

## THE ATLANTIC ACCORD

### MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF NEWFOUNDLAND AND LABRADOR ON OFFSHORE OIL AND GAS RESOURCE MANAGEMENT AND REVENUE SHARING

#### THE ATLANTIC ACCORD

1. The Government of Canada and the Government of Newfoundland and Labrador have reached an Accord on joint management of the offshore oil and gas resources off Newfoundland and Labrador and the sharing of revenues from the exploitation of these resources. The Accord will be implemented, to the extent possible, through mutual and parallel legislation to be introduced by both governments into the Parliament of Canada and the Legislature of Newfoundland and Labrador.

#### PURPOSES OF THE ACCORD

2. The purposes of this Accord are:
  - (a) to provide for the development of oil and gas resources offshore Newfoundland for the benefit of Canada as a whole and Newfoundland and Labrador in particular;
  - (b) to protect, preserve, and advance the attainment of national self-sufficiency and security of supply;
  - (c) to recognize the right of Newfoundland and Labrador to be the principal beneficiary of the oil and gas resources off its shores, consistent with the requirement for a strong and united Canada;
  - (d) to recognize the equality of both governments in the management of the resource, and ensure that the pace and manner of development optimize the social and economic benefits to Canada as a whole and to Newfoundland and Labrador in particular;
  - (e) to provide that the Government of Newfoundland and Labrador can establish and collect resource revenues as if these resources were on land, within the province;
  - (f) to provide for a stable and fair offshore management regime for industry;
  - (g) to provide for a stable and permanent arrangement for the management of the offshore adjacent to Newfoundland by enacting the relevant provisions of this Accord in legislation of the Parliament of Canada and the Legislature of Newfoundland and Labrador and by providing that the Accord may only be amended by the mutual consent of both governments; and
  - (h) to promote within the system of joint management, insofar as is appropriate, consistency with the management regimes established for other offshore areas in Canada.

#### JOINT MANAGEMENT

3. The two parties agree to establish the Canada-Newfoundland Offshore Petroleum Board, hereinafter called "the Board", to administer the relevant provisions of the Canada-

- Newfoundland Atlantic Accord Implementation Act as enacted by the Parliament of Canada and the Legislature of Newfoundland and Labrador, and other relevant legislation.
4. The Board shall consist of seven members: three of whom shall be appointed by the Government of Canada and three of whom shall be appointed by the Government of Newfoundland and Labrador. The Chairman shall be jointly appointed by both governments. Members of the Board shall not be public servants of Canada or Newfoundland and shall be subject to conflict of interest guidelines.
  5. In the event that after three months of consultation, the two governments fail to agree on the Chairman, the Chairman shall be chosen by a panel consisting of one nominee from each government who shall agree on a third person to chair the panel. In the event that the nominees fail to agree on the Chairman of the panel, the Chairman shall be selected by the Chief Justice of Newfoundland. The decision of the panel shall be binding on both governments.
  6. The first members of the Board shall be appointed by each government for staggered terms of four, five and six years respectively in order that only two members retire in any one year. The Chairman shall be appointed for a term of seven years. Subsequently, members and the Chairman shall be appointed for terms of six years. On completion of a term, members and the Chairman may be reappointed for further terms. They shall hold office during good behaviour. Each government may appoint one alternate member to serve as a member in the absence of one of the members nominated by that government.
  7. The quorum of the Board shall be four of the members.
  8. The offices of the Board and its staff shall be located in Newfoundland.
  9. The Board may from time to time establish or change its rules and procedures including provisions for reasonable notice of meetings.
  10. The Board may review and make recommendations to the two governments with respect to proposed amendments to the legislation implementing the Accord and the regulations made thereunder.
  11. The Board shall keep the Government of Canada and the Government of Newfoundland and Labrador informed of its decisions in a timely manner.
  12. Both governments agree that the Board should make its decisions on the basis of consensus. Members of the Board are not to act as nominees of the government which appointed them. In the absence of consensus, decisions will be made by the Board on majority vote.
  13. The Board shall provide both governments with full and complete access to all information held by the Board. In addition, the Board shall require applicants, permittees, and licencees to concurrently file copies of all material filed with the Board with both Governments.
  14. The Board shall report promptly and concurrently to the designated department or Agency of both governments any significant event or information received by the Board.

