operator is responsible under the authorization that is given by the C-NLOPB. An operator is responsible under the authorization given by the C-NLOPB, whereas an owner is an

agreement amongst corporations to own a particular project.

So I think your question is if you're an owner of an installation you may have some impact over, in the fullness of time, if the operator does not meet its reduction targets. And that is a potential – I can't speculate on that. I would anticipate that they will make their targets of reducing their greenhouse gas emissions. If they don't, the operator would have to make a contribution to the Greenhouse Gas Reduction Fund.

I would anticipate, because I know the offshore installations are doing a lot to bring down their greenhouse gas emissions. They're putting a lot of money into innovations to do just that. So I can't speculate if there would be any impact. We're not anticipating any because we're anticipating them lowering their impacts.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Madam Chair.

Minister, to clarify, as a province, are we the owner or the operator?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Sorry, I had to wait for my light to come on.

At this point in time – and again, in the fullness of time – we may be an operator, but at this point in time we are an equity owner. So an operator is someone who actually operates the well. And I'll use ExxonMobil, who operates both Hibernia and Hebron. I'll use Suncor, who operates Terra Nova. There are other investors or other equity owners, but that is a difference between an operator and an owner.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Minister, based on that fact we'll never have to pay in as a province. The reason I ask, under Bill 34 that came into legislature in 2016, I think, was it, the greenhouse gas act? There was a separation. There was an owner and an operator. They were

included for both of them, now we've got it separated to the owner and the operator.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: The only time the *Management of Greenhouse Gas Act* will apply to the offshore is with the approval of Bill 41.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Madam Chair.

I just want to pick up on a point that the Member for Conception Bay South raised, and just for my own clarity. I think he was saying, and I won't put words in his mouth, but I'll just try to make it really simple. If I was a shareholder in a business and the net profit for that business was \$1, okay – it wouldn't be in business very long but I'm just trying to simplify it – net profit of \$1.

These regulations come along, and in order to meet these regulations the cost of doing business goes up. Now I'm only making 90 cents; I'm not making a dollar. So if I was a 10 per cent shareholder in that business, I was making 10 cents, but because of these regulations driving the cost up and the profits down, now I'm only making nine cents.

So I think what the Member was saying, if I understand him, and that's how I understand it as well, to clarify, there could indeed be a cost to us in terms of our share of the profits on equity. It could go down ever so slightly if their profit margins were impacted by having to implement all these new measures, driving their costs up and then net profits down. Would that be correct?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: You would still make a profit, you'd just make less profit. And that could be, in the fullness of time, correct.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: I thank the minister for that, and that's how I understood it. I'm not arguing that, I'm just trying to understand the full picture and what the Member was saying.

I guess on the other side of it, if the operator decided we're not going to meet targets and they're going to pay the credit or the levy or whatever it is you call it, in lieu of meeting targets, then we would get 100 per cent of that money going into government coffers anyway. So in that regard, I guess, we'd be out nothing. If anything, we'd probably be up a few dollars. Is that correct?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: It is difficult to speculate on all these things. I would be clear that as an owner you do have responsibility for their percentage of any costs, right? So as an owner you do have those responsibilities.

I will say that I would anticipate that most every installation will lower their impacts by six, eight, 10, and 12. That's certainly the information I have. They could, if they cannot make those targets they can pay into the Greenhouse Reduction Fund, and that fund would then go back into innovations and trying to drive down the province's overall impact on greenhouse gas.

So you are correct in that we could, in the fullness of time, have some impact, but the impact would be because we're trying to lower our emissions, and that's a good thing for all of us.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: I thank the minister for that, and I agree, and I'm not arguing. I'm just trying to, Madam Chair, understand the full scope and all the impacts and potential impacts and so on. I thank the minister for the answer, and I don't have any real issue with that.

Madam Chair, I guess the only other point I would say is that – just for the record, because this will probably be the last chance to speak to this bill. I know in theory you could speak to third reading but it's not customary, generally.

I did raise some concerns in second reading around the bill, but my concerns were more about the bill to come as opposed to this bill. I guess in listening intently to the discussion back and forth and so on, on the impacts of this bill, my concerns are more about the consumer going to the gas pump as opposed to lowering greenhouse gas emissions on the offshore. I think we do need to lower greenhouse gas emissions on the offshore and with the big polluters, I call them, wherever we can.

I'm glad to see we're doing well in our offshore in terms of the impact on it per barrel versus other jurisdictions. That's great to hear. If we can reduce it even further I think that's important. As I said earlier, climate change is real and we are seeing the impacts here in Newfoundland and Labrador. We do have to do our part.

Again, my concern is about the consumer going to the gas pump, the everyday person, not the big corporation, and for them to be paying a tax in which I do not believe for one second it's going to have any impact on the environment. It's just a tax, in my view. Granted, government really doesn't have a choice, because if they don't do it the feds are going to do it anyway. So I guess my beef is more with Justin Trudeau than the Minister of Natural Resources in Newfoundland and Labrador in that regard. But we're not even at that bill.

So in terms of Bill 41, I will say in conclusion, for the record, that based on the fact that this is really just about the offshore, lowering greenhouse gas emissions, it's not the issue about the regular consumer at the pumps, even though it's all tied into the same bill but a different part of that larger bill, from that regard, I will be supporting it.

Thank you.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you very much.

Again, this bill really does allow for the implementation of the *Management of Greenhouse Gas Act* in our offshore. It's very important and allows for C-NLOPB to do the

administration, which I think is very important, a single administrator for our offshore oil and gas. They will be the one monitoring. They will be the one reviewing to ensure compliance, and they will be the one reporting to government that our offshore oil and gas industry is doing just that.

I think all of us in this hon. House, as well as all of us in the province, would expect our offshore oil and gas operators to continue to reduce their carbon impact and that they would continue to fund innovations to take the carbon out of the barrel. I think it's incredibly important that they are held responsible for that, as industry is held responsible for ensuring that climate change is addressed, not just in Newfoundland and Labrador but in the world.

So I thank you for the opportunity to bring this forward.

