

POLICY UPDATE

News and views from the Metropolitan Halifax Chamber of Commerce November 21, 1997

Chamber Seeks Vision for Offshore Development

The Chamber has spent a large part of its time working on the Sable Offshore Energy Project over the last seven months. Sable, while significant, is just the tip of the very large iceberg — Nova Scotia's offshore industry.

The potential long term benefits to Nova Scotians from the availability and access to natural gas and the associated liquids, including ethane, form the basis for significant economic development within our local economy and the region as a whole.

In a recent letter to Premier MacLellan, the Chamber stressed the need for a long-term vision to develop Nova Scotia's offshore industry — in particular, a petro chemical industry through the development of natural gas liquids, which would be based on ethane. Ethane by-products are primary components for the plastics industry.

A strategic vision is needed to ensure that the future benefits of this tremendous economic engine are realized and maximized for the Province.

We can have a petro chemical industry in Nova Scotia, but planning for the long-term is critical.

This new industry must be managed now to ensure a proper return on our natural resources. Development of a petro chemical industry offers the real long-term benefits the Chamber wants to see: **job creation and increased economic activity.**

The time has come for aggressive action on the part of the Province to assert control over our future. We must create a provincial business environment for a natural gas industry that encourages investment in Nova Scotia.

As the Chamber suggested to the Premier, there are several things the Province can do to ensure that the liquids stay here and that Nova Scotians receive the greatest benefits:

- 1) Include higher royalties for natural gas liquids in future negotiations of Royalty Agreements;
- 2) Establish legislation that gives the Province the right to restrict sales of natural gas liquids out of Nova Scotia (the Alberta legislation provides a useful and effective model);
- 3) Establish legislation giving the "right of first refusal" to Nova Scotia-based industries to purchase natural gas liquids;

4) Create a government agency through which all liquids, including ethane, must be sold.

The Chamber will continue to be very active on the development of our Province's offshore. In an effort to ensure the long-term benefits remain in Nova Scotia, the Chamber is broadening the scope of its hard working Sable Task Force.

We are looking for expressions from members who are interested in working on the short and long-term opportunities in such areas as: natural gas liquids, regulatory issues, education, communication and future opportunities.

If you are interested in working with us, please submit your expression of interest in writing to the Executive Committee, c/o Charles Cirtwill, and fax to 468-7111 by Friday, November 28, 1997.

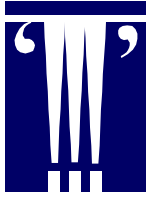
Editor's Note:

The Chamber is pleased with the recent creation of a Petroleum Directorate which we see as a first step in the development of a coordinated, long-term action plan for the Nova Scotia offshore industry.

METROPOLITAN HALIFAX CHAMBER OF COMMERCE

P.O. Box 8990, Halifax, NS B3K 5M6 T el. 468-7111 Fax. 468-7333

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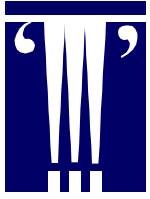
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