LEGISLATIVE ASSEMBLY
ALBERTA
Prasad Panda, MLA
Calgary - Foothills

April 6, 2018
Deborah Schulte, MP
King - Vaughan
Chair, Standing Committee on Environment and Sustainable Development
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6

Dear Deborah Schulte,

I write to you in submission of a brief with respect to *Bill C-69, An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts*.

In my consultations with Canada's oil and gas industry over the last two months, when I bring up the topic of Bill C-69 the response I hear is the same everywhere: if C-69 is made law, nobody will build anything. No one will build new a pipeline under this proposed process. The fact that C-69 was even introduced has brought an investment chill to the industry; despite attempts in the bill to move federal and provincial environmental assessments of projects in parallel and lock step.

Let me detail for you what I see as the greatest flaws in the bill.

<u>Approval Timelines Are Too Long or Absent</u>

Section 183 subpart (4) of the bill dealing with the proposed *Canadian Energy Regulator Act* refers to a maximum of 450 days for the report on a certificate for a pipeline to leave the Commission for the Minister once an applicant has provided a complete application. Meanwhile, projects evaluated under the proposed *Impact Assessment Act* face a maximum of 300 days for a report to reach the Minister.

Pipelines are proven technology. It is unacceptable that the regulatory times for pipelines are treated differently than for other projects.

If these timeline are exceeded the project applicant may go to court to force a decision. This takes even more time. Alberta is short federally appointed judges. Why does Alberta have to beg for judges to be appointed? We have a rural crime crisis, our population is growing, and given the impact of the Jordan decision on the Canadian judicial system, justice is not being delivered in Alberta.

Absent from the bill are set timeline for Indigenous consultations. This is disrespectful to both the project proponents and Indigenous peoples. The Government has repeatedly stated that Indigenous Canadians do not hold veto's over project approvals unless the project directly impacts an established reserve. Yet this bill does not add any clarity. From our conversations, Indigenous peoples do not wish to talk about the same project over and over for months, years, and generations on end, wasting their time and resources as was done with the MacKenzie Valley Pipeline that was talked about for so long it didn't happen when the markets and technology changed. Indeed, we've recently seen a number of vocal bands speak out against the obstructionism of resource development that could provide prosperity for their communities.

Scope of Consultations Is Too Wide

Bill C-69 throws the doors open to anyone and everyone to come and give their opinion on a project. This will add more time to the consultation, costing project proponents and tax payers more dollars. This action also dilutes the focus on the real and true environmental impacts of a project on the local residents who have to live with the development in their backyards. This change in process disrespects the peoples most adversely affected by a project.

By authorizing public finances to help citizens and non-citizens engage in the public consultation the government creates a perversion of the process and no longer becomes a neutral participant. For instance: residents of Halifax have no business getting public dollars to come to a hearing in Calgary to oppose a project that goes nowhere near Nova Scotia.

Ministerial interference

At numerous points in the review process the Minister can interfere, slowing or stopping the project review process. This results in bureaucratic make work for Ottawa's public servants and suggests a paternalistic Ottawa knows best attitude permeates Bill C-69. The review process no longer becomes truly independent. Ministerial interference lengthens the timelines and increases uncertainty for projects. It drives capital investment from the country.

The New Canadian Energy Regulator

The newly proposed Canadian Energy Regulator, designed to replace the National Energy Board, cannot reduce timelines for its project reviews by managing them better and making sure there are fewer stops of the legislated clock if the Minister is allowed to constantly interfere in the process.

Projects, formerly reviewed by the National Energy Board, will now instead be assessed by a distant Impact Assessment Agency of Canada, with well-meaning and dedicated public servants who have no experience, background, or knowledge in the energy industry. This will result in flawed project reviews, forced project delays, and capital flight from Canada due to a lack of faith in the review process.

Encroachment into Provincial Jurisdiction

Under the interim approach for major projects announced by the Minister on January 27, 2016; direct and upstream greenhouse gas emissions linked to the projects under review will be assessed. This is an encroachment into provincial jurisdiction. Alberta will not have the federal government regulating areas of exclusive provincial jurisdiction. Nor will the other provinces.

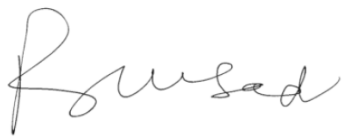
I have worked in the energy sector globally for over 25 years. I was a key member of the project management team that built the world's largest refinery in India in less time than it takes to complete the regulatory process envisioned in Bill C-69. The world is begging for Canadian energy products, yet the Liberal government, a party known for its internationalism, is failing to allow Canada to take its place on the world stage as an energy supplier of choice, and to meet growing international demand as forecast by the International Energy Agency.

Instead, the federal Liberal government, through the proposal in C-69, chose to turn Canada into a client state of the United States of America in energy matters, enabling the USA to export oil and gas at will, but ensuring Canada's and specifically Alberta's production, heads south at a deep discounted price. As a result, Bill C-69, as it is written, will stall growth in the energy sector, ruining the lives of workers and families across the country.

The taxation that is required by the Government of Canada to pay for provincial transfers and the flawed equalization program is derived from the development of Alberta's natural resources. From 2007 to 2014, the amount of taxes sent to Ottawa that didn't make it back to Alberta never went below $19.8 billion per year. This equals a staggering net contribution over eight years of $190 billion from the province. The Government of Canada and dependent provinces rely on the Province of Alberta for financial support. If Alberta's natural resource sector is not allowed to grow and prosper, who else in the federation is going to pay the bills?

Madam Chair, as far as I am concerned, the flaws in this bill are insurmountable. It would be better for C-69 to die on the order paper at the next prorogation and not come back.

Sincerely,



Prasad Panda, MLA
Calgary – Foothills
United Conservative Party Energy Critic

cc:
Honourable Jim Carr, Minister of Natural Resources
Honourable Catherine McKenna, Minister of Environment and Climate Change
United Conservative Party Caucus Members