CHAIR: Seeing no further speakers, shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, clause 1 carried.

CLERK (Murphy): Clause 2.

CHAIR: Shall clause 2 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, clause 2 carried.

CLERK: Clause 3.

CHAIR: Shall clause 3 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, clause 3 carried.

CLERK: Be it enacted by the Lieutenant-Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, enacting clause carried.

CLERK: A bill, An Act To Amend the Canada-Newfoundland And Labrador Atlantic Accord Implementation Newfoundland And Labrador Act.

CHAIR: Shall the title carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, title carried.

CHAIR: Shall I report the bill without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

Motion, that the Committee report having passed the bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Yes, thank you, Madam Chair.

I move that the House rise and report Bill 41.

CHAIR: The motion is that the Committee rise and report Bill 41.

On motion, that the Committee rise and report Bill 41 carried without amendment, Mr. Speaker returned to the Chair.

MR. SPEAKER (Trimper): The hon. the Member for Harbour Grace - Port de Grave and Deputy Chair of the Committee of the Whole.

MS. P. PARSONS: Thank you, Mr. Speaker.

The Committee of the Whole have considered the matters to them referred and have directed me to report Bill 41 without amendment.

MR. SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed her to report Bill 41 without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the said bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill 41 ordered read a third time on tomorrow.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Yes, thank you, Mr. Speaker.

Normally, now I would be calling second reading of Bill 44, which is An Act To Amend

The Management Of Greenhouse Gas Act And The Revenue Administration Act, but I'm hoping with your indulgence, Mr. Speaker, and I guess the indulgence of my colleagues across the way, that I can explain a little procedural difference that we're going to undertake here – and with the consent of my colleagues. We will still be debating the substance of Bill 44 but not in a regular piece of legislation but in a resolution.

So what we have here – and, again, this is a bit of a procedural wrangling here. Normally, in a bill you enter it and you've given a notice, you have first reading, second reading, Committee and third, and you're only supposed to do certain readings at a time, which means a bill traditionally takes up to four days. Certain pieces are resolutions, and endeavours require – especially when it relates to the imposition of a tax on individuals, it requires a resolution to be entered into a House. And that is done via a notice, giving a notice of what you're intending to do, and then the next day you can debate that resolution.

Typically, in the House we refer to these as money bills. Again, it's done in a Committee stage of the House, it is intervening speakers back and forth. People can speak for as long as they want on this particular resolution, but it doesn't go through the regular reading stages.

When we entered this bill, we had done it thinking it could be done in a regular piece of legislation, but through some very careful eyes, we'll say, on the legislation, we identified that where this is actually the imposition of a tax, as was explained in the Legislature, we must do this in a resolution.

So what I'm hoping is with the consent of my colleagues right now, I will hereby enter a resolution and we'll commence debate. I'll bring the House into a Committee for us to enter that debate.

So I would ask for my colleagues consent.

MR. SPEAKER: I am looking for consent for the –

AN HON. MEMBER: Consent.

MR. SPEAKER: Consent.

Thank you.

MR. A. PARSONS: I thank my colleagues for this.

So, Mr. Speaker, normally I would give notice on that but I will bypass that stage.

Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the House resolve itself into a Committee of the Whole on Ways and Means to consider a resolution respecting the imposition of taxes on carbon products, Bill 44.

MR. SPEAKER: The motion is that I do now leave the Chair for the House to resolve itself into a Committee of the Whole on Ways and Means.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

The motion is carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Warr): Order, please!

We are now debating the related resolution and Bill 44.

Resolution

CLERK (Barnes): Be it resolved by the House of Assembly in Legislative Session convened, as follows:

“That it is expedient to bring in a measure respecting the impositions of taxes on carbon products.”

CHAIR: Shall the resolution carry?

The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Thank you, Mr. Chair.

We've changed a bill to a resolution today in the House and bringing forward amendments to the *Revenue Administration Act* relating to the implementation of our carbon pricing system.

So, Mr. Chair, the changes to the *Revenue Administration Act* are included in the same bill as the *Management of Greenhouse Gas Act* that the Minister of Municipal Affairs and Environment, I understand, is going to speak to during this resolution as well.

There's been a lot of disingenuous rhetoric, I would say, Mr. Chair, on the topic of carbon pricing by Members of the House of Assembly. I'll get to a little bit of that, but despite what Members opposite have been saying, the carbon pricing system that we've agreed to with the federal government is anything but a job killer.

So, Mr. Chair, at one point Members opposite were – prior to the details of this becoming public – saying that it was a job killer, the taxes were going to be too high, we were going to shut businesses down, consumer wouldn't be able to afford to pay. And now that the details are there, Mr. Chair, it doesn't go far enough. It's not going to eliminate greenhouse gases, it's not significant enough.

I understand the role of Opposition, Mr. Chair, and I understand that role is to try and make things – to criticize. I would say constructive criticism, it should be, to criticize what government are doing. That's the reason they're call critics.

I spent some time on that side of the House as well, Mr. Chair, so I understand the role of Opposition. It is to be critical of government but it should be constructive criticism, not just simply to criticize for the sake of criticizing. To say one week that it's going to be a job killer, that's it going to be way too heavy, that consumers shouldn't have to bear with it, and then when they find out that it's not as bad as

they thought it was, it doesn't go far enough. You can't have it both ways.

Mr. Chair, the reality is that the carbon pricing system is federally imposed for every province in Canada, and when faced with that reality provinces had one of two choices. They could have put in their own system, as we did, the Made-in- Newfoundland and Labrador system that our government negotiated with the federal government, and I would say we did a very good job.

When you get other provinces, Mr. Chair, complaining about the good deal we got on this, when you get other provinces saying we got the best deal in Canada, I would say we did a pretty decent job. So you could either go with your own system or you could go with the federal system, what we've been referring to as the federal backstop; namely, the imposition of the federal carbon pricing system.

Mr. Chair, our government has never seen the federal backstop as an option for our province. We would have seen businesses in this province pay up to four times more under the federal backstop than what we've negotiated. We would have seen things like home heating fuel affected, which we've negotiated out so that we didn't put in place a burden on people who could, perhaps, least afford it.

