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**CANADA'S BUILDING TRADES UNIONS
LES SYNDICATS DES MÉTIERS DE LA CONSTRUCTION DU CANADA**
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Special Committee on the Economic Relationship between Canada and the United States

Brief on Line 5 and the Future of Energy Jobs in Canada and the United States

Presented by

Canada's Building Trades Unions

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**72 Chamberlain Avenue, Ottawa, Ontario,
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CANADA'S BUILDING TRADES UNIONS

Canada's Building Trades Unions (CBTU), the Canadian arm of North America's Building Trades Unions, are an organization composed of 14 international unions and over 330 provincial, state and local councils. We represent over three million skilled trades professionals across North America. This industry is found in every town and city and our members are employed constructing virtually every road, bridge, industrial, institutional, and green construction project in Canada. We make up six per cent of Canada's GDP, and our industry maintains and repairs more than \$2.2 trillion in assets.

Our work is not just done on site, but in several facilities that provide modules or other components that are incorporated into the structures that we work on. Once structures are built, we are employed in their renovation, maintenance and repurposing. Our members are highly trained skilled tradespeople who are the backbone of the middle class. The Unions that compose CBTU can be found on our [website here](#).

We work closely with our Washington office, to coordinate and support issues that affect our members on both sides of the border – like fighting for Line 5; or fighting for an exemption for Canada under Buy America measures.

INTRODUCTION

Canada's Building Trades Unions thank the Committee for the opportunity to be a part of your consultations surrounding Enbridge Line 5 and the future of energy jobs in Canada.

We appreciate the Government of Canada's willingness to engage in public consultation with Canadians, and we hope that consultations will continue in the pursuit and development Canada's energy security.

In making this submission we seek to highlight the importance of Line 5 and our belief that a large-scale, bilateral energy policy for Canada and the United States is important for our energy security and economies.

BACKGROUND

Over the last several years bilateral energy projects such as the Keystone XL pipeline have been at risk or shut down leading to job losses on both sides of the border; and now Line 5 is at risk.

The pipeline industry has taken notable steps to green projects. For example, the 2021 Keystone XL project that was ultimately cancelled was a very different project than the original project proposal. TC Energy planned for the pipeline to be powered by renewable energy by 2030.¹

According to Statistics Canada, in 2019 there were over 230,000 employees in Canada working in mining, quarrying, and oil and gas extraction.² With the cancellation of large energy projects like Keystone XL Pipeline and pipelines like Line 5 and TMX in jeopardy,

¹ <https://www.keystonexl.com/project-updates/updates-feed/2021/keystone-xl-commits-to-become-first-pipeline-to-be-fully-powered-by-renewable-energy/>

² Statistics Canada. [Table 14-10-0023-01 Labour force characteristics by industry, annual \(x 1,000\)](#)

thousands of hardworking men and women are currently unemployed and will struggle to find meaningful work in this sector. Regions like Alberta that have traditionally relied on jobs in the oil and gas sector are being hit hard, with estimates of approximately half of the 60,000 members of the Building Trades of Alberta currently unable to find work.

ENBRIDGE'S LINE 5

Line 5 is a critical piece of Canadian energy infrastructure. Line 5 delivers 53 per cent of Ontario's crude oil supply, and transports (indirectly, via Enbridge's Line 9) two-thirds of the crude oil consumed in the province of Quebec.³

Line 5 (and Line 9) also minimize the use of other transportation methods for petroleum and refined products such as rail, marine and truck delivery. This reduces strain on the respective transportation infrastructure in Ontario and Quebec, as well as the associated safety and environmental risks.

Line 5 feeds the strategically important Sarnia Petrochemical Manufacturing Complex (SPMC), which plays a key role in the processing of natural gas liquids (NGL) into propane and butane in Sarnia and supports a significant petrochemical industry in Montreal's East End. The SPMC is also responsible for more than \$65 billion per year of direct and indirect revenues, based on \$28 billion in direct annual trade.

Line 5 provides a vital link for East-West trade across Canada. In Ontario, the SPMC ties together Eastern and Western Canadian economies and is essential to both Ontario and Alberta. The SPMC is the premier Canadian location to add value and monetize upstream crude oil production from Alberta and Saskatchewan. Sarnia-Lambton's largest trading partner is Alberta, with more than 85 per cent of its feedstock and energy requirements delivered to the Sarnia-Lambton area via pipelines operated by Enbridge and others.

