

JUN 04 2014



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The Honourable Joe Oliver, P.C., M.P.
Minister of Finance
Government of Canada
House of Commons
Ottawa, ON K1A 0A6

Dear Minister Oliver:

Thank you for meeting with me in Ottawa on March 31, 2014. I was pleased to be able to congratulate you in person on your appointment to Minister of Finance.

As you are aware, British Columbia is aggressively pursuing the creation of a new liquefied natural gas (LNG) industry that has the capacity to generate enormous economic benefits for the people of British Columbia and Canada over the next 40 years. The window of opportunity to capture a share of the growth in Asian LNG demand is currently open to us; however, Canada needs to out-compete other countries to ensure it maximizes its share of this market opportunity.

To this end, I am writing to re-iterate the Province of British Columbia's support of the submission from the Canadian Association of Petroleum Producers (CAPP) for a change in the tax treatment of LNG liquefaction facilities in the federal 2015 Budget. Treating LNG facilities as a manufacturing and processing facility with a tax category of Class 43 (30 percent declining balance) provides consistency with other natural gas processing facilities, but more importantly, it will make Canadian LNG facilities more competitive in the global LNG race. A positive response to the CAPP proposal will help spur final investment decisions for LNG plants on the West Coast, so that Canada can become a major global LNG competitor.

I view the CAPP proposal as beneficial to our collective interests and I hope you are able to incorporate this change in your upcoming budget.

Thank you for your attention to this issue.

Sincerely yours,

Rich Coleman
Minister & Deputy Premier
Pc: Honourable Greg Rickford

Minister of
Natural Gas Development
and Minister Responsible
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and Deputy Premier

Office of the Minister

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