15. The Board shall meet at least once monthly and at any other time at the call of the Chairman, or at the call of any two members. The Board shall also meet when requested by either one or both of the two governments, to review any matter referred to it by a government.
16. The Board shall select and appoint a Chief Executive Office through an open competitive process. Alternatively, the two governments may appoint the Chairman of the Board as Chief Executive Officer. The appointment of a separate Chief Executive Officer is subject to the approval of both governments. Failing agreement, the arbitration process set out for the appointment of the Chairman shall apply for the selection of a Chief Executive Officer. The Chief Executive Officer shall be fully accountable to the Board.
17. The Board shall, upon the recommendation of the Chief Executive Officer, appoint sufficient staff to fully carry out its functions under the Accord legislation. The staff shall be selected on the basis of merit, generally following a public competition and shall be employees of the Board. When requested by the Board, both governments will take action to facilitate mobility between employment in the federal and provincial public services and employment in the Board, including secondments and portable pensions.
18. The Chief Executive Officer shall prepare a budget for the Board on an annual basis. Following approval of the budget by the Board, it shall be submitted to both governments for their consideration and approval. The budget shall be sufficient to permit the Board to carry out its duties under the legislation implementing the Accord. Each government shall pay one-half of the approved annual cost of Board operations.
19. The Board shall establish, maintain and operate a facility in Newfoundland for the storage and curatorship of all geophysical records and geological and hydrocarbon samples relating to the offshore area.
20. The Board shall prepare an annual report and submit it to both governments by the end of the first quarter of the following calendar year. The report, which shall contain an audited financial statement and a description of the Board's activities during the previous year, shall be tabled in the House of Commons and the House of Assembly by the Minister of Energy, Mines and Resources and the designated Newfoundland Minister respectively. Provision will also be made in the legislation implementing the Accord for the Government of Canada and the Government of Newfoundland and Labrador to have access to the books and accounts of the Board for the purposes of an audit.

#### DECISIONS IN RELATION TO OFFSHORE MANAGEMENT

21. For the purposes of defining the role of the Board and Ministers, decisions on offshore resources shall be divided as follows:
  - (a) decisions, made by Parliament, the Government of Canada, or Federal Ministers (clause 22);
  - (b) decisions made by the Newfoundland Legislature, the Newfoundland Government or Provincial Minister (clause 23);

- (c) decisions made by the Board subject to no ministerial review or directives (clause 24);  
and
  - (d) decisions made by the Board subject to the approval of the appropriate Minister (Fundamental Decisions, clause 25), or subject to directions from the Ministers of both governments (clause 33a).
22. Decisions made by Parliament, the Government of Canada or Federal Ministers alone comprise:
- (a) decisions related to Canadianization policy (e.g., discretionary Canadian Ownership requirements);
  - (b) decisions made under legislation of general application not specifically related to oil and gas exploration and production (e.g., Fisheries Act, Canada Shipping Act, Immigration Act); and
  - (c) decisions related to the application of federal taxes.
23. Decisions made by the Newfoundland Legislature, the Newfoundland Government, or Provincial Ministers alone comprise:
- (a) the royalty regime and other provincial-type revenues (see clause 37);
  - (b) decisions related to provincial laws of general application having effect in the offshore pursuant to clause 61.
24. The Board shall make all other decisions relating to the regulation and management of petroleum-related activities in the offshore area. Except for fundamental decisions, as set out in clause 25, all decisions of the Board shall be final. Without limiting the generality of the above, such final decisions shall include:
- (a) The Declaration of Discoveries:
    - . declaration of significant discoveries and commercial discoveries
  - (b) Production Licence
    - . granting and renewal of a production licence
    - . exclusion of lands from a production licence
  - (c) Compliance Functions:
    - . prosecution, notices, and orders regarding offenses
  - (d) The Administration of Regulations Respecting "Good Oilfield Practice":
    - . orders relating to waste
    - . entry into pooling and unitization agreements
    - . administration of technical regulations related to safety, environmental protection, resource conservation, and other matters during the exploration, development and production phases
    - . production installation, facility and operations approvals, certification of fitness
    - . oil and gas committee appellate functions

