

Progressive Conservative Party of Newfoundland and Labrador
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Mr. Paul Dubé, Chair
Newfoundland and Labrador Association of Technology Industries (NATI)
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Email: nati.chair@gmail.com

Dear Mr. Dubé:

Thank you for inviting me to address your members and stakeholders on three questions you have raised regarding the growing technology sector in Newfoundland and Labrador. Advancing our province's technology sector has been a key focus on our government since 2003, and we are determined to see this sector grow even stronger in the years ahead.

Allow me to address your three questions in turn.

1. Post Non-Renewable Resource Socio- Economic Sustainability

Q: What is the Progressive Conservative Party's position on the use of non-renewable resource benefits to help develop longer term socio-economic sustainability through the knowledge based economy?

NATI is advocating that Industrial Benefits Agreements (IBAs) on non-renewable resource projects should include mandatory investments in technology activities in the province that are measurable, flexible and appropriate given the nature of the technology industry. Our record is solid and our commitment is strong: we are determined to ensure our people benefit fully from the development of our non-renewable resources, particularly by seizing opportunities to become technology leaders in these fields.

When our government announced the Hibernia Southern Extension agreement on June 16, 2009, we stated that engineering and construction work that can be performed in the province will be performed in the province, and the proponents will comply with the research and development and education and training requirements of the Canada-Newfoundland and Labrador Offshore Petroleum Board.

When we announced the agreement with Vale Inco on the Long Harbour processing facility on January 29, 2009, we achieved a commitment that total employment hours in this province would include a minimum of 460,000 hours of engineering work.

As we stated on August 20, 2008 when we announced the Hebron development agreement, the project commits more fabrication work within the province than the Terra Nova or White Rose projects as a result of the world-class expertise and capacity that we have developed here, and it also commits more engineering work and provides more revenues than either Terra Nova or White Rose. As a result of the world-class expertise and capacity developed at Terra Nova and White Rose, significant fabrication and engineering work, as well as economic benefits, will remain in the province.

Our 2006 Innovation Strategy – which remains a driver of our approach – put into action our commitment to advance knowledge-based industries throughout Newfoundland and Labrador.

Our 2011 Blue Book makes clear that, in the oil and gas sector, our initiatives will be guided by the province’s comprehensive Energy Plan, which says one of the four levers the government has to ensure sound and effective management and to maximize benefits over the long term is the commitment to local benefits. This means “encouraging industry sustainability by strategically capturing local benefits through business development, technology transfer and job creation, and increasing the level of processing, refining and other value-added activities in the province. This will also result in the expansion of local capabilities and increase our competitiveness.”

The Blue Book states: “We will focus on benefits requirements that target maximum sustainable supply and service industries and employment where we have the potential to create or capitalize on our competitive advantages. To accomplish this, we will work with our stakeholders and partners, including unions, fabrication yards and oil and gas companies.” Further: “We will develop and implement a comprehensive capability marketing plan to be used in conjunction with our supply and industrial fabrication industry companies to sell our expertise inside and outside the province.”

With respect to the mining sector, the Blue Book states: “In recognition that minerals are nonrenewable resources that ought to benefit not only current generations but also future generations of Newfoundlanders and Labradorians, we will ensure the province maximizes benefits from mining through such provisions as may be negotiated, including local employment benefits, gender equity plans, use of local supply and contracting companies, spin-offs in research and development, training, secondary processing of raw materials in the province, and the negotiation of impacts and benefits agreements with Aboriginal groups in certain circumstances.”

2. Broadband Accessibility

Q: What is the Progressive Conservative Party’s position on addressing the need for a cohesive government strategy that addresses an improvement to broadband accessibility throughout the province with a minimum acceptable bandwidth speed?

Our Party’s record and policy on broadband accessibility is set forth in our Blue Book as follows. “We will work with the private sector and the federal government in a concerted effort to provide province-wide high-speed access within four years. In June 2011, we invited internet service providers to develop a plan to assist in improving broadband access in underserved areas. Through the Rural Broadband Initiative, we will work with industry and government partners, and within the confines of a sector that is heavily-regulated by the federal government,

to advance initiatives that improve broadband access. The call for proposals creates the environment to have formal discussions with industry and protects their intellectual property while providing the government with the ability to address broadband availability. Already our investments have totaled \$20.6 million and levered more than \$90 million. Broadband access is now available in 450 communities – up from 114 in 2003.”

3. Government use of Information and Communication Technology (ICT)

Q: What is Progressive Conservative Party’s strategy to ensure ICT services, where appropriate, are leveraged to the benefit of its stakeholders and in what other areas will technology play a role in effective government?

Our government has a strong record of advancing services for Newfoundlanders and Labradorians through the use of modern Information and Communication Technology.

On May 21, 2009, we introduced in the House of Assembly a new Act Respecting the Registration of Deeds and Other Documents to replace the Registration of Deeds Act. As we pointed out at the time, the new act reflects the use of modern technology, new search methods and more consumer friendly practices. One of its major effects is to facilitate the shift from a paper-based system to an electronic system. We had already been progressive in providing more services online through the Companies and Deeds Online or CADO system, but the shift provides greater flexibility for users to register deeds as they can access the system 24 hours a day, seven days a week.