Most of the houses in this province that are heated by oil are 30, 40 years old, Mr. Chair, and they're owned either by senior citizens or they are older homes, probably less insulated than some of the more modern homes. Traditionally, for the most part, people who are heating their homes by oil are now on fixed incomes, if they're on pensions and so on.

So, Mr. Chair, we didn't see that as an option. We got a number of areas within our system where we've seen exemptions put in place that we negotiated with the federal government. Again, I believe we got a good deal.

In designing their plan, the federal government did not take into account the unique realities that some of the provinces face, such as our province. It would've been a one-size-fits-all. The problem is that it doesn't fit all. It doesn't

meet the circumstances and needs of our province and the people of our province.

So while some provinces refuse to work with Ottawa, we recognized that if we went that route, which the Leader of the Opposition at one point was advocating for, that we tell Ottawa we weren't going to work with them, we would've seen the federal backstop.

Other provinces are facing the federal backstop now. In particular, those provinces are the ones that have identified the fact that we've been able to negotiate a pretty good deal for the people and the businesses in this province. So while other provinces refuse to work with Ottawa, Mr. Chair, we've been able to put in place a good deal for the people of the province.

We took the route of co-operation, of negotiation with the federal government, of outlining the unique circumstances that this province faces. One of those is the fact that we're already paying very heavily as a result of Muskrat Falls. The people of this province, the government in the province, are already paying for Muskrat Falls; something that we've able to get that message across to the federal government. We've been able to identify the fact that without access to natural gas companies like the North Atlantic refinery in Come By Chance would've been adversely affected. So we've been able to get that recognized under our plan.

Many communities throughout the province are reliant on interprovincial marine transportation. Mr. Chair, we got an exemption there. The fact that many are off the grid and rely on diesel-generated electricity, and we were able to get exemptions there.

Mr. Chair, one of the biggest areas, as I said, was the \$12.7 billion. The project that was supposed to be less than half of that, Muskrat Falls, the largest single tax on the people of this province, and we were able to demonstrate to the federal government, Mr. Chair, that because of the burden of Muskrat Falls, because of the burden that this province and the people of this province have faced with that, that the Muskrat Falls Project has to be taken into account.

So when the Opposition say we haven't done enough for climate change, or to reduce

emissions, I'd argue that point as well. Not only is the province going to be 98 per cent green energy – and I will give credit, it was the other party that brought in play Muskrat Falls.

I've identified that really the only good thing, in the short term for sure, to come out of Muskrat Falls is the fact that we will be 98 per cent green energy, and we were able to demonstrate the burden that Muskrat Falls puts on the people of this province in negotiating this deal with the federal government. We also made the case to Ottawa that our province was already paying a significant cost for low carbon economy, as I'd mentioned with Muskrat Falls.

While others have elected not to work with the federal government on the carbon plan, Mr. Chair, we're working with them. We've achieved a far more reasonable plan given our unique circumstances, and the federal government has recognized our position and have approved our plan, which I believe is a credit to them as well and to the hard work of our staff.

The officials in the Department of Finance, the officials in the Department of Natural Resources and in the Department of Municipal Affairs and Environment had been working for months with officials in Ottawa to design the plan we have today and to get it approved by the federal government.

Mr. Chair, we've heard complaints, as I've said, from other provinces that our deal was the best deal in the country, and it is. It does recognize the unique circumstances in our province. I won't speak directly to those comments, but I think they speak volumes of our approach and our plan and the negotiation that took place with the federal government.

Mr. Chair, what we're introducing here are amendments to the *Revenue Administration Act* to put our Made-in-Newfoundland carbon plan into action. These changes will become effective January 1, as we've announced previously.

So before I get into the act itself, Mr. Chair, I'd like to speak to the significant exemptions that our agreement with Ottawa sees and puts in place the exemptions for carbon pricing that already exist on the gasoline tax. These changes

will soon be prescribed in regulations under the *Revenue Administration Act*. I won't go through all of them, but I'll hit on some of the higher points.

Exemptions under the carbon tax, as with the gasoline tax, include gasoline used for electricity generation; fuels used in home heating – perhaps, Mr. Chair, the most important of the exemptions we were able to achieve. If we had faced the federal backstop, home heating fuels would have been taxed.

We've got exemptions for fuel used for farming purposes. We are trying to grow our agriculture industry in this province and it's very important that we see an exemption on fuel used for farming. Fuel used in the forestry activities, including: commercial cutting, harvesting of logs, wood chippers, debarkers and silviculture – also very important.

When you look at the challenges we almost saw with free trade and what the administration south of the border was trying to do with Corner Brook Pulp and Paper and the importance that puts not only in the direct jobs, but there are some 500 jobs that are directly related to that industry in terms of harvesters. So very important that we've protected our forestry industry in this province as well.

There are numerous exemptions for fuel used for vessels or boats, including for fishing purposes; for regularly scheduled routes in international and interprovincial trade – again, to protect the fact that we are somewhat of an isolated location and we needed to ensure we were protected on an interprovincial and international trade perspective; for commercial transportation of fish; for the cultivation or harvesting of aquatic plants or animals.

Other types of exemptions include fuel used in several types of construction and manufacturing equipment, and fuel used in equipment for exploration of a mineral or an offshore exploration – again, to protect our industry.

So we went above and beyond. The ministers involved and the officials involved in each of these departments, Mr. Chair, I believe put in place a very effective negotiation, very effective dialogue. Again, I have to commend the officials

in each of these departments for the dedication and the hard work they did in getting us to this very successful negotiation with the federal government.

Mr. Chair, we're also putting in place exemptions for fuels already exempted by the federal government in their *Greenhouse Gas Pollution Pricing Act*; fuels used for regulated activities under the provincial *Management of Greenhouse Gas Act*, which was introduced in the last session of the House; for aviation fuels.

As well, Mr. Chair, as mentioned, this covers some but not all of the exemptions.