- (e) The Exercise of Emergency Powers (which may be vested in the Chief Executive Officer) Respecting Safety, Spills and Conservation:
  - . orders to prevent waste (excluding waste from flaring of gas or unsound recovery methods)
  - . taking action or directing action to repair, remedy or mitigate the impacts of an oil spill
  - . orders, evidence of financial responsibility, inquiries.

25. Where a fundamental decision is made by the Board, notice of that decision will be transmitted to both governments before the decision becomes final. Both governments will then consider the decision and advise the Board whether its decision may stand and be put into effect or whether either one or both of the governments disagree with the decision.

Fundamental decisions primarily affecting pace and mode of exploration and pace of production are:

- (a) Rights Issuance, comprising
  - i) the calling for proposals relating to the granting of an interest in lands and the selection of the proponent to whom an interest is to be granted;
  - ii) the direct issuance of an interest in lands;
  - iii) the determination of the terms and conditions to be contained in an Exploration Agreement;
  - iv) the variation of the terms and conditions contained in an Exploration Agreement; and
  - v) the continuation of any provisional lease or the variation in the conditions now applying in such lease.
- (b) Extraordinary Powers, comprising the issuance of orders:
  - i) directing an interest holder to drill a well;
  - ii) requiring the commencement, continuation, increase or suspension of production;
  - iii) cancelling the rights of an interest holder; and,
  - iv) requiring an interest holder to introduce specific measures to prevent waste.

Fundamental decisions primarily affecting the mode of development are:

- (c) Approval of the development plan with respect to:
  - i) the choice of production system,
  - ii) the planned level of recovery of the resource in place,
  - iii) the pace and timing of the implementation of the project, and
  - iv) any fundamental revision to any of the foregoing.

26. It is the objective of this Accord that consensus be sought and reached between the two governments with respect to fundamental decisions as defined in clause 25. Where agreement

cannot be reached between governments on a fundamental decision within thirty days following receipt of the Board's decision, the following shall apply:

- (a) in the national interest, and subject to clause 26(b), the Federal Minister will be responsible for approving a fundamental decision taken by the Board until a period when national self-sufficiency and security of supply are reached, or, having been reached, are lost. Once Canada reaches a period in which self-sufficiency and security of supply are reached, the Provincial Minister will have the power to approve a fundamental decision taken by the Board, subject to the normal exercise of the Government of Canada's authority over exports. The determination of whether self-sufficiency and security of supply, as defined in clause 28, have been reached will be made in the manner set out in clause 27; and
  - (b) the Provincial Minister will be responsible for approving fundamental decisions taken by the Board primarily affecting the mode of development as defined in clause 25(c), subject to the Federal Minister's right to override the Provincial Minister's approval or veto if it unreasonably delays the attainment of self-sufficiency and security of supply.
27. In the absence of agreement, the determination of whether self-sufficiency and security of supply as defined in clause 28 have been attained, and whether a decision by the Provincial Minister has caused an unreasonable delay in the attainment of self-sufficiency and security of supply, will be made by a three person arbitration panel as provided for under clause 5 of this Accord. Both governments agree to accept the decision of the arbitration panel as final and binding for the purposes of this Accord.
28. National self-sufficiency is achieved in any calendar year when the volume of suitable crude oil and equivalent substances available from domestic Canadian hydrocarbon productive capacity is adequate to supply the feedstock requirements of Canadian refineries necessary to satisfy the refined product requirements of Canada. Suitable crude oil and equivalent substances are those which are appropriate for processing in Canadian refineries and which are potentially deliverable to Canadian refineries.
- Security of supply is realized when the achievement of self-sufficiency as defined above is anticipated in each of the next ensuing five calendar years, giving full consideration to anticipated additions to productive capacity, and anticipated adjustments to refining capacity.
- In determining the above requirements, the volumes of crude oils having the quality characteristics required for the production of speciality refined products and which are not available from Canadian sources shall be excluded.
29. To minimize the regulatory uncertainty faced by industry associated with potential shifts in the role of Federal and Provincial Ministers, the determination of self-sufficiency and security of supply will be fixed for periods of five years. Each determination shall be conclusive and binding on the parties. For the first 5-year period, which commences on the proclamation of legislation implementing this Accord, both governments agree that the requirement of self-sufficiency and security of supply has not been met.