The cancellation of Line 5 will have serious ramifications on both the US and Canadian economies, affecting everything from jobs to agriculture to consumer prices for goods.

Jobs at Stake

Line 5 is critical to the Sarnia region; the SPMC directly employs more than 4,900 people and generates an additional 23,500 jobs — or approximately one-third of the area's total employment.

Line 5, via Enbridge's Line 9, is essential to maintaining the petrochemical industry in Montreal's East End — which employs about 3,600 workers. Line 9 supports the unique polyester manufacturing chain consisting of four factories in East Montreal that work together by sharing their inputs and outputs to manufacture products used in the packaging and textile sectors in particular.

Alternatives

Alternatives for the shortages that would result due to Line 5's shutdown are limited and would require massive investments in infrastructure or significantly increasing rail or trucking capacity.

³ <https://www.enbridge.com/projects-and-infrastructure/public-awareness/line-5-michigan/about-line-5>

- Replacing Line 5 would be the equivalent of **2,000 trucks one way, per day** or the equivalent of **800 rail cars one way**.
- Alternative modes of transportation would likely increase the number of emissions released when compared to the current operations. Past studies that have assessed alternatives for other pipelines such as Line 3 have determined that alternatives like rail and trucks would increase emissions.⁴

Recommendation on Line 5

CBTU strongly supports the continuation of Line 5 to protect jobs and support the energy needs of Canada and the United States, until the completion of the Great Lakes Tunnel Project. We recommend the Canadian Government continue to advocate to their U.S. counterparts in support of this pipeline identifying the economic, energy, and environmental risks of revoking the easement. If necessary, the Canadian Government should be prepared to invoke the Transit Pipelines Treaty ratified in 1977 that states that neither federal, state nor provincial governments shall implement measures that would “have the effect of, impeding, diverting, redirecting or interfering with in any way the transmission of hydrocarbon in transit.”

LONG TERM CANADA-U.S. ENERGY RECOMMENDATIONS

Formation of a Task Force on the Future of Energy Jobs

As Canada moves to a greener economy, we cannot let hard working Canadians in the energy sector fall to the wayside. The last two decades have seen rapid changes taking place in Canada’s energy sector, particularly in the oil and gas industry, as market conditions and forces beyond the sector’s control impact the prices, production, and distribution of product. These changes have led to increased layoffs in this sector, especially in recent years. Action to reduce greenhouse gas emissions and the COVID-19 pandemic have accelerated this process, with thousands of workers displaced in Canada.

There needs to be strategic long-term planning to ensure Canada’s energy needs are met and that the workforce is not detrimentally impacted. CBTU and our members will be able to support the Government in its research and analysis for this initiative. Urgent, proactive action is required to ensure that Canadian workers in the energy sector are not left behind. We are proposing that the Government of Canada create a **Task Force on the Future of Energy Jobs**, which would be responsible for advising and providing ongoing support to the Government.

The Task Force needs to include a multi-ministerial approach to the future of energy jobs, that includes industry and labour, and would be responsible for advising and providing ongoing support to ensure a fair future for energy workers while meeting our energy needs.

The Task Force could look at the formation of an office focused on energy sector jobs that would focus on creating jobs using advanced technologies in the areas of:

⁴ <https://mn.gov/eera/web/project-file?legacyPath=/opt/documents/34079/Line3%20FEIS%20Ch%20002%20Executive%20Summary%20Complete.pdf>

- Carbon capture and storage – that includes the work that will be done by the newly formed [Alberta–Canada Carbon Capture, Utilization and Storage Steering Committee](#).
- Renewable methane technology – further support for oil and gas companies to find green solutions in the reduction of GHGs;
- Small modular reactors – we commend the government on the work done to position Canada as a leader in small modular reactors through the Roadmap and \$20 million investment in New Brunswick. The Task Force would build on this work;
- Hydrogen – Canada launched its hydrogen strategy last December, and recently made an agreement with Germany to explore the joint development of green hydrogen.

The Task Force would communicate and work in conjunction with the newly formed **US Office for Energy Jobs** to coordinate a bilateral energy policy.