When you look at aviation and our remote location, the fact that aviation is very important to this province, we were successful in getting that exempt as well.

If we turn to the legislation at hand, we're making amendments to this act to set how the tax will be applied and administered. So for gasoline, Mr. Chair, it will be applied at a rate of 4.42 cents per litre, and at the same time we will be removing the 4 cents on the remaining temporary gas tax as we have committed to doing all along.

The difference will be .42 of a cent, less than half a cent for consumers in this province on a litre when they purchase gasoline. The result is that individuals will only see less than half a cent increase. So if you're purchasing 150 litres of gasoline per month, the increase that individuals will see is about \$7.50 per year.

Mr. Chair, I understand there's less than a minute left to speak. We've got a number of individuals on both sides of the Legislature I would suspect will want to speak to this. Again, I'm very thankful to the officials. I believe they did a fantastic job in putting, what we see on this side as government, a very successful negotiation with the federal government.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

It's a pleasure to get up and speak on Bill 44, the *Management of Greenhouse Gas Act*. As I stated

earlier, I've been the Environment critic since 2015. The carbon tax and the carbon pricing models, it's an issue that's come to this floor many times. I've had the opportunity to speak on this issue on many occasions.

Last year, we brought in a private Member's resolution. Basically, we're opposed to a carbon tax. We're opposed to the carbon pricing model. The resolution didn't pass through the House, but that was our stance and we've been very public on that ever since.

I guess being public on it too, it's not unanimous across this country. As we know, five provinces now are facing court challenges on the carbon pricing model. So it's far from unanimous consent that the federal government has gotten on their initiative.

Even though Members opposite like to get up and make reference that it's a federal government initiative and we had no choice but to bring in our own legislation to protect the province, Made-in-Newfoundland and Labrador approach, it was brought in by the federal government, and we acknowledge that.

Something that I know I've spoke on in this House, and some of my colleagues, and it bears repeating, I've always wondered: Why didn't you stand up for the province? The federal government here, this is their legislation. We're going to accept that legislation. We're going to add another tax onto the people of this province. We already got 300-plus taxes and fees. We're going to give them another tax.

I'd like to highlight the minister – and on that topic, the Minister of Finance just got up and he made some reference of some commentary that has been said about our carbon pricing. My guess would be a reference to some public commentary I may have made.

To say that we never went far enough, I'm asking – it doesn't make sense. My commentary has been, you go all this while, you got a carbon pricing plan, the federal government has been – there have been a lot of talk throughout the country, probably more so nationally than it's been in the province. I know, as critic, you try to bring issues, as the minister rightfully identified – he was a Member on this side. As a critic, we

try to give life to our debate. We feel we have an issue; we try to bring it to light.

Provincially, it's been a struggle for our side. I know from mine, and some of the colleagues, we speak about it a lot. We feel it doesn't get the legs it deserves. But federally, this has been big issue. Across the country, carbon pricing has been a big issue.

This past summer, I was in Quebec City and Montreal visiting family, and I talked to locals. One of the first things they brought up – one of their biggest issues was immigration and carbon pricing. And I kind of smiled when they said it because that's not the two biggest issues in Newfoundland and Labrador. But it is a national issue. It's become more of an issue here. Yet, to this day, and I'll say it again, people do not really understand or grasp the full concept of what this really means.

Carbon pricing has always been – we're trying to change behaviours. In a nutshell, you're trying to change behaviours. You are trying to get people to bring in new, innovative ways to reduce carbon emissions. We're bringing in legislation. There are no real targets. We don't know any guidelines. There are some targets set for the offshore, but there are no emissions. We just experienced that in Question Period today. We went through the briefing – and I thank the minister, staff and others for the briefing we have provided last week, and I appreciate it.

We asked those questions. We're not getting the details. You're going to eliminate 4-cent gas tax, but you're going to replace it with 4.42. So you're not eliminating, you're going to actually add on. And it says it's only going to cost you X number of dollars, more than what it cost you before, fair enough, but it's still going to cost you more. It's still going into general revenue. It's a tax. As being debated here now, it's a resolution because it's a tax.

The goal of Members opposite and the federal government, it's a big thing to reduce your carbon footprint, reduce your emissions. We're opposed to carbon pricing. We never, ever said once we're against climate change. We don't believe in climate change. We don't say that. We don't agree with the philosophy out to get

there. Carbon pricing is their vehicle to get there.

We don't agree with that philosophy. We've never said once, and I've never said it as Environment critic, that we're opposed, we don't believe in climate change – never once. I know people south of the border say that we don't say that. We don't like the vehicle to get to climate change. We don't believe carbon pricing is the answer. That's all. It's a philosophical difference. We do share the same belief. I think both sides agree that climate change is an issue. We're not living with our heads in the sand; we just don't believe that's the right mechanism to get the desired result for pricing. Because, in essence, you're using sin tax; you're trying to punish people into changing behaviours.

So what you've done is you put a 16-cent tax on gas in 2016. I don't see the road flooded with electric cars. I've seen the economy affected. I've seen a lot of small business people being affected. I've seen a lot of people's disposable income being affected, but they never changed their behaviours, and I say that with all sincerity. I've railed against the taxes. I've railed against the gas tax. I'm on record in this House, as Members and the Minister of Finance has well heard me many times, I'm totally against it. But it didn't change their behaviours when it came to emissions.

I don't see any difference across the board. I don't see any flux in electric cars; nobody else is with one vehicle as opposed to two, or opposed to three. Nothing has changed. Now, people made adjustments because there's less money coming into the household. Businesses suffered because there is less money being spent. When you tie it to your emissions and your climate change, it made no difference.

That's when I say, and I'll say it again and I'll be on record, not that you didn't go far enough, this is not the answer; this is just a nice way of ticking the box on an election promise by the federal government. We ticked the box. We've accomplished their goal: We're going to bring in a climate change plan. That's what I promised to do. I've delivered on my promise. When you go back to the voters next year, the prime minister can say I done what I told the people I was going to do.