30. In the event of a sudden domestic or import supply shortfall, the Board will undertake to increase production, if requested by the federal government, consistent with good oil field practice. In addition, should Canada's obligations under the International Energy Agency (IEA) oil-sharing agreement be triggered, the Federal Minister would, during the period these obligations continue, be able to direct the Board to take such measures as are necessary to comply with Canada's obligations under the IEA and as are fair and equitable in relation to other hydrocarbon producing regions of Canada.
31. The contribution of petroleum resources from the offshore area to the achievement of self-sufficiency and security of supply shall be equitable in relation to the other hydrocarbon producing regions of Canada.

#### SUSPENSIVE VETOES

32. Where a government exercises its authority under this Accord with respect to a fundamental decision, the other government may delay the execution of that decision for a period of three months in order to give further opportunity to reach consensus.

#### MINISTERIAL DIRECTIVES

33. (a) In the public interest, Ministers may jointly direct the Board in writing concerning:
  - i) fundamental decisions (described in clause 25);
  - ii) the public review process (clause 34);
  - iii) Canada and Newfoundland benefits; and
  - iv) studies and the provision of policy advice.

The Board shall carry such directives into effect.

- (b) During the first month of each calendar year the Board shall provide to both Ministers a plan outlining the Board's intentions regarding the areas to be made available for exploration and development during that calendar year. If, upon review, it is felt that the proposed plan does not provide for an adequate level of effort towards the achievement of self-sufficiency and security of supply, the appropriate Minister as determined under Clause 26(a) may reject the plan and inform the Board of the reasons for so doing and the Board shall bring forward an alternate plan consistent with these views.

#### PUBLIC REVIEW

34. In relation to any prospective development, the Board shall conduct a public review. If the Board decides that it is in the public interest, It may waive the holding of a public review, subject to clause 33(a). If a public review is conducted, the Board may:



- (a) establish terms of reference and a timetable that will permit a comprehensive review of the project, including aspects falling within the retained jurisdiction of the Federal and Provincial Governments;
- (b) name a commissioner or panel, and may request both governments to confer upon the commissioner or panel powers of inquiry under the Public Enquiries Act of Newfoundland and Labrador or the Inquiries Act of Canada;
- (c) name to a panel members proposed by the Federal and Provincial Governments, in recognition of their jurisdiction;
- (d) require a project proponent to submit a preliminary development plan, and as needed an environmental impact statement and a socio-economic impact statement, including a preliminary benefits plan; and
- (e) cause the commissioner or panel to hold public hearings in appropriate locations in the province and report to the Board and the relevant Ministers.

Not more than 270 days shall elapse between the receipt of the plan by the Board and its decision with respect to the plan.