On March 10, 2010, in announcing the new, modern facility for the Commercial Registrations Division, we pointed out that we had digitized paper records from 1982 to present and our next step is to complete digitization of materials from 1825, our oldest record, to 1982.

We also made it possible for people to do their Motor Vehicle Registration Renewals online and we provided an incentive to promote the use of the online technology. This was only the beginning.

As our 2011 Blue Book states, “Newfoundland and Labrador is becoming a leader in e-government through the work of the Office of the Chief Information Officer (OCIO) across all departments. We are ready to do more to harness the power of modern computer and telecommunications technologies to deliver services more effectively to the people of Newfoundland and Labrador while at the same time nurturing public service expertise and provincial leadership in the information technology and information management fields.

“Through the OCIO, we will install Consolidated Server Architecture, including redundancy backups to guard against catastrophic failures, in order to improve reliability and reduce risk to government.

“We will continue to expand the Information Management Capacity Assessment Tool (IMCAT) across government departments to enable them to assess and improve their information management capability.

“Through the OCIO, we will develop an e-government framework to facilitate an orderly implementation of service improvement opportunities both within the organization and for clients of government departments and agencies.

“Through the OCIO, we will implement appropriate back-office processes to improve the internal efficiency of government as it relates to client-focused service delivery.

“Where appropriate, the government will network with Newfoundland and Labrador-based information technology firms and professionals to support the government’s initiatives while promoting growth in our province’s IT sector.” Further to this, consider our other commitments to innovation and R&D, as outlined in our Blue Book.

Innovation Strategy

- Our Innovation Strategy has proven to be a solid foundation for growth. We are continually assessing its progress and endeavouring to maximize success through the application of the strategy’s accountability framework. With this strategy to guide us, we will nurture a strong culture of creativity and cooperation with the necessary skills and knowledge, the right financial supports, the supportive regulations and policies, good physical and information infrastructure, appropriate and competitive industry structures and the ability to identify and capture market opportunities for new or better goods and services. Components of the strategy include support for youth innovation, a scholarship fund, a graduate employment incentive and R&D incentive information for businesses.

Technology Parks and Other Support for Strategic Clusters

- The Innovation Strategy identifies promising clusters in a range of disciplines, such as marine technology, environmental technology, information technology, life sciences, and cultural and tourism industries. Technology Parks encourage the transfer of technology from universities and colleges to the marketplace, foster close interaction between businesses located in the park and the public sector (including institutions and related spin-offs if they are nearby), nurture start-up and emerging technologies, and promote economic development. By nurturing collaboration and cooperation, we will increase the number of high-value jobs, strengthen our industrial base, aid in research and development, and bring homegrown efficient solutions to market.

Research & Development

In 2008-09, we launched our province’s new Research & Development Corporation (RDC) to work with, and encourage collaboration among, R&D stakeholders including industry, academia and government agencies and departments.

- Through the RDC and the Innovation Strategy, we will continue to incubate vital new opportunities that will propel Newfoundland and Labrador toward new growth as we head deeper into the 21st century.
- We will continue to provide, through the Research & Development Corporation, funding to stimulate a significant level of pure and applied research in Newfoundland and Labrador.
- We have been taking advantage of the Embedded Entrepreneur Initiative of NRC-IOT, which provides entrepreneurship and managerial guidance for ocean-industry businesses to work with researchers focusing on strategic areas, helping to bring industry-relevant ideas from concept to

prototype. We will continue to emphasize collaboration and partnerships among institutions, between education and industry, and within strategic clusters throughout our regions.

- We will continue to harness the power of our public post-secondary institutions – Memorial University, the Marine Institute and College of the North Atlantic – to help us make the most of our investments through the Industrial Research and Innovation Fund (IRIF).
- We will continue to demonstrate due diligence in working to capture venture capital as well as research financing from a wide range of sources. Our initiatives will facilitate commercialization by charting a course from prototypes to saleable products.
- We will partner to make Newfoundland and Labrador more competitive in terms of spending per capita on research and development.
- We will also strive to increase the share of private-sector R&D significantly as a proportion of total R&D. The government will partner with large industrial players active in the province to find mutually beneficial ways for them to increase significantly their research and development investments here.

Health Research

- As a government, we have invested significant funds in health research and facilities, including the Newfoundland and Labrador Centre for Interdisciplinary Research in Human Genetics. We will build on those investments.

Establishing and Promoting Innovation Successes

- We will work with innovators, enterprises and educators to identify opportunities to establish and promote our province's leadership, on an international scale, in key areas in which we have natural strengths, including ocean technology, fisheries sciences, aquaculture, marine transport, life sciences research, aerospace technology, software development, and communications technology engineering, digital multimedia production, web development, electronic game development and film production.

This is just an overview of the major initiatives we have already taken and will build upon on the years ahead.

Best wishes to you and your members and stakeholders in the years ahead. The sectors you represent are poised for tremendous growth in the near future and over the long term. We want to partner with you to ensure Newfoundland and Labrador becomes a global leader in the development and application of advanced technologies.

Yours sincerely,

Ross Reid
 2011 Campaign Chair
 Progressive Conservative Party
 of Newfoundland and Labrador