But what is the result? Made-in-Newfoundland plan. Sure there are people in this province going to be happy they don't have to pay more. Lord knows, with 300 taxes and fees in excess, we got enough, we're paying enough, and we're still paying it. Two years later, going on three, we're still paying it. We don't need another tax; that's been our argument anyway. But to say we never went far enough, that's what I'm saying, none of this makes sense. It's a political exercise, Minister.

I've read a lot of information on this. I've read a lot, I've heard a lot, I've listened to a lot, and I still don't know all there is to know. I educated myself because it's part of your role, I suppose, of being a critic, as you would know. You try to talk somewhat intellectually on a topic, but I'm one of them people, too, if I see reason, if it makes some sense, I'll be fair enough to say that makes a lot of sense to me. This case here, I don't see the rationale. You got targets set offshore, okay, I get that. You got your single regulator we just went through in Bill 41. I get the gist of that. We're not really sure where our targets are but there's something more defined.

Me and you and whoever else is going to a gas station are paying 4½ on gas and our diesel increase of 5, whatever the exact amount is. I don't see how that's going to change our behaviours. It's another tax. It's another cost out of our pockets. I don't see that's changing anything.

So, another tax is not the answer to reducing emissions. The minister refers to good deals. They went up to Ottawa, they came back and they got a good deal. We lobbied, we argued and we still say why didn't you stand up to Ottawa. It's never a bad thing to stand up to Ottawa. Some people might say it's politically advantageous sometimes to be the bad cop of Confederation which we've had a history of doing over the years. I'm not even saying that. Stand up and say no, we don't need any more. We're already burdened enough. We've struggled enough under this economy. We've struggled enough with the reduction in oil prices. We need a break. We don't need to add another burden on to our taxpayers, on our industry. We don't need to do that.

You look at industry like Come by Chance Refinery out there; they have pretty tight profit margins. At least they were when we were in government. From my memories of it, they were always tight profit margins. When I was over in the Department of Environment with the former minister and we met with the officials from that department, when all these issues were being talked about – this is not a new thing, of course. It's not just happened since 2015. Climate change has been around for a long time and it's been how you deal with it. These people are tight. The profit margins were very tight back then. They're no less now. They're probably worse now with the price of oil dropped in our economy. They have to make an option. They got to opt in or opt out. If you opt in, you have targets or based on your emissions. More than likely they'll have to meet targets because I think they're over 25,000 if I'm not mistaken. Regardless, it's another cost to those industries.

When you put that into perspective, Corner Brook Pulp and Paper is a prime example. They've really struggled. As we all know, and rightly so, they're the lifeline to the Corner Brook, West Coast region. They are the lifeline. It's another burden on them. We can blanket it, you can say it with all the lingo and all the different terminology and some people kind of just could glaze over, the bottom line this is another cost.

We just talked about Bill 41. We talked about it in the Legislature; we're talking about Bill 44 now. It's another cost. So it's another cost to the offshore. We got up and we asked the question: Who's absorbing the cost? The industry is absorbing the cost. Will the province be affected? Well, we're not really sure. No, because they are the owner and not the operator. Put all that aside, all that semantics, all that aside, the grey areas or whatever you want to call it, blurred lines, the bottom line is it's going to cost us more.

At the end of the day, we will pay more. When you go into the gas station, the province will probably have an effect on their royalties but there's no real clear – it might be small. It'll have an effect. If the industry pays more, it affects the bottom line. They make decisions based on that.

Any way you look at it – if you’re going to buy something off a shelf in a supermarket, it will cost you more. All this stuff trickles down. There’s no real – the end game – the consumer usually pays every time. The consumer pays most every time. They downloaded the cost. It’s a known fact. That’s the way our world operates. The end-user is the one that will always pay the extra price. They have set profit margins. They’ll meet their margins at the cost of the consumer. So when you say you get a good deal, and you looked after the people in this province –

MR. LETTO: We did.

MR. PETTEN: The Minister of Municipal Affairs and Environment is proudly saying we did. I know there are a couple of people got a good deal in this province. We haven’t figured it out yet, but –

MR. K. PARSONS: Once we figure it out, we will (inaudible).

MR. PETTEN: We’ll let you know when we get it all figured out. There are a couple of companies here that got a really good deal. There’s Canopy and there’s a numbered company, 80521. They got a pretty good deal. But we’re going to let you all know when we figure it out all out. There’s a lot more –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: – to the story.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: Information happens to flow pretty good, Mr. Chair. As time goes on, you’re pushing your year four, information flows pretty good these days, but –

MR. K. PARSONS: People are figuring it out.

MR. PETTEN: People are figuring it out, that’s right. They are figuring it out.

So the minister says that Muskrat Falls – they like to get up and the punchline is Muskrat Falls for this, Muskrat Falls for that. The Minister of Finance voted for Muskrat Falls. I never, but he did. He voted for Muskrat Falls, Mr. Chair.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: Now, they don’t like that, but that’s a fact. He voted for Muskrat Falls. And there is a minister over there that was on the board that approved it. So when they get up and it’s their punchline to everything, whether it’s snowing today, whether the plow is broke down, that’s because of Muskrat Falls. A restaurant closed, that’s because of Muskrat Falls. It can’t be a punchline forever.

Your names have been over the door now for four years. It’s time for you, as a government, to own up to some of your problems.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: It’s time for you to own up to some of your responsibilities, I say.

What about the 300 taxes and fees? Go out and ask the people: Do you want another one now? There are 301, because that’s what this is as of January 1, 2019, is 301.

But the Minister of Finance – he’s there, and I see him making his actions and whatnot –

MR. KING: Point of order, Mr. Chair.

CHAIR: Order, please!

The hon. the Member for Bonavista for a point of order.

MR. KING: (Inaudible) got to listen to the misinformation for the Member for CBS. This is not 300 new taxes or fees; this is 300 across the board that some haven’t been raised since the ’70s, Mr. Chair. He should be honest in this House and not mislead the general public.

CHAIR: Order, please!

There is no point of order.

MR. PETTEN: Point of order, Mr. Chair, section 49.

The Member for Bonavista just referred to me as being dishonest and I take that as not parliamentary.