#### PRICING

35. The Government of Newfoundland and Labrador will be a full participant in negotiations and consultations with the Government of Canada from time to time in the same manner as the governments of other producing provinces for the establishment of the price of oil and natural gas in the offshore area.

#### REVENUE SHARING

36. The principles of revenue sharing between Canada and Newfoundland with respect to revenues from petroleum-related activities in the offshore area shall be the same as those which exist between the Government of Canada and other hydrocarbon producing provinces with respect to revenues from petroleum-related activities on land. The federal legislation implementing the Accord, therefore, will permit the Government of Newfoundland and Labrador to establish and collect resource revenues and provincial taxes of general application as if these petroleum-related activities were on land within the province, through incorporation by reference of Newfoundland laws (as amended from time to time), or through other appropriate legislative mechanisms.
37. On the basis of the foregoing, Newfoundland shall receive the proceeds of the following revenues from petroleum related activity in the offshore area:
- (a) royalties;
  - (b) a corporate income tax which is the same as the generally prevailing provincial corporate income tax in the province;



- (c) a sales tax that is the same as the generally prevailing provincial sales tax in the province;
  - (d) any bonus payments;
  - (e) rentals and licence fees; and
  - (f) other forms of resource revenue and provincial taxes of general application, consistent with the spirit of this Accord, as may be established from time to time.
38. The Board shall collect royalties, bonus payments, rentals and licence fees. These revenues and other offshore revenues referred to in clause 37 shall be remitted to the Government of Newfoundland and Labrador.

#### EQUALIZATION OFFSET PAYMENTS

39. The two governments recognize that there should not be a dollar for dollar loss of equalization payments as a result of offshore revenues flowing to the Province. To achieve this, the Government of Canada shall establish equalization offset payments. These payments shall commence on April 1 of the first fiscal year following the attainment of cumulative production of fifteen million barrels of offshore production of oil or the energy equivalent production of natural gas and shall be in two parts.

Offset payments (Part I) will be made equivalent to the loss in fiscal equalization payments resulting from any future changes to the floor provisions of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as amended 1982, with respect to the phaseout of equalization entitlements, if the changes are detrimental to Newfoundland. These Part I offset payments will apply for a period of twelve years from commencement of production.

In addition, the Government of Canada will make offset payments (Part II) equivalent to 90 per cent of any decrease in the fiscal equalization payment to Newfoundland in respect of a fiscal year in comparison with the payment for the immediately preceding fiscal year, as calculated under the prevailing Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as amended from time to time and, taking into account for both years, the offset component entitlement under Part I.

Beginning in the fifth fiscal year of offshore production, this offset rate shall be reduced by ten percentage points and by ten percentage points in each subsequent year.

#### CROWN SHARE

40. The costs and benefits of any Crown share in the offshore area which may be retained by the Government of Canada will be established by the Canada-Newfoundland Atlantic Accord Implementation Act. The costs and benefits thereof will be shared equitably by both governments.

CROWN CORPORATIONS

41. Crown corporations and agencies involved in oil and gas resource activities in the offshore area shall be subject to all taxes, royalties and levies.

DEVELOPMENT FUND

42. The Government of Canada and the Government of Newfoundland and Labrador hereby establish an Offshore Development Fund. The purposes of this Fund are to defray the social and economic infrastructure costs related to the development of oil and gas in the offshore area in the period before production begins, and to ensure that the provincial economy is well positioned to reap the economic benefits of offshore development. This Fund shall be in addition to the funding provided by the Government of Canada for regional development and other similar initiatives in Newfoundland.

The Fund will consist of a \$300 million grant, cost shared 75 per cent federal and 25 per cent provincial. Contributions to the Fund will be made over a five year period commencing April 1, 1985 on a schedule to be agreed by Ministers on the basis of project requirements.

43. A Development Fund Committee comprised of two representatives from each of the Federal and Provincial Governments shall be established to monitor and review the implementation of this Fund.
44. Both Ministers may propose projects, normally falling within provincial jurisdiction, for funding. Expenditures will be made by mutual consent.

