

March 26, 2020

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister of Canada  
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Ottawa, Ontario K1A 0A3 (via e-mail: [Chrystia.Freeland@parl.gc.ca](mailto:Chrystia.Freeland@parl.gc.ca))

The Honourable Seamus O'Regan, P.C., M.P.  
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Ottawa, Ontario K1A 0E4 (via e-mail: [Seamus.OREgan@parl.gc.ca](mailto:Seamus.OREgan@parl.gc.ca))

Dear Ministers Freeland and O'Regan:

**Re: Ensuring business continuity and treatment of oil and gas as an essential service**

CAPP would like to thank the government for the bold actions it has taken to date during this health and economic crisis. For our member companies, health and safety is a top priority and we are committed to supporting the government and the measures it has taken to protect the health of Canadians and halt the spread of COVID 19. At the same time, the crisis poses a unique threat to the ongoing operations of our members and their ability to maintain critical infrastructure and essential services, including oil and natural gas production.

In view of the current evolving situation, we will identify for the Government of Canada key issues that will be critical to business continuity for our members in the context of energy as an essential service. These include: (1) Treatment of oil and gas and its associated supply chain, including manufacturing, as an essential service; (2) Coordinated measures, including with the provinces and other jurisdictions to ensure workforce mobility; (3) Coordinated measures to ensure movement of essential supplies and services across Canada and at the US-Canada border.

**Oil and Gas as an Essential Service**

It is critical that Canada adopt a definition of essential services and critical infrastructure that allows operations in the oil and natural gas and petrochemicals sector to continue even as non-essential business closures are implemented as part of increasing provincial or federal health measures. We hope the following recommendations can be a starting point for the government's work in this regard, including in its discussions with provincial and territorial governments and with the U.S. government.

The National Strategy for Critical Infrastructure identifies the Energy and Utilities Sector as a critical infrastructure, this includes the production, refining, transportation, generation, and distribution of

crude oil, petroleum products, natural gas and electricity. Responsibilities for critical infrastructure in Canada are shared by federal, provincial and territorial governments, local authorities and critical infrastructure owners and operators. Considering this definition of critical infrastructure, CAPP recommends that the government incorporate the following two further components into its general definition of essential services:

***Essential Service:***

Businesses that are essential and exempted from mandated business closures are those that ensure domestic and global continuity of supply of petroleum (including synthetic crude, petroleum by-products and petrochemicals), electricity, natural gas and natural gas liquids that support supply chains throughout Canada, including but not limited to:

- a. Drilling, extraction and production operations;
- b. oil sands mines and in situ facilities;
- c. processing, upgrading, petrochemicals and refining facilities;
- d. cogeneration and emissions management facilities;
- e. natural gas plants and processing facilities;
- f. petroleum pipelines and related pumping stations, natural gas pipelines and related compressor stations;
- g. petroleum and natural gas wells, satellite sites and batteries;
- h. storage and terminalling facilities;
- i. retail; and
- j. pipeline and trucking transportation for distribution and the provision of products to any of the above.

***Supply Chain:***

Businesses that supply other essential businesses or essential services with the support, supplies, systems or services, including processing, transportation, distribution, delivery and maintenance, health and emergency services, movement and accommodation of workers necessary to operate.

Ultimately, federal policy on essential services should result in continuity for:

- Operations: critical oil and gas infrastructure including but not limited to upstream production assets, transportation including pipelines, rail, and trucking, upgrading and refining infrastructure, work camps and related critical services.
- Supports to workforce mobility: including necessary exemptions related to federal authorities for aviation and airports, navigable waters, interprovincial trade and movement across international borders.

Crude oil, natural gas, and other petroleum products are essential feedstock for transportation fuels, heating and electricity generation for all Canadians. For example, over 20% of Alberta's electricity comes from the upstream oil and gas industry. The industry also has an integrated supply chain that includes almost every jurisdiction in Canada. The supply chain of oil sands producers is associated with close to 10,000 business and over half a million jobs across the country. As an example, Ontario's participation in the oil sands supply chain is valued at \$1.89 billion, supporting over 63,000 jobs and 1,162 businesses. Beyond this, hundreds of workers and equipment necessary to the operations of the industry cross the U.S./Canada border on a regular basis. Ongoing engagement by the Federal government with industry and with governmental counterparts will be critical to ensuring both the health and safety of Canadians as well as business continuity.

### **Workforce Mobility**

The oil and gas industry operates with a highly mobile workforce and with work arrangements associated with operations in remote areas. As such, it is critical, that the Federal government, in collaboration with provinces ensure that public health measures permit reasonable exception for workers in essential services.

Specifically, CAPP would recommend the following regarding workforce mobility:

- Asymptomatic workers (i.e. with no flu-like symptoms) arriving to and from a province or territory for work in the oil and gas sector should be exempted from the requirement to self-isolate for 14 days. Our companies will rigorously monitor these individuals in the context of this exemption to ensure health objectives continue to be met.
  - Similar exceptions should be made for essential workers crossing the Canada/US border.
- The Federal government should work with provinces, territories and industry to ensure that an appropriate balance is developed to ensure public health measures, such as self-isolation, do not compromise delivery of essential services.
- Oil and gas workers should be considered in any COVID 19 testing prioritization that includes essential services beyond health care or risk management and response services.
- The government should implement a robust administration mechanism for endorsing essential services and critical infrastructure, including the capability to respond to industry and workforce requests and waivers. The government should develop online tools for pre-clearances.

It should be noted that companies will continue to implement workplace health and safety measures in their operations to limit COVID 19 transmission, including specific measures in work camps, in transport and other activities. These measures include implementing screening and self-isolation protocols for workers, implementing advanced cleaning and disinfecting protocols, implementing protocols for the safe transfer of workers in and out of the region, and safely back to their homes as well as utilizing on-

site medical clinics, professionals and resources. Companies will continue to work with the provincial governments to support health and critical infrastructure objectives.

### **Movement of Essential Supplies**

There are certain supplies, inputs, and services that are critical to operations – if one day of shipment is missed, operations halt. Moreover certain supplies, including medical supplies are essential to continued operations as many operators have medical facilities at camp sites that are part of the health and safety measures of companies, particularly in the context of the COVID 19 crisis. To this end, included as **Annex A** is a list of supplies that should be deemed essential to continued activity of oil and gas as an essential service. This list is not exhaustive but should be considered in discussions related to border controls and interprovincial movement of goods.

### **Closing**

We are committed to working with your government to help Canada's near and long-term economic recovery while ensuring there is no disruption of essential services during this public health crisis.

If there is anything our organization or our members can do to assist further, please do not hesitate to contact me directly at [tim.mcmillan@capp.ca](mailto:tim.mcmillan@capp.ca)

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim McMillan', is written in a cursive style.

Tim McMillan  
President and CEO