CHAIR: Do the Member for Bonavista want to speak to the order?

MR. KING: No.

CHAIR: Order, please!

I will review *Hansard* and report back to the House.

The Chair recognizes the hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

There last week we were debating a private Member's motion and there was eight points of order, and it was on a numbered company, it got under their flesh, and actually the Member from Bonavista got two or three points of order. It was one after another after another after another. I mean let us speak; you'll have opportunities to speak. No, that's fact. They don't like hearing it. We listen to Members opposite. I listen to them whether it's good, bad or genuine; I listen to it all.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. PETTEN: Money bill, we can talk all we want, Minister of Transportation and Works.

CHAIR: Order, please!

MR. PETTEN: You'll get an opportunity to get up, too, now shortly.

MR. K. PARSONS: They don't want to hear it.

MR. PETTEN: They don't want to hear it, but Mr. Chair, the reality is –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

This is a warning to the House. I just want to hear the person who's been identified to speak.

The Chair recognizes the hon. the Member for Conception Bay South.

MR. PETTEN: Mr. Chair, in my last few minutes I kind of got disrupted a lot so I'm winding down, but I think I might have to get up again and again, you never know, we get lots of opportunity in Committee.

So on that final note, I tell the Members, stay tuned, this will continue, I got lots more information to share with him when I talk further on the debate.

Thank you very much.

CHAIR: Thank you.

The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

SOME HON. MEMBERS: Hear, hear!

MR. OSBORNE: Thank you, Mr. Chair.

I'm only going to take a couple of minutes because I know my colleague, the Minister of Municipal Affairs and Environment, wants to speak to this as well.

But I got to address something here. The Member for Conception Bay South said, oh, the Minister of Finance voted for Muskrat Falls. Well, I tell you what I voted for, Mr. Chair; I voted for what they promised, not what they delivered.

SOME HON. MEMBERS: Hear, hear!

MR. OSBORNE: I made a mistake because I believed them. I was sitting as an independent at the time.

Now, I did get a binder. I got a binder from them. I might bring that into the House because there's some really good information. It's a binder that was provided by their caucus with some absolutely fantastic facts and figures; what I thought were facts. They were figures, all right.

What I thought were facts, Mr. Chair, what I thought were facts.

I'm going to tell you a little story about Muskrat Falls. We got, not only in the Estimates document for the 2015 budget, but in the binder that their caucus were so delighted to provide me with a copy of, we were only supposed to put a little more than \$3 billion into Muskrat Falls, as a province.

I wish that were the case, but that's what I voted for. That what I voted for. Muskrat Falls was supposed to cost \$5.7 billion. Now, I wish that were the case because it's more like \$12.7 billion, but that's what I voted for. We were supposed to get our full investment back in eight years, Mr. Chair – in eight years. Well, that's what I voted for. That's what I voted for. Not what they told me. They told me that we'd get our investment back in eight years. I voted for what I believed to be the truth, but it turns out it wasn't the truth.

After the eight years, we were supposed to get our full investment back, and then we were supposed to make about a billion dollars a year, I believe is what was in the document, revenue for this province. I would love, as Minister of Finance, to say we had an extra billion dollars a year coming into the province. That's what was in the document, Mr. Chair, and that's what I voted for, because it all sounds wonderful. It sounds wonderful, but what they delivered is not so wonderful. So I made a mistake, all right. The mistake was I believed them. The mistake was I believed them.

But now just to be on the safe side, I went in and I got a meeting with Gilbert Bennett and Ed Martin, and I brought in the binder that I got from them. I brought that in and I said can you tell me if these facts and figures are true. Oh yes, they are. Yes they are, I was told. So I figured I was doing due diligence. Not only did I take the binder in – oh lots of quotes in it, lots of quotes, lots of figures, lots of juicy information. It just turns out that none of it was true.

But I went in and I spoke to the CEO for Nalcor, Mr. Ed Martin, and I spoke to Gilbert Bennett, and they confirmed their numbers. Yes, they're all accurate. In fact, we've done such a good job of doing the pricing on this project, we even put

\$300 million contingency; we won't even need to use that. That's what we were told.

Not very often am I duped, but I'll tell you I was duped, hook, line and sinker. I believed them, and that's the problem, Mr. Chair, and that's why I don't believe them anymore.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The Chair recognizes the hon. the Member for Bay of Islands.

MR. JOYCE: Thank you, Mr. Chair.

As we know, I'm glad the Minister of Finance got up and spoke about something else besides the carbon, because I'm going to speak to something besides the carbon also. I support the bill and I support the process.

Mr. Chair, I'm going to speak on the report, because this is a money bill, that report that was put in the House of Assembly a couple of weeks ago. I told my family and friends that every opportunity I get, I'll defend myself and defend it.

Mr. Chair, something happened last week, two weeks ago. The Minister of Natural Resources stood on her feet and it was very telling – very telling. It was a question from the Opposition. The question from the Opposition, because the former mayor was up in the gallery, was about Vale funding, the \$30 million.

The minister stood up, on Natural Resources, and said no, we haven't got the funding; we're getting \$10 million in 2017, 2018 and 2019. That's what the minister said. That's what was said in Cabinet, I'll say. And do you know, people in this province know, in this report I was accused of taking the \$30 million, leveraging federal funding and spending it on the West Coast? That's what the Member for Cape St. Francis – allegation made against me. That's the allegation here that was made against me. I had to defend it, and I'm sitting over here. Just think about it. Just think about it. And I have the email –

MR. K. PARSONS: Point of order, Mr. Chair.

CHAIR: Order, please!

The Member on a point of order.

MR. K. PARSONS: (Inaudible) section 49. I don't know what the Member is talking about, but I never put in any allegation against you for anything.

MR. JOYCE: (Inaudible.)

MR. K. PARSONS: No, you said the Member for Cape St. Francis.

MR. JOYCE: No, no, not you, sorry (inaudible).

MR. K. PARSONS: Okay, I apologize.

CHAIR: Order, please!

There is no point of order.

