

For Immediate Release

May 12, 2020

2020 tax rate bylaw demonstrates RMWB leadership and support to oil sands

Fort McMurray – OSCA and its members welcome tonight’s decision by the Regional Municipality of Wood Buffalo (RMWB) Mayor and Council in passing the 2020 tax rate bylaw.

The 2020 tax rate bylaw demonstrates Council’s leadership and commitment to the sustainability of the oil sands sector and the local economy in a significant way. The 26 per cent reduction in the non-residential mill rate provides immediate and much needed relief to companies while maintaining the region’s strong financial position for the future of its residents.

In Alberta, municipal taxes are the second-highest cost to the oil and natural gas industry, after royalties. They also continue to be treated as a fixed operating cost, unlike other provincial taxes that vary based on oil prices.

OSCA has worked collaboratively with the RMWB during the past few years on short and long-term strategies to support industry competitiveness and the future success of communities in the region. The oil sands industry continues to be committed to the region and to work collaboratively to strengthen our communities, our economy and our future

Our region is facing unprecedented times – a global pandemic, a collapse in oil demand and prices, and one of the worst floods in the history of the RMWB. While there are challenging times ahead, Wood Buffalo is a resilient region. Together, we will rebuild and recover.

“In light of the deepening crisis, it is important for all levels of government and industry to work together on a substantial and comprehensive response. OSCA appreciates the RMWB Council and Administration for demonstrating leadership and long-term commitment to the oil sands, economy and local residents and business that benefit from our sector,” Karim Zariffa, Executive Director, Oil Sands Community Alliance.

“We stand alongside the RMWB in response to the deepening economic crisis, public health response, and natural disaster. It is important that the municipality and industry continue to work together to ensure a positive business environment that fosters a sustainable region and plays an important role in Alberta and Canada’s economic recovery. We appreciate the efforts of Mayor and Council and the measures they have taken to reduce taxes and we look forward to working together to ensure the long-term success of the region,” Jay Froc, Senior Vice-President, Oil Sands Mining and Upgrading, Canadian Natural

“We remain fully committed to the Wood Buffalo region, where thousands of our people will live, work and play for years to come. Thank you Mayor and Council for recognizing the importance of

passing the tax rate bylaw and the role the community plays in protecting our shared future. We appreciate your efforts.” Shelley Powell, Senior Vice President Baseplant, Suncor Energy

“We thank the RMWB for recognizing the significant challenges facing our industry and helping to protect the region’s long-term success. These significant tax reductions support Syncrude’s efforts to protect jobs while responding to extremely low oil prices and weakened product demand. Hard work and careful planning by the RMWB has put the municipality in a strong fiscal position; so they can offer this crucial tax relief to industry without cutting spending in its budget,” Doreen Cole, Managing Director, Syncrude

“This direction from RMWB Council is very much appreciated and sends a strong signal to industry that our mutually beneficial partnership will thrive for many years to come.” Simon Younger, Vice President Production, Imperial Oil

“Our company plans to continue investing in the RMWB for decades to come, supporting local businesses and organizations. The tax cut is a great example of how our industry and municipal officials are able to work together to find solutions that will ensure a healthy long-term economy for the region.” Al Reid, Executive Vice President Stakeholder Engagement, Safety, Legal & General Counsel, Cenovus

“Husky welcomes the bylaw, which will help the Alberta energy industry and the community during these challenging times. We look forward to continuing to work with the RMWB towards a mutually beneficial future,” Carmen Lee-Essington, Vice President Oil Sands, Husky Oil Operations

“ConocoPhillips Canada commends the RMWB Council for acknowledging the current business environment and the challenge it’s placed on our industry with the passing of the tax rate bylaw earlier today. We are grateful for Council’s strong stewardship and the healthy financial position of the RMWB that has made this possible,” Kirk Johnson, President, ConocoPhillips Canada.

“We value our relationship with the communities where we live and operate and are very appreciative of this reduction introduced by the RMWB. It will improve our competitiveness and helps support our business continuity plans to manage through these challenging market conditions,” Quinn Wilson, CEO, North America for CNOOC International.

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