Bilateral Canada-US Energy Policy

Recently, President Biden and Prime Minister Trudeau met and laid out a Roadmap for a Renewed U.S.-Canada Partnership which highlighted;

- The leaders recognized the important economic and energy security benefits of the bilateral energy relationship and its highly integrated infrastructure. To further advance climate priorities, they agreed to renew and update the existing Memorandum of Understanding (MOU) on energy between the U.S. Department of Energy and the Department of Natural Resources Canada to enhance cooperation on sustainable and equitable energy transitions, clean energy innovation, connectivity and low-carbon transportation.
- The leaders also agreed to strengthen cooperation under the Energy Resource Governance Initiative (ERGI), a multinational effort to foster international cooperation on the minerals and metals that make the energy transition possible.
- The Prime Minister and the President acknowledge the impact of international regulatory cooperation on enhancing economic competitiveness and well-being while maintaining high standards of public health, safety, labor/labour, and environmental protection.

The Road Map is a great working document, and now we need to operationalize this road map to help sustain our existing energy industry and transition the industry – and workers – to a greener future. A key deliverable of the Road Map needs to be a bilateral Canada-US energy policy.

We need a larger strategy that includes a just transition for the thousands and thousands of Canadians that work in the energy sector, many of whom have already been displaced. In July 2020, North America's Building Trades Unions released two comprehensive

reports assessing construction opportunities and job quality in the energy sector.⁵ The results found quality job opportunities in oil and natural gas construction, and both union and non-union energy construction workers report that oil and natural gas jobs are better overall careers for them. These are the jobs that pay taxes, invest in local businesses, support local charities, schools and sports team and build communities across Canada. Simply put, a renewable job doesn't last as long, pay as well and include pension and benefits as an energy sector job. We need higher labour standards for renewable jobs, on wind and solar projects that include a fair wage and benefit package.

Both Canada and the United States need to make it easier and more affordable for workers to travel to where the work is. In Canada, CBTU is advocating for a Skilled Trades Workforce Mobility Tax Deduction being incorporated into our tax system will create fairness for workers and support worker mobility.⁶

Bilaterally, we need a dedicated visa program that allows skilled trades workers, belonging to the same craft union, to travel more easily between Canada and the US to meet the needs of industry and address gaps in labour supply.

Greening the Industry

We recognize Canada needs to move towards renewable energy – the Building Trades are leaders in training our members to work on renewables like solar and wind. We are the single largest trainer of apprentices in Canada, with over 175 training centres across the country, and we spend over \$300 million per year, with our contractor and employer partners to fund training initiatives.

The industry needs to green our existing pipelines, powering them with renewables to move the oil and oil by-products, instead of traditional methods of coal or oil. This will create jobs while still meeting our energy needs.

CBTU applauds the government on the current residential retrofit program; and the \$2 billion for large-scale building retrofits; but there is great benefit for carbon reduction in industrial retrofits to green our existing infrastructure, reduce emissions and put more Canadians to work. According to analysis done by Dunskey Energy Consulting for Clean Energy Canada, efficiency program investments create 16-30 jobs per \$1 million invested.⁷ This is a remarkable return on investment and an opportunity to build back better from the COVID-19 pandemic.

CONCLUSION

Line 5 is crucial to both Canada and the U.S. and its potential cancellation will affect tens of thousands of jobs. We will continue to advocate, on behalf of the over three million skilled trades workers that belong to North America's Building Trades Unions, for the uninterrupted, continuation of Line 5 until the Great Lakes Tunnel is complete. If necessary, we urge the Government to invoke the 1977 Treaty. We stand ready to

⁵ https://nabtu.org/press_releases/two-new-energy-construction-studies/

⁶ <https://buildingtrades.ca/2021/03/12/canadas-building-trades-union-support-ndp-private-members-bill-to-implement-a-skilled-trades-workforce-mobility-program/>

⁷ Dunskey Energy Consulting, 2018. [The Economic Impact of Improved Energy Efficiency in Canada](#)

advocate for the continuation of the pipeline and urge the Government to develop a comprehensive bilateral energy policy that includes the formation of a Task Force on the Future of Energy Jobs to ensure energy workers across Canada are not left behind.