OIL POLLUTION AND FISHERIES COMPENSATION REGIME

45. The legislation implementing the Accord will establish an oil pollution compensation regime with respect to absolute liability for oil spill damages and debris, requiring appropriate financial security. Together with the relevant provisions of the Canada Shipping Act that establish the Maritimes Pollution Claims Fund, or its successors, and any industry-sponsored programs for non-attributable damages, this shall be accepted as the basis of an oil spill damage compensation regime that recognizes the various causes and sources of pollution damage.
46. This regime shall include provisions to compensate fishermen with respect to absolute liability for attributable oil spill and debris-related damages. The Board shall also promote and monitor industry-sponsored fishermen's compensation policies for damages of a non-attributable nature.
47. A committee consisting of representatives from the Government of Canada, the Government of Newfoundland and Labrador, the petroleum industry, and the fishery industry will review and monitor these provisions.

MANAGEMENT OFFICES

48. The Board shall seek to ensure that all companies which operate in the offshore area establish offices in the province with appropriate levels of decision-making. In this spirit, the Government of Canada shall ensure, where possible, that Petro-Canada maintains an office in the province with responsibility for its operations in the offshore area.
49. The Government of Canada shall establish in the province, where possible, regional offices with appropriate levels of decision-making for all departments directly involved in activities relating to the offshore area.

#### ECONOMIC GROWTH AND DEVELOPMENT

50. It is the objective of both governments to ensure that the offshore area is managed in a manner which will promote economic growth and development in order to optimize benefits accruing to Newfoundland in particular and to Canada as a whole.
51. The legislation implementing the Accord shall provide that before the start of any work program for exploration or field development, a plan must be submitted satisfactory to the Board for the employment of Canadians and, in particular, members of the provincial labour force and for providing manufacturers, consultants, contractors and service companies in Newfoundland and other parts of Canada with a full and fair opportunity to participate in the supply of goods and services used in that work or activity.

In its review of Canada and Newfoundland benefits plans, the Board shall seek to ensure that first consideration is given to services provided from within Newfoundland, and to goods manufactured in Newfoundland, where such goods and services are competitive in terms of fair market price, quality, and delivery.

The Board shall also require that any such plans include particular provisions, consistent with the Canadian Charter of Rights and Freedoms, to ensure that individuals resident in Newfoundland are given first consideration for training and employment opportunities in the work program for which the plan was submitted.

52. Plans submitted to the Board, for the use of goods and services and for employment, including plans for any specified purchases, shall be reviewed by the Board in consultation with both governments which shall advise the Board on the extent to which they provide for full, fair and competitive access. Both governments will attempt to provide a common view to the Board, but where this is not possible, the decision on employment and procurement plans approval shall rest with the Board. The Board shall have the authority to approve such plans subject to the power of joint ministerial direction set out in clause 33.
53. The appropriate Federal and Provincial Ministers shall conclude a Memorandum of Understanding regarding the coordination of industrial and employment benefits by the Board and with respect to the industrial and employment benefits review and evaluation procedures to be followed by both governments and the Board.

REGIONAL SECURITY OF SUPPLY

54. Hydrocarbons produced from the offshore area will be made available to Newfoundland and Labrador on commercial terms to meet both total end use consumption and the feedstock requirements of industrial facilities in place on the day that legislation implementing this Accord is proclaimed. Similarly, feedstock availability shall be ensured, on commercial terms, for new industrial facilities in Newfoundland and Labrador, provided such feedstock is excess to feedstock required to meet the demand of presently existing industrial capacity in eastern Canada.

RESEARCH AND DEVELOPMENT AND EDUCATION AND TRAINING

55. Benefits plans submitted pursuant to clause 51 shall provide for expenditures to be made on research and development, and education and training, to be conducted within the province. Expenditures made by companies active in the offshore pursuant to this requirement shall be approved by the Board.