MR. JOYCE: Placentia - St. Mary's. I apologize for that. That wasn't you. You said something else that I'm not allowed to say, that's right.

But the Member for Placentia - St. Mary's – that's one of the allegations. I had to stand up and defend myself. And that was made public. That was made public that I took \$30 million, leveraged federal money. I remember in 2016 the Member for Placentia - St. Mary's wrote the minister of Natural Resources and she said we haven't got the funding. We haven't even got a mechanism in place to accept the funding. That was in the documents.

But do you know I was still accused of taking the \$30 million, and I'm over here? Can you realize what you guys did? Do you realize that? Did anybody take the time and realize the allegation?

I have to bring up something else, Mr. Chair. I know the Member for St. John's Centre wouldn't stand and apologize, but I have to say something. And it was here in the House of Assembly. It was put out here in the House of Assembly, and it was outside the House of Assembly. It was said and it was brought up here how dare me release names of people who made allegations.

The Member for Placentia - St. Mary's said out there: Eddie Joyce – well, somebody put my name out there. I want to put on the record the Member for Placentia - St. Mary's – do you know how her name was put out there? I ask the Minister of Justice if he wants to stand up, I ask the Minister of Transportation and Works, and name, say, eight, 10 of them – do you know how her name was put out there? She walked into caucus and said I just made a complaint to the Premier. Ten witness were put in place that could have confirmed that – 10 witnesses and I get accused of putting names out in public where 10 witnesses – and there's more, there's a lot more, a lot more told me privately yes, they heard it.

Can you imagine? Can you honestly imagine all the misinformation, the false information that was put out and I had to defend it and I did defend it?

I'll say to the Premier of the province, I was very discouraged – I know he's not in the House. I know I'm not supposed to say that but I want it to be known that he said last night on NTV, the Premier said well, he's putting me in a bad spot. He said he wouldn't sit in the caucus with the Member for Placentia - St. Mary's. Well, that's like an ultimatum.

I ask the Premier: The next time you go to the media, tell them how many discussions we had over the five or six months. Tell them. Tell the people how many discussions we had. Tell the people how far we went and discussed – did we ever discuss who was going to go into Cabinet when she was removed from her seat? I ask the Premier: Go tell the people. If you want to put everything on the table, it's time to put it on the table. I'm not being the whipping boy anymore for anybody in this province. I'm just not being the whipping boy.

I asked the Premier: Did you agree to go as a witness for me? Did you agree? Let him stand up and say. I ask the Member, whoever wants to stand up, see who got the courage in Cabinet, did I bring her name up in Cabinet? Did I? The Member who did it, why don't you stand up and say it was me? It wasn't me. It wasn't me.

She puts in this report how in Cabinet it wasn't me. So, the Premier, the next time you tell

people we can't do that, did we discuss it? How many times have we discussed it? Why don't you tell the people of the province how much we discussed it? Tell me what you really thought of it when you were telling me privately? How many times did you call my house and we discussed it? And the idea of saying well, I haven't seen him talk to people lately. Seven or eight days later, I was over introducing him to people in Corner Brook at the cancer relay taking pictures. Oh no, we haven't discussed it; I haven't been talking to him.

I'm sick of it, Premier. I am just absolutely sick of it. Tell the truth. That's all I ask. Tell the truth. How many discussions did we have? How many times did you call my house and you went over the report what I should put in it? Let's put everything on the table here.

I'm going to the Management Commission, and I know the Speaker – the information the Speaker has also. Do you know the information the Speaker has? I'm hoping to get this taken care of someday. Mr. Chair, do you know the information? Bruce Chaulk, and just realize now what happened here, the only person that was not called as a witness, it was Eddie Joyce, never called as a witness.

Bruce Chaulk, who is a member of this House, went in and told the Management Commission – get this now, people, get this, the people of the Province of Newfoundland and Labrador; he told the Management Commission that Eddie Joyce refused to participate, wouldn't meet.

Two letters from the lawyers. The Speaker saw them. I asked before we even had that debate to have an emergency meeting with the Management Commission to get that confirmed and denied and get him to apologize. Guess what? I haven't heard a word. But I tell you, I'm not giving up. I'm not giving up.

Can you imagine if anybody in this House now was charged tomorrow with an offence; you go in front of a judge, the judge says oh, you're fine; no, there's nothing to it – which Rubin Thomlinson said there was nothing to it – but the police officer says okay, by the way, you weren't charged for speeding but we're going to charge you with something else, but you were never called as a witness? Can you imagine ever

going to court and not called as a witness? Can you imagine? And then have the presiding Officer of this House of Assembly make statements to the Management Commission which is absolutely, categorically, false.

I went through this report here with the Member for Placentia - St. Mary's. Do you know there are about 28 false statements that I've found so far – 28 false statements that are proven by witnesses or documentation to back up to prove the allegations are 100 per cent false, yet I'm the big, bad bully? I'm the big, bad guy here in this whole House of Assembly.

I told my friends every chance I'll get, I'll stand up. Every chance I'll get, I'll stand up to show what has happened because I can tell you if it happened to me, it could happen to anybody. But I tell you, I'm not lying down with any of this.

I can go through this report here and I could show you stuff. I can tell you who she said lied, the Member for Placentia - St. Mary's. I released her name – the people over there heard it. You all know the difference. Joy Buckle lied; Greg Mercer lied; I lied; the information I had from the mayor, he lied; the former mayor, I couldn't get along with him, yet the documentation showed that we work well together. I can go through it step by step.

But my time is closing, so I'll ask the Premier: Next time you want to stand up and you want to say Eddie Joyce knows it is an ultimatum, he knows that, why don't you tell about discussions we had? Why don't you tell them? Why don't you go out publicly? Won't you be honest, Premier, and go out publicly and talk about discussions we had, and how long we had the discussions?

Premier, did you ever tell me the allegations that were made at the beginning by the Member of Placentia - St. Mary's – did you ever tell me that they were BS? Your exact words: They were BS. Did you tell me that, Premier? Stand up next time. Stand up and ask did they ever change the allegations, because I can tell you, Premier, I'm not letting you go public anymore and destroy my character because you haven't got the courage to stand up for (inaudible) –

CHAIR: Order, please!