ENVIRONMENTAL STUDIES REVOLVING FUND

56. The Environmental Studies Revolving Fund (ESRF) will continue to be considered a national program with a central administration. One Newfoundland member of the Board will be appointed to the ESRF Advisory Board. In addition, the ESRF annual budget will be reviewed by the Board, and the application of related levies in the Newfoundland offshore shall be subject to Board approval.

LEGISLATION

57. Each government shall, within one year of the signing of this Accord, introduce the legislation necessary to implement the Accord and support it as a government measure.
58. The legislation implementing the Accord shall replace and supersede the federal Canada Oil and Gas Act and the Oil and Gas Production and Conservation Act and the provincial Petroleum and Natural Gas Act as it applies in the offshore area. All other federal and provincial legislation which is presently applicable to the management of the oil and gas resources in the offshore area will continue to apply.
59. Notwithstanding clause 58, to the extent that the provisions of the Canada Oil and Gas Act and the Oil and Gas Production and Conservation Act and Regulations are consistent with this Accord, they will be retained in the legislation and regulations implementing the Accord.
60. Except by mutual consent, neither government will introduce amendments to the legislation or regulations implementing the Accord.

61. The Government of Canada will introduce in Parliament legislation to extend federal laws to apply to activities in the offshore, and apply appropriate provincial laws, including social legislation such as occupational health and safety legislation and other legislation designed to protect workers.
62. Federal courts shall be invested with jurisdiction in the offshore area in respect of any matter to the same extent as if the matter had arisen within their ordinary jurisdiction. Provincial courts shall be invested with jurisdiction in the offshore region in respect of any matter arising under the laws made applicable by Parliament to the offshore region to the same extent as if the matter had arisen within their ordinary territorial jurisdiction. For the purpose of this paragraph, the offshore region shall be deemed to be within the territorial limits of the judicial centre of St. John's as defined in the District Court Act, 1977.

#### COORDINATION

63. The Board shall conclude Memoranda of Understanding with the government departments and agencies having continuing responsibilities in the offshore area for environmental and safety regulation and for emergency measures with a view to ensuring effective coordination and minimum duplication.

#### CONSTITUTIONAL ENTRENCHMENT

64. The Government of Canada agrees that should the Government of Newfoundland and Labrador achieve the requisite support among the other provinces for the constitutional entrenchment of the Accord that it would introduce a mutually agreeable resolution into Parliament.

#### TRANSITIONAL

65. Pending the enactment of legislation implementing the Accord, the Government of Canada and the Government of Newfoundland and Labrador agree to take all possible steps to set up the Board and administer existing legislation within the spirit of this Accord.
66. Subject to clause 36, interests created before the proclamation of the legislation implementing the Accord shall continue and shall be administered by the Board in accordance with the legislation.

#### OTHER MINERALS

67. In the event that exploration, production and development of minerals other than petroleum in the offshore area become feasible in the future, the two governments agree to enter into discussions regarding their exploration, development and production.

#### AREA COVERED BY ACCORD

68. The area covered by this Accord is that area below the low water mark lying off the coast of Newfoundland and Labrador out to the outer edge of the continental margin, coming within Canada's jurisdiction being north and east and south of the appropriate lines of demarcation between Newfoundland, the adjacent provinces, and the Northwest Territories.

Dated at St. John's this 11th day of February, 1985.

For the Government of Canada

For the Government of  
Newfoundland and Labrador

---

Brian Mulroney  
Prime Minister of Canada

---

A. Brian Peckford  
Premier of Newfoundland and  
Labrador and Minister for  
Intergovernmental Affairs

---

Pat Carney  
Minister of Energy,  
Mines and Resources

---

William W. Marshall  
President of the Executive  
Council and Minister  
Responsible for Energy

---

John C. Crosbie  
Minister of Justice  
and Attorney General  
of Canada