MR. JOYCE: I won't be dealing with it, I can tell you that.

CHAIR: I remind the hon. Member his speaking time has expired.

The Chair recognizes the hon. the Minister of Municipal Affairs and Environment.

MR. LETTO: Thank you, Mr. Chair.

Mr. Chair, the science is clear. Climate change is happening, and it's real. Now, we hear the Opposition talking about how we didn't fight hard enough. Well, I think, if I interpret their actions correctly, it's the fact that they would not have accepted or would not be prepared to implement any type of plan. In that case, that would be unfortunate, and I'll tell you why.

If we didn't put in our Made-in-Newfoundland-and-Labrador plan, a plan that's been accepted by the federal government and meets the minimum requirements of any climate change or greenhouse gas emission plan, Newfoundlanders and Labradorians would be paying four times what they're going to pay under this plan.

Industry – big industry – would be paying four times that much, and probably more. In developing this plan, we consulted with industry; we consulted with individuals; we consulted with municipalities; we consulted with every taxpayer in this province that wanted to be consulted. We put together a plan that meets the needs of the province, and puts the province in a good stand with the federal government, and it's a plan that doesn't destroy industry. It allows them to remain competitive. When you look at the four principles that we put into effect, that guided our thinking, you'll see that our plan meets those needs.

And the plan is guided by four key principles, Mr. Chair. One is maintaining competitiveness from taxation and trade perspectives, and we are dealing with the big world there. Climate change is not something that's unique to Canada, to Newfoundland and Labrador; it's something the world is dealing with. In December 2015, 194 countries, including Canada, signed the Paris Agreement on climate change.

We all know who's opted out of that, so we need not go there. If the Official Opposition wants to use that as their guiding principle, then have at it, because that's not the way that we treat climate change. We take this climate change very seriously and we put in a plan that reflects that.

Our second principle, Mr. Chair, was minimizing the impact on consumers and vulnerable groups. We all know that we don't want to impose extra taxes; that's not what we're about. And you talk about the 300 taxes that they keep talking about that we imposed and brought in in *Budget 2016*, well 260 of those levies and taxes were already there. They were already there, so let's get the facts on the table.

We recognize the very large ongoing investment to de-carbonize electricity, and of course that's why Holyrood is back in the picture. If there's anything good at all about Muskrat Falls, is that it will help with the carbon plan. But that's the only thing because the debt and the responsibility that's put on the taxpayers of this province by Muskrat Falls, we will never see the benefits of that project.

Delivering meaningful reductions in greenhouse gas emissions – that's where we've allowed industry, that produces or emits over 20,000 tons of greenhouse gas emissions, they can opt into what we call a plan designed for industry, and they have to meet certain targets in greenhouse gas emissions. This is not about imposing taxes or anything of that nature. This is about looking after our environment, and looking after the fact that climate change is real. Whether we like it or not, we have to address it and we all have a responsibility to do that.

The Minister of Finance had mentioned this that, in developing our plan, we understand the burden that people of this province have. We understand the uniqueness of our province within the federation of Canada. So we went to great lengths to make sure that we protected our people; for instance, home heating fuel, which is a big item for our taxpayers and our citizens, but that's exempt. We've exempted as well the key economic sectors including aquaculture, fishing, mining, forestry and silviculture.

Mr. Chair, we've come a long way. We went to the wall and back to make sure that our industries and our people are protected. Electricity generation – now, we don't see it sitting here in the House of Assembly, but we have remote communities, especially in Labrador and along the Southwest Coast of the province, of the Island of Newfoundland, that are still reliant on diesel generation. While we are working toward getting them off diesel, in the meantime we want to make sure they're not penalized for being on diesel. And we've managed to have those people exempt as well, which is huge, because they're paying high enough electricity rates as it is. We don't need to burden them anymore.

Aviation fuel, as the minister alluded to – and the aviation fuel, by the way, is something that's really important, and I refer to my friend, the Member for Torngat Mountains. That's their only means of transportation other than ship or Ski-Doo – or snowmobile, I should say. I shouldn't use the word Ski-Doo, I suppose. We've recognized that. They rely on the aviation and they rely on the airplanes for their mode of transportation. They should not be penalized, and they're not.

Of course, Mr. Chair, when you look at municipalities in this province, they're the backbone of our economy, and they're the backbone of our governance, and municipalities will be exempt as well.

We keep hearing from the Opposition that this is another tax. I look at it another way. This is not another tax; this is our responsibility. Our responsibility as every man, woman and child on this planet, it's our responsibility to clean up the environment and to put measures in place that will address climate change and reduce greenhouse gas emissions. It's not a tax. It's our responsibility. On this side of the House, we've accepted that responsibility. If they don't want to, that's their problem.

But we are accepting that responsibility and we're going to deal with it in the best way possible so that our citizens of this province aren't negatively impacted by this. Yes, we need a culture change. We got to change the mentality of our people. That's all part of it, Mr. Chair.

I can guarantee you, we're going to try to leave a province, a Newfoundland and Labrador and a country that our grandkids and our great-grandkids can be proud of and thank us for protecting them, because that's what it's all about. It's not about us. It's about the future of the environment, it's about the future of our province, it's about the future of our country and it's about the future of our children and grandchildren and great-grandchildren. If we don't do something now, tomorrow may be too late.

So I think what we've done here in meeting that objective and meeting that goal of protecting our environment, we put a plan in place that has the least impact on our citizens. It's not a new tax, Mr. Chair; it's a responsibility that we all share. We all better be prepared to accept that responsibility, because it's going to be up to us to make it happen.

On that note, I take my seat and hopefully get a chance later on to have a few more words.

CHAIR: Thank you.

MR. LETTO: Thank you.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Chair.

At this time, I would ask, with the concurrence of my colleagues, that we recess while in the Committee stage of this resolution and return in 30 minutes.

CHAIR: This House now stands in recess until 6 o'clock p.m.